As filed with the Securities and Exchange Commission on June 14, 2000

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
Under
The Securities Act of 1933

ORASURE TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	3841	36-4370966
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

8505 S.W. Creekside Place
Beaverton, Oregon 97008
(503) 641-6115
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

ROBERT D. THOMPSON
8505 S.W. Creekside Place
Beaverton, Oregon 97008
(503) 641-6115
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

JOHN A. GRANDA, ESQ.	JEFFREY P. LIBSON, ESQ.
Stinson, Mag & Fizzell, P.C.	Pepper Hamilton LLP
1201 Walnut Street, Suite 2800	1235 Westlake Drive, Suite 400
Kansas City, Missouri 64106	Berwyn, Pennsylvania 19312
(816) 842-8600	(610) 640-7800
Facsimile: (816) 691-3495	Facsimile: (610) 640-7835

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement is declared effective and all other conditions to the merger (as defined herein) have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value $.000001 per share.....	38,858,495 shares	N/A (2)	$264,474,219 (2)	$69,822 (2)

(1) This registration statement relates to common stock, par value $.000001 per share ("OraSure Common Stock"), of OraSure Technologies, Inc. issuable to (i) holders of common stock, no par value per share ("Epitope Common Stock"), of Epitope, Inc. ("Epitope") in the proposed merger of Epitope

into OraSure Technologies ("Epitope Merger"), and (ii) holders of common stock, par value $.000001 per share ("STC Common Stock"), of STC Technologies, Inc. ("STC") in the proposed merger of STC into OraSure Technologies ("STC Merger"). The amount of OraSure Common Stock to be registered has been determined to be at least as large as the sum of (i) 1.0 multiplied by 18,858,495, the maximum aggregate number of shares of Epitope Common Stock exchangeable in the Epitope Merger, plus (ii) 5.4691 multiplied by 3,656,876, the maximum number of shares of STC Common Stock exchangeable in the STC Merger.

(2) The registration fee was calculated in accordance with (i) Rule 457(f)(1), based on $10.938, the average of the high and low sales prices for Epitope Common Stock on the Nasdaq Stock Market System on June 6, 2000 multiplied by 18,858,495, the maximum number of shares of Epitope Common Stock convertible in the Epitope Merger, and (ii) Rule 457(f)(2), based on $2.91, the book value per share for STC Common Stock on March 31, 2000, multiplied by 20,000,000, the maximum number of shares of STC Common Stock convertible in the STC Merger.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said section 8(a), may determine.

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EPITOPE

MERGER PROPOSED--YOUR VOTE IS VERY IMPORTANT

The boards of directors of Epitope, Inc. and STC Technologies, Inc. have agreed on the reorganization of the two companies into a new company. The transaction is structured as a stock-for-stock "merger of equals" of Epitope and STC. We believe OraSure Technologies will be able to create substantially more stockholder value than could be achieved by the companies individually.

Our combined company will be named OraSure Technologies, Inc. and will be incorporated under Delaware law. Its corporate headquarters will be located in Bethlehem, Pennsylvania.

Upon completion of the transaction, each share of STC common stock will be converted into a number of shares of common stock of OraSure Technologies that will depend upon the average closing price of Epitope common stock during a 20 trading day pre-merger measurement period ending prior to the third trading before the effective time of the mergers. Each share of Epitope common stock will be converted into one share of common stock of OraSure Technologies. It is a condition to the mergers that immediately prior to the completion of the mergers, the outstanding shares of STC Series A Convertible Preferred Stock will be converted into STC common stock.

We intend to file an application to have common stock of OraSure Technologies listed on the Nasdaq Stock Market under the symbol "OSUR."

We are asking Epitope stockholders to approve the agreement and plan of merger. A special meeting of Epitope stockholders will be held:

, , 2000
:00 .m., Local Time

Epitope, Inc.'s board of directors unanimously recommends that Epitope stockholders vote FOR approval of the agreement and plan of merger.

Robert D. Thompson
President and Chief Executive Officer,
Epitope, Inc.

STC

Assuming that the average closing price of Epitope common stock during the 20 trading day measurement period ending prior to the third trading day before the effective time of the mergers is the same as during the comparable time period prior to the mailing date of this joint proxy statement/prospectus, about % of the outstanding common stock of OraSure Technologies will be held by former Epitope stockholders and about % of the outstanding common stock of OraSure Technologies will be held by former STC stockholders. After giving effect to the issuance of common stock of OraSure Technologies upon the exercise of Epitope options and warrants and STC options, about % of the fully diluted common stock of OraSure Technologies will be held by former Epitope stockholders, optionholders and warrantholders, and about % of the fully diluted common stock of OraSure Technologies will be held by former STC stockholders and optionholders.

Some of STC's stockholders, including members of management and the board of directors, who collectively vote 57.4% of the outstanding STC stock have executed stockholder agreements in which they have agreed to vote all of their shares of STC stock in favor of adoption of the agreement and plan of merger. These votes are sufficient to adopt the agreement and plan of merger under Delaware law. Some of Epitope's stockholders, including members of management and the board of directors, who collectively hold 3.3% of the outstanding Epitope common stock, have executed stockholder agreements in which they have agreed to vote all of their shares of Epitope common stock in favor of approval of the agreement and plan of merger.

We are asking STC stockholders to adopt the agreement and plan of merger. A special meeting of STC stockholders will be held:

, , 2000

:00 .m., Local Time

STC's board of directors unanimously recommends that STC stockholders vote FOR adoption of the agreement and plan of merger.

Michael J. Gausling
President and Chief Executive Officer,
STC Technologies, Inc.

Consider the risks described on pages through of this document.

Neither the Securities and Exchange Commission nor any state securities regulator has approved the stock to be issued under this document or determined if this document is accurate or adequate. Any representation to the contrary is a criminal offense.

Joint proxy statement/prospectus dated , 2000 and first mailed to stockholders on , 2000.

This document incorporates important business and financial information about Epitope that is not included in or delivered with this document. This information is available without charge to stockholders upon written or oral request at Epitope's address and telephone number listed on page . To obtain timely delivery, stockholders must request the information no later than , 2000.

NOTICE OF SPECIAL MEETING
TO BE HELD ON , , 2000

AT :00 .M.

To the Stockholders of Epitope, Inc.:

A special meeting of stockholders of Epitope, Inc. will be held on , , 2000, at :00 .m., local time, at , , , to consider and vote upon:

1. A proposal to approve the agreement and plan of merger, dated as of May 6, 2000, among Epitope, Epitope's wholly-owned subsidiary, OraSure Technologies, Inc., and STC Technologies, Inc., pursuant to which Epitope and STC each will merge into OraSure Technologies and OraSure Technologies will issue shares of common stock in exchange for the shares of STC common stock and Epitope common stock surrendered in connection with the mergers, all as described in the attached document.

2. Such other business as may properly come before the meeting.

Holders of record of Epitope common stock at the close of business on , 2000, will be entitled to vote at the Epitope meeting or any adjournment or postponement.

Admittance to the special meeting will be granted only to stockholders as of the record date and guests of management. Please bring identification and, if you hold your shares in "street name" or otherwise not in your own name, please bring proof of share ownership, such as an account statement, for admittance.

The board of directors of Epitope has determined that the agreement and plan of merger is fair to and in the best interests of Epitope and its stockholders, has declared its advisability, and unanimously recommends that you vote in favor of the approval of the agreement and plan of merger.

Please do not send any certificates for your stock.

Andrew S. Goldstein
Secretary

, 2000

Your vote is important. Whether or not you plan to attend the Epitope meeting, please complete, date and return your proxy card in the enclosed envelope promptly.

If you do not vote your shares, or instruct your stockbroker to vote for you, it will have the same effect as voting against the merger.

NOTICE OF SPECIAL MEETING

TO BE HELD ON , , 2000

AT :00 .M.

To the Stockholders of STC Technologies, Inc.:

A special meeting of stockholders of STC Technologies, Inc. will be held on , , 2000, at :00 .m., local time, at , , , to consider and vote upon:

1. A proposal to adopt the agreement and plan of merger, dated as of May 6, 2000, among Epitope, Inc., Epitope's wholly-owned subsidiary, OraSure Technologies, Inc., and STC, pursuant to which Epitope and STC each will merge into OraSure Technologies and OraSure Technologies will issue shares of common stock in exchange for the shares of STC common stock and Epitope common stock surrendered in connection with the mergers, all as described in the attached document.

2. Such other business as may properly come before the meeting.

Holders of record of STC common stock and STC Series A convertible preferred stock at the close of business on , 2000, will be entitled to vote at the STC meeting or any adjournment or postponement.

Admittance to the special meeting will be granted only to stockholders as of the record date and guests of management. Please bring identification.

The board of directors of STC has determined that the agreement and plan of merger is fair to and in the best interests of STC and its stockholders, has declared its advisability, and unanimously recommends that you vote in favor of the adoption of the agreement and plan of merger.

Please do not send any certificates for your stock.

Jeffrey P. Libson
Secretary

, 2000

Your vote is important. Whether or not you plan to attend the STC meeting, please complete, date and return your proxy card in the enclosed envelope promptly.

If you do not vote your shares, it will have the same effect as voting against the merger.

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ANNEXES

QUESTIONS AND ANSWERS ABOUT THE MERGERS

Q: Why are Epitope and STC proposing the mergers?

A: We are proposing the mergers because we believe the combined strengths of the two companies will enable us to compete more effectively on a national and international basis and to create substantially more stockholder value than could be achieved by the companies individually.

Q: What will happen in the mergers?

A: We are proposing a transaction in which both Epitope and STC will merge into OraSure Technologies, Inc., which is a new company formed under Delaware law solely for the purposes of combining the two companies and changing the state of incorporation of Epitope from Oregon to Delaware. Epitope stockholders and STC stockholders each will have their respective shares of common stock converted into newly-issued shares of common stock of OraSure Technologies. Assuming that the average closing price of Epitope common stock during the 20 trading day measurement period immediately preceding the third trading day days before the effective time of the mergers is the same as during the comparable time period prior to the mailing date of this joint proxy statement/prospectus, about % of the outstanding common stock of OraSure Technologies will be held by former Epitope stockholders and about % of the outstanding common stock of OraSure Technologies will be held by former STC stockholders. After giving effect to the issuance of common stock of OraSure Technologies upon the exercise of Epitope options and warrants and STC options, about % of the fully diluted common stock of OraSure Technologies will be held by former Epitope stockholders, optionholders and warrantholders, and about % of the fully diluted common stock of OraSure Technologies will be held by former STC stockholders and optionholders.

Q: When are the stockholders' meetings?

A: Each company's meeting will take place on , 2000. The location of each meeting is specified on the cover page to this document.

Q: What do I need to do now?

A: You should carefully read and consider the information contained in this document. Then, please mail your signed proxy card in the enclosed return envelope, as soon as possible, so that your shares may be represented at your meeting. In order to assure that we obtain your vote, please give your proxy as instructed on your proxy card even if you currently plan to attend your meeting in person.

Q: What should I do if I want to change my vote?

A: Just send in a later-dated, signed proxy card to your company's Secretary. Or, you can attend your meeting in person and vote. You may also revoke your proxy by sending a notice of revocation to your company's Secretary at the address under "Summary--The Companies" on page .

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: If you do not provide your broker with instructions on how to vote your "street name" shares, your broker will not be permitted to vote them. You should therefore be sure to provide your broker with instructions on how to vote your shares.

If you do not give voting instructions to your broker, you will, in effect, be voting against the applicable merger unless you appear in person at your stockholders' meeting and vote in favor of such merger.

Q: Should I send in my stock certificates now?

A: No. If the mergers are completed, we will send Epitope stockholders and STC stockholders written instructions for exchanging their share certificates.

Q: What plans are there for future dividends?

A: Neither Epitope nor STC has historically paid quarterly dividends to its stockholders. OraSure

Technologies' dividend policy will be set by its board of directors. The amount of any dividends will depend on a number of factors, including OraSure Technologies' financial condition, capital requirements, results of operations, future business prospects and other factors that OraSure Technologies' board of directors may deem relevant. We do not anticipate that OraSure Technologies will pay dividends to stockholders in the foreseeable future because it plans to deploy its capital in a manner intended to generate growth in stockholder value.

Q: When do you expect the mergers to be completed?

A: We are hoping to complete the mergers as quickly as practicable. In addition to stockholder approvals, we must also obtain regulatory approvals. We expect to complete the mergers during the third calendar quarter of 2000.

Q: Whom do I call if I have questions about the meetings or the mergers?

A: Epitope stockholders may call D. F. King & Co. at 800-628-8509. STC stockholders may call Richard D. Hooper at 610-882-1820.

SUMMARY

This Summary highlights selected information from this document and may not contain all of the information that is important to you. To understand the mergers fully and for a more complete description of the legal terms of the mergers, you should carefully read this document and the documents we refer to. See "Where You Can Find More Information" on page .

The Companies

Epitope, Inc.
8505 S.W. Creekside Place
Beaverton, Oregon 97008
(503) 641-6115

Epitope develops, manufactures and markets medical devices and diagnostic products utilizing its proprietary oral fluid technologies for sale to public- and private-sector clients worldwide. Epitope's primary focus is on the detection of HIV antibodies, with emphasis in the U.S. life insurance and global public health markets, and on the use of oral fluid testing for the detection of drugs of abuse and other analytes.

STC Technologies, Inc.
150 Webster Street
Bethlehem, Pennsylvania 18015
(610) 882-1820

STC develops, manufactures and markets proprietary in vitro diagnostic products and medical devices for use in clinical laboratories, physician offices and workplace testing. STC is a supplier of oral fluid assays to the insurance risk assessment testing market and also manufactures and markets other substance abuse testing products. STC also is developing up-converting phosphor technology ("UPT(TM)") for a broad range of diagnostic applications including but not limited to a lateral flow format for use in rapid point of care oral fluid testing for the detection of drugs of abuse and other substances.

OraSure Technologies, Inc.
8505 S.W. Creekside Place
Beaverton, Oregon 97008
(503) 641-6115

OraSure Technologies is a newly formed Delaware corporation that has not, to date, conducted any activities other than those incident to its formation, the execution of the agreement and plan of merger and the preparation of this joint proxy statement/prospectus. In the reorganization, Epitope and STC will merge into OraSure Technologies. The business of OraSure Technologies will be the combined businesses currently conducted by Epitope and STC.

Reasons for the Mergers

The combination of the developer of an oral fluid collection device with a manufacturer of oral fluid assay tests will better enable us to achieve our shared mission of becoming a leading oral fluid diagnostics company. Combining Epitope and STC will leverage our expertise in oral fluid technology, infectious disease testing and substance abuse testing. By building upon our complementary product portfolios, technologies and sales infrastructure, we believe the combination will open up new U.S. and foreign markets and strengthen positioning in key current markets such as the rapidly expanding point of care market. In particular, STC's proprietary Up-Converting Phosphor technology has broad applications for oral fluid testing. With the increased sensitivity and accuracy of UPT technology, OraSure Technologies can expand the menu of tests available on Epitope's OraSure(R) oral fluid collection device as well as expand oral fluid testing to point-of-care testing.

This same basic technology represented by UPT is also expected to be of significant benefit to other medical diagnostic manufacturers outside the area of expertise of Epitope and STC. For many of these additional applications of UPT, OraSure Technologies plans to license the technology to these other companies to provide an ongoing revenue stream of license fees and royalties.

These complementary skill sets, together with a combined research and development investment of $5.4 million for the twelve months ended September 30, 1999, should accelerate product

development and commercialization of a variety of oral fluid testing platforms. We believe stockholder value will be further enhanced by revenue synergies as well as more than $2 million of estimated annual cost savings relating to cost avoidance and elimination of duplication.

The mergers will also effect a change in the state of incorporation of Epitope from Oregon to Delaware in order to provide a greater degree of predictability and certainty in complying with applicable corporate law requirements.

To review our reasons for the mergers in greater detail, see page 27.

Our Recommendations to Stockholders (see page 29)

To Epitope Stockholders:

Epitope's board of directors unanimously recommends that you vote FOR approval of the agreement and plan of merger.

To STC Stockholders:

STC's board of directors unanimously recommends that you vote FOR adoption of the agreement and plan of merger.

The Mergers

The agreement and plan of merger is attached as Annex A to this document. We urge you to read the agreement and plan of merger as it is the principal legal document that governs the mergers. This agreement provides for the combination of Epitope and STC in a stock-for-stock merger of equals. If the agreement and plan of merger is adopted by our stockholders, we will combine our businesses through two separate mergers into OraSure Technologies.

What STC and Epitope Stockholders Will Receive (see page 40)

As a result of the mergers, each share of STC common stock will be converted into a number of shares of common stock of OraSure Technologies that will depend upon the average closing price of Epitope common stock during a 20 trading day period ending prior to the third trading day before the effective time of the mergers. If the average closing price of Epitope common stock were to be between $8 and $13 per share, each share of STC common stock would be converted into between 6.84 and 5.47 shares of OraSure Technologies common stock, respectively. We refer in this document to the number of shares of OraSure Technologies common stock that each share of STC common stock will be converted into as the "exchange ratio."

The outstanding shares of STC series A convertible preferred stock will be converted into STC common stock prior to the completion of the mergers. As a result of the mergers, these shares of STC common stock will be converted into shares of common stock of OraSure Technologies as described above.

As a result of the mergers, Epitope stockholders will receive one share of common stock of OraSure Technologies for each share of Epitope common stock. As of May 31, 2000, there were 16,422,858 shares of common stock of Epitope outstanding.

OraSure Technologies will not issue any fractional shares. Instead, the company will pay holders of common stock of STC cash equal to the value of any fractional shares computed based on the mean of the high and low sales prices of common stock of OraSure Technologies as reported on the Nasdaq Stock Market on the first full day on which it is traded after completion of the mergers. Epitope stockholders will not receive fractional shares because their exchange ratio is one-for-one.

Opinions of Financial Advisors (see page 53)

Epitope

The Epitope board of directors has received an opinion of its financial advisor, Deutsche Bank Securities Inc., also operating as and referred to in this document as "Deutsche Banc Alex. Brown," as to the fairness, from a financial point of view, to Epitope of the exchange ratio. The full text of Deutsche Banc Alex. Brown's written opinion dated May 6, 2000 is attached as Annex B. We encourage you to read this opinion carefully in its entirety for a description of the assumptions made, matters

considered and limitations on the review undertaken. Deutsche Banc Alex. Brown's opinion is addressed to the Epitope board of directors and does not constitute a recommendation to any stockholder as to how to vote with respect to matters relating to the proposed mergers.

STC

STC's board of directors received the opinion of FleetBoston Robertson Stephens Inc., STC's financial advisor, as to the fairness of the exchange ratio from a financial point of view, to STC and the holders of shares of STC common stock. The full text of Robertson Stephens' written opinion dated May 9, 2000 is attached as Annex C. We encourage you to read this opinion carefully in its entirety for a description of the assumptions made, matters considered and limitations on the review undertaken. Robertson Stephens' opinion is addressed to the STC board of directors and does not constitute a recommendation to any stockholder as to how to vote with respect to matters relating to the proposed mergers.

Comparative Per Share Market Price Information (see page 11)

Epitope common stock is listed on the Nasdaq Stock Market. For the 20 trading days ending on May 5, 2000, the last full trading before announcement of the agreement and plan of merger, the average closing price of Epitope common stock was $9.17. On , 2000, the most recent practicable date prior to the mailing of this document, Epitope common stock closed at $. There is no established public trading market for STC common stock.

Listing of Common Stock of OraSure Technologies

We intend to file an application to have the common stock of OraSure Technologies listed on the Nasdaq Stock Market under the ticker symbol "OSUR".

Stockholder Votes Required (see page 75)

For Epitope stockholders: Approval of the agreement and plan of merger requires the approval of the holders of a majority of the total votes entitled to be cast by holders of Epitope common stock. As of May 6, 2000, directors and executive officers of Epitope and their affiliates owned an aggregate number of shares of Epitope representing approximately 3.3% of the total votes entitled to be cast, and they have executed stockholder agreements in which they have agreed to vote all of these shares in favor of approval of the agreement and plan of merger.

For STC stockholders: Adoption of the agreement and plan of merger requires the approval of the holders of a majority of the outstanding shares of STC common stock. For purposes of this vote, the holders of STC convertible preferred stock will vote with STC common stock. As of May 6, 2000, directors and executive officers of STC and their affiliates owned an aggregate number of shares of STC representing approximately 57.4% of the total votes entitled to be cast, and they have executed stockholder agreements in which they have agreed to vote all of these shares in favor of adoption of the agreement and plan of merger. These votes are sufficient to adopt the agreement and plan of merger.

Ownership of OraSure Technologies After the Merger

Assuming that the average closing price of Epitope common stock during the 20 trading day measurement period ending prior to the third trading day before the effective time of the mergers is the same as during the comparable time period prior to the mailing date of this joint proxy statement/prospectus, about % of the outstanding common stock of OraSure Technologies will be held by former Epitope stockholders and about % of the outstanding common stock of OraSure Technologies will be held by former STC stockholders. After giving effect to the issuance of common stock of OraSure Technologies upon the exercise of Epitope options and warrants and STC options, about % of the fully diluted common stock of OraSure Technologies will be held by former Epitope stockholders, optionholders and warrantholders, and about % of the fully diluted common stock of OraSure Technologies will be held by former STC stockholders and optionholders.

Board of Directors (see page 35)

After the mergers, the board of directors of OraSure Technologies will have seven members,

consisting of three persons designated by Epitope's board of directors, three persons designated by STC's board of directors and one person designated by the boards of both Epitope and STC.

Executive Officers (see page 35)

After the mergers, we intend that Mr. Robert D. Thompson of Epitope will be the chief executive officer of OraSure Technologies and Mr. Michael J. Gausling of STC will be the president and chief operating officer of OraSure Technologies. Our plan is that after the mergers, the six most senior positions in OraSure Technologies will be comprised of three executives from Epitope and three executives from STC.

Interests of Officers and Directors in the Mergers (see page 33)

When you consider our boards of directors' recommendations that you vote in favor of the relevant proposals, you should be aware that a number of our officers and directors will be entitled to receive certain significant benefits if the mergers occur that they will not be entitled to receive if the mergers do not occur.

Material United States Federal Income Tax Consequences of the Mergers (see page 29)

An STC stockholder's receipt of common stock of OraSure Technologies in the merger of STC into OraSure Technologies will be tax-free for United States federal income tax purposes, except for tax resulting from the receipt of cash instead of any fractional share of common stock of OraSure Technologies. An Epitope stockholder's receipt of common stock of OraSure Technologies in the merger of Epitope into OraSure Technologies will be tax-free for United States federal income tax purposes. Epitope, STC and OraSure Technologies will not recognize gain or loss for United States federal income tax purposes as a result of the mergers.

Accounting Treatment (see page 33)

We believe the mergers will qualify as a "pooling of interests" for accounting and financial reporting purposes, which means that we will treat our companies as if they had always been combined for accounting and financial reporting purposes.

Appraisal Rights (see page 31)

Epitope is incorporated under Oregon law and STC is incorporated under Delaware law. Under applicable Oregon law, Epitope stockholders do not have any appraisal rights in connection with the mergers. Under applicable Delaware law, STC stockholders have certain appraisal rights if they do not vote or vote against the merger and comply with procedures required under Delaware law.

Regulatory Approvals (see page 31)

The mergers cannot be completed until after we have given certain information and materials to the Federal Trade Commission pursuant to the Hart-Scott-Rodino Act and a required waiting period has expired or been terminated. We submitted pre-merger notification and report forms on June 1, 2000. The waiting period expired on June 12, 2000 upon the grant of an early termination of the thirty day statutory waiting period under the Hart-Scott-Rodino Act.

We are not required to effect the mergers unless the regulatory conditions to completion of the mergers are satisfied.

Conditions to the Completion of the Mergers (see page 48)

Completion of the mergers depends upon satisfaction or waiver of a number of conditions, including the following:

- adoption and approval of the agreement and plan of merger by the requisite vote of Epitope's stockholders and by the requisite vote of STC's stockholders;
- the common stock of OraSure Technologies shall be approved for listing on the Nasdaq Stock Market;
- absence of any law or order issued by a court or governmental entity prohibiting the mergers;
- absence of any law or order issued by a court or governmental entity that would reasonably be expected to have a material adverse effect on OraSure Technologies after the mergers;
- expiration or termination of the applicable waiting period under the antitrust laws relating to the mergers;

- receipt of all governmental approvals and consents required for the parties to effect the mergers, the failure of which to obtain would reasonably be expected to have a material adverse effect on OraSure Technologies after the mergers;

- absence of any adverse action by the Food and Drug Administration that would reasonably be expected to prohibit or significantly limit the manufacture, sale, promotion or distribution of products of Epitope or STC or their operations;

- receipt by each of Epitope and STC from their respective independent accountants of a letter concurring with their clients' management that no condition exists that would preclude OraSure Technologies from accounting for the mergers as a "pooling of interests" in accordance with generally accepted accounting principles;

- material accuracy as of closing of the representations and warranties made by the parties and material compliance by the parties with their obligations;

- receipt of opinions of tax counsel to Epitope and STC that each of the mergers will qualify as a tax-free reorganization for federal income tax purposes;

- Deutsche Banc Alex. Brown's opinion attached as Annex B not being withdrawn or materially modified in an adverse manner;

- conversion of all of the convertible preferred stock of STC into its common stock;

- the stock purchase rights of Epitope shall not have become exercisable, distributed or triggered; and

- absence of a material adverse change in the financial condition, results of operations, cash flow, assets, liabilities, business or prospects of Epitope or STC.

Termination of the Agreement and Plan of Merger (see page 49)

Either Epitope or STC can terminate the agreement and plan of merger if any of the following occurs:

- we do not complete the mergers by October 31, 2000;

- a law or order is issued that makes consummation of the mergers illegal or that permanently prohibits the mergers;

- Epitope stockholders do not approve the agreement and plan of merger;

- either party approves or recommends another proposal made by a third party to its stockholders;

- either party breaches any representation, warranty or covenant that will cause a condition to closing not to be satisfied which is not cured by the earlier of 20 days after written notice of such breach or October 31, 2000;

- either party willfully and materially breaches its obligations in the agreement and plan of merger with respect to consideration of alternate acquisition proposals;

- a tender or exchange offer for securities of either party has commenced and that party has not sent a statement to its security holders recommending rejection of such tender or exchange offer within the required time;

- either party's board of directors modifies its recommendation of the mergers in a manner adverse to the other party; or

- either party's board of directors or a committee of the board has resolved to do or permit any of the foregoing.

In addition, Epitope can terminate the agreement and plan of merger before its stockholders' vote upon three business days' notice to STC if the Epitope board of directors has determined in good faith, after considering any revised proposal by STC, that an acquisition proposal by a third party is a superior proposal, Epitope has complied with its obligations in the agreement and plan of merger not to solicit such proposals and Epitope makes the payment and reimbursement described in the "Termination Fees" section below. STC can terminate the agreement and plan of merger if Epitope's stockholder rights plan has been triggered, the average closing stock price of Epitope during a 20 trading day period ending prior to the third trading day before the effective time of the mergers is less than $6.00 per share, or the Epitope meeting

of stockholders is canceled or is otherwise not held or a final vote of Epitope's stockholders with respect to the mergers has not been taken prior to October 31, 2000, except as a result of a judgment, injunction, order, or decree of any competent authority or events or circumstances beyond the reasonable control of Epitope.

Neither Epitope nor STC can terminate the agreement and plan of merger based on the reason that the mergers are not completed by October 31, 2000, if the reason that the mergers have not occurred is because it is in breach of the agreement and plan of merger.

Epitope and STC can also both agree to terminate the agreement and plan of merger. The agreement and plan of merger will terminate automatically if the transactions contemplated by it are enjoined by a court of competent jurisdiction for a period extending beyond 90 days.

Termination Fees and Expenses (see page 50)

Epitope will be required to pay STC a fee of $3,000,000 if the agreement and plan of merger is terminated by STC because:

- Epitope's board of directors amends or withdraws its recommendation to its stockholders for approval of the agreement and plan of merger;
- Epitope's board of directors recommends an acquisition proposal from a third party to its stockholders;
- a tender or exchange offer relating to the securities of Epitope has commenced and Epitope has not sent a statement recommending rejection of such tender or exchange offer to its security holders within ten business days after the commencement of such tender or exchange offer;
- Epitope's board of directors or a committee of the board has resolved to do or permit any of the foregoing; or
- the Epitope meeting of stockholders is canceled or is otherwise not held or a final vote of Epitope's stockholders has not been taken with respect to the mergers prior to October 31, 2000, except as a result of a judgment, injunction, order or decree of any competent authority or events or circumstances beyond the reasonable control of Epitope.

Epitope will make an additional payment of $2,000,000 to STC and will reimburse STC for its reasonable expenses incurred in connection with the mergers up to a maximum of $1,000,000 if:

- an acquisition proposal by a third party had been made for Epitope prior to the actions set out above; and
- within twelve months following the termination of the agreement and plan of merger by STC, Epitope enters into a definitive agreement with the party that made such acquisition proposal.

Epitope will pay a termination fee to STC in an amount equal to $5,000,000 and will reimburse STC for its reasonable expenses incurred in connection with the mergers up to a maximum of $1,000,000 if the agreement and plan of merger is terminated by Epitope because, prior to the required approval of its stockholders, Epitope has entered into a definitive agreement for a superior acquisition approval and has satisfied the requirements described above permitting it to do so.

The $5,000,000 termination fee and $1,000,000 expense reimbursement referred to above will be reduced to the extent any termination fee or expense reimbursement has already been paid to STC by Epitope for any reason.

Stockholder Agreements (see page 52)

Some of STC's stockholders, including members of management and the board of directors, who collectively vote 57.4% of the outstanding STC stock have executed stockholder agreements in which they have agreed to vote all of their shares of STC stock in favor of adoption of the agreement and plan of merger. These votes are sufficient to adopt the agreement and plan of merger under Delaware law. Some of Epitope's stockholders, including members of management and the board of directors, who collectively hold 3.3% of the outstanding Epitope common stock, have executed stockholder agreements in which they have agreed to vote all of their shares of Epitope common stock in favor of approval of the agreement and plan of merger.

EPITOPE, INC. SELECTED FINANCIAL DATA

The table below shows summary selected historical financial information for Epitope as of and for the years ended September 30, 1999, 1998, 1997, 1996 and 1995 and has been derived from the audited consolidated financial statements of Epitope. The information as of and for the six months ended March 31, 2000 and 1999, has been derived from the unaudited condensed consolidated financial statements of Epitope. This information is only a summary, and you should read it in conjunction with Epitope's historical financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the annual reports, quarterly reports and other information on file with the Securities and Exchange Commission. See "Where You Can Find More Information" on page .

	Six Months Ended March 31,		Year Ended September 30,				
	2000	1999	1999	1998	1997	1996	1995
	(in thousands, except per share information)						
Operating Results:							
Revenues	$ 5,704	$ 4,317	$ 10,073	$ 9,792	$ 9,360	$ 5,594	$ 2,856
Operating costs and expenses	7,298	5,979	13,555	12,042	14,323	10,881	14,464
Other income (net)	171	129	276	322	882	6,388	1,157
(Loss) income from continuing operations	(1,423)	(1,533)	(3,206)	(1,928)	(4,081)	1,101	(10,451)
Discontinued operations	--	--	--	--	(18,359)	(2,501)	(8,045)
Net loss	(1,423)	(1,533)	(3,206)	(1,928)	(22,440)	(1,400)	(18,496)
(Loss) income per share from continuing operations	(0.10)	(0.11)	(0.23)	(0.14)	(0.30)	0.08	(0.88)
Net loss per share	(0.10)	(0.11)	(0.23)	(0.14)	(1.67)	(0.11)	(1.56)
Shares used in per share calculations	14,655	13,799	13,957	13,529	13,404	12,661	11,886
Balance Sheet Data:							
Working capital	$ 13,841	$ 7,326	$ 6,887	$ 6,510	$ 9,538	$ 24,793	$ 20,686
Total assets	17,129	10,654	10,694	10,357	17,012	29,784	26,142
Accumulated deficit	(107,674)	(104,579)	(106,251)	(103,046)	(95,426)	(72,985)	(71,585)
Shareholders' equity	15,648	9,119	8,576	8,274	15,014	27,967	22,347

STC TECHNOLOGIES, INC. SELECTED FINANCIAL DATA

The table below shows summary selected historical financial information for STC. The historical financial information as of and for the years ended December 31, 1999, 1998, 1997, 1996 and 1995 has been derived from the audited financial statements of STC. The information as of and for the three months ended March 31, 2000 and 1999, has been derived from the unaudited financial statements of STC. This information is only a summary, and you should read it in conjunction with STC ' historical financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations. See "Information About STC " on page .

	Three Months Ended March 31,		Year Ended December 31,				
	2000	1999	1999	1998	1997	1996	1995
	(in thousands, except per share information)						
Operating Results:							
Revenues	$ 3,628	$ 2,888	$14,015	$10,652	$ 7,922	$ 7,617	$7,539
Costs and expenses	3,443	2,678	14,591	10,647	8,972	8,725	8,036
Other income (expense), net	(23)	(124)	(370)	(451)	(100)	(230)	47
Income (loss) before income taxes	162	86	(946)	(446)	(1,150)	(1,338)	(450)
Income taxes	56	--	50	--	--	30	--
Net income (loss)	106	86	(996)	(446)	(1,150)	(1,368)	(450)
Net income (loss) per share	0.04	0.04	(0.42)	(0.19)	(0.48)	(0.68)	(0.23)
Shares used in per share calculations	2,389	2,389	2,389	2,389	2,389	2,000	2,000
Pro forma net income (loss) per share (1)	0.03		(0.32)				
Shares used in pro forma per share calculated (1)	3,469		3,142				
Balance Sheet Data:							
Working capital	$ 9,360	$ 8,517	$ 9,886	$ 2,215	$ 2,932	$ 5,303	$2,928
Total assets	19,214	16,422	19,556	10,426	8,966	10,458	8,081
Long-term debt	5,563	5,954	5,820	6,001	4,026	5,077	5,456
Redeemable preferred stock	9,852	6,223	9,602	--	--	--	--
Retained earnings (accumulated deficit)	(3,747)	(1,778)	(3,603)	(1,857)	(1,411)	(261)	55
Stockholders' equity	247	2,480	414	2,427	2,859	3,709	1,098

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(1) Gives effect to the conversion of redeemable convertible preferred stock from original date of issuance.

COMPARATIVE PER SHARE DATA

Summary Unaudited Comparative Historical and Pro Forma Per Share Data

A summary of the relative exchange ratios for the mergers is shown in the table below. The calculations assume that all outstanding options, warrants and shares of preferred stock have been exercised or converted so that 3,656,876 STC shares are deemed to be outstanding at the effective time of the mergers. For a more detailed description of the calculations please see "The Agreement and Plan of Merger--Merger Consideration."

Average Epitope Stock Price (for 20 day period measurement period that ends prior to the third trading day before the effective time of the mergers)	Basis for calculation of shares to be issued to STC Stockholders	OraSure Technologies Shares to be issued to STC Stockholders	Exchange Ratio of OraSure Technologies Shares to STC Shares
Less than $8.00	25 million shares	25 million shares	6.8364
From $8.00 to $9.99	Number of shares to be adjusted to equal $200 million	From 20 to 25 million shares	From 6.8364 to 5.4691
From $10.00 to $13.00	20 million shares	20 million shares	5.4691
Above $13.00	Number of shares to be adjusted to equal $260 million	Less than 20 million	Less than 5.4691

The following table sets forth per share data of:

- Epitope on a historical basis.
- STC on a historical basis.
- Epitope and STC combined on a pro forma basis, assuming an Epitope price that is at least $10.00 but not more than $13.00 per share.
- Epitope and STC combined on a pro forma basis stated on an equivalent STC basis, assuming an Epitope price that is at least $10.00 but not more than $13.00 per share.

This table should be read in conjunction with the historical financial statements and notes thereto for Epitope and the historical financial statements and notes thereto for STC contained herein. Pro forma combined and equivalent pro forma per share data reflect the combined results of Epitope and STC presented as though they were one company for all periods shown.

The STC equivalent per share pro forma information shows the effect of the mergers from the perspective of an owner of STC common stock.

Income (loss) per share from continuing operations:	Six Months Ended March 31, 2000	Six Months Ended March 31, 1999	Year Ended September 30, 1999	Year Ended September 30, 1998	Year Ended September 30, 1997
Epitope historical basis.....	$ (0.10)	$ (0.11)	$(0.23)	$(0.14)	$(0.30)
STC historical basis(/1/).....	0.03	(0.03)	(0.40)	(0.26)	(0.47)
Epitope and STC combined on a pro forma basis assuming an Epitope price of:					
At least $10.00 but not more than $13.00.....	(0.04)	(0.06)	(0.15)	(0.10)	(0.20)
Epitope and STC combined on a pro forma basis per STC equivalent common share assuming an Epitope price of:					
At least $10.00 but not more than $13.00.....	(0.22)	(0.33)	(0.81)	(0.53)	(1.08)

Book Value Per Share:	As of March 31, 2000	As of September 30, 1999
Epitope historical basis.....	$0.98	$0.60
STC historical basis(/1/).....	2.91	2.90
Epitope and STC combined on a pro forma basis assuming an Epitope price of:		
At least $10.00 but not more than $13.00.....	0.58	0.40
Epitope and STC combined on a pro forma basis per STC equivalent common share assuming an Epitope price of:		
At least $10.00 but not more than $13.00.....	3.19	2.18

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(1) Gives effect to the conversion of the convertible preferred stock from the original date of issuance.

Market Price Data

The table below presents the high and low sales prices per share of Epitope common stock on the Nasdaq Stock Market on May 5, 2000, the last full trading day immediately preceding the public announcement of the proposed mergers, and on , 2000, the most recent practicable date prior to the mailing of this document, as well as the "equivalent stock price" of shares of STC common stock on such dates. The "equivalent stock price" of shares of STC common stock represents the per share sales price for Epitope common stock on the Nasdaq Stock Market at such specified date, multiplied by the possible exchange ratios described under "Summary Unaudited Comparative Historical and Pro Forma Per Share Data" which may be applicable depending upon the average closing price of Epitope common stock during the 20 trading day measurement period ending prior to the third trading day before the effective time of the mergers. The "equivalent stock price" per share of STC common stock shows the effect of the mergers from the perspective of an owner of STC common stock. STC stockholders should obtain current market quotations for shares of Epitope common stock prior to making any decision with respect to the mergers.

	Epitope Common Stock (Price per share)		STC Equivalent Stock Price assuming an exchange ratio of 5.47 (Price per share)		STC Equivalent Stock Price assuming an exchange ratio of 6.84 (Price per share)	
	High	Low	High	Low	High	Low
May 5, 2000.....	$12.875	$11.250	$70.43	$61.54	$88.07	$76.95
, 2000.....						

There is no established public trading market for STC common stock.

The table below presents the average closing sales price per share of Epitope common stock on the Nasdaq Stock Market for the 20 trading day measurement period ending May 5, 2000 and , 2000, as well as the "equivalent stock price" of shares of STC common stock during such periods.

	Epitope Common Stock (Price per share)	STC Equivalent Stock Price based on the applicable exchange ratio (Price per share)
20 trading day average ending May 5, 2000...	$9.17	$54.69
20 trading day average ending , 2000...		

Neither Epitope nor STC has historically paid quarterly dividends to its stockholders. OraSure Technologies' dividend policy will be set by its board of directors. The amount of dividends will depend on a number of factors, including OraSure Technologies' financial condition, capital requirements, results of operations, future business prospects and other factors that OraSure Technologies' board of directors may deem relevant. We do not anticipate that OraSure Technologies will pay dividends to stockholders in the foreseeable future because it plans to deploy its capital to generate growth in stockholder value.

Following the consummation of the mergers, shares of Epitope common stock will cease to be traded on the Nasdaq Stock Market. We intend to file an application with Nasdaq to list OraSure Technologies' common stock on the Nasdaq Stock Market under the symbol "OSUR".

RISK FACTORS

You should consider the following risk factors in determining how to vote at the meeting.

Risks Related to the Transaction

STC Stockholders Will Not Know the Number of Shares of OraSure Technologies Common Stock They Will Receive in the STC Merger Until Closing and Changes in the Market Price of Epitope Common Stock Could Affect the Number of Shares of OraSure Technologies Issued to STC Stockholders

The number of shares of OraSure Technologies to be received by stockholders of STC is determined by the average closing price of Epitope common stock during a 20 trading day measurement period ending prior to the third trading day before the effective time of the mergers. If the closing price of Epitope common stock is between $8 and $13 each share of STC common stock will receive between 6.84 and 5.47 shares of common stock of OraSure Technologies. If the closing price of Epitope common stock is greater than $13 each share of STC common stock will receive fewer shares of OraSure Technologies.

Because the date that the mergers are completed may be later than the date of the special meeting, the price of Epitope common stock on the date of the special meeting may not be indicative of its price on the date the mergers are completed. The price of Epitope common stock has recently experienced price fluctuations and may increase or decrease significantly in the future. The price of Epitope common stock may vary because of

- changes in the business of Epitope,
- operations or prospects of Epitope,
- the timing of the completion of the mergers,
- the prospects of post-mergers operations,
- general market and economic conditions and other factors.

We urge STC stockholders to obtain current market quotations for Epitope common stock.

Epitope and STC Directors and Officers May Have Interests Relating to the Mergers Which are Different From Your Interests

We expect to retain the majority of Epitope's and STC's officers after the mergers. In addition, Epitope's and STC's officers will have employment agreements with the combined company. These officers will be entitled to participate in our employee benefit plans, including grants of stock options in our stock option plan.

If we complete the mergers, options to purchase approximately 790,914 shares of Epitope common stock held by Epitope's directors and executive officers at a weighted exercise price of $4.56 per share will become immediately exercisable. Additionally, under the terms of the agreement and plan of merger, officers, directors, employees and agents of Epitope and STC are indemnified against all judgments, fines, losses, claims, damages, costs or expenses or liabilities arising from their positions relating to any act or omission occurring at or prior to closing.

We May Be Unable to Successfully Integrate Our Operations and Realize the Full Cost Savings We Anticipate

The mergers involve the integration of two companies that have previously operated independently. The difficulties of combining the companies' operations include:

- the necessity of coordinating geographically separated organizations;
- integrating personnel with diverse business backgrounds; and
- combining different corporate cultures.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of OraSure Technologies' businesses and the loss of key personnel. The diversion of management's attention and any delays or difficulties encountered in connection with the mergers and the integration of the two companies' operations could have an adverse effect on the business, results of operations or financial condition of OraSure Technologies.

Among the factors considered by the STC and the Epitope boards of directors in connection with their respective approvals of the agreement and plan of merger were the opportunities for economies of scale and operating efficiencies that could result from the mergers. We cannot give any assurance that these savings will be realized within the time periods contemplated or realized at all.

We Will Incur Significant Merger-Related and Integration-Related Expenses

A one-time charge for direct incremental merger-related transaction costs will be recorded in the quarter in which the mergers are consummated. The direct incremental merger-related transaction costs consist principally of charges related to investment banking fees, professional services, registration and other regulatory costs of approximately $5.4 million. We expect to incur charges to operations, currently estimated to be $1.7 million, to reflect costs associated with combining the operations of the two companies. These costs will be recorded subsequent to consummation of the mergers. These amounts are preliminary estimates and are therefore subject to change. Additional unanticipated expenses may be incurred in the integration of our businesses.

Obtaining Required Regulatory Approvals May Delay Consummation of the Mergers

Consummation of the mergers is conditioned upon the receipt of all material governmental authorizations, consents, orders and approvals, including the expiration or termination of the applicable waiting periods, and any extension of the waiting periods, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. We intend to vigorously pursue all required regulatory approvals.

Conditions to the Mergers May Not Be Satisfied

The agreement and plan of merger contains conditions that, if not satisfied, would result in the mergers not occurring, even though the Epitope and STC stockholders approved it. We cannot assure you that all of the closing conditions to the mergers will be satisfied, that any unsatisfied conditions will be waived or that the mergers will occur. If the mergers do not occur, STC and Epitope may incur significant expenses that could have a material adverse effect on the financial and operating results of STC and Epitope.

The Price of OraSure Technologies Common Stock May Be Affected by Factors Different from Those Affecting the Value of Epitope and STC Stock as Individual Companies and May Fluctuate Significantly Regardless of OraSure Technologies' Actual Operating Performance

Upon completion of the mergers, Epitope and STC common stockholders will become OraSure Technologies' common stockholders. The combined company's business will differ from that of each of Epitope and STC individually, and OraSure Technologies' results of operations, as well as the price of OraSure Technologies' common stock, may be affected by factors different from those affecting Epitope's and STC's results of operations and the value of Epitope and STC stock.

There is no current public market for OraSure Technologies common stock. We intend to file an application to have the common stock of OraSure Technologies listed on the Nasdaq Stock Market effective immediately following completion of the mergers. The trading price of OraSure Technologies' common stock may be volatile. OraSure Technologies' stock price could be subject to wide fluctuations in response to a variety of factors, including:

. actual or anticipated variations in quarterly operating results;

- announcements of technological innovations;
- new products or services offered by OraSure Technologies or its competitors;
- changes in financial estimates by securities analysts;
- OraSure Technologies' announcement of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- sales of common stock; and
- other events that may be beyond OraSure Technologies' control.

In addition, the Nasdaq Stock Market has recently experienced extreme price and volume fluctuations. These fluctuations often have been unrelated or disproportionate to the operating performance of the various listed companies. These broad market and industry factors may materially adversely affect the market price of OraSure Technologies' common stock, regardless of OraSure Technologies' actual operating performance.

Clients of Epitope and/or STC May Delay or Cancel Contracts as a Result of Concerns Over the Mergers

The announcement and closing of the mergers could cause clients and potential clients of Epitope and STC to delay or cancel contracts as a result of client concerns and uncertainty over the combined company's offerings, personnel or services. Such a delay or cancellation could have a material adverse effect on the business, operating results and financial condition of OraSure Technologies.

If the Mergers Are Not Completed, Epitope May Be Required To Pay STC Up To $6 Million

The agreement and plan of merger provides that Epitope must pay STC a $3 million break up fee if STC terminates the transaction because the Epitope meeting of its stockholders is not held prior to October 31, 2000, except due to judicial action beyond Epitope's control, or if the Epitope board of directors has:

- adversely changed its recommendation on the mergers;
- approved, endorsed or recommended an acquisition proposal of a third party; or
- not sent the Epitope stockholders a recommendation of rejection of any tender offer bid of a third party within ten days of commencement of the tender offer.

Epitope may also be required to pay an additional $2 million to STC if, prior to the termination of the agreement and plan of merger by STC, Epitope has

- entered into negotiations with a third party for a superior proposal and the third party acquires Epitope within twelve months following the termination of the agreement and plan of merger; or
- Epitope enters into a definitive agreement with a third party, before the vote of its stockholders, for a superior proposal and Epitope terminates the agreement and plan of merger.

Epitope has also agreed to pay up to an additional $1 million of STC's expenses if an agreement or transaction with a third party is entered into under the circumstances described above.

The Ability of OraSure Technologies Stockholders to Effect Changes in Control of OraSure Technologies will be Limited

There are provisions in OraSure Technologies' certificate of incorporation, bylaws, and the Delaware General Corporation Law that could delay or impede the removal of incumbent directors and could make more difficult a merger, tender offer, or proxy contest involving OraSure Technologies or could discourage a third party from attempting to acquire control of OraSure Technologies, even if these events would be beneficial to the interests of the stockholders. In particular, these provisions include:

- division of our board of directors into three classes serving staggered three-year terms;
- removal of our directors by the stockholders only for cause
- ability to issue additional shares of our common stock or preferred stock without stockholder approval;
- prohibiting our stockholders from calling a special meeting of stockholders
- prohibiting our stockholders from amending provisions of our certificate of incorporation or by-laws except with 66.6% stockholder approval

OraSure Technologies also has a rights plan in place under which one right will be attached to each share of common stock issued in the mergers. The Rights will detach and become exercisable if, among other things, a person acquires 15% or more of the outstanding common stock without approval of the board of directors of OraSure Technologies. In that event, each right entitles the holders of the rights to purchase, for the right's exercise price, common stock of OraSure Technologies having a value equal to two times that exercise price. However, all rights owned by the acquiring person in those circumstances become automatically void. Persons interested in acquiring control of OraSure Technologies are therefore more likely to negotiate with the board of directors of OraSure Technologies for that purpose in order to avoid risking the significant economic and voting dilution from triggering exercisability of the rights.

OraSure Technologies is also subject to provisions of the Delaware corporation law that, in general, prohibit any business combination with a beneficial owner of 15% or more of the OraSure Technologies common stock for five years unless the holder's acquisition of OraSure Technologies stock was approved in advance by the OraSure Technologies board of directors.

Sales of Substantial Amounts of OraSure Technologies Common Stock in the Open Market Could Depress OraSure Technologies' Stock Price

If OraSure Technologies' stockholders sell substantial amounts of OraSure Technologies' common stock in the public market following consummation of the mergers, the market price of OraSure Technologies' common stock could fall. These sales might also make it more difficult for OraSure Technologies to sell equity or equity related securities at a time and price that OraSure Technologies would deem appropriate.

Sales of a large number of shares of common stock in the public market following the consummation of the mergers, or even the belief that such sales could occur, could cause a drop in the market price of OraSure Technologies' common stock and could impair OraSure Technologies' ability to raise capital through offerings of OraSure Technologies' equity securities. Immediately after the mergers, there will be approximately 39,000,000 shares of OraSure Technologies' common stock outstanding. All of the shares issued to STC and Epitope stockholders will be freely tradable without restrictions or further registration under the Securities Act of 1933, unless such shares are held by any OraSure Technologies "affiliate" or any "affiliate" of STC or Epitope prior to the mergers, as that term is defined under the Securities Act of 1933. The term "affiliate" would include directors, executive officers and some significant stockholders. Two institutional investors which are affiliates of STC that hold 764,706 shares of STC convertible preferred stock immediately prior to the mergers have the right to require OraSure Technologies to file registration statements registering the 4,182,294 shares of OraSure Technologies common stock they would receive in the mergers for future sale if the closing price during the measurement period is between $10 and $13 per share.

Risks Related to the Business of OraSure Technologies

We Will Face Intense Competition from New and Existing Products

The in vitro diagnostics industry is highly competitive and rapidly changing. Our principal competitors are specialized biotechnology firms, pharmaceutical companies with biotechnology divisions and medical diagnostic companies, many of which have considerably greater financial, technical, and marketing resources.

As new products enter the market, our products may become obsolete or our competitors' products may be more effective or more effectively marketed and sold than our products.

If OraSure Technologies fails to maintain and enhance its competitive position, this could have a material adverse effect on its business, financial condition and results of operations.

Our Research and Development Efforts May Not Succeed or Our Competitors May Develop More Effective or Successful Products

In order to remain competitive, we must commit substantial resources each year to research and development. In the twelve months ended December 31, 1999, STC spent $4.8 million on research and development including a one-time acquired in-process technology charge of $1.5 million and Epitope spent approximately $2.3 million on research and development.

In our business, the research and development process takes a significant amount of time from inception to commercial product launch. This process is conducted in various stages, and during each stage there is a substantial risk that we will not achieve our goals and have to abandon a product in which we have invested substantial amounts. We cannot assure you that OraSure Technologies will succeed in its research and development efforts. If OraSure Technologies fails to develop commercially successful products, or if competitors develop more effective products or a greater number of successful new products, this could have a material adverse effect on our business, financial condition and results of operations.

Product Regulation May Adversely Affect Our Ability to Bring New Products to Market

We and our competitors are subject to strict government controls on the development, manufacture, labeling, distribution and marketing of products. We often must obtain and maintain regulatory approval for a product from a country's national health or drug regulatory agency before the product may be sold in a particular country.

The submission of an application to a regulatory authority does not guarantee that it will grant a license to market the product. Each authority may impose its own requirements and delay or refuse to grant approval, even though a product has been approved in another country.

In our principal markets, the approval process for a new product can be complex and lengthy. The time taken to obtain approval varies depending on the nature of the application and may result in the passage of a significant period of time from the date of application. This increases the cost to us of developing new products and increases the risk that we will not succeed in introducing or selling them.

A Market For Our Products May Not Develop

OraSure Technologies' future success will depend partly on the market acceptance, and the timing of such acceptance, of recently introduced products such as the Intercept oral fluid drug test service, products currently in development, such as the OraQuick rapid oral fluid test, and products based upon the UPT technology, if successfully developed, and other new products or technologies that may be developed or acquired and introduced. To achieve market acceptance, we must make substantial marketing efforts and spend significant funds to inform potential customers and the public of the perceived benefits of our products. We currently have

limited evidence on which to evaluate the market reaction to products that may be developed, and there can be no assurance that any products will meet with market acceptance and fill the market need that we perceive to exist.

We Depend On Patents and Proprietary Rights, Which May Offer Only Limited Protection Against Potential Infringement. If We are Unable to Enforce Our Patents and Proprietary Rights, Our Business, Financial Condition and Results of Operations Will Be Harmed

The in vitro diagnostics industry places considerable importance on obtaining patent, trademark, and trade secret protection, as well as other intellectual property rights, for new technologies, products and processes. Our success depends, in part, on our ability to develop and maintain a strong intellectual property portfolio for our products and technologies both in the United States and in other countries. Litigation or other legal proceedings may be necessary to defend against claims of infringement, to enforce our intellectual property rights, and could result in substantial cost to us and diversion of our efforts.

As appropriate, we intend to file patent applications and obtain patent protection for our proprietary technology. These patent applications and patents will cover, as appropriate, compositions of matter for our products, methods of making those products, methods of using those products, and apparatus relating to the use or manufacture of those products.

We will also rely on trade secrets, know-how and continuing technological advancements to protect our proprietary technology. We will enter into confidentiality agreements with our employees, consultants, advisors and collaborators. However, these parties may not honor these agreements and we may not be able to successfully protect our rights to unpatented trade secrets and know-how. Others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets and know-how.

Many of our scientific and management personnel were previously employed by competing companies. Although we encourage and expect all such employees to abide by any confidentiality agreement with a prior employer, such companies may allege trade secret violations and similar claims against us.

To facilitate development and commercialization of our proprietary technology base, we may need to obtain licenses to patents or other proprietary rights from other parties. If we are unable to obtain such licenses, our product development and commercialization efforts may be delayed.

We may collaborate with universities and governmental research organizations which, as a result, may acquire certain rights to any inventions or technical information derived from such collaboration.

We may incur substantial costs in asserting or protecting our intellectual property rights, or in defending suits against us related to intellectual property rights. Such disputes could substantially delay our product development or commercialization activities. Such disputes might include state or federal court litigation as well as patent interference, patent reexamination, patent reissue, or trademark opposition proceedings in the United States Patent and Trademark Office. Such opposition or revocation proceedings could be instituted in a foreign patent office. An adverse decision in any such proceeding could result in the loss of our rights to a patent, an invention, or trademark.

If We Lose Our Key Personnel or are Unable to Attract and Retain Qualified Personnel as Necessary, Our Product Development Programs Could Be Delayed and Our Research and Development Efforts Could Be Harmed

Our success will depend to a large extent upon the efforts of key managerial and technical employees. The loss of such employees in connection with the mergers could have an adverse material effect on us. We will have substantial key-man life insurance on our key employees.

Our success also depends to a significant degree upon the future contributions of the executive officers, management, and scientific staff of the combined company. If we lose the services of these people, we may be unable to achieve our business objectives. We may not be able to attract or retain qualified employees in the future due to the intense competition for qualified personnel among other medical products businesses. If we are not able to attract and retain the necessary personnel to accomplish our business objectives, we may experience constraints that will adversely affect our ability to meet the demands of its strategic partners in a timely fashion or to support our internal research and development programs. In particular, our product development programs depend on the ability to attract and retain highly skilled scientists, including molecular biologists, biochemists and engineers. Recruiting qualified personnel can be an intensely competitive and time-consuming process. Although we believe we will be successful in attracting and retaining qualified personnel, competition for experienced scientists and other technical personnel from numerous companies and academic and other research institutions may limit our ability to do so on acceptable terms. All of our employees, other than a few senior officers who will have employment agreements after the mergers, are at-will employees, which means that either the employee or OraSure Technologies may terminate their employment at any time. If we experience difficulty in recruiting and retaining qualified personnel, and in particular scientific personnel, we may need to provide higher compensation to such personnel than we currently anticipate or we may incur additional expenses for the recruitment of qualified personnel.

Our planned activities will require additional expertise in specific industries and areas applicable to the products developed through STC's UPT technologies. These activities will require the addition of new personnel, including management, and the development of additional expertise by existing management personnel. The inability to acquire these services or to develop this expertise could impair the development, if any, of products related to the UPT technologies.

As a Result of the Mergers, the Combined Company Will Have an Increased International Presence and Our Ability to Sell Our Products in International Markets May Be Limited by Certain Obstacles, Including Regulatory and Cultural Constraints

The combined company will devote significant resources to international sales of its products. In the past, Epitope has not had significant direct experience with the governmental regulatory agencies in foreign countries that control sale of products into those countries. Epitope has experienced extended delays in obtaining approvals to make sales in Argentina and Greece, demonstrating that compliance with foreign regulatory requirements can be difficult and impede international marketing efforts. In addition to economic and political issues, a number of factors can slow or prevent international sales, including those set forth below:

- Regulatory requirements in general or more stringent regulation of testing products in particular may slow, limit, or prevent the offering of products in foreign jurisdictions;

- Exchange rates, currency fluctuations, tariffs and other barriers, extended payment terms, dependence on and difficulties in managing international distributors or representatives;

- Cultural and political differences may make it difficult to effectively market, sell and gain acceptance of products in foreign jurisdictions;

- Accounts receivable collection may be more difficult;

- Inexperience in international markets may slow or limit our ability to sell products in foreign countries; and

- Additional regulations and regulatory processes may affect sales of products.

Some of these factors may cause the costs of our international sales to exceed significantly our domestic costs of doing business.

We May Be Sued for Product Liabilities

We may be held liable if any product we developed, or any product which is made with the use or incorporation of, any of technologies belonging to us, causes injury or is found otherwise unsuitable during product testing, manufacturing, marketing or sale. Although we will obtain product liability insurance, this insurance may not fully cover our potential liabilities. As new products come to market, we will need to increase our products liability coverage. Inability to obtain sufficient insurance coverage at an acceptable cost or otherwise to protect against potential product liability claims could affect our decision to commercialize products developed by us or our strategic partners. If we are sued for any injury caused by our products, our liability could exceed our total assets.

We May Not Be Able to Commercialize the UPT Technologies or Products, Which Could Negatively Affect Future Revenues of OraSure Technologies

STC's UPT technology is new and is in the early stage of development and commercial development of UPT may not be successful. Successful products require significant development and investment, including testing, to demonstrate their cost-effectiveness or other benefits prior to their commercialization. To date, STC has not commercialized any UPT product.

In addition, regulatory approval must be obtained before most products based upon the UPT technology may be sold. Additional development efforts on UPT products will be required before any regulatory authority will review them. Regulatory authorities may not approve these products for commercial sale. Accordingly, because of these uncertainties, products based upon the UPT technology may not be commercialized. The failure to develop UPT products with commercial potential would negatively affect OraSure Technologies' future revenues.

We May be Dependent Upon Strategic Partners to Assist in Developing and Commercializing Some of Our Products

We intend to pursue some product opportunities independently. However, we may pursue some product opportunities that require a level of investment to develop and commercialize them that necessitate involving one or more strategic partners.

In particular, our strategy for development and commercialization of UPT and certain of our products may entail entering into additional arrangements with corporate partners, universities, research laboratory licensees, and others. If we are able to enter into such arrangements, we may be required to transfer certain material rights to such strategic partners, licensees, and others. While we expect that our current and future partners, licensees, and others have and will have an economic motivation to succeed in performing their contractual responsibilities, the amount and timing of resources to be devoted to these activities will be controlled by others. Consequently, there can be no assurance that any revenues or profits will be derived from such arrangements.

We Depend Upon Patent Licenses and Other Proprietary Rights From Third Parties, Including Rights to UPT Compositions, Methods, and Apparatuses

STC has licensed the worldwide rights to UPT compositions, methods, and apparatuses for use in diagnostic applications, which are the subject of six issued United States patents, and of two pending U.S. patent applications. Corresponding patents and patent applications have been granted or issued in numerous foreign countries, including, for example, European countries, Japan, and Canada. STC cooperates with the licensor to prosecute such patent applications and protect such patent rights. Failure by the licensor to prosecute such applications and protect such patent rights could harm our business. If these third parties do not meet their obligations under the license agreements or do not reasonably consent to sublicenses by us, or if the license agreement is terminated, there could be a material adverse effect on our business and results of operations.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements contained in this document, such as statements concerning OraSure Technologies' anticipated financial or product performance, its product development, plans for growth and other factors that could affect future operations or financial position, and other non-historical facts, are "forward-looking statements" (as such term is defined in the Private Securities Litigation Reform Act of 1995). Such statements often include the words, "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "will," "should," "could," or similar expressions.

Examples of forward-looking statements include:

- pro forma financial statements and projections relating to revenues, income or loss, earnings or loss per share, financial condition, capital expenditures, the payment or non-payment of dividends, and other financial items;
- statements of plans and objectives;
- statements of future economic performance; and
- statements of the assumptions underlying these statements.

Forward-looking statements are not guarantees of future performance or results. They involve risks, uncertainties and assumptions. Future results of operations, financial condition, business and stock values of Epitope, STC and OraSure Technologies may be materially different from those described in these forward-looking statements. Stockholders of Epitope and STC are cautioned not to put undue reliance on any forward-looking statement.

Among the factors that could cause actual results to be materially different from those described in the forward-looking statements are the following:

- the ability to attain estimated expense savings;
- the ability to continue to successfully market existing products, which may be adversely impacted by the introduction of competing products;
- OraSure Technologies' ability to integrate the two businesses and possible future mergers and acquisitions as well as successfully manage growth;
- OraSure Technologies' ability to successfully develop and market new products;
- market acceptance of oral testing products and UPT products;
- the ability to expand the market for existing products;
- the ability to fund research and development activities;
- the ability to get to market ahead of competition;
- the greater financial and technical resources of competitors;
- the success of OraSure Technologies' research and development activities and the speed with which regulatory authorizations and product rollouts may be achieved;
- the ability to commercialize early stage technologies;
- the ability to develop distribution channels and the marketing abilities of the companies with which it collaborates;
- internal marketing obstacles, including delays in obtaining regulatory approvals;
- the ability to obtain and maintain all certifications required by customers;
- future changes in laws and regulations, including regulations affecting government reimbursement for laboratory testing, and regulations governing anti-fraud and abuse, drug testing, and environmental and occupational safety;

- the ability to successfully negotiate pricing of products with our customers;

- the loss or impairment of sources of capital and the adequacy of such sources to meet OraSure Technologies' funding needs;

- fluctuations in currency exchange rates;

- fluctuations in quarterly operating results;

- the effects of OraSure Technologies' accounting policies and general changes in generally accepted accounting practices;

- OraSure Technologies' exposure to product liability 1awsuits;

- OraSure Technologies' success in litigation involving its intellectual property, including possible inability to protect proprietary technologies;

- ethical, social, legal and political developments affecting, among other things, the use of our HIV or drug testing products;

- general economic and business conditions;

- OraSure Technologies' ability to attract and retain management and other employees; and

- other risk factors detailed in Epitope's Securities and Exchange Commission filings, including its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

We have described under "Risk Factors" additional factors that could cause actual results to be materially different from those described in the forward-looking statements. Other factors that we have not identified in this document could also have this effect.

All forward-looking statements made in this document are made as of the date of this document. Epitope, STC and OraSure Technologies may not publicly update or correct any of these forward-looking statements in the future.

General

The Epitope board of directors is using this document to solicit proxies from the holders of Epitope common stock for use at the Epitope meeting. The STC board of directors also is using this document to solicit proxies from the holders of STC common stock and convertible preferred stock for use at the STC meeting. We will sometimes refer to the merger of STC into OraSure Technologies as the "STC Merger" and the merger of Epitope into OraSure Technologies as the "Epitope Merger." The STC Merger and the Epitope Merger are referred to collectively as the "mergers."

Epitope Proposal

At the Epitope meeting, Epitope stockholders will be asked to vote upon a proposal to approve the agreement and plan of merger. We sometimes refer to this proposal as the "Epitope proposal."

STC Proposal

At the STC meeting, holders of STC common stock and STC convertible preferred stock will be asked to vote together as a single class upon a proposal to adopt the agreement and plan of merger. We sometimes refer to this proposal as the "STC proposal."

Background of the Mergers

Epitope and STC have had a cooperative business relationship resulting from their common interests in the research and development of diagnostic products for use in detecting the presence of certain chemical substances for the life insurance testing market. In September 1995, Epitope and STC entered into a regulatory approval agreement to collaborate to obtain FDA clearance for the detection of certain drugs of abuse in an oral fluid sample. Since that time, Epitope and STC have distributed each other's products to their customers through a series of distribution agreements.

In January 1998, STC began evaluating options to finance its future growth, including but not limited to, financing from institutional investors and/or corporate affiliations.

On February 10, 1998, John Morgan, Epitope's then president and chief executive officer, visited STC's headquarters in Bethlehem, Pennsylvania, to learn more about STC and its UPT technology and to discuss the status of regulatory approval for STC's drugs of abuse assays. During that meeting, future possible collaborative business opportunities were discussed with Michael Gausling, STC's president and chief executive officer. At the end of the meeting, the parties agreed to continue their discussions. On February 20, 1998, STC and Epitope signed a mutual non-disclosure agreement. On February 24, 1998, Mr. Gausling visited Epitope's headquarters in Beaverton, Oregon to continue these discussions.

On April 7, 1998, at a regularly scheduled STC board of directors meeting, the STC board of directors was briefed about the discussions with Epitope and approved proceeding with discussions and mutual due diligence regarding a strategic business relationship with Epitope. On April 8, 1998, STC and Epitope signed a non-binding agreement concerning the parties' willingness to continue discussions regarding a possible strategic business relationship, including Epitope's acquisition of STC's outstanding stock, formation of a joint venture, or an equity investment in STC.

From April through June 1998, STC and Epitope, with Epitope's financial consultant, EGS Securities Corp., each conducted due diligence investigations concerning the other company, including meetings at the offices of EGS, STC and Epitope. On June 15 and June 16, 1998, STC's senior management made a presentation to Epitope's board of directors, senior management and financial consultant regarding STC, its products, and its UPT technology. Following this presentation, the Epitope board of directors authorized

Epitope management to continue discussions with STC. On June 23, 1998, Epitope's senior management and representatives from EGS made a presentation to STC's board of directors and several STC stockholders regarding Epitope's products and technologies. Following the presentation, the STC board of directors authorized the continuation of due diligence and discussions with Epitope concerning a possible relationship/transaction with Epitope.

On July 3, 1998, Mr. Gausling, Richard Hooper, STC's chief financial officer, and outside legal counsel to STC attended meetings at EGS in New York City at which preliminary business and financial terms regarding a possible acquisition by Epitope of STC's core business product lines, but excluding UPT, was discussed. A draft term sheet was received by STC on July 4, 1998.

At STC's regularly scheduled meeting of its board of directors on July 14, 1998, Mr. Gausling presented Epitope's proposal and recommended that STC reject the proposal. Mr. Gausling expressed his view that the proposal was not favorable to STC and did not adequately address valuation, liquidity and the treatment of STC employees. After discussion, the STC board of directors rejected Epitope's proposal. On July 21, 1998, Mr. Morgan informed the Epitope board of directors that the term sheet presented to STC had been rejected. Discussions between STC and Epitope regarding a business combination were terminated.

On April 21, 1999, the Epitope board of directors reached a consensus that Epitope should pursue opportunities for consolidation or the acquisition of businesses or product lines that would broaden Epitope's current product lines while focusing on the area of non-invasive medical diagnostic testing.

On June 15, 1999, at a regularly scheduled meeting, the STC board of directors explored strategic merger or acquisition opportunities. At this meeting, Mr. Gausling discussed STC's previous negotiations with Epitope.

On June 23, 1999, Mr. Gausling and Mr. Morgan met at Epitope and reviewed the status of on-going distribution arrangements between STC and Epitope. At the meeting, new discussions regarding a possible business combination commenced. On July 8, 1999, Mr. Morgan met with Mr. Gausling at STC to discuss a possible purchase of STC's core business product lines as well as rights to the UPT technology related to oral fluid testing applications. On July 20, 1999, STC received a non-binding term sheet from Epitope setting forth the proposed principal terms for Epitope's purchase of these product lines. At a special meeting of the STC board of directors held on July 26, 1999, Mr. Morgan made a presentation describing Epitope's performance and the proposed terms of the purchase of these product lines. Also in attendance were several STC executives and stockholders, and representatives from STC's legal counsel, independent accounting firm and then current financial advisor. Following Mr. Morgan's presentation, representatives of STC's financial advisor made a presentation regarding possible strategic relationships with Epitope. After discussion, STC's board of directors rejected Epitope's proposal and discussions between STC and Epitope regarding a business combination again were terminated.

On February 17 and February 18, 2000, Robert Thompson, the newly appointed chief executive officer of Epitope, visited STC's offices to discuss the status of a national launch of a drugs of abuse testing system and to further discuss future mutual business opportunities. During meetings on February 18, 2000, Mr. Thompson initiated discussions with Mr. Gausling regarding various strategic business combinations and relative valuations.

During February 21 through March 3, 2000, Epitope and STC evaluated various strategic business combinations and relative valuations, which led to preliminary discussions regarding a possible merger of Epitope and STC. On March 3, 2000, STC received a non-binding term sheet from Epitope which set forth the proposed principal terms of the proposed transaction.

At a regularly scheduled meeting of STC's board of directors held on March 14, 2000, the STC board of directors was provided with Epitope's term sheet and, after discussion, the board of directors directed STC management to proceed with the merger negotiations. At the meeting, the STC board of directors also approved

hiring a financial advisor to evaluate the advisability, from a financial point of view, of a possible merger with Epitope. On March 20, 2000, STC retained FleetBoston Robertson Stephens Inc. as its financial advisor.

On March 3, 2000, the Epitope board of directors met and considered the status of preliminary discussions with STC regarding a potential merger. The Epitope board requested that management perform substantial due diligence and engage a financial advisor to assist Epitope in connection with the transaction. Epitope subsequently retained Deutsche Banc Alex. Brown to serve as its financial advisor.

On March 21, 2000, the Epitope board of directors was informed by Mr. Thompson about the status of preliminary discussions with STC regarding a merger. The board authorized the engagement of Stinson, Mag & Fizzell to serve as legal counsel with respect to the proposed merger and related documentation, negotiation and due diligence matters.

During the period from March 29 through March 31, 2000, STC senior management commenced due diligence at Epitope's headquarters. Both companies' financial advisors were present for the meetings. On April 6, 2000, Epitope's financial advisor conducted due diligence at STC's headquarters in Bethlehem, Pennsylvania. Legal and accounting due diligence was conducted by each company's advisors from April 10 through April 18, 2000. On April 10, 2000, Mr. Hooper and STC's legal and financial advisors participated on a conference call to discuss the proposed term sheet. In early April 2000, counsel to Epitope provided STC a proposed agreement and plan of merger.

From April 10 through April 12, 2000, Mr. Gausling and STC's executive vice president and chief scientific officer, Dr. Sam Niedbala, attended meetings at Epitope. Mr. Gausling and Dr. Niedbala made a presentation to Epitope's board of directors on April 10, 2000 regarding STC's current business activities and STC's UPT technology.

On April 17, 2000, representatives of STC, Epitope and their advisors participated on a conference call to negotiate terms of the proposed agreement and plan of merger.

On April 18, 2000, the Epitope board of directors was informed about the status of merger discussions with STC and related strategic, financial and legal matters by Mr. Thompson and Epitope's legal and financial advisors.

At a meeting on April 25, 2000 at the offices of STC's legal counsel, Messrs. Gausling and Thompson met with each company's legal and financial advisors to negotiate the valuation of STC, break-up fees, escrow provisions, stockholder agreements, and other matters. Following the meeting, Mr. Thompson traveled to STC and informally met with several members of STC's board of directors.

During the remainder of April and the beginning of May, representatives of Epitope, STC and their advisors participated on conference calls to negotiate the final terms of the agreement and plan of merger and to discuss various legal, financial and regulatory matters.

On April 29, 2000, a meeting was held between members of Epitope's senior management and board of directors and representatives of Sawtooth Capital Management, owners of approximately 15% of Epitope's outstanding common stock. A non-disclosure agreement was signed by Sawtooth prior to the meeting. The purpose of the discussion was to obtain the views of Epitope's largest stockholder to the potential merger with STC to which Sawtooth reacted favorably.

At a special meeting of the STC board of directors held on May 6, 2000, the board of directors met with STC's legal and financial advisors in attendance. At that meeting, Robertson Stephens delivered its opinion subsequently confirmed in writing to the STC board of directors to the effect that, as of that date, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Robertson Stephens, the exchange ratio was fair, from a financial point of view, to STC and STC stockholders. The STC board of directors reviewed discussion materials prepared by Robertson Stephens with regard to Epitope's offer

and engaged in a detailed discussion of the merits of the proposed transaction to STC's stockholders. STC's legal counsel reviewed the material terms and conditions of the agreement and plan of merger, the results of the due diligence review of Epitope, the negotiations that led to the proposed final terms of the transaction and the application of the director's fiduciary duties to consideration of and action on the mergers. Based on their discussions and the materials presented at this meeting and prior meetings, STC's board of directors concluded that Epitope's proposal was in the best interests of STC and its stockholders and approved the agreement and plan of merger and related documents.

A special meeting of the Epitope board of directors was held on May 6, 2000 with representatives of Epitope's legal and financial advisors in attendance. At the meeting, Epitope's legal counsel reviewed the material terms and conditions of the agreement and plan of merger, the results of the due diligence review of STC, the negotiations that led to the proposed final terms of the transaction and the application of the director's fiduciary duties to consideration of and action on the mergers and related agreements. Also at the meeting, Deutsche Banc Alex. Brown delivered to the Epitope board of directors its opinion to the effect that, as of that date and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to Epitope. Based on their discussions and material presented at this meeting and at prior meetings, Epitope's board of directors concluded that the merger proposal was in the best interests of Epitope's stockholders and approved the agreement and plan of merger and related documents.

The agreement and plan of merger was executed by STC, Epitope and OraSure Technologies as of May 6, 2000. In connection with the execution of the agreement and plan of merger, stockholders of STC representing approximately 57.4% of the outstanding shares of STC stock entered into a voting agreement pursuant to which they agreed, among other things, to vote their shares of STC stock in favor of adopting the agreement and plan of merger. In connection with the execution of the agreement and plan of merger, stockholders of Epitope representing approximately 3.3% of the outstanding shares of Epitope common stock entered into a voting agreement pursuant to which they agreed, among other things, to vote their shares of Epitope common stock in favor of the mergers.

On May 8, 2000, STC and Epitope issued a joint press release announcing the execution of the agreement and plan of merger between Epitope and STC.

Our Reasons for the Mergers; Recommendations of Our Boards of Directors

The combination of a developer of an oral fluid collection device with an oral fluid assay developer will better enable us to achieve our shared mission of becoming a leading oral fluid diagnostic company. Combining Epitope and STC will leverage our expertise in oral fluid technology, infectious disease testing and substance abuse testing. By building upon our complementary product portfolios, technologies and sales infrastructure, we believe the combination will open up new U.S. and foreign markets and strengthen positioning in key current markets such as the rapidly expanding point of care market. In particular, STC's proprietary Up-Converting Phosphor technology, UPT, has broad applications for oral fluid testing. With the increased sensitivity and accuracy of UPT technology, OraSure Technologies can expand the menu of tests available on Epitope's OraSure(R) oral fluid collection device as well as expand oral fluid testing to point-of-care testing.

This same basic technology represented by UPT is also expected to be of significant benefit to other medical diagnostic manufacturers outside the area of expertise of Epitope and STC. For many of these additional applications of UPT, OraSure Technologies plans to license the technology to these other companies to provide an ongoing revenue stream of license fees and royalties.

These complementary skill sets, together with a combined annual research and development investment of $5.4 million for the twelve months ended September 30, 1999, should accelerate product development and commercialization of a variety of oral fluid testing platforms. We believe stockholder value will be further enhanced by top-line synergies as well as more than $2 million of estimated annual cost savings relating to cost avoidance and elimination of duplication.

The merger of Epitope into OraSure Technologies will effect a change in the state of incorporation from Oregon to Delaware in order to (i) obtain a greater degree of predictability and certainty regarding how the entity's affairs should be conducted to assure compliance with applicable corporate law requirements; and (ii) obtain the benefits resulting from the responsiveness of Delaware's legislature and courts to the needs of corporations organized under Delaware's jurisdiction. Delaware has long been the leading state in adopting, construing and implementing comprehensive and flexible corporate laws responsive to the legal and business needs of corporations. As a result, Delaware's General Corporation Law has become widely regarded as the most extensive and well-defined body of corporate law in the United States. Because of Delaware's prominence as the state of incorporation for many major corporations, both the legislature and courts in Delaware have demonstrated an ability and a willingness to act quickly and effectively to meet changing business needs. Moreover, the Delaware courts have rendered a substantial number of decisions interpreting and explaining Delaware law, including legal principles applicable to measures that may be taken by a corporation and as to the conduct of its board of directors to comply with their fiduciary obligations. For these reasons, many United States corporations initially have chosen Delaware as their state of incorporation or subsequently have changed their corporate domicile to Delaware in a manner similar to the Epitope proposal.

Each of our boards of directors, in reaching its decision on the mergers, consulted with its senior management and legal and financial advisors, reviewed a significant amount of information and considered a number of factors. The most relevant information reviewed and factors considered are set forth below:

- the reasons described above under "Our Reasons for the Merger" and the risks described under "Risk Factors" and "Cautionary Statement Concerning Forward-Looking Statements";

- the strategic and financial alternatives available to each of Epitope and STC in their industry;

- the strategic fit between Epitope and STC, and the belief that OraSure Technologies has the potential to enhance stockholder value through additional opportunities and operating efficiencies;

- the opportunity for Epitope's and STC's stockholders to participate in a larger, more competitive company;

- the fact that the transaction was structured as a merger of equals with shared corporate governance for OraSure Technologies, including equal representation of Epitope and STC designees on the company's board of directors, as well as the fact that Mr. Thompson will be the chief executive officer and Mr. Gausling will serve as president and chief operating officer of OraSure Technologies, thus enabling each of Epitope and STC to provide substantial input into the policies and operation of the combined businesses and effect the long-term goals of each company;

- information concerning the financial performance, business operations, financial condition and proprietary technologies of Epitope and STC and of the two companies on a combined basis;

- the financial presentations, including the opinions, of our respective financial advisors as to the fairness, from a financial point of view, of the exchange ratio as described below under the caption "Opinions of Financial Advisors;"

- the likely impact of the mergers on each company's employees and customers;

- the expected effect of the mergers on our existing strategic relationships with third parties;

- the interests of officers and directors of each company in the mergers, as described under "Interests of Officers and Directors in the Mergers";

- the fact that Epitope is permitted to terminate the agreement and plan of merger upon receipt of a superior acquisition proposal, subject to the payment of a specified termination fee and expense reimbursement;

- the impact that the termination fee and expense reimbursement may have on potential third-party acquirors; and

- the qualification of the mergers as tax-free reorganizations for United States federal income tax purposes, except for tax resulting from any cash received for fractional shares by the holders of STC common stock.

The STC board of directors also considered the benefits of its common stock being traded on the Nasdaq Stock Market through this transaction as opposed to other alternatives.

The above discussion of the information and factors considered by our boards of directors is not intended to be exhaustive. In view of the wide variety of the material factors considered in connection with their respective evaluations of the mergers and the complexity of these matters, our boards of directors did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to the various factors considered. In addition, our boards of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to our boards of directors' ultimate determination, but rather our boards of directors conducted an overall analysis of the factors described above, including discussions with and questioning of our respective management and legal and financial advisors. In considering the factors described above, individual members of our boards of directors may have given different weight to different factors.

There can be no assurance that any of the potential savings, synergies or opportunities considered by our boards of directors will be achieved through consummation of the mergers.

Recommendation of the Board of Directors of Epitope

Epitope's board of directors unanimously recommends that Epitope stockholders vote FOR approval of the agreement and plan of merger.

Recommendation of the Board of Directors of STC

STC's board of directors unanimously recommends that STC stockholders vote FOR adoption of the agreement and plan of merger.

Material United States Federal Income Tax Consequences of the Mergers

The following discussion summarizes the material United States federal income tax consequences of the mergers. This discussion is based on the Internal Revenue Code of 1986, as amended, applicable Treasury regulations, administrative interpretations and court decisions as in effect as of the date of this document, all of which may change, possibly with retroactive effect.

This discussion does not address all aspects of federal income taxation that may be important to a stockholder of Epitope or a stockholder of STC in light of that holder's particular circumstances or to a holder subject to special rules, such as:

- a stockholder who is not a citizen or resident of the United States,

- a financial institution or insurance company,

- a tax-exempt organization,

- a dealer or broker in securities,

- a stockholder that holds stock of STC or Epitope as part of a hedge, appreciated financial position, straddle or conversion transaction, or

- a stockholder who acquired stock of STC or Epitope pursuant to the exercise of options or otherwise as compensation.

This discussion will sometimes refer to the merger of STC into OraSure Technologies as the "STC Merger" and the merger of Epitope into OraSure Technologies as the "Epitope Merger" and collectively as the "mergers."

Tax Opinions. Epitope has received an opinion of Stinson, Mag & Fizzell, P.C., and STC has received an opinion of Pepper Hamilton LLP (together with Stinson, Mag & Fizzell, P.C., "tax counsel"), each dated as of the date of this document, that the mergers will be treated for federal income tax purposes as reorganizations within the meaning of Section 368 (a) of the Internal Revenue Code and that Epitope, OraSure Technologies and STC will each be parties to the reorganizations within the meaning of Section 368(b) of the Internal Revenue Code. It is a condition to the obligation of each of Epitope and STC to complete the mergers that the relevant tax counsel confirm its opinion as of the closing date. Neither Epitope nor STC intends to waive this condition.

The opinions of tax counsel regarding the mergers have relied, and the confirmation opinions regarding the mergers as of the closing date will rely, on (1) representations and covenants made by Epitope, OraSure Technologies and STC, including those contained in representation letters of officers of Epitope, OraSure Technologies and STC, and (2) specified assumptions, including an assumption regarding the completion of the mergers in the manner contemplated by the agreement and plan of merger. In addition, the opinions of tax counsel have assumed, and tax counsel's ability to provide the closing date opinions will depend on, the absence of changes in existing facts or in law between the date of this document and the closing date. If any of those representations, covenants or assumptions is inaccurate, tax counsel may not be able to provide the closing date opinions and the tax consequences of the mergers could differ from those described in the opinions that tax counsel have delivered. Tax counsel's opinions neither bind the IRS nor preclude the IRS or the courts from adopting a contrary position. Epitope, OraSure Technologies and STC do not intend to obtain a ruling from the IRS on the tax consequences of the mergers.

United States Federal Income Tax Treatment of the Mergers. The mergers will be treated for United States federal income tax purposes as reorganizations within the meaning of Section 368 (a) of the Internal Revenue Code, and Epitope, OraSure Technologies and STC will each be parties to the reorganizations within the meaning of Section 368(b) of the Internal Revenue Code.

United States Federal Income Tax Consequences to Epitope Stockholders. For United States federal income tax purposes:

- A holder of Epitope common stock will not recognize any gain or loss upon its exchange in the Epitope Merger of its shares of Epitope common stock for shares of the common stock of OraSure Technologies.

- A holder of Epitope common stock will have a tax basis in the common stock of OraSure Technologies received in the Epitope Merger equal to the tax basis of the Epitope common stock surrendered by that holder in the Epitope Merger.

- The holding period for shares of common stock of OraSure Technologies received in exchange for shares of Epitope common stock in the Epitope Merger will include the holding period for the shares of Epitope common stock surrendered in the Epitope Merger, provided such common stock was held as a capital asset.

United States Federal Income Tax Consequences to STC Stockholders. For United States federal income tax purposes:

- A holder of STC common stock will not recognize any gain or loss upon its exchange in the STC Merger of its shares of STC common stock for shares of the common stock of OraSure Technologies.

- If a holder of STC common stock receives cash instead of a fractional share of the common stock of OraSure Technologies, the holder will be required to recognize gain or loss, measured by the difference between the amount of cash received instead of that fractional share and the portion of the tax basis of

the holder's shares of STC common stock allocable to that fractional share. This gain or loss will be capital gain or loss provided such common stock was held as a capital asset, and will be long-term capital gain or loss if the share of STC common stock exchanged for that fractional share of the common stock of OraSure Technologies was held for more than one year on the closing date.

- A holder of STC common stock will have a tax basis in the common stock of OraSure Technologies received in the STC Merger equal to (1) the tax basis of the STC common stock surrendered by that holder in the STC Merger, reduced by (2) any tax basis of the STC common stock surrendered that is allocable to any fractional share of the common stock of OraSure Technologies for which cash is received.

- The holding period for shares of the common stock of OraSure Technologies received in exchange for shares of STC common stock in the STC Merger will include the holding period for the shares of STC common stock surrendered in the STC Merger, provided such common stock was held as a capital asset.

This discussion of material United States federal income tax consequences is intended to provide only a general summary, and is not a complete analysis or description of all potential United States federal income tax consequences of the mergers. This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. In addition, it does not address any non-income tax or any state, local or non-U.S. income tax consequences of the mergers. Accordingly, we strongly urge each stockholder to consult his or her own tax advisor to determine the particular United States federal, state or local or non-U.S. income or other tax consequences to him or her of the mergers.

Regulatory Matters Relating to the Mergers

Antitrust Review

Epitope and STC believe that the mergers promote competition and are in the public interest in part because OraSure Technologies will be able to compete more effectively with larger companies than either Epitope or STC could alone. However, there can be no assurance that the antitrust review process will move rapidly or that a challenge to the mergers on antitrust grounds will not be made.

U.S. Antitrust Approvals

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules promulgated under the Hart-Scott-Rodino Act, the acquisition of shares of OraSure Technologies by a non-exempt holder of STC common stock pursuant to the mergers may not be consummated until notifications have been given and certain information and materials have been furnished to and reviewed by the Department of Justice and the Federal Trade Commission and specified waiting period requirements have been satisfied. On June 1, 2000, the premerger notification forms required by the Hart-Scott-Rodino Act were filed with the U.S. Department of Justice and the U.S. Federal Trade Commission and the applicable waiting period under the Hart-Scott-Rodino Act expired on June 12, 2000 upon the grant of an early termination of the thirty day statutory waiting period under the Hart-Scott-Rodino Act. At any time prior to or after the consummation of the mergers, the Department of Justice or the Federal Trade Commission could take action under the federal antitrust laws, including seeking to enjoin the mergers or seeking conditions thereon. State antitrust authorities and private parties in certain circumstances may bring legal action under the antitrust laws seeking to enjoin the mergers or impose conditions.

Appraisal Rights

Holders of Epitope common stock do not have appraisal rights under Oregon corporation law in connection with the Epitope Merger because Epitope's common stock is traded on the Nasdaq Stock Market.

Holders of STC common and convertible preferred stock will have appraisal rights under Delaware law in connection with the STC Merger. If a holder has not voted shares of STC stock in favor of the STC Proposal, the holder has the right to demand appraisal of, and to be paid the fair market value for such shares of STC

stock. The value of the STC stock for this purpose will exclude any element of value arising from the accomplishment or expectation of the STC Merger. In order for the holder of STC stock to exercise its right to an appraisal, if any, such holder must deliver to STC a written demand for an appraisal of the shares of STC stock prior to the time the vote is taken on the STC Proposal at the STC meeting as provided by Delaware law. Annex D to this document sets forth the pertinent provisions of Delaware law addressing appraisal rights. Simply voting against the STC Proposal will not be considered a demand for appraisal rights. If the holder of STC stock fails to deliver such a written demand prior to the time the vote is taken on the STC Proposal at the STC meeting to the corporate secretary of STC Technologies, Inc. at 150 Webster Street, Bethlehem, Pennsylvania 18015, it will lose the right to an appraisal. In addition, if such holder votes shares of STC stock for the STC Proposal, it will lose the right to an appraisal with respect to such shares. The preceding discussion is not a complete statement of the law pertaining to appraisal rights under the Delaware General Corporation Law and is qualified in its entirety by the provisions of Delaware law attached as Annex D to this document.

Federal Securities Laws Consequences

This document does not cover any resales of the common stock of OraSure Technologies to be received by the stockholders of STC and of Epitope upon completion of the mergers, and no person is authorized to make any use of this document in connection with any such resale.

All shares of OraSure Technologies common stock that will be distributed to stockholders of STC and Epitope in the mergers will be freely transferable, except for the restrictions on transfer imposed by the federal securities laws on "affiliates" of STC, Epitope or OraSure Technologies. Shares of OraSure Technologies common stock received by persons who are deemed to be affiliates of STC or Epitope, but who are not and will not become affiliates of OraSure Technologies as of the time the vote is taken on the mergers, may be resold by them only in transactions permitted by the resale provisions of Rule 145(d) or as otherwise permitted under the Securities Act of 1933. Persons who are or will become affiliates of OraSure Technologies as of the time the vote is taken on the mergers may be resold by them only in transactions permitted by the resale provisions of Rule 144 or as otherwise permitted under the Securities Act of 1933. Persons who may be deemed to be affiliates of STC, Epitope or OraSure Technologies generally include persons that control, are controlled by, or under common control with the respective entity, such as their respective officers, directors and significant stockholders.

In general, under Rule 144, an affiliate of OraSure Technologies would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the number of shares of such class of stock then outstanding or the average weekly trading volume of the shares of such class of stock during the four calendar weeks preceding the filing of a Form 144 with respect to such sale. Sales under Rule 144 are also subject to certain requirements pertaining to the manner of such sales, notices of such sales and the availability of current public information concerning the issuer. In general, Rule 145(d) will impose the same volume and manner of sale limitations as under Rule 144 as to sales made during the one year period following the mergers. During the period between the first and second year following consummation of the mergers, resales made by persons subject to Rule 145(d) are permitted to be made without any volume or manner of sale of limitations if OraSure Technologies is current in meeting its reporting requirements under the Securities Exchange Act of 1934. There are no limitations on resales by persons who are subject to Rule 145(d) after two years have elapsed following the mergers if such persons are not then affiliates of OraSure Technologies and have not been so affiliated during the preceding three months.

SEC guidelines indicate further that the "pooling-of-interests" method of accounting generally will not be challenged on the basis of sales of shares by affiliates of Epitope or STC if the affiliates do not dispose of any of their shares that the affiliates own, or shares of OraSure Technologies they receive in connection with the mergers, during the period beginning 30 days before the mergers and ending when financial results covering at least 30 days of operations of OraSure Technologies following the mergers have been published.

OraSure Technologies has obtained written agreements from affiliates containing provisions intended to preserve the ability to account for the mergers as a "pooling of interests" and to ensure compliance with the

restrictions imposed by the Securities Act of 1933 on the resale or other disposition of shares issued pursuant to the mergers.

Under the terms of an agreement between STC and its institutional investors, two of which are affiliates, if OraSure Technologies proposes to register any of its securities under the Securities Act, either for its own account or for the account of other security holders exercising registration rights, the institutional investor affiliates are entitled to notice of such registration and are entitled to include shares of common stock in the registration. Further, the institutional investor affiliates have the right to require OraSure Technologies to file an unlimited number of additional registration statements on Form S-3 at OraSure Technologies' expense. These registration rights are subject to certain conditions and limitations, among them, a limit on the number of registration statements which may be required to be filed in any one year, a minimum offering amount, the right of the underwriters of an offering to limit the number of shares included in such registration and OraSure Technologies' right not to effect a requested registration for up to a maximum of 180 days in the event that OraSure Technologies determines in good faith that such registration might interfere with any transaction it is contemplating or involve initial or continuing disclosure obligations that might not be in its best interests.

Accounting Treatment

Epitope and STC believe the mergers will qualify as a "pooling of interests" for accounting and financial reporting purposes. The "pooling of interests" method of accounting assumes that the combining companies have been merged from inception, and the historical financial statements for periods prior to consummation of the mergers are restated as though the companies had been combined from inception pursuant to Opinion No. 16 of the Accounting Principles Board.

We expect that prior to the completion of the mergers:

- PricewaterhouseCoopers LLP will deliver to Epitope a letter stating that based upon discussions with officials of Epitope responsible for financial and accounting matters and information provided to PricewaterhouseCoopers LLP, PricewaterhouseCoopers LLP concurs with Epitope management's conclusions that, as of the date of its letter, no conditions exist relating to Epitope that would preclude OraSure Technologies from accounting for the mergers as a pooling of interests.

- Arthur Andersen LLP will deliver to STC a letter stating that based upon discussions with officials of STC responsible for financial and accounting matters and information furnished to Arthur Andersen LLP, Arthur Andersen LLP concurs with STC management's conclusion that, as of the date of its letter, no conditions exist related to STC that they believe would preclude STC from qualifying as a "combining company" and that no conditions exist they believe would preclude OraSure Technologies from accounting for the mergers as a pooling of interests.

Epitope and STC have agreed to use their reasonable best efforts to cause the mergers to qualify as a pooling of interests.

Stock Market Listing

We have filed an application to have the common stock of OraSure Technologies listed on the Nasdaq Stock Market under the symbol "OSUR".

INTERESTS OF OFFICERS AND DIRECTORS IN THE MERGERS

In considering the recommendations of the boards of directors of Epitope and STC with respect to the mergers, stockholders of Epitope and STC should be aware that the officers and directors of Epitope and STC have interests in the mergers that are different from, or in addition to, their interests as stockholders of Epitope and STC generally. The boards of directors of Epitope and STC were aware of these interests and considered

them, among other matters, in approving the agreement and plan of merger and the transactions contemplated by the agreement and plan of merger.

Existing Agreements and Plans with Respect to Directors and Officers

Epitope

Employment Agreements. Robert D. Thompson is the president and chief executive officer of Epitope, Charles E. Bergeron is the chief financial officer of Epitope, William D. Block is the vice president of sales and marketing for Epitope, J. Richard George, Ph.D., is the chief scientific officer of Epitope, and Andrew S. Goldstein is the senior vice president of advanced technology development for Epitope. These individuals are the current executive officers of Epitope. Each of them has an employment agreement with Epitope. Pursuant to such employment agreements, all current executive officers of Epitope, other than Mr. Goldstein, are entitled to receive one year of salary in the event their employment is terminated without cause. Mr. Goldstein is entitled to receive two years of salary in the event his employment is terminated in connection with a change in control of Epitope. The agreements with Messrs. Thompson, Bergeron and Block permit each of them to treat a change in control of Epitope and certain other events as a termination without cause. The agreements do not expire by their terms and are terminable by Epitope with cause (upon 90 days' notice, in the case of Mr. Goldstein) or, subject to payment of the salary amounts described above, without cause. However, none of the executive officers, other than Mr. Bergeron, will receive any cash payment as a result of the termination of their current employment agreements with Epitope. Although Mr. Bergeron is named in the agreement and plan of merger as the chief financial officer of the combined company, he will only be serving in that position for a transitional period which is expected to end on January 1, 2001. Mr. Bergeron will not be entering into an employment agreement with OraSure Technologies, but he will receive twelve months of his regular salary upon the termination of his employment with OraSure Technologies. OraSure Technologies has not yet identified the person who will become its chief financial officer at the end of that transitional period.

Stock Option Plans. As a result of the mergers and pursuant to the applicable stock option agreements, all outstanding stock options awarded under the Epitope, Inc. Amended and Restated 1991 Stock Award Plan, the Epitope, Inc. 2000 Stock Award Plan and Mr. Thompson's nonqualified stock option agreement prior to the consummation of the proposed mergers, whether or not fully vested, will accelerate, vest and become fully exercisable. Any option that is not exercised before the date the mergers become effective will be converted into an immediately exercisable right with respect to common stock of OraSure Technologies following the mergers, in a manner intended to maintain the aggregate intrinsic value of the converted options. The number of shares of OraSure Technologies stock to which any such converted option will pertain will equal the same number of Epitope shares subject to such award, and the exercise price of such options will be the current exercise price of such option.

The following table shows the number of unvested options and the estimated value of unvested options that will become vested and exercisable for executive officers of Epitope, assuming the mergers are completed on August 31, 2000 assuming that the price per share at the effective time of the mergers is $10.00.

Name	Number of Unvested Epitope Options (1)	Aggregate Value of Unvested Options (2)
Robert D. Thompson.....	375,000	$2,027,625
Charles E. Bergeron.....	50,417	226,887
William D. Block.....	81,251	396,098
J. Richard George, Ph.D.....	45,417	211,106
Andrew S. Goldstein.....	35,209	158,311
	587,294	$3,020,027

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(1) Includes all options granted that will be unvested and outstanding on May 31, 2000 or later, provided that the mergers have not occurred by that date.

(2) Grants valued assuming a market value of $10.00 per share for OraSure Technologies stock at the time of the mergers, less the exercise price for each option granted.

STC

Employment Agreements. STC currently does not have any employment agreements with any of its executive officers. However, after the consummation of the mergers pursuant to the agreement and plan of merger, Michael J. Gausling, the president and chief executive officer of STC, Dr. R. Sam Niedbala, the executive vice president and chief science officer of STC and William Hinchey, the executive vice president of business development-oral fluid products of STC, will be employed by OraSure Technologies pursuant to employment agreements, the terms of which are set forth below.

Stock Options and Incentive Plans. None of the stock options awarded under the STC 1996 Employee Incentive and Non-Qualified Stock Option Plan prior to the consummation of the mergers will accelerate or vest as a result of the mergers. Any option that is not exercised before the date the mergers become effective will be converted into an option with respect to common stock of OraSure Technologies following the mergers, in a manner intended to maintain the aggregate intrinsic value of the converted options. The number of shares of combined company stock to which any such converted option will pertain will equal the number of STC shares subject to such award multiplied by the exchange ratio, and the exercise price of such options will be the current exercise price of such option divided by the exchange ratio. For more information about the exchange ratio, see the section entitled "The Agreement and Plan of Merger--Merger Consideration" beginning on page 40.

Board of Directors, Management and Agreements of the Combined Company

Board of Directors of the Combined Company. We have agreed in the agreement and plan of merger that, as of the effective time of the mergers, the board of directors of the combined company will have 7 members, consisting of three persons designated by Epitope's board of directors, three persons designated by STC's board of directors, and one person mutually acceptable to the boards of both Epitope and STC. More information concerning the designees is provided under the heading "Additional Information Concerning the Designees to the Board of Directors" beginning on page 38.

Management of the Combined Company. We have also agreed that Mr. Thompson, the president and chief executive officer of Epitope, will become the chief executive officer of OraSure Technologies; Mr. Gausling, the president and chief executive officer of STC, will become the president and chief operating officer of OraSure Technologies; Dr. Niedbala, the executive vice president and chief science officer of STC, will become the executive vice president and chief science officer of OraSure Technologies; Dr. George, the chief scientific officer of Epitope, will become the senior vice president of research and development, infectious disease of OraSure Technologies; Mr. Block, the vice president of sales and marketing of Epitope, will become the senior vice president of sales of OraSure Technologies; Mr. Hinchey, the executive vice president of business development-oral fluid products of STC, will become the senior vice president of marketing of OraSure Technologies; and Mr. Bergeron, the chief financial officer of Epitope, will become the vice president and chief financial officer of OraSure Technologies for a transitional period. All other management positions of OraSure Technologies will be determined jointly by Mr. Thompson and Mr. Gausling.

Employment Agreements with OraSure Technologies. Pursuant to the agreement and plan of merger, OraSure Technologies will enter into employment agreements with six people: Robert D. Thompson, Michael J. Gausling, William Hinchey, R. Sam Niedbala, Ph.D., William D. Block and J. Richard George, Ph.D.

Mr. Thompson's employment agreement provides, among other things, that Mr. Thompson will serve as the chief executive officer of OraSure Technologies for a term of three years, subject to automatic renewal for successive one year periods unless either party gives the other party notice that the term will not be extended. Mr. Thompson will be paid a regular salary of $275,000 per year. Mr. Thompson is also eligible to participate in the executive bonus plan to be established by OraSure Technologies, and to receive or participate in any long-term incentive plan or any other additional benefits which may be made available by OraSure

Technologies from time to time. Mr. Thompson will be reimbursed for job-related expenses, he will be paid a one-time relocation allowance of $30,000 upon relocation of his residence to Pennsylvania, and OraSure Technologies will purchase, or arrange for a third-party to purchase, Mr. Thompson's house in Portland, Oregon at a purchase price of $672,000. OraSure Technologies will pay all mortgage payments on the house that become due between the date of the relocation of OraSure Technologies' headquarters to Pennsylvania and the closing date of the purchase of Mr. Thompson's Portland, Oregon house, with any amounts so paid to be grossed up for any income tax owed by Mr. Thompson as a result of such payments. The agreement also provides that Mr. Thompson and OraSure Technologies will enter into a business protection agreement containing noncompetition provisions.

Mr. Thompson's employment agreement will terminate upon Mr. Thompson's death or upon 60 days' written notice from Mr. Thompson to OraSure Technologies. Mr. Thompson's employment agreement may also be terminated by OraSure Technologies for cause (as defined therein), or without cause. Mr. Thompson may elect to treat the following events as a termination without cause: (i) a material breach of the employment agreement by OraSure Technologies, (ii) a reduction in Mr. Thompson's salary or a change in his title or a substantial diminution of his duties, (iii) a requirement that Mr. Thompson regularly report to someone other than the chairman of the board, or (iv) a "change in control" of OraSure Technologies. A "change in control" generally is defined to take place when disclosure of such a change would be required by the proxy rules promulgated by the Securities and Exchange Commission or when either (a) a person (other than OraSure Technologies, any of its subsidiaries, any employee benefit plan of OraSure Technologies or any person with voting power arising from a revocable proxy) acquires beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of 30% or more of the combined voting power of OraSure Technologies' voting securities, (b) less than a majority of the directors are persons who were either nominated or selected by the board, (c) the consummation of any consolidation or merger in which OraSure Technologies is not the surviving corporation or the sale, lease, exchange or other transfer of all or substantially all of the assets of OraSure Technologies, or (d) the approval by the stockholders of OraSure Technologies of any plan or proposal for the liquidation or dissolution of OraSure Technologies. Upon the termination of Mr. Thompson's employment without cause, Mr. Thompson will continue to be paid his annual salary for the greater of (x) 12 months, (y) the remaining term of the employment agreement, or (z) 36 months if Mr. Thompson elects to treat one of the events described above as a termination without cause.

All of the other employment agreements are substantially similar to Mr. Thompson's, with the following exceptions:

Mr. Gausling will serve as the president and chief operating officer of OraSure Technologies, he will be under the supervision of the chief executive officer of OraSure Technologies and he will be paid a regular salary of $225,000 per year. Mr. Gausling's house will not be purchased by OraSure Technologies and he will receive no relocation allowance. Mr. Gausling's employment agreement contains the same termination provisions as Mr. Thompson's, except that Mr. Gausling cannot elect to treat a requirement that he regularly report to someone other than the chairman of the board as a termination without cause.

Mr. Hinchey will serve as the senior vice president of marketing of OraSure Technologies, he will be under the supervision of the chief executive officer of OraSure Technologies and he will be paid a regular salary of $150,000 per year. Mr. Hinchey's employment agreement is for a term of two, rather than three, years. Mr. Hinchey's house will not be purchased by OraSure Technologies and he will receive no relocation allowance. Mr. Hinchey's employment agreement contains the same termination provisions as Mr. Thompson's, except that Mr. Hinchey cannot elect to treat a requirement that he regularly report to someone other than the chairman of the board as a termination without cause and he will be paid his salary for 24 months, rather than 36 months, if he elects to treat one of the events described above as a termination without cause.

Dr. Niedbala will serve as the executive vice president and chief science officer of OraSure Technologies, he will be under the supervision of the chief executive officer of OraSure Technologies and he will be paid a

regular salary of $185,000 per year. Dr. Niedbala's house will not be purchased by OraSure Technologies and he will receive no relocation allowance. Dr. Niedbala's employment agreement contains the same termination provisions as Mr. Thompson's, except that Dr. Niedbala cannot elect to treat a requirement that he regularly report to someone other than the chairman of the board as a termination without cause and he will be paid his salary for 24 months, rather than 36 months, if he elects to treat one of the events described above as a termination without cause.

Mr. Block will serve as the senior vice president of sales of OraSure Technologies, he will be under the supervision of the chief executive officer of OraSure Technologies and he will be paid a regular salary of $150,000 per year. Mr. Block's employment agreement is for a term of two, rather than three, years.
Mr. Block's house will be purchased by OraSure Technologies at a purchase price equal to the average of three independent appraisals or such other price as is agreed to by OraSure Technologies and Mr. Block. Mr. Block will receive a $30,000 relocation allowance. Mr. Block's employment agreement contains the same termination provisions as Mr. Thompson's, except that Mr. Block cannot elect to treat a requirement that he regularly report to someone other than the chairman of the board as a termination without cause and he will be paid his salary for 24 months, rather than 36 months, if he elects to treat one of the events described above as a termination without cause.

Dr. George will serve as the senior vice president of research and development, infectious disease, of OraSure Technologies, he will be under the supervision of the chief science officer of OraSure Technologies and he will be paid a regular salary of $150,000 per year. Dr. George's employment agreement is for a term of two, rather than three, years. Dr. George's house will not be purchased by OraSure Technologies and he will receive no relocation allowance. Dr. George's employment agreement contains the same termination provisions as Mr. Thompson's, except that Dr. George cannot elect to treat a requirement that he regularly report to someone other than the chairman of the board as a termination without cause and he will be paid his salary for 24 months, rather than 36 months, if he elects to treat one of the events described above as a termination without cause.

Ownership of Common Stock; Stock Options

As of June 1, 2000, directors and executive officers of STC beneficially owned an aggregate of 2,056,533 shares of STC common stock and 784,706 shares of STC convertible preferred stock, including options to purchase 12,500 shares of STC common stock exercisable within 60 days. Such shares of common stock collectively constitute approximately 59.3% of the outstanding shares of STC common stock.

As of May 31, 2000, directors and executive officers of Epitope beneficially owned an aggregate of approximately 1,164,262 shares of Epitope common stock, including options to purchase 876,372 shares of Epitope common stock exercisable within 60 days. Such shares of common stock collectively constitute approximately 7.0% of the outstanding shares of Epitope common stock.

Additional Information Concerning the Designees to the Board of Directors

Following the merger, OraSure Technologies' board of directors will have seven members, consisting of three individuals designated by Epitope's board of directors and three individuals designated by STC's board of directors and one individual designated by the boards of both Epitope and STC.

Epitope Designees. The following current directors of Epitope are Epitope's designees for OraSure Technologies' board of directors.

Robert D. Thompson, age 38, president and chief executive officer of Epitope. Prior to joining Epitope in January 2000, Mr. Thompson was chief operating officer and chief financial officer at LabOne, Inc., a Kansas City, Missouri-based insurance testing laboratory. Mr. Thompson originally joined LabOne as vice president-

business development in 1993 and was promoted to chief financial officer, treasurer, and executive vice president, finance, in 1994. He added the title of chief operating officer in 1996. LabOne is one of the pioneers in the use of Epitope's OraSure device for HIV testing in the insurance market and supplies HIV testing services to support Epitope's public health test kit product. Before joining LabOne, Mr. Thompson served as chief financial officer of Metwest, Inc., a Dallas-based clinical laboratory, and worked for seven years as an international business consultant. Mr. Thompson received an M.B.A. degree from Harvard Graduate School of Business Administration and a B.S. degree in Economics from the Wharton School of Business at the University of Pennsylvania.

Roger L. Pringle, age 59, director of Epitope. Mr. Pringle has been chairman of the board and a member of the board of directors of Epitope since February 1989. Mr. Pringle is president of The Pringle Company, a management consulting firm in Portland, Oregon, which he founded in 1975. Mr. Pringle is also a director of Agritope, Inc. and Bank of the Northwest.

Frank G. Hausmann, age 42, director of Epitope. Mr. Hausmann has been a member of the board of directors of Epitope since December 1999. Mr. Hausmann has been employed by CenterSpan Communications Corporation, formerly known as Thrustmaster, Inc., since July 1998 and has been its president and chief executive officer since October 1998. He served as vice president, finance and administration and chief financial officer prior to that time. From August 1997 to May 1998, Mr. Hausmann served as vice president, finance and chief financial officer of Atlas Telecom, Inc., a developer of enhanced facsimile and voice-mail solutions, that was experiencing financial difficulties and engaged Mr. Hausmann as part of its efforts to turn around the company. In May 1998, an involuntary bankruptcy case was commenced against Atlas Telecom. From September 1995 to July 1997, he served as vice president, corporate development and general counsel of Diamond Multimedia Systems, Inc., a designer and marketer of computer peripherals such as modems and graphics and sound cards. Mr. Hausmann received B.S. degrees in economics and political science from Willamette University and a J.D. degree from the University of Oregon. He is a member of the Oregon State Bar. Mr. Hausmann is also a director of CenterSpan Communications Corporation.

STC Designees. The following current directors of STC are STC's designees for OraSure Technologies' board of directors.

Michael J. Gausling, age 42, president and chief executive officer of STC. Mr. Gausling a co-founder of STC and has served as chairman of the board since 1996, president and chief executive officer since 1990, a director of STC since 1987, and was executive vice president, finance and operations from 1987 to 1990. Prior to forming STC, he had been employed in the area of corporate finance at Procter and Gamble. Mr. Gausling received his B.S.M.E. from Rensselear Polytechnic Institute and his MBA in Finance from Miami University. Mr. Gausling is also a director of Paragon Technologies, Inc. and Keystone Savings Bank.

William W. Crouse, age 57, Director of STC. Mr. Crouse has been a member of the board of directors of STC since April 1999. Since 1994, Mr. Crouse has served as Managing Director of HealthCare Ventures LLC, a venture capital firm. Mr. Crouse served as Worldwide President of Ortho Diagnostic Systems, and Vice President of Johnson & Johnson International. Mr. Crouse has more than 30 years experience in the pharmaceutical industry. He serves as a director of BioTransplant Incorporated, Dendreon Corporation, The New York Blood Center and Lehigh University. Mr. Crouse received his B.S. in finance and economics from Lehigh University and his M.B.A. from Pace University.

Michael G. Bolton, age 56, Director of STC. Mr. Bolton has been a member of the board of directors of STC since April 1999 and is a Senior Vice President of Safeguard Scientifics, Inc. Since January 1998,
Mr. Bolton has served as the Managing Director of Pennsylvania Early Stage Partners L.P., a Safeguard Scientific's affiliate. Prior to joining Safeguard, Mr. Bolton was an executive at Lehigh University for 25 years. Mr. Bolton was the founding chief executive of the Ben Franklin Technology Center at Lehigh University and co-founder of the NEPA Venture Fund. Mr. Bolton received his B.A. in Economics and his MBA from Lehigh University.

Joint Designee. The seventh member of OraSure Technologies' board of directors will be selected jointly by the boards of Epitope and STC. No candidate for that seat had been selected as of the date of this joint proxy statement/prospectus. The person who will be elected to this board seat will qualify as an "independent" director under applicable NASD rules and therefore will not be an officer, employee or affiliate of, or have other disqualifying relationships with, either Epitope or STC.

THE AGREEMENT AND PLAN OF MERGER

The following summary of the agreement and plan of merger is qualified by reference to the complete text of the agreement and plan of merger dated as of May 6, 2000, which is incorporated by reference and attached as Annex A.

Structure of the Mergers

Under the agreement and plan of merger, STC will merge into OraSure Technologies, a newly formed subsidiary of Epitope and, immediately thereafter, Epitope will merge into OraSure Technologies. OraSure Technologies will be the surviving corporation in both of the mergers. We will sometimes refer to the merger of STC into OraSure Technologies as the "STC Merger" and the merger of Epitope into OraSure Technologies as the "Epitope Merger."

Timing of Closing

The closing of the mergers will take place on a date mutually agreed upon by Epitope and STC, which will be no later than the third business day after all closing conditions set forth in the agreement and plan of merger have been satisfied or waived. We expect that immediately upon the closing of the mergers, we will file a certificate of merger with respect to the STC Merger with the Secretary of State of the State of Delaware, we will then file a certificate of merger with respect to the Epitope Merger with the Secretary of State of Delaware and articles of merger with respect to the Epitope Merger with the Secretary of State of the State of Oregon. The effective time of the mergers will either be the time the certificates of merger and the articles of merger are filed, or at such later time as may be specified in the certificates of merger and the articles of merger.

Merger Consideration

The STC Merger. The agreement and plan of merger provides that, at the effective time of the STC Merger, each share of STC common stock outstanding immediately prior to the effective time of that merger, other than shares as to which appraisal rights have been exercised, will be converted into shares of common stock of OraSure Technologies at an exchange ratio determined as follows:

(i) if the average Epitope stock price is greater than $13.00, then the exchange ratio will be determined by dividing $260 million by the average Epitope stock price, and then dividing that number by the number of shares of fully diluted STC common stock outstanding;

(ii) if the average Epitope stock price is equal to or less than $13.00, but equal to or more than $10.00, then the exchange ratio will be determined by dividing 20 million shares by the number of shares of fully diluted STC common stock outstanding; or

(iii) if the average Epitope stock price is less than $10.00, then the exchange ratio will be determined by dividing $200 million by the average Epitope stock price, and then dividing that number by the number of shares of fully diluted STC common stock outstanding; provided that, if the number you get when you divide $200 million by the average Epitope stock price is greater than 25 million, then such number shall be deemed to be 25 million for the purposes of completing the calculation set forth above.

For purposes of determining the exchange ratio, the following definitions apply:

"average Epitope stock price" means the average of the closing price per share of Epitope common stock during a 20-day measurement period that ends immediately preceding the third trading day before the effective time of the mergers; and

"fully diluted STC common stock outstanding" means the sum of the number of shares of STC common stock outstanding immediately prior to the effective time of the STC Merger and the number of shares of STC common stock underlying all STC options or other rights to purchase or acquire STC common stock.

The following table sets forth the per share value of the merger consideration to be received by the holders of STC common stock at various average closing prices of Epitope common stock, assuming that the fully diluted STC common stock outstanding immediately prior to the effective time of the mergers is equal to 3,656,876 shares.

Average Epitope Stock Price	Per Share Consideration	Exchange Ratio
$15.00	$71.10	4.7399
$14.00	$71.10	5.0785
$13.00	$71.10	5.4691
$12.00	$65.63	5.4691
$11.00	$60.16	5.4691
$10.00	$54.69	5.4691
$ 9.00	$54.69	6.0768
$ 8.00	$54.69	6.8364
$ 7.00	$47.86	6.8364
$ 6.00	$41.02	6.8364

All shares of STC convertible preferred stock will be converted into shares of STC common stock prior to the STC Merger. However, any shares of STC common stock issued and owned or held by STC or OraSure Technologies will be canceled without any payment for those shares.

Each share of OraSure Technologies common stock outstanding or held in treasury immediately prior to the effective time of the STC Merger will continue to represent one share of common stock of OraSure Technologies.

OraSure Technologies will not issue any fractional shares in the STC Merger. Holders of STC common stock who would otherwise receive fractional shares will instead receive a cash payment based upon the value of such fractional shares of the common stock of OraSure Technologies.

As a result of the STC Merger, all shares of STC common stock and convertible preferred stock will no longer be outstanding.

The Epitope Merger. The agreement and plan of merger provides that each share of Epitope common stock outstanding immediately prior to the effective time of the Epitope Merger will, at the effective time of that merger, be converted into one share of common stock of OraSure Technologies. However, any shares of Epitope common stock issued and owned or held by Epitope or OraSure Technologies will be canceled without any payment for those shares.

Each share of OraSure Technologies common stock outstanding or held in treasury immediately prior to the effective time of the Epitope Merger will continue to represent one share of common stock of OraSure Technologies.

As a result of the Epitope Merger, all shares of Epitope common stock will no longer be outstanding.

Treatment of Stock Options

The STC Merger. At the effective time of the STC Merger, each outstanding option granted by STC to purchase shares of STC common stock will be converted into an option with respect to common stock of OraSure Technologies, in a manner intended to maintain the aggregate intrinsic value of the converted options. There will be no acceleration in the vesting or exercisability of any such option as a result of the STC Merger. The number of shares of common stock of OraSure Technologies which any such converted option will pertain to will equal the number of STC shares subject to such award multiplied by the exchange ratio used to determine the merger consideration for the STC Merger, and the exercise price of such award will be the current exercise price of such award divided by such exchange ratio.

The Epitope Merger. At the effective time of the Epitope Merger, each outstanding option granted by Epitope to purchase shares of Epitope common stock will be converted into an option with respect to common stock of OraSure Technologies, in a manner intended to maintain the aggregate intrinsic value of the converted options. The number of shares of common stock of OraSure Technologies to which any such converted option will pertain will be equal to the same number of Epitope shares subject to the option, and the exercise price of the option will remain the per-share exercise price specified in the option. Pursuant to Epitope's 1991 Stock Award Plan and 2000 Stock Award Plan and Mr. Thompson's non-qualified stock option agreement, all outstanding options will immediately vest and become exercisable upon completion of the mergers. In connection with the vesting of these stock options, OraSure Technologies will recognize a one-time, non-cash charge of $665,267 related to deferred compensation in the quarter in which the mergers are consummated. This charge is the total of the unamortized portion of the difference between the original exercise price and the market price at the time the options were issued to each person who received discounted options.

Exchange of Certificates

OraSure Technologies has appointed ChaseMellon Shareholder Services, L.L.C. exchange agent to handle the exchange of STC and Epitope stock certificates for stock certificates of OraSure Technologies in the mergers and the payment of cash for fractional shares that would otherwise have been issued pursuant to the STC Merger. Soon after the effective time of the mergers, the exchange agent will send to each former STC and Epitope stockholder a letter of transmittal to be used to exchange STC and Epitope stock certificates for shares of OraSure Technologies and, in the case of the STC Merger, to receive cash instead of any fractional shares. The letter of transmittal will contain instructions explaining the procedure for surrendering STC and Epitope stock certificates. You should not return any stock certificates with the enclosed proxy card.

Holders of STC and Epitope stock who surrender their stock certificates to the exchange agent, together with a properly completed letter of transmittal, will receive the appropriate merger consideration. Holders of unexchanged shares of STC or Epitope stock will not be entitled to receive any dividends or other distributions payable by OraSure Technologies after the effective time of the mergers until they surrender their stock certificates in accordance with the exchange agent's instructions.

The Board of OraSure Technologies and Related Matters

Board of Directors of OraSure Technologies. Epitope and STC have agreed to take the necessary action so that, as of the effective time of the mergers, the board of directors of OraSure Technologies will consist of seven members, three of whom will be designated by Epitope's board of directors and three of whom will be designated by STC's board of directors, and one of whom will be a person mutually acceptable to the boards of both Epitope and STC. The board of directors of OraSure Technologies will be divided into three classes, with the initial terms of office of the first, second and third classes expiring at the first, second and third annual meetings of the stockholders of OraSure Technologies, respectively. One STC designee and one Epitope designee will be placed in each class of the board of OraSure Technologies.

Management of OraSure Technologies. The agreement and plan of merger provides that, as of the effective time of the mergers, the following persons will serve as the principal officers of OraSure Technologies: Mr. Thompson, the president and chief executive officer of Epitope, will serve as the chief executive officer of OraSure Technologies; Mr. Gausling, the president and chief executive officer of STC, will serve as the president and chief operating officer of OraSure Technologies; R. Sam Niedbala, the executive vice president and chief science officer of STC, will serve as executive vice president and chief science officer of OraSure Technologies; J. Richard George, Ph.D., the chief scientific officer of Epitope, will serve as senior vice president of research and development, infectious disease of OraSure Technologies; William D. Block, the vice president of sales and marketing of Epitope, will serve as senior vice president of sales of OraSure Technologies; William Hinchey, the executive vice president of business development-oral fluid products of STC, will serve as senior vice president of marketing of OraSure Technologies; and Mr. Bergeron, the chief financial officer of Epitope, will become the vice president and chief financial officer of OraSure Technologies for a transitional period. All other management positions of OraSure Technologies will be determined jointly by Mr. Thompson and Mr. Gausling.

Headquarters of OraSure Technologies. We agreed in the agreement and plan of merger that by January 1, 2001 the principal corporate offices and headquarters of OraSure Technologies will be located in Bethlehem, Pennsylvania.

Name of OraSure Technologies

We agreed in the agreement and plan of merger that the name of the combined company will be OraSure Technologies, Inc.

Representations and Warranties

In the agreement and plan of merger, Epitope and STC make customary representations and warranties to each other relating to, among other things:

- corporate existence and power;
- corporate authority to enter into, and carry out the obligations under, the agreement and plan of merger and enforceability of the agreement and plan of merger;
- government approvals and required consents;
- lack of conflicts with existing agreements;
- capitalization;
- in the case of Epitope, its subsidiaries;
- in the case of Epitope, documents and other reports that have been or will be filed with the Securities and Exchange Commission;
- financial statements;
- absence of undisclosed liabilities;
- reliability of information to be supplied for this joint proxy statement/prospectus;
- the absence of material changes and events;
- the absence of material litigation;
- taxes;
- employee benefit plan matters;
- compliance with laws;
- licenses, permits and registrations;
- title to properties;
- intellectual property;
- environmental matters;
- payment of fees to finders or brokers in connection with the agreement and plan of merger;
- opinions of financial advisors as to fairness of the exchange ratio from a financial point of view as of May 6, 2000;
- required vote of stockholders of Epitope and STC;
- board approval and recommendations to stockholders of Epitope and STC;
- exemption of the mergers from state takeover statutes;
- accounting for the mergers as a pooling of interests;
- treatment of the mergers as a tax-free reorganization;
- restrictions on disposition of stock by affiliates to ensure "pooling of interests," accounting and compliance with federal securities laws;

- the absence of certain agreements with employees;
- the absence of certain transactions with directors, officers and affiliates;
- material contracts;
- the absence of certain business practices;
- insurance;
- certain product information; and
- product liability claims.

In addition, Epitope also represented to STC that its stockholder rights plan is not applicable to the mergers or the agreement and plan of merger. The agreement and plan of merger also contains representations and warranties relating to the wholly-owned subsidiary of Epitope into which both Epitope and STC will be merged, including due organization, capitalization, corporate authorization, lack of conflicts with existing agreements, no prior business activities and taxes.

The representations and warranties contained in the agreement and plan of merger do not survive the effective time of the mergers.

Covenants

We have each undertaken to perform certain covenants in the agreement and plan of merger. The principal covenants are as follows:

Interim Operations of Epitope and STC. From the date of signing the agreement and plan of merger until the effective time of the mergers or the termination of the agreement and plan of merger, we have each agreed to conduct our business in the ordinary course consistent with past practice, to use commercially reasonable efforts to preserve our current business organizations intact, to maintain in effect all licenses, approvals and other obligations and to preserve our relationships with customers, suppliers and others with whom we do business with the intention that our ongoing business shall not be impaired in any material respect. In addition, each of us has agreed to restrictions, subject to limited exceptions, that prohibit us from taking specified actions, including the following:

- amend our articles or certificates of incorporation, bylaws or other governing documents;
- split, combine or reclassify any of our capital stock;
- declare, set aside or pay any dividends or other distribution;
- purchase, redeem or otherwise acquire any shares of our capital stock;
- issue, deliver or sell any shares of our capital stock or options, warrants or other rights to acquire our capital stock other than the options to purchase shares of our common stock in an amount equal to the number of shares underlying options forfeited prior to closing by our employees, under our option plans, and upon exercise of stock options and warrants in accordance with their present terms;
- amend any term of any of our outstanding securities;
- incur any capital expenditures except for those contemplated by our capital expenditure budget or those incurred in the ordinary course of business;
- acquire any assets or equity interests with a fair market value of more than $100,000, excluding amounts contemplated by our capital expenditure budget, but in no event may asset or equity interest acquisitions and budgeted capital expenditures exceed $500,000 in the aggregate;
- sell, lease, out-license, encumber or otherwise dispose of assets except in the ordinary course of business, assets no longer in use, or assets related to discontinued operations;
- incur or generate any debt or issue any debt securities, warrants or rights to acquire any debt, make any loans, capital contributions to or investments in any other person, or, except in the ordinary course of business consistent with past practices, guarantee any debt securities or indebtedness of others, in any case, in an amount in excess of $100,000;

- enter into any agreement or arrangement that restricts or limits us from engaging or competing in any line of business or in any location;

- enter into, amend, modify or terminate any material agreement except in the ordinary course of business and consistent with past practice;

- except in the ordinary course of business or as may be required by law or any existing agreement, increase the amount of compensation of any director or executive officer or increase any employee benefits, grant any severance pay to any director, officer or employee, adopt, amend, make a contribution to, or accelerate vesting under any benefit plan, or hire any employee with an annual base salary in excess of $75,000;

- except as may be required as a result of a change in law or in generally accepted accounting principles, change any of our respective accounting methods or our respective fiscal year;

- make any material tax election or settle any material income tax liability, other than in the ordinary course of business consistent with past practices;

- settle or commence any litigation or investigation material to our respective business other than the discharge of various liabilities in the ordinary course of business;

- enter into any new line of business;

- amend, modify, or waive any provision of Epitope's stockholder rights plan, other than as required to close the mergers;

- take any action to redeem Epitope's stock purchase rights under its stockholder rights plan; or

- agree, commit or resolve to do any of the foregoing.

No Solicitation. Except as described below, we have agreed that each of us will not directly or indirectly, and we will use our reasonable best efforts to cause each of our officers, directors, employees, agents and representatives, not to, solicit, initiate, or knowingly facilitate or encourage any inquiries or proposals relating to an "acquisition proposal," as defined below, participate in any discussions or negotiations or provide any information regarding any acquisition proposal, grant any waiver or release under any standstill or similar agreement, or enter into any agreement with respect to an acquisition proposal.

An "acquisition proposal" is:

- any offer or proposal for a purchase or sale of 10% or more of the assets of Epitope or STC, any purchase or sale of, or tender or exchange offer for, 10% or more of any equity securities of Epitope or STC, or any other similar transaction or series of transactions involving the issuance of more than 10% of the outstanding securities of Epitope or STC; or

- any offer or proposal for a merger, reorganization, consolidation, share exchange, business combination, recapitalization, issuance of securities, acquisition of securities, liquidation or dissolution or similar transaction involving Epitope or STC, other than a proposal made by the other party or its affiliate.

However, in response to an unsolicited bona fide written acquisition proposal to acquire Epitope, Epitope may:

- furnish any information to any person making such acquisition proposal;

- participate in discussions or negotiations regarding such acquisition proposal; and

- recommend approval of such acquisition proposal and withdraw its recommendation to approve these mergers.

In order for Epitope to engage in any of the above activities in response to the unsolicited acquisition proposal:

- its meeting of stockholders must not have occurred;

- in order to furnish information or participate in discussions or negotiations as described above, its board of directors must conclude in good faith that the acquisition proposal could reasonably be expected to result in a "superior proposal" as described below;

- in order to recommend approval of such acquisition proposal or withdraw its recommendation as described above, its board of directors must conclude in good faith that the acquisition proposal constitutes a "superior proposal";

- prior to providing any information or data to any person in connection with an acquisition proposal, it must receive from that person an executed confidentiality agreement containing terms at least as stringent as the terms contained in the confidentiality agreement Epitope entered into with STC before signing the agreement and plan of merger; and

- prior to providing any information or data to any person or entering into discussions or negotiations with any person, Epitope must notify STC.

Epitope has also agreed to promptly keep STC informed of the status and terms of any proposals, offers, discussions or negotiations related to a bona fide unsolicited written acquisition proposal.

Epitope is not prevented from disclosing to its stockholders its position with respect to an acquisition proposal, or taking other action required, in order to comply with Rules 14d-9 and 14e-2 under the Securities Exchange Act of 1934.

A "superior proposal" is a written proposal made by a third party for:

(1) a merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving Epitope, as a result of which either:

(A) its stockholders before the transaction cease to own at least 50% of the voting securities of the entity surviving or resulting from such transaction, or the ultimate parent entity of the surviving or resulting entity; or

(B) the individuals comprising its board of directors before the transaction do not constitute a majority of the board of directors of the entity surviving or resulting from such transaction, or ultimate parent entity of the surviving or resulting entity;

(2) a sale, lease, exchange, transfer or other disposition of at least 50% of the assets of it and its subsidiaries, taken as a whole, in a single transaction or a series of related transactions; or

(3) the acquisition, directly or indirectly, by a person of beneficial ownership of 50% or more of its common stock, whether by merger, consolidation, share exchange, business combination, tender or exchange offer or otherwise, other than a merger, consolidation, share exchange, business combination, tender or exchange offer or other transaction upon the consummation of which such party's stockholders would in the aggregate beneficially own greater than 60% of the voting securities of such person;

which is otherwise on terms which its board of directors in good faith concludes, after consultation with its financial advisors and outside counsel, after taking into account, among other things, all legal, financial, regulatory and other aspects of the proposal and the nature of the person making the proposal, would, if consummated, result in a transaction that is more favorable to its stockholders, from a financial point of view, than the merger between Epitope and STC (after giving effect to any revised proposal made by STC during a three business day period after notice thereof), and is reasonably capable of being completed. No acquisition proposal will be deemed a superior proposal if any financing required to complete the contemplated transaction is not committed in writing at the time the Epitope board of directors determines that the proposal is a superior proposal.

Board of Directors' Covenant to Recommend. We have agreed that each of our respective boards of directors will, subject to its fiduciary duties under applicable law and Epitope's right to pursue the types of bona fide written unsolicited acquisition proposals described above that it receives, recommend to our respective stockholders the adoption and approval of the agreement and plan of merger, and will not, subject to its fiduciary duties under applicable law and Epitope's right to pursue certain types of bona fide written unsolicited acquisition proposals described above that it receives, withdraw, modify, or materially qualify in a manner adverse to the other company its recommendation, or to take any action or make any statement in connection with its stockholders' meeting that is materially inconsistent with its recommendation.

Mutual Covenants

We have also undertaken to perform other covenants relating to our conduct prior to the effective time, including those requiring us:

- to use our reasonable best efforts to take all actions and do all things necessary or advisable under applicable law to complete the mergers and the other transactions contemplated by the agreement and plan of merger as soon as practicable;

- to prepare the OraSure Technologies registration statement and this joint proxy statement/prospectus and to cause OraSure Technologies to take any required action under state securities laws in connection with the issuance of OraSure Technologies common stock in the mergers;

- to notify each other of the time the registration statement has become effective or any supplement or amendment has been filed, the issuance of any stop order, the suspension of qualification of the shares in any jurisdiction, or any request by the SEC for amendment of this joint proxy statement/prospectus or comments on this joint proxy statement/prospectus, responses to such comments or requests from the SEC for additional information;

- to notify each other if information in this joint proxy statement/prospectus becomes or is discovered to be misleading;

- to cooperate to make any required governmental filing and to obtain all required third-party consents;

- to cooperate to set a mutually acceptable date for the special meetings;

- to give notice of and convene meetings of our stockholders to consider and vote upon adoption and approval of the agreement and plan of merger and the mergers;

- to permit the other party to review any communication given by us to any governmental entity or in connection with any proceeding by a private party and give the other party the opportunity to attend, and participate in, any such proceeding;

- to use our reasonable best efforts to cause the OraSure Technologies common stock to be issued in the mergers to be approved for listing on the Nasdaq Stock Market; and

- to consult with one another before issuing a press release or making any public statement regarding the agreement and plan of merger, except as required by applicable law or any listing agreement with the National Association of Securities Dealers.

Access to Information. We have agreed to provide each other with access to our offices and information, with such information to be held subject to our obligations of confidentiality undertaken in connection with the agreement and plan of merger.

Notification of Certain Matters. We have agreed to notify each other of:

- the receipt of any notice or communication from a third party alleging that their consent is required in connection with the agreement and plan of merger;

- any communication from a governmental entity with respect to the transactions contemplated by the agreement and plan of merger;

- any actions, suits or investigations commenced or, to the knowledge of the party, threatened, against the party; and

- such party's obtaining knowledge of any occurrence causing a representation or warranty to be untrue or inaccurate in any material respect or causing the material failure of a party to comply with a covenant or condition of the agreement and plan of merger.

Tax and Accounting Treatment. Each party has agreed that it will use it best efforts to cause the mergers to receive tax-free treatment, other than the taxes resulting from the payment of cash instead of issuing fractional shares, as described in this joint proxy statement/prospectus in the section entitled "The Mergers--Material United States Federal Income Tax Consequences of the Mergers" beginning on page 29, and to qualify for "pooling of interests" accounting treatment, as described in the section entitled "The Mergers--Accounting Treatment" beginning on page 33.

Confidentiality. We have each agreed that we will hold, and will cause our representatives to hold, in confidence, all information received in connection with the transactions contemplated by the agreement and plan of merger. We have agreed not to use the confidential material for any purpose other than the purpose of the transactions contemplated by the agreement and plan of merger. We have also agreed that the confidential information will only be disclosed to representatives on a need to know basis and each such representative will be informed of its obligation to keep the information confidential. If we are required by law to disclose the confidential information, we have agreed to promptly notify the party disclosing the information so that they may seek an appropriate protective order preventing such disclosure. We will not be subject to these obligations with respect to any information:

- that is or becomes generally available to the public other than as a result of a disclosure by one of us in connection with the agreement and plan of merger;

- that was previously available to us on a non-confidential basis; or

- that becomes available to us on a non-confidential basis from an outside source that is not known to the party receiving the information to be contractually or legally prohibited from disclosing the information.

If the agreement and plan of merger is terminated, we have agreed that we will use our best efforts to cause the documents and other materials subject to such confidentiality obligations to be destroyed or returned.

Insurance and Indemnification. OraSure Technologies has agreed to:

- assume certain indemnification agreements of Epitope and STC, which agreements will survive the mergers and continue in effect for the longer of six years or until the final disposition of any claim made pursuant to such agreements;

- indemnify and hold harmless all past and present directors, officers and employees of STC and Epitope and its subsidiaries, to the fullest extent permitted by Delaware law, for acts or omissions occurring on or before the mergers, including reimbursement for all expenses incurred in connection with any action, proceeding or investigation arising from such acts or omissions; and

- cause to be maintained for a period of six years after the mergers policies of directors' and officers' liability insurance and fiduciary liability insurance covering the directors and officers of STC and Epitope similar in scope and coverage to that maintained by STC and Epitope.

Conditions

Each of our respective obligations to complete the mergers are subject to the satisfaction or waiver of various conditions, the most significant of which are:

- the adoption and approval of the agreement and plan of merger by the STC stockholders and the Epitope stockholders;

- the approval for listing on the Nasdaq Stock Market the common stock of OraSure Technologies to be issued in the mergers;

- the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act which expired on July 1, 2000;

- the receipt of all other governmental and regulatory consents, approvals and authorizations necessary for the mergers and the issuance of common stock in the mergers, unless not obtaining those consents or approvals would not reasonably be expected to have a material adverse effect on OraSure Technologies and its subsidiaries, taken together, after the mergers;

- the absence of any law, order or injunction prohibiting completion of the mergers or which otherwise would reasonably be expected to have a material adverse effect on OraSure Technologies and its subsidiaries, taken together, after the mergers;

- receipt by each of Epitope and STC from their respective independent accountants of a letter concurring with the conclusions of their clients' management that no condition exists that would preclude OraSure Technologies from accounting for the mergers of Epitope and STC into OraSure Technologies as a "pooling of interests" in conformity with generally accepted accounting principles and applicable rules of the Securities and Exchange Commission.

The obligations of STC on one hand, and Epitope on the other, to consummate the mergers of STC and Epitope into OraSure Technologies are also subject to the fulfillment, on or before the effective time of the mergers, of the following additional conditions, unless waived in writing:

- the performance by the other party in all material respects of all obligations required to performed by it;

- the representations and warranties of the other party being true in all material respects as if they were made on the closing date of the mergers;

- the receipt of an opinion from its counsel to the effect that the merger of STC into OraSure Technologies or the merger of Epitope into OraSure Technologies, as the case may be, will qualify as a tax free reorganization within the meaning of federal income tax laws and that each of Epitope, STC and OraSure Technologies will be a party to such reorganization;

- the receipt of all required employment and affiliate agreements;

- in the case of Epitope, the opinion of Epitope's financial advisor attached as Annex B not being withdrawn or materially modified in an adverse manner;

- the Food and Drug Administration having taken no adverse action prohibiting or significantly limiting the manufacture, sale, promotion or distribution of any products of STC or Epitope, as the case may be or their respective operations; and

- the absence of any material adverse change in the financial condition, results of operations, cash flows, assets, liabilities, business or prospects of STC or Epitope, as the case may be.

It is a further condition to the obligations of STC that, at the effective time of the mergers, no event has occurred that would trigger a distribution of rights under Epitope's stockholder rights plan or that would make such rights exercisable. It is a further condition to Epitope's obligations that, at the effective time of the mergers, the holders of all shares of the convertible preferred stock of STC have converted such shares into common stock of STC.

Termination of the Agreement and Plan of Merger

Termination by Epitope or STC. Either one of us may terminate the agreement and plan of merger and abandon the mergers at any time prior to the effective time of the mergers if:

- both of us agree to terminate effective by mutual written agreement;

- the mergers have not been completed by October 31, 2000, provided that the terminating party's breach of or failure to fulfill any obligation under the agreement and plan of merger is not the cause of the mergers not being completed;

- a law or regulation makes consummation of the mergers illegal;

- a court order or ruling of another governmental entity permanently prohibiting the completion of the mergers becomes final and non-appealable, provided that the terminating party shall have used its reasonable best efforts to avoid or remove such prohibition; or

- Epitope's stockholders fail to approve the agreement and plan of merger.

Termination by Epitope. Epitope may terminate the agreement and plan of merger and abandon the mergers at any time prior to the effective time of the mergers if:

- the board of directors of STC amends, withdraws or materially qualifies in any manner adverse to Epitope its recommendation to its stockholders for adoption of the agreement and plan of merger or takes any action or makes any statement in connection with the STC stockholders meeting materially inconsistent with such recommendation, or has resolved or publicly proposed to take such action;

- the board of directors of STC approves, endorses or recommends another proposal to its stockholders;

- STC or one of its affiliates willfully and materially breaches its obligations with respect to alternate acquisition proposals;

- STC breaches any representation, warranty or covenant that will cause a condition to closing not to be satisfied before the earlier of 20 business days written notice thereof or October 31, 2000;

- a tender or exchange offer relating to the securities of STC has commenced and STC has not sent a statement recommending rejection of such tender or exchange offer to its security holders within ten business days after the commencement of such tender or exchange offer; or

- prior to the required approval of its stockholders, Epitope enters into a definitive agreement for a superior proposal for Epitope and the agreement and plan of merger is terminated, provided that Epitope complied with the terms of the agreement and plan of merger with respect to the superior proposal, Epitope's board of directors determined in good faith, after taking into account any revised proposal by STC during a three business day period after notice thereof, that an acquisition proposal is a superior proposal and Epitope makes the payment and reimbursement described below.

Termination by STC. STC may terminate the agreement and plan of merger and abandon the mergers at any time prior to the effective time of the mergers if:

- The board of directors of Epitope amends, withdraws or materially qualifies in a manner adverse to STC its recommendation to its stockholders for adoption of the agreement and plan of merger or takes any action or makes any statement in connection with the Epitope stockholders meeting materially inconsistent with such recommendation, or has resolved or publicly proposed to take such action;

- Epitope's board of directors approves, endorses or recommends another proposal to its stockholders;

- Epitope or one of its affiliates willfully and materially breaches its obligations with respect to alternate acquisition proposals;

- Epitope breaches any representation, warranty or covenant that will cause a condition to closing not to be satisfied before the earlier of 20 business days written notice thereof or October 31, 2000;

- a tender or exchange offer relating to the securities of Epitope has commenced and Epitope has not sent a statement recommending rejection of such tender or exchange offer to its security holders within ten business days after the commencement of such tender or exchange offer;

- the rights issued under Epitope's stockholder rights plan have become exercisable or such plan has otherwise been triggered or a distribution has otherwise occurred under such plan;

- the average closing stock price of Epitope during a 20-day period ending three days prior to the effective time of the mergers is less than $6.00 per share; or

- the Epitope meeting of stockholders is canceled or is otherwise not held or a final vote of Epitope's stockholders has not been taken with respect to the merger prior to October 31, 2000, except as a result of a judgment, injunction, order or decree of any competent authority or events or circumstances beyond the reasonable control of Epitope.

In addition, the agreement and plan of merger will automatically terminate if the transactions contemplated by it are enjoined by a court of competent jurisdiction for a period extending beyond 90 days.

Fees and Expenses Payable by Epitope Because of a Termination

Epitope has agreed to pay STC a termination fee in the following amounts in the following circumstances:

- Epitope will pay a termination fee to STC in an amount equal to $3,000,000 if the agreement and plan of merger is terminated by STC because:

  (a) Epitope's board of directors has adversely changed its recommendation, or fails to include in this joint proxy statement its recommendation, to its stockholders for adoption of the agreement and plan of merger;

(b) Epitope's board of directors recommends, approves or endorses another acquisition proposal to its stockholders;

(c) a tender or exchange offer relating to the securities of Epitope has commenced and Epitope has not sent a statement recommending rejection of such tender or exchange offer to its security holders within ten business days after the commencement of such tender or exchange offer;

(d) Epitope or its board of directors or any committee thereof shall have resolved to do or permit any of the foregoing; or

(e) the Epitope meeting of stockholders is canceled or is otherwise not held or a final vote of Epitope's stockholders has not been taken with respect to the mergers prior to October 31, 2000, except as a result of a judgment, injunction, order or decree of any competent authority or events or circumstances beyond the reasonable control of Epitope.

. Epitope will make an additional payment of $2,000,000 to STC and will reimburse STC for its reasonable expenses incurred in connection with the mergers up to a maximum of $1,000,000 if:

(a) an acquisition proposal had been made prior to the actions set out in subparagraphs (a)--(e) above; and

(b) within twelve months following the termination of the agreement and plan of merger by STC, Epitope enters into a definitive agreement with the party that made such acquisition proposal.

. Epitope will pay a termination fee to STC in an amount equal to $5,000,000 and will reimburse STC for its reasonable expenses incurred in connection with the mergers up to a maximum of $1,000,000 if the following circumstances occur: (i) the agreement and plan of merger is terminated by Epitope because, prior to the required approval of its stockholders, Epitope's board of directors has entered into a definitive agreement for a superior proposal (as described above), (ii) Epitope has given STC three business days to negotiate a revised transaction with it and the Epitope board of directors concludes in good faith, after taking into account any revised proposal by STC, that it has received a superior proposal from a third party; and (iii) Epitope has complied with the restrictions on soliciting or encouraging acquisition proposals from third parties.

. The $5,000,000 termination fee and $1,000,000 expense reimbursement referred to above will be reduced to the extent any termination fee or expense reimbursement has already been paid to STC by Epitope for any reason.

Fees and Expenses Generally

Except as described above, all fees and expenses incurred in connection with the agreement and plan of merger will be paid by the party incurring such fees and expenses.

Amendments and Waivers

Any provision of the agreement and plan of merger may be amended or waived by the parties at any time before or after the stockholders' meetings. However, no amendment or waiver requiring stockholder approval shall be made after the stockholders' meetings without the further approval of such stockholders. All amendments to the agreement and plan of merger must be in writing signed by each party. All waivers must be in writing and signed by the party against whom the waiver is to be effective.

STOCKHOLDER AGREEMENTS

The following information relating to the stockholder agreements is not intended to be a complete description of all of the information relating to the stockholder agreements, but is intended to include the material terms of the stockholder agreements.

As a condition to the execution by STC and Epitope of the agreement and plan of merger, some of the stockholders of Epitope, including members of management and the board of directors, entered into stockholder agreements for the benefit of STC and some of the stockholders of STC, including members of management and the board of directors, entered into stockholder agreements for the benefit of Epitope.

Pursuant to the stockholder agreements, the stockholders agreed to vote their shares of STC and Epitope common stock in favor of adoption of the agreement and plan of merger and granted irrevocable proxies in support of such voting agreements. Any transferee of their shares are subject to such voting agreements and irrevocable proxies. The obligations under the stockholder agreements terminate automatically upon the termination of the agreement and plan of merger.

The following holders of STC securities, representing 1,992,024 shares or approximately 57.4% of its outstanding stock, are parties to stockholder agreements for the benefit of Epitope: HealthcareVentures V, LP; Michael J. Gausling; William M. Hinchey; Pennsylvania Early Stage Partners, L.P.; Raymond S. Niedbala; The Michael J. Gausling Grantor Retained Annuity Trust Dated April 28, 2000; The Mike Gausling Irrevocable Education Trust Dated April 28, 2000; The Raymond S. Niedbala 2000 Grantor Retained Annuity Trust Dated April 28, 2000; The Raymond S. Niedbala Family Trust Dated April 28, 2000; The William M. Hinchey 2000 Grantor Retained Annuity Trust Dated April 27, 2000; and The William M. Hinchey Irrevocable Education Trust Dated April 27, 2000.

The following holders of Epitope common stock, representing 549,177 shares or approximately 3.3% of its outstanding common stock, are parties to stockholder agreements for the benefit of STC: Roger Pringle and Andrew Goldstein.

OPINIONS OF FINANCIAL ADVISORS

Opinion of Financial Advisor to Epitope

Epitope engaged Deutsche Banc Alex. Brown to act as its exclusive financial advisor in connection with the mergers. On May 6, 2000, at a meeting of the Epitope board of directors held to evaluate the proposed mergers, Deutsche Banc Alex. Brown rendered an oral opinion, confirmed by delivery of a written opinion dated the same date, to the effect that, as of that date and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to Epitope.

The full text of Deutsche Banc Alex. Brown's written opinion dated May 6, 2000, which describes the assumptions made, matters considered and limitations of the review undertaken, is attached as Annex B and is incorporated into this document by reference. Deutsche Banc Alex. Brown's opinion is addressed to the Epitope board of directors and relates only to the fairness, from a financial point of view, to Epitope of the exchange ratio. The opinion does not address the merits of the underlying decision by Epitope to engage in the mergers and does not constitute a recommendation to any stockholder as to how to vote with respect to matters relating to the proposed mergers. The summary of Deutsche Banc Alex. Brown's opinion described below is qualified in its entirety by reference to the full text of its opinion.

In connection with Deutsche Banc Alex. Brown's role as Epitope's financial advisor, and in arriving at its opinion, Deutsche Banc Alex. Brown:

- reviewed publicly available financial and other information concerning Epitope, financial and other information concerning STC and internal analyses and other information which Epitope, STC and their advisors furnished to or discussed with Deutsche Banc Alex. Brown;
- held discussions with members of Epitope's and STC's senior managements regarding the business and prospects of their companies and the joint prospects of OraSure Technologies;
- reviewed the reported prices and trading activity for Epitope common stock;
- compared financial and stock market information for Epitope and financial and other information for STC with similar information for other companies whose securities are publicly traded;
- reviewed the financial terms of recent business combinations which Deutsche Banc Alex. Brown deemed comparable in whole or in part;
- reviewed the terms of the agreement and plan of merger; and
- performed other studies and analyses and considered other factors as Deutsche Banc Alex. Brown deemed appropriate.

Deutsche Banc Alex. Brown did not assume responsibility for independent verification of, and did not independently verify, any information, whether publicly available or furnished to Deutsche Banc Alex. Brown, concerning Epitope, STC or OraSure Technologies, including, without limitation, any financial information, forecasts or projections considered in connection with the rendering of its opinion. For purposes of its opinion, Deutsche Banc Alex. Brown assumed and relied upon the accuracy and completeness of all information that it reviewed and did not conduct a physical inspection of any of the properties or assets, or prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities, contingent or otherwise, of Epitope or STC. With respect to the financial forecasts and projections relating to Epitope and STC that were made available to Deutsche Banc Alex. Brown and used in its analyses, including forecasts of synergies expected to be achieved as a result of the mergers, Epitope and STC advised Deutsche Banc Alex. Brown, and Deutsche Banc Alex. Brown assumed, that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of Epitope's and STC's managements. Deutsche Banc Alex. Brown's opinion was necessarily based on economic, market and other conditions existing on, and the information made available to Deutsche Banc Alex. Brown as of, the date of its opinion.

For purposes of rendering its opinion, Deutsche Banc Alex. Brown assumed that, in all respects material to its analysis, the representations and warranties of Epitope, STC and OraSure Technologies contained in the agreement and plan of merger were true and correct, Epitope, STC and OraSure Technologies will each perform all of the covenants and agreements to be performed by it under the agreement and plan of merger and all conditions to the obligations of each of Epitope, STC and OraSure Technologies to consummate the mergers will be satisfied without any waiver. Deutsche Banc Alex. Brown also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the mergers will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which either Epitope or STC is a party or is subject or by which it is bound, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on Epitope or STC or materially reduce the contemplated benefits of the mergers to Epitope.

Epitope informed Deutsche Banc Alex. Brown, and for purposes of rendering its opinion Deutsche Banc Alex. Brown assumed, that the mergers are expected to qualify as tax-free reorganizations for federal income tax purposes and be accounted for as a poolings of interests. In connection with its opinion, Deutsche Banc Alex. Brown was not authorized to, and did not, solicit interest from any third party with respect to the acquisition of all or a part of Epitope. Deutsche Banc Alex. Brown expressed no opinion as to the price at which OraSure Technologies common stock will trade at any time. No other instructions or limitations were imposed by Epitope on Deutsche Banc Alex. Brown with respect to the investigations made or the procedures followed by it in rendering its opinion.

The following is a summary of the material financial analyses performed by Deutsche Banc Alex. Brown in connection with its opinion to the Epitope board of directors dated May 6, 2000. The financial analyses summarized below include information presented in tabular format. In order to fully understand Deutsche Banc Alex. Brown's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Deutsche Banc Alex. Brown's financial analyses.

Contribution Analysis.

Deutsche Banc Alex. Brown analyzed the contributions of Epitope and STC to OraSure Technologies' latest 12 months and estimated calendar years 2000 and 2001 revenues, and estimated calendar years 2000 and 2001 earnings before interest and taxes, commonly referred to as EBIT, earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA, and net income. Estimated financial data for Epitope and STC were based on internal estimates of or discussions with Epitope's and STC's managements. Based on the exchange ratio and the closing price of Epitope common stock on May 4, 2000, this analysis indicated contribution reference ranges for Epitope of approximately 38.4% to 59.6% and for STC of approximately 38.4% to 59.6% and for STC of approximately 40.4% to 61.6%, as compared to the pro forma equity ownership in OraSure Technologies of Epitope's stockholders of approximately 47.9% and of STC's stockholders of approximately 52.1%.

Analysis of Selected Public Companies.

Deutsche Banc Alex. Brown compared financial information for STC and financial and stock market information for Epitope and the following five selected publicly held companies in the medical device industry:

- Biosite Diagnostics, Inc.
- Epitope
- IGEN International, Inc.
- i-Stat Corporation
- LifePoint, Inc.

Deutsche Banc Alex. Brown reviewed technology values, calculated as equity market value, plus debt, less cash, as multiples of latest 12 months and estimated calendar years 2000 and 2001 revenues. All multiples were based on closing stock prices on May 4, 2000. Estimated financial data for the selected companies were based on publicly available research analysts' estimates and estimated financial data for Epitope and STC were based on internal estimates of or discussions with Epitope's and STC's managements. Deutsche Banc Alex. Brown then compared the technology value multiples derived from the selected companies with corresponding multiples for STC implied by the exchange ratio. Deutsche Banc. Alex Brown also compared the technology value multiples derived from the selected companies, excluding Epitope, with corresponding multiples implied for Epitope based on the closing price of Epitope common stock on May 4, 2000. This analysis indicated the following range of implied technology value multiples for the selected companies, as compared to the multiples for STC implied by the exchange ratio and the multiples for Epitope based on the closing price of Epitope common stock on May 4, 2000:

	Multiples of Selected Companies		Implied STC Multiples Based on Exchange Ratio	Epitope Multiples Based on May 4, 2000 Closing Stock Price
Technology Values:	Mean	Range		
Latest 12 months revenues	13x	5x-20x	15x	18x
Estimated calendar year 2000 revenues	9x	7x-12x	12x	12x
Estimated calendar year 2001 revenues	6x	4x-9x	8x	9x

Analysis of Selected Precedent Transactions.

Deutsche Banc Alex. Brown reviewed the purchase prices and implied transaction multiples in the following 10 selected transactions in the medical device industry:

Acquiror	Target
. Guidant Corporation	Cardio Thoracic Systems, Inc.
. Tyco International Ltd.	General Surgical Innovations, Inc.
. Abbott Laboratories	Perclose, Inc.
. AutoCyte, Inc.	NeoPath, Inc.
. Eclipse Surgical Technologies, Inc.	Cardiogenesis Corp.
. Guidant Corporation	InControl Corp.
. Guidant Corporation	Endovascular Technologies, Inc.
. Johnson & Johnson	Biopsys Medical, Inc.
. Pfizer Inc.	Corvita Corporation
. Medtronic, Inc.	InStent, Inc.

Deutsche Banc Alex. Brown also reviewed the purchase prices and implied transaction multiples in the following 11 selected transactions in the life sciences industry:

Acquiror	Target
. PE Corp.--PE Biosystems Group	Third Wave Technologies Inc.
. Baxter International Inc.	North American Vaccine, Inc.
. Genzyme Corporation	Cell Genesys, Inc.
. Invitrogen Corporation	NOVEX
. Mylan Laboratories Inc.	Penederm Inc.
. Incyte Pharmaceuticals, Inc.	Synteni, Inc.
. Arris Pharmaceuticals Corporation	Sequana Therapeutics, Inc.
. Medarex, Inc.	Genpharm International, Inc.
. Millennium Pharmaceuticals, Inc.	ChemGenics Pharmaceuticals, Inc.
. Sandoz AG	Genetic Therapy, Inc.
. Glaxo Plc	Affymax N.V.

Deutsche Banc Alex. Brown reviewed technology values in the selected transactions as multiples of latest 12 months revenues. All multiples were based on publicly available information at the time of announcement of the relevant transaction. Deutsche Banc Alex. Brown then compared the technology value multiples derived from the selected transactions with corresponding multiples for STC implied by the exchange ratio. This analysis indicated the following range of implied technology value multiples for the selected transactions, as compared to the multiples for STC implied by the exchange ratio based on the closing price of Epitope common stock on May 4, 2000:

	Selected Medical Device Transactions		Selected Life Sciences Transactions		Implied STC Multiples Based on Exchange Ratio
Technology Values:	Mean	Range	Mean	Range	
Latest 12 months revenues	18x	9x-40x	18x	2x-42x	15x

Discounted Cash Flow Analyses.

Deutsche Banc Alex. Brown performed separate discounted cash flow analyses of Epitope and STC to estimate the present value of the unlevered, after-tax free cash flows that Epitope and STC could each generate on a standalone basis during estimated calendar years 2000 through 2004. Estimated financial data used in these analyses were based on internal estimates of or discussions with Epitope's and STC's managements. The range of estimated terminal values for Epitope and STC was calculated by applying terminal value multiples ranging from 10.0x to 14.0x to Epitope's and STC's estimated fiscal year 2004 EBITDA. The present value of the cash flows and terminal values were calculated using discount rates ranging from 15.0% to 19.0%. This analysis yielded the following approximate implied equity reference range for STC, as compared to the equity value for STC implied by the exchange ratio based on the closing price of Epitope common stock on May 4, 2000:

Implied STC Equity Reference Range	Implied STC Equity Value Based on Exchange Ratio
$169.9 million-$270.0 million	$230.0 million

This analysis also yielded the following approximate implied equity reference range for Epitope, as compared to the implied equity value for Epitope based on the closing price of Epitope common stock on May 4, 2000:

Implied Equity Reference Range	Implied Equity Value of Epitope Based on May 4, 2000 Closing Stock Price
$144.4 million-$215.8 million	$211.7 million

Deutsche Banc Alex. Brown also performed a discounted cash flow analysis of OraSure Technologies based on the methodology described above in its discounted cash flow analyses of Epitope and STC on a standalone basis, after giving effect to cost savings and other potential synergies anticipated by Epitope's and STC's managements to result from the mergers. Estimated financial data used in this analysis were based on internal estimates of or discussions with Epitope's and STC's managements. Utilizing a discount rate of 17.0%, which reflects the midpoint of the discount rate range used in the standalone discounted cash flow analyses, Deutsche Banc Alex. Brown compared the implied equity reference range of Epitope derived from the standalone discounted cash flow analyses to the implied equity reference range for OraSure Technologies based on Epitope's stockholders' percentage interest in OraSure Technologies. This analysis indicated a higher implied equity reference for Epitope after giving effect to the mergers relative to the implied equity reference range for Epitope on a standalone basis.

Pro Forma Merger Analysis.

Deutsche Banc Alex. Brown analyzed the potential pro forma financial impact of the mergers on Epitope's estimated earnings per share for fiscal years 2000 and 2001, both before and after giving effect to cost savings

and other potential synergies anticipated by Epitope's and STC's managements to result from the mergers, with particular focus on fiscal year 2001, the first year in which Epitope's and STC's managements expect cost savings and other synergies to be realized. Estimated financial data used in this analysis were based on internal estimates of or discussions with Epitope's and STC's managements. Based on the exchange ratio and the closing price of Epitope common stock on May 4, 2000, the results of the pro forma merger analysis suggested that the mergers would be dilutive to Epitope's earnings per share in fiscal year 2001 before giving effect to potential synergies and other cost savings and accretive to Epitope's earnings per share in fiscal year 2001 after giving effect to potential synergies and other cost savings. The actual operating or financial results achieved by OraSure Technologies may vary from projected results and the variations may be material as a result of business and operational risks, the timing and amount of synergies, the costs associated with achieving synergies and other factors.

Other Factors.

In rendering its opinion, Deutsche Banc Alex. Brown also reviewed and considered other factors, including:

- historical market prices and trading volumes for Epitope common stock and the relationship between movements in Epitope common stock, the common stock of selected diagnostic companies and the NASDAQ index; and

- ownership profiles of Epitope and STC.

The above summary is not a complete description of Deutsche Banc Alex. Brown's opinion to the Epitope board of directors or the financial analyses performed and factors considered by Deutsche Banc Alex. Brown in connection with its opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to summary description. Deutsche Banc Alex. Brown believes that its analyses and the summary above must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying Deutsche Banc Alex. Brown's analyses and opinion.

In performing its analyses, Deutsche Banc Alex. Brown considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Epitope and STC. No company, transaction or business used in the analyses as a comparison is identical to Epitope, STC or the mergers, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed.

The estimates contained in Deutsche Banc Alex. Brown's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not necessarily purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Deutsche Banc Alex. Brown's analyses and estimates are inherently subject to substantial uncertainty.

The type and amount of consideration payable in the mergers was determined through negotiation between Epitope and STC. Although Deutsche Banc Alex. Brown provided financial advice to Epitope during the course of negotiations, the decision to enter into the mergers was solely that of the Epitope board of directors. Deutsche Banc Alex. Brown's opinion and financial analyses were only one of many factors considered by the Epitope board of directors in its evaluation of the mergers and should not be viewed as determinative of the views of the Epitope board of directors or management with respect to the exchange ratio or the mergers.

Deutsche Banc Alex. Brown is an internationally recognized investment banking firm and, as a customary part of its investment banking business, is engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, private placements and valuations for estate, corporate and other purposes. Epitope selected Deutsche Banc Alex. Brown based on Deutsche Banc Alex. Brown's reputation and expertise. In the ordinary course of business, Deutsche Banc Alex. Brown and its affiliates may actively trade or hold the securities and other instruments and obligations of Epitope for their own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in those securities, instruments or obligations.

Under the terms of Deutsche Banc Alex. Brown's engagement, Epitope has agreed to pay Deutsche Banc Alex. Brown for its services upon completion of the mergers an aggregate financial advisory fee of $1.8 million. In addition, Epitope has agreed to reimburse Deutsche Banc Alex. Brown for its reasonable travel and other out-of-pocket expenses, including reasonable fees and disbursements of counsel, and to indemnify Deutsche Banc Alex. Brown and related parties against liabilities, including liabilities under the federal securities laws, relating to, or arising out of, Deutsche Banc Alex. Brown's engagement.

Opinion of Financial Advisor to STC

STC engaged Robertson Stephens to render an opinion as to the fairness of the exchange ratio, from a financial point of view, to STC and the "Holders of STC common stock." The "Holders of STC common stock" is defined in Robertson Stephens' written opinion letter dated May 9, 2000 as all holders of STC common stock other than Epitope, OraSure Technologies, any affiliates of Epitope or OraSure Technologies, holders of dissenting shares or any holders of STC common stock who are officers or directors (or who have representatives serving as directors) of STC.

On May 6, 2000, at a meeting of the STC board held to evaluate the proposed mergers, Robertson Stephens delivered to STC's board its opinion subsequently confirmed in writing that, as of May 6, 2000 and based on the matters considered and the limitations on the review undertaken described in the opinion, the exchange ratio was fair from a financial point of view to STC and the Holders of STC common stock. The exchange ratio was determined through negotiations between the respective managements of STC and Epitope. Robertson Stephens was not asked by, and did not recommend to, STC that any specific exchange ratio constituted the appropriate exchange ratio for the mergers.

You should consider the following when reading the discussion of the opinion of STC's financial advisor in this document:

- We urge you to read carefully the entire opinion of Robertson Stephens, which is set forth in Annex C to this joint proxy statement/prospectus and is incorporated by reference.

- The following description of the Robertson Stephens opinion is qualified by reference to the full opinion located in Annex C to this joint proxy statement/prospectus. The full opinion sets forth, among other things, the assumptions made by Robertson Stephens, the matters it considered and the limitations on the review undertaken.

- The Robertson Stephens opinion was prepared for the benefit and use of the STC board in its consideration of the merger and does not constitute a recommendation to stockholders of STC or Epitope as to how they should vote, or take any other action, with respect to the mergers.

- The Robertson Stephens opinion does not address the relative merits of the mergers and any other business strategies that STC's board considered, nor does it address the decision of the STC board to proceed with the mergers.

Although developments following the date of the Robertson Stephens opinion may affect the opinion, Robertson Stephens assumed no obligation to update, revise or reaffirm its opinion. The Robertson Stephens opinion is necessarily based upon market, economic and other conditions that were in effect on, and

information made available to Robertson Stephens as of, the date of the opinion. You should understand that subsequent developments may affect the conclusion expressed in the Robertson Stephens opinion, and that Robertson Stephens disclaims any undertaking or obligation to advise any person of any change in any matter affecting its opinion. The Robertson Stephens opinion is limited to the fairness, from a financial point of view and as of the date thereof, of the exchange ratio to STC and the Holders of STC common stock.

Opinion and Analysis of Robertson Stephens

In connection with the preparation of the Robertson Stephens opinion, Robertson Stephens:

- reviewed certain publicly available financial statements and other business and financial information of Epitope;
- reviewed certain internal financial statements and other financial and operating data, including certain financial forecasts and other forward looking information, concerning (a) STC prepared by the management of STC and (b) Epitope prepared by the management of Epitope;
- reviewed certain publicly available estimates of research analysts relating to Epitope;
- held discussions with the respective managements of STC and Epitope concerning the businesses, past and current operations, financial condition and future prospects of both STC and Epitope, independently and combined, including discussions with the managements of STC and Epitope concerning cost savings and other synergies that are expected to result from the mergers as well as their views regarding the strategic rationale for the mergers;
- reviewed the financial terms and conditions set forth in the agreement and plan of merger;
- reviewed the stock price and trading history of Epitope common stock;
- compared the financial performance of Epitope and the prices and trading activity of Epitope common stock with that of certain other publicly traded companies comparable to Epitope;
- compared the financial performance of STC with that of certain publicly traded companies comparable to STC;
- reviewed the pro forma impact of the mergers on Epitope's earnings per share;
- prepared an analysis of the relative contributions of STC and Epitope to OraSure Technologies;
- prepared a discounted cash flow analysis of STC and Epitope;
- participated in discussions and negotiations among representatives of STC and Epitope and their financial and legal advisors; and
- made such other studies and inquiries, and reviewed such other data, as it deemed relevant.

In its review and analysis, and in arriving at its opinion, Robertson Stephens assumed and relied upon the accuracy and completeness of all of the financial and other information provided to Robertson Stephens (including information furnished to it orally or otherwise discussed with it by management of STC and Epitope) or publicly available and neither attempted to verify, nor assumed responsibility for verifying, any of such information. Robertson Stephens relied upon the assurances of the managements of STC and Epitope that they were not aware of any facts that would make such information inaccurate or misleading. Furthermore, Robertson Stephens did not obtain or make, or assume any responsibility for obtaining or making, any independent evaluation or appraisal of the properties, assets or liabilities (contingent or otherwise) of STC or Epitope, nor was it furnished with any such evaluation or appraisal.

With respect to the financial forecasts and projections (and the assumptions and bases therefor) for each of STC and Epitope that Robertson Stephens reviewed, Robertson Stephens has assumed that:

- these forecasts and projections were reasonably prepared in good faith on the basis of reasonable assumptions;

- these forecasts and projections reflected the best currently available estimates and judgments as to the future financial condition and performance of STC and Epitope; and

- these forecasts and projections would be realized in the amounts and in the time periods currently estimated.

In addition, Robertson Stephens assumed that:

- the mergers will be consummated upon the terms set forth in the agreement and plan of merger without material alteration thereof, including, among other things, that the mergers will be accounted for as a "pooling-of-interests" business combination in accordance with U.S. generally accepted accounting principles;

- the mergers will be treated as tax-free reorganizations pursuant to the Internal Revenue Code of 1986, as amended; and

- the historical financial statements of each of STC and Epitope reviewed by it were prepared and fairly presented in accordance with U.S. generally accepted accounting principles consistently applied.

Robertson Stephens relied as to certain legal matters relevant to rendering its opinion on the advice of counsel to STC.

Robertson Stephens expressed no opinion as to:

- the value of any employee agreement or other arrangements entered into in connection with the mergers;

- any tax or other consequences that may result from the mergers; or

- what the value of the common stock of OraSure Technologies will be when issued to STC's stockholders pursuant to the mergers or the price at which shares of OraSure Technologies' common stock that are issued pursuant to the mergers may be traded in the future.

The following is a summary of the material financial analyses performed by Robertson Stephens in connection with rendering its opinion. The summary of the financial analyses is not a complete description of all of the analyses performed by Robertson Stephens. Certain of the information in this section is presented in tabular form. IN ORDER TO BETTER UNDERSTAND THE FINANCIAL ANALYSES PERFORMED BY ROBERTSON STEPHENS, THESE TABLES MUST BE READ TOGETHER WITH THE TEXT OF EACH SUMMARY. THE ROBERTSON STEPHENS OPINION IS BASED ON THE TOTALITY OF THE VARIOUS ANALYSES WHICH IT PERFORMED, AND NO PARTICULAR PORTION OF THE ANALYSIS HAS ANY MERIT STANDING ALONE.

Comparable Company Analysis

Using publicly available information, Robertson Stephens analyzed, among other things, the total capitalization and trading multiples of the following selected publicly traded companies in the oral fluids based testing industry:

- Biosite Diagnostics Inc.

- Epitope

- Avitar, Inc.

- American Bio Medica Corp.

- Lifepoint, Inc.

Revenues. As set forth in the following table, applying a range of multiples for Biosite and Epitope for calendar years 1999, 2000 and 2001 to corresponding revenue data for STC resulted in the following range of implied equity values and exchange ratios for calendar years 1999, 2000 and 2001.

Calendar Year	Multiple Range	Implied Equity Values	Implied Exchange Ratio
		(in millions)	
1999	7.9x-17.1x	$105.0-$233.9	2.7268-6.0765
2000	6.4x-10.2x	$112.6-$182.9	2.9263-4.7527
2001	5.4x- 6.6x	$157.0-$193.2	4.0786-5.0182
Mean			3.2439-5.2825

No company or business used in the above analysis as a comparison is identical to STC. Accordingly, an analysis of the results of the foregoing is not entirely mathematical; rather it involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading and other values of the comparable companies or the business segment or company to which they are being compared.

Using publicly available information, Robertson Stephens analyzed, among other things, the total capitalization and trading multiples of Epitope and the following selected publicly traded companies in the oral fluids based testing industry:

. Biosite Diagnostics Inc.

. Avitar, Inc.

. American Bio Medica Corp.

. Lifepoint, Inc.

As set forth in the following table, applying a range of multiples for Biosite and Epitope for calendar years 1999, 2000 and 2001 to corresponding revenue data for Epitope resulted in the following range of implied equity values and share prices for calendar years 1999, 2000 and 2001.

Calendar Year	Multiple Range	Implied Equity Values	Implied Price Per Share
		(in millions)	
1999	7.9x-17.1x	$95.0-$ 191.2	$5.22-$10.51
2000	6.4x-10.2x	$126.6-$194.3	$6.96-$10.68
2001	5.4x- 6.6x	$136.6-$164.2	$7.51-$ 9.03
Mean			$6.09-$10.59

With the exception of Epitope, no company or business used in the above analysis as a comparison is identical to Epitope. Accordingly, an analysis of the results of the foregoing is not entirely mathematical; rather it involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading and other values of the comparable companies or the business segment or company to which they are being compared.

Contribution Analysis

Using projections for each of STC and Epitope provided by the managements of STC and Epitope, Robertson Stephens analyzed the respective contributions of STC and Epitope to the estimated revenues, operating profits and net income of OraSure Technologies for calendar years 1999, 2000, 2001 and 2002. The actual results achieved by OraSure Technologies may vary from projected results and the variations may be material. The following table summarizes the results of this analysis:

Calendar Year	STC's Contribution to OraSure Technologies' Total Revenues	Epitope's Contribution to OraSure Technologies' Total Revenues
1999	57.3%	42.7%
2000	50.9%	49.1%
2001	56.7%	43.3%
2002	48.6%	51.4%

Calendar Year	STC's Contribution to OraSure Technologies' Total Operating Profit	Epitope's Contribution to OraSure Technologies' Total Operating Profit
1999	NMF	NMF
2000	30.9%	69.1%
2001	59.7%	40.3%
2002	40.1%	59.9%

Calendar Year	STC's Contribution to OraSure Technologies' Net Income	Epitope's Contribution to OraSure Technologies' Net Income
1999	NMF	NMF
2000	11.3%	88.7%
2001	38.0%	62.0%
2002	26.4%	73.6%

The contribution analysis set forth above for total revenues resulted in implied exchange ratios ranging from approximately 4.6919 to 6.6586.

Discounted Cash Flow Analysis

Robertson Stephens performed a discounted cash flow analysis of the cash flows of STC using STC estimates provided by the management of STC for the fiscal years 2000 through 2003. Robertson Stephens first discounted the projected cash flows through December 31, 2003 using a range of discount rates from 17.0% to 23.0%. The range of discount rates was based on the weighted average cost of capital of the comparable companies, derived from publicly available information. Robertson Stephens then added to the present value of the cash flows the terminal value of STC in the fiscal year ending December 31, 2003, discounted back at the same discount rate. The terminal value was computed by multiplying STC's projected revenue in fiscal 2003 by exit revenue multiples ranging from 6.0x to 10.0x. The range of exit revenue multiples selected reflect Robertson Stephen's judgment as to an appropriate range of multiples at the end of the reference period. The discounted cash flow valuation resulted in implied equity values of STC ranging from approximately $176.1 million to $320.6 million and implied exchange ratios ranging from 4.5750 to 8.3291.

Robertson Stephens performed a discounted cash flow analysis of the cash flows of Epitope using estimates provided by the management of Epitope for the fiscal years 2000 through 2003. Robertson Stephens first discovered projected cash flows through December 31, 2003 using a range of discount rates from 17.0% to 23.0%. The range of discount rates was based on the weighted average cost of capital of Epitope and the comparable companies, derived from publicly available information. Robertson Stephens then added to the present value of the cash flows the terminal value of Epitope in the fiscal year ending December 31, 2003, discounted back at the same discount rate. The terminal value was computed by multiplying Epitope's projected

revenue in fiscal 2003 by exit revenue multiples ranging from 5.0x to 9.0x. The range of exit revenue multiples selected reflect Robertson Stephen's judgment as to an appropriate range of multiples at the end of the reference period. The discounted cash flow valuation resulted in implied equity values of Epitope ranging from approximately $155.3 million to $281.3 million and an implied price per share of Epitope common stock ranging from $8.53 to $15.46.

Financing History Analysis

Robertson Stephens reviewed the financing history of STC. This review showed a post-money equity valuation of STC of $31.7 million, based on a private placement of preferred stock in June of 1999, STC's most recent financing transaction.

Pro Forma Merger Analysis

Robertson Stephens analyzed the impact of the mergers on the projected earnings per share of OraSure Technologies for calendar years 2000, 2001 and 2002. The projected earnings per share of each of STC and Epitope were provided by the respective managements of STC and Epitope. For purposes of this analysis, Robertson Stephens assumed a range in the number of shares of Epitope common stock that may be issued by Epitope in the mergers. The results of this analysis suggested that in 2001, the first full year of combined operations, the mergers would be dilutive before taking into account the expected pre-tax synergies and cost savings and, depending upon the number of shares issued by Epitope in the mergers, accretive after taking into account the expected pre-tax synergies and cost savings. The actual operating or financial results achieved by OraSure Technologies may vary from the projected results and the variations may be material as a result of business and operational risks, the timing and amount of synergies, the costs associated with achieving synergies and other factors.

Other Factors

While this summary describes the analysis and factors that Robertson Stephens deemed material in its presentation to the STC board, it is not a comprehensive description of all analysis and factors considered by Robertson Stephens. The preparation of a fairness opinion is a complex process that involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Robertson Stephens did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Robertson Stephens believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors, could create a misleading or incomplete view of the evaluation process underlying its opinion. Several analytical methodologies were employed and no one method of analysis should be regarded as critical to the overall conclusion reached by Robertson Stephens. Each analytical technique has inherent strengths and weaknesses, and the nature of the available information may further affect the value of particular techniques. The conclusion reached by Robertson Stephens is based on all analyses and factors taken as a whole and also on application of Robertson Stephens' own experience and judgment. This conclusion may involve significant elements of subjective judgment and qualitative analysis. Robertson Stephens gives no opinion as to the value or merit standing alone of any one or more parts of the analysis it performed. In performing its analyses, Robertson Stephens made numerous assumptions with respect to industry performance, general business and other conditions and matters, many of which are beyond the control of STC, Epitope or Robertson Stephens. Any estimates contained in these analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by these analyses. Accordingly, analyses relating to the value of businesses do not purport to be appraisals or to reflect the prices at which these businesses actually may be sold in the future, and these estimates are inherently subject to uncertainty. Furthermore, no opinion is being expressed as to the prices at which shares of the common stock of OraSure Technologies may be traded at any future time.

The engagement letter between Robertson Stephens and STC provides that, for its services, Robertson Stephens is entitled to receive a transaction fee equal to 1.0% of the aggregate transaction value, not to exceed $1.8 million payable upon completion of the mergers and a fee of $100,000 payable upon the delivery of the Robertson Stephens fairness opinion, which fee shall be credited against the transaction fee. STC has also agreed to reimburse Robertson Stephens for its out-of-pocket expenses related to this work, including legal fees, in an amount no greater than $50,000 and to indemnify and hold harmless Robertson Stephens and its affiliates and any other person, director, employee or agent of Robertson Stephens or any of its affiliates, or any person controlling Robertson Stephens or its affiliates, for certain losses, claims, damages, expenses and liabilities relating to or arising out of services provided by Robertson Stephens as financial advisor to STC. The terms of the fee arrangement with Robertson Stephens, which STC and Robertson Stephens believe are customary in transactions of this nature, were negotiated at arm's length between STC and Robertson Stephens, and the STC board was aware of these fee arrangements.

Robertson Stephens was retained based on Robertson Stephens' experience as a financial advisor in connection with mergers and acquisitions and in securities valuations generally. Robertson Stephens may actively trade the securities of Epitope or OraSure Technologies for its own account and for the account of its customers and, accordingly, may at any time hold a long or short position in these securities.

Robertson Stephens is an internationally recognized investment banking firm. As part of its investment banking business, Robertson Stephens is frequently engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of securities, private placements and other purposes.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information has been provided to aid you in your analysis of the financial aspects of the merger. The financial information of Epitope was derived from the audited consolidated financial statements for the fiscal years ended September 30, 1997 through 1999 and the unaudited condensed consolidated financial statements for the six months ended March 31, 2000. The financial information of STC was derived from unaudited financial statements for all periods presented. The information is only a summary and should be read together with the historical financial statements and related notes contained in the annual reports and quarterly reports and other information that we have filed with the Securities and Exchange Commission and incorporated by reference.

Pooling of Interests Accounting Treatment

The mergers are expected to be accounted for as a "pooling of interests." This means that, for accounting and financial reporting purposes, the companies will be treated as if they had always been combined. We have presented unaudited pro forma financial information that reflects the pooling of interests method of accounting to provide a picture of what the businesses might have looked like had they always been combined. The pro forma statements of operations and pro forma balance sheets were prepared by combining the historical amounts of each company. The companies may have performed differently had they always been combined. You should not rely on the unaudited pro forma financial information as being indicative of the historical results that would have occurred or the future results that will occur after the mergers.

Periods Covered

The following unaudited pro forma balance sheets as of March 31, 2000 and September 30, 1999 are presented as if the mergers had occurred on March 31, 2000 and September 30, 1999. The unaudited pro forma statements of operations for the six months ended March 31, 2000 and 1999, and for the years ended September 30, 1999, 1998 and 1997, are presented as if the companies had always been merged.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

Six Months Ended March 31, 2000
(Unaudited)
(Amounts in thousands, except per share information)

	Historical		Pro Forma	Pro Forma
	Epitope	STC	Adjustments	Combined
Revenues				
Product sales	$ 5,629	$7,362	$ (89)	$12,902
Grants and contracts	75	418		493
	5,704	7,780	(89)	13,395
Costs and expenses				
Product costs	2,236	2,398	(36)	4,598
Operations	816	--	--	816
Research and development costs	1,309	1,820		3,129
Selling, general and administrative expenses	2,937	3,106		6,043
	7,298	7,324	(36)	14,586
Income (loss) from operations	(1,594)	456	(53)	(1,191)
Interest income	175	140		315
Interest expense	--	(262)		(262)
Other income (expense), net	(4)	(111)		(115)
Income (loss) before income taxes	(1,423)	223	(53)	(1,253)
Income taxes	--	106	--	106
Net income (loss)	$(1,423)	$ 117	$ (53)	$(1,359)
Basic and diluted loss per share	$ (0.10)			$ (0.04)
Weighted average number of shares outstanding	14,655		18,975	33,630

See accompanying notes to unaudited pro forma condensed combined financial information.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

Six Months Ended March 31, 1999
(Unaudited)
(Amounts in thousands, except per share information)

	Historical		Pro Forma	Pro Forma
	Epitope	STC	Adjustments	Combined
Revenues				
Product sales	$ 4,317	$5,612	$ (17)	$ 9,912
Grants and contracts	--	170		170
	4,317	5,782	(17)	10,082
Costs and expenses				
Product costs	1,512	2,110	(5)	3,617
Operations	827	--		827
Research and development costs	1,133	1,262		2,395
Selling, general and administrative expenses	2,507	2,152		4,659
	5,979	5,524	(5)	11,498
Income (loss) from operations	(1,662)	258	(12)	(1,416)
Interest income	141	16		157
Interest expense	(1)	(345)		(346)
Other income (expense), net	(11)	--		(11)
Net loss	$(1,533)	$ (71)	$ (12)	$(1,616)
Basic and diluted loss per share	$ (0.11)			$ (0.06)
Weighted average number of shares outstanding	13,799		13,067	26,866

See accompanying notes to unaudited pro forma condensed combined financial information.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

Year Ended September 30, 1999
(Unaudited)
(Amounts in thousands, except per share information)

	Historical		Pro Forma	Pro Forma
	Epitope	STC	Adjustments	Combined
Revenues				
Product sales	$10,073	$12,117	$ (42)	$22,148
Grants and contracts	--	640		640
	10,073	12,757	(42)	22,788
Costs and expenses				
Product costs	3,847	4,321	(10)	8,158
Operations	1,895	--		1,895
Research and development costs	2,287	3,077		5,364
Acquired in-process technology	--	1,500		1,500
Selling, general and administrative expenses	5,526	4,664		10,190
	13,555	13,562	(10)	27,107
Loss from operations	(3,482)	(805)	(32)	(4,319)
Interest income	279	304		583
Interest expense	(1)	(617)		(618)
Other income (expense), net	(2)	(45)		(47)
Net loss	$(3,206)	$(1,163)	$ (32)	$(4,401)
Basic and diluted loss per share	$ (0.23)			$ (0.15)
Weighted average number of shares outstanding	13,957		15,735	29,692

See accompanying notes to unaudited pro forma condensed combined financial information.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

Year Ended September 30, 1998
(Unaudited)
(Amounts in thousands, except per share information)

	Historical		Pro Forma	Pro Forma
	Epitope	STC	Adjustments	Combined
Revenues				
Product sales	$ 9,779	$10,079	$ (53)	$19,805
Grants and contracts	13	175		188
	9,792	10,254	(53)	19,993
Costs and expenses				
Product costs	3,685	3,953	(20)	7,618
Operations	1,101	--		1,101
Research and development costs	2,116	2,349		4,465
Selling, general and administrative expenses	5,141	4,282		9,423
	12,043	10,584	(20)	22,607
Loss from operations	(2,251)	(330)	(33)	(2,614)
Interest income	363	154		517
Interest expense	(9)	(448)		(457)
Other income (expense), net	(31)	5		(26)
Net loss	$(1,928)	$ (619)	$ (33)	$(2,580)
Basic and diluted loss per share	$ (0.14)			$ (0.10)
Weighted average number of shares outstanding	13,529		13,067	26,596

See accompanying notes to unaudited pro forma condensed combined financial information.

PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

Year Ended September 30, 1997
(Unaudited)
(Amounts in thousands, except per share information)

	Historical			
	Epitope	STC	Pro Forma Adjustments	Pro Forma Combined
Revenues				
Product sales	$ 8,084	$ 7,297	$ (7)	$ 15,374
Grants and contracts	1,276	217		1,493
	9,360	7,514	(7)	16,867
Costs and expenses				
Product costs	3,512	3,097	(1)	6,608
Operations	1,451	--		1,451
Research and development costs	4,028	1,628		5,656
Selling, general and administrative expenses	5,333	3,756		9,089
	14,324	8,481	(1)	22,804
Loss from operations	(4,964)	(967)	(6)	(5,937)
Interest income	886	243		1,129
Interest expense	(8)	(328)		(336)
Other income (expense), net	5	--		5
Net loss from continuing operations	(4,081)	(1,052)	(6)	(5,139)
Discontinued operations				
Loss from discontinued operations, Agritope	(9,891)	--		(9,891)
Income from discontinued operations, A&W	171	--		171
Estimated loss on disposal of A&W	(8,639)	--		(8,639)
	(18,359)	--	--	(18,359)
Income taxes	--	30	--	30
Net loss	$(22,440)	$(1,082)	$ (6)	$(23,528)
Basic and diluted loss per share from continuing operations	$ (0.30)			$ (0.20)
Basic and diluted loss per share	$ (1.67)			$ (0.91)
Weighted average number of shares outstanding	13,404		12,542	25,946

See accompanying notes to unaudited pro forma condensed combined financial information.

PRO FORMA CONDENSED COMBINED BALANCE SHEET

March 31,2000
(Unaudited)
(Amounts in thousands)

	Historical		Pro Forma Adjustments (Note 2)	Pro Forma Combined
	Epitope	STC		
ASSETS				
Current assets				
Cash and cash equivalents	$ 7,460	$ 898	$ --	$ 8,358
Marketable securities	3,978	7,662		11,640
Trade accounts receivable, net	1,536	2,478	(43)	3,971
Other accounts receivable	620	--		620
Inventories	1,316	1,131		2,447
Prepaid expenses	412	215		627
Deferred income taxes	--	52		52
Total current assets	15,322	12,436	(43)	27,715
Property and equipment, net	1,233	4,367		5,600
Patents and proprietary technology, net	402	2,086		2,488
Other assets and deposits	172	325		497
	$ 17,129	$19,214	$ (43)	$ 36,300
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Current portion of long-term debt	$ --	$ 1,054	$ --	$ 1,054
Accounts payable	314	1,096	(43)	1,367
Salaries, benefits and other accrued liabilities	1,167	926	5,400	7,493
Total current liabilities	1,481	3,076	5,357	9,914
Long-term debt	--	5,563		5,563
Deferred revenue	--	394		394
Deferred income taxes	--	82		82
Redeemable convertible preferred stock	--	9,852	(9,852)	--
Shareholders' equity				
Common stock, no par value--30,000 shares authorized; 15,964 shares issued and outstanding, historical, 34,940 issued and outstanding, pro forma	123,322	--	14,129	137,451
Additional paid in capital	--	4,684	(4,684)	--
Treasury stock	--	(407)	407	--
Accumulated other comprehensive loss	--	(282)		(282)
Accumulated deficit	(107,674)	(3,748)	(5,400)	(116,822)
Total shareholders' equity	15,648	247	4,452	20,347
	$ 17,129	$19,214	$ (43)	$ 36,300

See accompanying notes to unaudited pro forma condensed combined financial information.

PRO FORMA CONDENSED COMBINED BALANCE SHEET

September 30, 1999
(Unaudited)
(Amounts in thousands)

	Historical		Pro Forma Adjustments (Note 2)	Pro Forma Combined
	Epitope	STC		
ASSETS				
Current assets				
Cash and cash equivalents	$ 1,076	$ 674		$ 1,750
Marketable securities	4,533	8,522		13,055
Trade accounts receivable, net	1,490	2,151		3,641
Other accounts receivable	73	--		73
Inventories	1,504	1,140		2,644
Prepaid expenses	330	194		524
Deferred income taxes	--	143		143
Total current assets	9,006	12,824		21,830
Property and equipment, net	1,030	3,945		4,975
Patents and proprietary technology, net	487	2,216		2,703
Other assets and deposits	171	469		640
	$ 10,694	$19,454		$ 30,148
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Current portion of long-term debt	$ --	$ 1,001		$ 1,001
Accounts payable	475	942		1,417
Salaries, benefits and other accrued liabilities	1,643	677	$ 5,400	7,720
Total current liabilities	2,118	2,620	5,400	10,138
Long-term debt	--	6,076		6,076
Deferred revenue	--	514		514
Deferred income taxes	--	173		173
Redeemable convertible preferred stock	--	9,351	(9,351)	--
Shareholders' equity				
Common stock, no part value-- 30,000 shares authorized, 14,245 shares issued and outstanding, historical, 33,220 issued and outstanding, proforma	114,827	--	13,621	128,448
Additional paid in capital	--	4,677	(4,677)	--
Treasury stock	--	(407)	407	--
Accumulated other comprehensive loss	--	(21)		(21)
Accumulated deficit	(106,251)	(3,529)	(5,400)	(115,180)
Total shareholders' equity	8,576	720	3,951	13,247
	$ 10,694	$19,454	$ --	$ 30,148

See accompanying notes to unaudited pro forma condensed combined financial information.

Notes to Unaudited Pro Forma Condensed Combined Financial Information

(1) The unaudited pro forma condensed combined financial statements for Epitope and STC give retroactive effect to the proposed mergers, which will be accounted for as a pooling of interests and, as a result, such statements are presented as if the companies had been combined for all periods presented. There were no material differences between the accounting policies of Epitope and STC. Certain amounts have been reclassified to conform the pro forma presentation.

(2) The pro forma condensed combined balance sheets include adjustments for the elimination of intercompany balances between Epitope and STC and the conversion of STC's redeemable preferred stock and other equity accounts into OraSure Technologies common stock. Transaction costs will be incurred to complete the mergers and consist primarily of financial advisor, legal, accounting and consulting fees, and printing, mailing, and registration expenses. Due to the non-recurring nature of these costs, they have not been reflected in the pro forma condensed combined statements of operations. These expenses will be included in the results of operations in the quarter the mergers are completed. The pro forma combined balance sheets include an accrual of $5.4 million in estimated transaction costs.

(3) Pro forma basic and diluted loss per share has been computed using the pro forma weighted average number of shares of common stock outstanding during the period. Pro forma basic and diluted net loss per share are the same since common stock equivalents outstanding are antidilutive for all periods presented. As a result of the mergers, each outstanding share of STC common stock outstanding will be converted into the right to receive shares of OraSure Technologies common stock. For purposes of the pro forma financial statements it is assumed that 5.47 shares of OraSure Technologies common stock will be exchanged for each outstanding share and outstanding option of STC stock. See page 40 for a description of the exchange ratio.

INFORMATION ABOUT THE MEETINGS AND VOTING

The Epitope board of directors is using this document to solicit proxies from the holders of Epitope common stock for use at the Epitope meeting. The STC board of directors is also using this document to solicit proxies from the holders of STC common stock and convertible preferred stock for use at the STC meeting. We are first mailing this document and accompanying forms of proxies to Epitope and STC stockholders on or about , 2000.

Matters Relating to the Meetings

Time and Place

Epitope Meeting	STC Meeting
, , 2000 :00 .m., Local Time	, , 2000 :00 .m., Local Time

Purpose of Meeting is to Vote on the Following Items

Epitope Meeting	STC Meeting
1. A proposal to approve the agreement and plan of merger.	1. A proposal to adopt the agreement and plan of merger.
2. Such other matters as may properly come before the Epitope meeting, including the approval of any adjournment of the meeting.	2. Such other matters as may properly come before the STC meeting, including the approval of any adjournment of the meeting.

Record Date

Epitope Meeting	STC Meeting
Holders of record of Epitope common stock at the close of business on , 2000, will be entitled to vote.	Holders of record of STC common stock and STC convertible preferred stock at the close of business on , 2000, will be entitled to vote.

Outstanding Shares Held on Record Date

Epitope Meeting	STC Meeting
As of , 2000, there were approximately outstanding shares of Epitope common stock.	As of , 2000, there were approximately outstanding shares of STC common stock and approximately outstanding shares of STC convertible preferred stock.

Shares Entitled to Vote

Epitope Meeting	STC Meeting
Each share of Epitope common stock that you own as of the record date entitles you to one vote.	Each share of STC common stock that you own as of the record date entitles you to one vote. Each share of STC convertible preferred stock that you own as of the record date entitles you to one vote.
Shares held by Epitope in its treasury will not be voted.	Shares held by STC in its treasury will not be voted.

Quorum Requirement

Epitope Meeting	STC Meeting
A quorum of stockholders is necessary to hold a valid meeting.	A quorum of stockholders is necessary to hold a valid meeting.
The presence in person or by proxy at the meeting of holders of a majority of the shares of Epitope common stock entitled to vote at the meeting is a quorum. Abstentions and broker "non-votes" count as present for establishing a quorum. Shares held by Epitope in its treasury do not count toward a quorum.	The presence in person or by proxy at the meeting of holders of a majority of the shares of STC entitled to vote at the meeting is a quorum. Abstentions count as present for establishing a quorum. Shares held by STC in its treasury and broker "non-votes" do not count toward a quorum.
A broker non-vote occurs on a proposal when a broker is not permitted to vote on that proposal without instruction from the beneficial owner of the shares and no instruction is given.	A broker non-vote occurs on a proposal when a broker is not permitted to vote on that proposal without instruction from the beneficial owner of the shares and no instruction is given.

Shares Beneficially Owned by Epitope and STC Directors and Executive Officers as of , 2000

Epitope Meeting	STC Meeting
Epitope directors and executive officers beneficially own shares of Epitope common stock, including shares subject to exercisable options. These shares represent in total less than % of the shares of Epitope common stock outstanding as of , 2000.	STC directors and executive officers beneficially own 1,992,024 shares of STC common stock, including shares subject to exercisable options, and no shares of STC convertible preferred stock. These shares represent approximately 57.4% of the votes entitled to be cast as of , 2000.
These individuals have indicated that they intend to vote all of the above shares which are outstanding as of the record date in favor of the Epitope proposals.	These individuals have indicated that they intend to vote all of the above shares which are outstanding as of the record date in favor of the STC proposal.

Vote Necessary to Approve Epitope and STC Proposals

Vote Necessary to Approve Proposals

Epitope	STC
Approval of the agreement and plan of merger requires the affirmative vote of the holders of a majority of the total votes entitled to be cast by holders of Epitope common stock. Abstentions and broker non-votes will have the same effect as votes against the Epitope proposal.	Adoption of the agreement and plan of merger requires the affirmative vote of the holders of a majority of the outstanding shares of STC common stock and STC convertible preferred stock, voting together as a single class. Abstentions and broker non-votes will have the same effect as votes against the STC proposal. STC shareholders representing sufficient votes to adopt the agreement and plan of merger have executed agreements in which they have agreed to vote all of their shares of STC common stock in favor of adoption of the agreement and plan of merger.

Voting by Proxy

Voting Your Proxy. You may vote in person at your meeting or by proxy. We recommend you vote by proxy even if you plan to attend your meeting. You can always change your vote at the meeting.

Voting instructions are included on your proxy card. If you properly give your proxy and submit it to us in time to vote, one of the individuals named as your proxy will vote your shares as you have directed. You may vote for or against the proposal submitted at your meeting or abstain from voting.

How to Vote by Proxy

Epitope	STC
Complete, sign, date and return your proxy card in the enclosed envelope.	Complete, sign, date and return your proxy card in the enclosed envelope.

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* If you hold shares through a broker or other custodian, please follow the voting instructions for the voting form used by that firm.

If you submit your proxy but do not make specific choices, your proxy will follow your board's recommendations and vote your shares for their recommendations.

Epitope's Board of Directors unanimously recommends that you vote FOR approval of the agreement and plan of merger.

STC's Board of Directors unanimously recommends that you vote FOR adoption of the agreement and plan of merger.

Revoking Your Proxy. You may revoke your proxy before it is voted by:

. submitting a new proxy with a later date,

. notifying your company's Secretary in writing before the meeting that you have revoked your proxy, or

. voting in person at the meeting.

Voting in Person. If you plan to attend a meeting and wish to vote in person, we will give you a ballot at the meeting. However, if your shares are held in the name of your broker, bank or other nominee, you must bring an account statement or letter from the nominee indicating that you are the beneficial owner of the shares on , 2000, the record date for voting.

People With Disabilities. We can provide reasonable assistance to help you participate in the meeting if you tell us about your disability and your plan to attend. Please call or write the Secretary of your company at least two weeks before your meeting at the number or address under "Summary--The Companies" on page .

Confidential Voting. Independent inspectors count the votes. Your individual vote is kept confidential from us unless special circumstances exist. For example, a copy of your proxy card will be sent to us if you write comments on the card.

Proxy Solicitation. We will pay our own costs of soliciting proxies.

In addition to this mailing, Epitope and STC employees may solicit proxies personally, electronically or by telephone. Epitope is paying D. F. King a customary fee, plus expenses to assist with the solicitation.

The extent to which these proxy soliciting efforts will be necessary depends upon how promptly proxies are submitted. You should submit your proxy by mail without delay. We will also reimburse brokers and other nominees for their expenses in sending these materials to you and getting your voting instructions.

Do not send in any stock certificates with your proxy cards. The exchange agent will mail transmittal forms with instructions for the surrender of stock certificates for STC and Epitope common stock to stockholders as soon as practicable after the completion of the mergers.

Other Business; Adjournments

We are not currently aware of any other business to be acted upon at either meeting. If, however, other matters are properly brought before either meeting, or any adjourned meeting, your proxies will have discretion to vote or act on those matters according to their best judgment, including to adjourn the meeting.

Adjournments may be made for the purpose of, among other things, soliciting additional proxies. Any adjournment may be made from time to time by approval of the holders of shares representing a majority of the votes present in person or by proxy at the meeting, whether or not a quorum exists, without further notice other than by an announcement made at the meeting. Neither of us currently intends to seek an adjournment of our meeting.

INFORMATION ABOUT EPITOPE, INC.

Epitope develops, manufactures, and markets oral specimen collection devices and diagnostic products primarily for the detection of antibodies to the Human Immunodeficiency Virus (HIV), the cause of AIDS, and for the detection of cocaine and tobacco use. Epitope's lead product is the patented OraSure(R) collection device. OraSure is used in conjunction with an oral specimen diagnostic test. Epitope markets the device in the United States and certain foreign countries for use in screening life insurance applicants and for public health use. On February 2, 2000, Epitope began marketing OraSure for drugs-of-abuse testing in collaboration with STC, under STC's trademark Intercept(TM) Drugs of Abuse.

The OraSure device consists of a small, treated cotton-fiber pad on a nylon handle that is placed in the patient's mouth for two minutes. The device collects oral mucosal transudate (OMT), a serum-derived fluid that contains higher concentrations of antibodies than saliva, including HIV antibodies in people infected with the virus. As a result, OMT testing is a highly accurate method for detecting HIV infection. Because OraSure uses a noninvasive, needle-free collection method without need for privacy during the collection process, we believe that oral fluid testing has several significant advantages over blood or urine-based tests for both healthcare professionals and patients.

Epitope has developed and introduced other products, including the Orasure HIV-1 Western blot and EPIblot(R) tests used to confirm positive initial screening tests. The OraSure HIV-1 Western blot confirmatory test kit is used in conjunction with oral-specimen based screening tests, while EPIblot is used in conjunction with blood-based screening tests. The Western blot test kits are distributed worldwide under an exclusive agreement with Organon Teknika Corporation. Epitope is developing a new product called OraQuick(R), a rapid-format oral specimen and blood-based test designed to provide results in approximately 20 minutes, and is exploring the potential use of Epitope's technologies and products for DNA collection and other applications.

Epitope was incorporated under the laws of the state of Oregon in 1981. Epitope's principal executive offices and laboratories are located at 8505 S.W. Creekside Place, Beaverton, Oregon 97008 and its telephone number is (503) 641-6115.

Additional information about Epitope is incorporated by reference into this document from the various documents filed by Epitope with the Securities and Exchange Commission. These documents contain important information about Epitope and its financial condition. See "Where You Can Find More Information" on page 109.

INFORMATION ABOUT STC TECHNOLOGIES, INC.

General

STC Technologies, Inc. develops, manufactures, and markets proprietary in vitro diagnostic products and medical devices for use in clinical laboratories, physician offices, hospitals, and workplace point-of-care testing. STC is a supplier of oral fluid assays to the insurance risk assessment testing market and also manufactures and markets other substance abuse testing products. In addition to these activities, STC has made a net investment of more than $10.8 million over the past five years to develop UPT (Up-Converting Phosphor Technology), a proprietary label detection platform technology for the detection of drugs of abuse and other substances.

Industry Background--In Vitro Diagnostic Testing Market

In vitro diagnostic testing is the process of analyzing biological specimens to screen for, monitor, and diagnose disease and other medical conditions, or to determine the chemical and/or microbiological constituents of the specimens. IVD tests are performed outside the body, in contrast to in vivo tests which are performed directly on or within the body. The IVD market is large and essentially mature. Worldwide revenues in 1997 were approximately $17.8 billion and are expected to grow at an annual rate of between 5% and 7% through 2001. The U.S. IVD market has historically accounted for $7.4 billion, or approximately 40% of the total worldwide market. The IVD market can be segmented by:

- the form of the technology being used,
- the market targeted, or
- the type of test performed.

Among the various forms of technology currently utilized, immunoassay and clinical chemistry tests account for approximately 45% of the $17.8 billion market. Commercial and hospital laboratories dominate the end-user market and historically account for nearly 70% of the market.

The industry is facing constant pricing pressure as HMOs pass on cost containment initiatives, the hospital industry consolidates, and reference laboratories compete for a greater share of the clinical laboratory business. The relative maturity of the industry, in combination with the pressure faced by the clinical laboratories, may continue to lead to consolidation within the IVD market.

IVD remains an integral part of the overall health care system. IVD represents approximately 4% of the total U.S. health care costs. While the market is relatively mature and highly competitive, certain new technologies currently under development by a number of companies are expected to generate more than $10 billion in incremental revenue growth by 2006.

Products

During the past 12 years, STC has established itself as a developer, manufacturer, and marketer of proprietary immunodiagnostics tests and other diagnostic products through the commercialization of certain niche market IVD test kits and novel medical devices. STC's goal is to expand its current in vitro diagnostic and medical device businesses and sustain long-term growth by commercializing Intercept, UPlink and UPT as platform technologies.

Insurance Risk Assessment Products

In 1999, STC sold more than 50 million tests for insurance risk assessment. STC has multi-year purchase agreements and reagent rental agreements with its customers. STC develops and sells enzyme immunoassay ("EIA") products in two testing formats, MICRO-PLATE and AUTO-LYTE, to meet the specific needs of each customer in the insurance risk assessment market. STC MICRO-PLATE assays are commonly used for high sensitivity measurement of both large and small molecule analytes. STC has used this testing format to develop assays that detect substances in urine, serum, and oral fluid specimens. AUTO-LYTE assays provide medium sensitivity to detect small molecule analytes. An analyte is the substance to be measured or detected in the test being performed. AUTO-LYTE is typically used in high volume, automated, commercial reference laboratories. Test results are produced faster, allowing for higher throughput on expensive analytical instruments.

STC currently markets the MICRO-PLATE oral fluid assay for use in screening life insurance applicants to test for two of the most important underwriting risk factors: cocaine and cotinine (a metabolite of nicotine). STC sells the reagents to insurance testing laboratories, which may in turn provide the laboratory testing to insurance companies, often in combination with Epitope's OraSure device.

As of August 1999, more than 150 U.S. ordinary life insurance companies were using oral fluid to varying degrees for testing applicants for life insurance. These 150 companies included seven of the top ten U.S. life insurance companies.

Drugs of Abuse Products

The worldwide drugs-of-abuse ("DOA") market totaled approximately $300 million in 1996 and has been growing at approximately 3% per year. The majority of DOA testing occurs in centralized laboratories as part of routine pre-employment workplace screening. However, on-site testing for DOA is growing rapidly, accounting for more than 30% of the total market. Testing is concentrated on a set of commonly abused drugs called the NIDA-5, consisting of THC (marijuana), cocaine, opiates, amphetamines, and the hallucinogenic drug PCP. Growth in this market has been slowed by a maturation of test volume and increased price competition. However, there has been growth in the on-site sector of the market for rapid immunoassay products to test for the presence of illicit drugs. STC develops, manufactures, and sells DOA tests in the microplate assay format. STC's MICRO-PLATE DOA tests can be performed on commonly used instruments and produce results in approximately one hour. STC has used this testing format for assays that detect DOA in urine, serum, oral fluid, and sweat specimens. STC's DOA products are currently sold in the forensic toxicology market.

Within the DOA testing market, STC believes that an opportunity exists for immunodiagnostic testing for substances in bodily fluids other than the traditional specimens, blood and urine. With respect to blood, the specimen sample is required to be obtained by a trained professional and there exists the possibility of infection from bloodborne pathogens for the person drawing blood. With respect to urine, handling the sample is objectionable to some people, and in some environments there is the risk that the sample may become adulterated between initial collection and receipt by the testing administrator. Therefore, STC has sought out alliances with developers of two different alternative specimen collection systems, Epitope, the supplier of the OraSure(R) oral fluid collection device and PharmChem Laboratories, Inc., the supplier of the PharmChek Sweat Patch.

Forensic Toxicology--The forensic toxicology market is made up of 250-300 laboratories including federal, state and county crime laboratories, medical examiner laboratories and reference laboratories.

In 1999, STC sold more than 1 million MICRO-PLATE DOA tests to the forensic toxicology market. STC has developed products to meet the specific needs of its customers in this market that are provided in easy to use kit formats that run on automated microplate equipment. Kits are offered for many sample types, such as, whole blood, serum urine, hair and sweat.

In the first quarter of 2000, STC entered into a multi-year agreement with a third party to distribute these products outside the U.S.

STC has used this testing format as the basis for the oral fluid microplate assays.

Intercept Oral Fluid Drug Test--STC has entered into a supply and distribution agreement with Epitope and LabOne, Inc. for the Intercept service, STC's oral fluid DOA test. Intercept is a laboratory-based testing service that uses oral fluid as a testing matrix for the screening and confirmation of the commonly used NIDA-5 DOA. This product was launched for workplace testing, public health, and criminal justice markets in February 2000.

In 1999, STC entered into an exclusive agreement with LabOne, Inc. to collaborate to market and sell the Intercept device in the workplace testing market. The agreement provides for STC to sell Intercept collection devices and DOA tests to LabOne which will sell the entire testing service in the North American workplace testing market. The agreement provides for STC to receive a per unit price, a royalty based upon the laboratory revenues, and a profit sharing component based upon end-user pricing.

STC has received FDA clearance for all NIDA-5 DOA oral fluid products and for cotinine. STC believes that the Intercept service will be popular for DOA testing because of its non-invasive nature and ease of maintaining a chain-of-custody without embarrassment to the person being tested, as well as the lack of requirement for specially prepared collection facilities. The availability of an oral fluid test is intended to allow workplace administrators to test for impairment on demand, eliminate scheduling costs, and streamline the testing process. However, there can be no assurances that STC will be able to exploit such opportunities.

PharmChem Laboratories, Inc.--PharmChem's PharmChek sweat patch was designed as a drug collection system for the criminal justice testing market. The collection device (a skin patch) can be worn for up to 14 days, which significantly lengthens the drug use detection period. The patch is also tamper-resistant, indicating that it had been removed during the testing period. With particular applicability to the probation and parole environment, the patch can be applied and removed at an on-site location, eliminating the need for specialized specimen collection services, which STC estimates account for about one-half of the cost of workplace drug testing.

In 1993 STC and PharmChem entered into an agreement that provides that STC would develop and file FDA applications for EIA reagents to be used in conjunction with the PharmChek patch to detect the NIDA-5 in sweat. In exchange for developing the products, PharmChem agreed to purchase its requirements of reagents from STC. STC has received FDA clearance to market enzyme-immuno-assay reagents to test for all the NIDA-5 DOA products. As of March 31, 2000, sales of the PharmChek patch were limited.

Q.E.D.(R) Saliva Alcohol Test

The Q.E.D. Saliva Alcohol Test is an on-site, low-cost alternative to breath or blood testing. The test is a quantitative, oral fluid based method for the detection of ethanol, and has been approved for sale by the FDA and the U.S. Department of Transportation. The product received a Clinical Laboratory Improvement Act of 1998 ("CLIA") Waiver in 1997. The Q.E.D. device is easy to operate and instrumentation is not required to read the result. The product line comes in two testing ranges 0 to 0.145% and 0 to 0.30% blood alcohol and produces results in two to five minutes.

The markets for alcohol testing are relatively small and fragmented with a broad range of legal and procedural barriers to entry. Markets range from law enforcement testing to workplace testing of employees in safety sensitive occupations. The Q.E.D. test has successfully been adopted by end users in the petroleum, heavy construction, trucking, and retail business because it is a low-cost, portable, easy-to-administer, quantitative testing method. Typical usage situations include pre-employment, random, post-accident, reasonable-cause, and return-to-duty testing.

In 1999, STC enhanced Q.E.D. performance and upgraded the manufacturing line. STC also entered into a contract for a private label distributor in Scandinavia, for 150,000 units of the device. This contract was completed in February 2000.

Histofreezer(R) Portable Cryosurgical Removal System

STC introduced the Histofreezer Portable Cryosurgical Removal System to the U.S. market in 1991, as a low-cost alternative to liquid nitrogen and other eradication methods for removal of benign epidermal lesions. In June 1998, STC purchased the Histofreezer product line from Koninklijke, Utermohlen, N.V., The Netherlands. As part of the acquisition, STC established a sales office in Reeuwijk, The Netherlands, and is now integrating a dealer network in more than 20 countries worldwide.

Histofreezer is a mixture of two environmentally friendly cryogenic gases in a small aerosol canister. When released, these gases are delivered to a specially designed foam bud, cooling the bud to -57C. The frozen bud is then applied to the lesion for 20 to 40 seconds creating localized destruction of the target area. Histofreezer is sold in two sizes of canisters. Histofreezer sales have been targeted to primary care physicians such as pediatricians, general and family practitioners, and other physician segments that traditionally referred patients to dermatologists to remove warts. STC has established a national network of distributors to reach the physician's office market in the United States.

Up-Converting Phosphor Technology--UPT

Overview

In 1995, STC entered into exclusive worldwide patents, patent applications, and trade secret licenses for UPT for use in all diagnostic applications and has expended more than $10 million to develop UPT to date. UPT is based on the use of a unique patented label detection platform technology. UPT utilizes the same particle shell that is coated onto a television screen, but the internal chemistry of the particle has been changed. These changes result in a particle that is excited by infrared light as compared to an ultraviolet light source for television. STC and its research partners have developed phosphorescent particles that up-convert infrared light to visible light.

This key feature of UPT forms the basis for its use as a detector system. The process of converting infrared light to visible light is called up-conversion.

STC believes that UPT overcomes some of the limitations of other IVD detection methods with features not commercially available today. When used in conjunction with antibodies or DNA probes, UPT particles produce zero background interference, which dramatically increases the potential sensitivity of any test system. In addition to zero background interference, these particles are stable in a variety of biological specimens, allow simultaneous detection of multiple biological markers, and can be used to miniaturize the test platform.

Key UPT competitive features are as follows:

- No background interference
- High sensitivity
- Multiplex detection of several analytes simultaneously
- No fading permits a permanent record
- Applicability to a variety of instrument platforms
- Low cost, easy-to-use
- Compatible with alternative testing matrices such as oral fluid, blood or others.

STC has reached certain important milestones in the development of UPT including improving the manufacturing process to produce UPT particles, working to optimize UPT particle coating techniques, producing four distinct colors of UPT particles to begin experiments on the simultaneous detection of multiple biological markers to permit multiplexing, and demonstrating initial feasibility for the use of UPT particles in DOA, infectious disease, cancer, and limited DNA detection applications.

Description

UPT is a proprietary label detection platform technology that can be applied to the detection of minute quantities of various substances such as antigens, proteins, and DNA. High sensitivity is a feature of UPT patented particle technology and compares favorably to small molecule-based detection systems such as fluorescence or enzyme assays. The use of STC's particle-based detection provides a stronger signal for each event detected and thereby enhances sensitivity in diagnostic assay systems.

Phosphor particles have been used for decades in televisions producing colored screens and in fluorescent light bulbs. When ultraviolet light strikes the phosphor-coated area in a screen or bulb, it excites the particles and colored light is produced. STC's patented improvements on this base technology employ chemical changes inside the phosphor particles so that infrared light can be used to produce the colored signal. This use of infrared light rather than ultraviolet light to create a colored signal is called up-conversion as opposed to down-conversion which is the use of ultraviolet light. The use of infrared light to excite the phosphor particles and produce a colored light signal creates an important competitive advantage for the technology in biological

systems, especially human clinical diagnostics. Existing enzyme or fluorescent-based assays employ visible or ultraviolet light to emit the signals from the enzyme substrate or fluorescent molecules used as reporter signals in these systems. The disadvantage of using light in the visible or ultraviolet portion of the spectrum is that often molecules in the cells or samples for analysis can also create colored light from these excitation sources. When this occurs, a non-specific signal is generated which dilutes or obscures the signal of interest for the diagnostic test being administered. Because up-conversion does not exist in nature, biological samples and specimens will not produce light, and therefore, will not cause background interference when excited by infrared light.

The benefit of this "unnatural" detection system is that non-specific background signals are virtually eliminated. Superior detection sensitivity in the UPT system should exist compared to other methodologies.

Competitive Analysis of UPT Labels

Biological tests rely on some reporter method to amplify or transform a limited amount of specimen to be measured into a detectable signal. There are a variety of methods to do this amplification, however, all of them have limitations or problems that narrow their scope and utility. The most common detection labels or reporters are as follows:

Enzymes--are naturally occurring proteins whose biological function is to catalyze the conversion of materials. They are normally used to catalyze the conversion of the target substrate to produce energy which in turn is utilized to produce colored by-products. The color produced is proportional to the amount of target material in the test specimen. Enzymes, however, are easily affected by interferants in biological specimens and often have limited stability.

Fluorescence--is the conversion of light energy to a lower energy wavelength from a molecule excited by light of a higher energy. The problem is that many biological materials also fluoresce, which limits this technology as a label. Fluorophores also fade or bleach when excited for long periods of time; this limits fluorescence usefulness to short detection periods.

Radioisotopes--were the first labels used when immunoassay was developed nearly thirty years ago. Radioisotopes are very sensitive; however, their radioactivity decays rapidly, making them unstable. Due to safety hazards associated with radioactivity, disposal of the test material becomes problematic, and expensive storage and disposal costs come into play. Additionally they require special handling and licensing. The radioimmunoassay format is declining in use as more stringent laws are enacted for the disposal of radioactive waste.

Chemiluminescence--is the creation of visible light from a chemical reaction. It produces an amount of light proportional to the level of analyte being measured. Chemiluminescence has been gaining popularity as a label system. It is relatively easy to use, however, the instrument required for detection is more expensive than in most other label systems.

When these labels are integrated into a traditional assay test system, a number of common limitations are found. The following table highlights some of these limitations and the potential advantages of UPT:

Competitive Features of UPT	Label Limitations Traditional Assay Systems	UPT Advantage
Stability of Label (Fading).....	Immediate analysis required for enzyme labels or overdevelopment can occur	Permanent UPT labels are stable permitting flexibility in running and analyzing test samples. Samples may be repeatedly analyzed over weeks to years
	Photobleaching of fluorescent labels prohibits prolonged analysis	Photobleaching is not problematic with UPT labels
Background Interference.....	Blood, tissue and contaminants can interfere with specific signal creating potential for false positives	Up-conversion eliminates non-specific background signals or noise
Single vs. Multiple Sample Processing.....	Enzyme methods require analysis of a single determinant per sample	Presently, UPT can be used to detect 4 analytes per sample, thereby reducing samples and processing time
	Fluorescence methods require careful selection of multiple label combinations to avoid quenching or energy transfer resulting in loss of signal	
Sensitivity.....	Sensitivity varies from 10-/18/ for chemiluminescence to 10-/12/ for enzymes	Sensitivity of 10-/18/ for UPT equals the most sensitive detection technology
Hazards.....	Some enzyme-based systems employ hazardous materials as part of the assay protocol in developing the colored signal	UPT particles are non-hazardous
	Radioactive waste creates an environmental hazard and has a disposal expense	

As indicated by the above table, current tests indicate that UPT may provide a variety of benefits not possible with other detection methods and may overcome many of their limitations. Consequently, STC believes that UPT is more flexible and broadly applicable than other detection methods commercially available.

UPT Lateral Flow Applications

Background. In vitro assays of biological compounds have become routine for a variety of applications, including medical diagnosis, forensic toxicology, pre-employment and insurance risk screening, and foodborne pathogen testing. Industrial demands for low-cost, sensitive, rapid assays with the potential for screening multiple analytes simultaneously or in rapid succession have caused a burgeoning of testing systems and formats. Virtually all such systems can be characterized as having three key components: (1) a probe that recognizes the target analyte(s) with a high degree of specificity; (2) a reporter that gives a signal that is qualitatively or quantitatively related to the presence of an analyte; and (3) a detection system capable of

relaying information from the reporter to a method of interpretation. The probe which can be an antibody or nucleic acid sequence, should interact uniquely and with high affinity to the analyte but not with non-targets in order to minimize false positive responses. The reporter is often directly or indirectly coupled or conjugated to the probe, providing a signal that is related to the concentration of analyte upon completion of the assay. The reporter should not be subject to signal interference from the surrounding matrix, either in the form of signal loss from extinction or by competition from non-specific signal from other materials in the system. This type of interference is also referred to as noise. The detector is usually a device or instrument used to determine the presence of the reporter and therefore analyte in the sample. Ideally, the detector should provide a quantitative scale for the measurement of analyte that is both accurate and precise. In many rapid on-site tests, the detection instrument is the human eye and the test results are reported as a positive or negative result.

Rapid Test Format. Working with SRI International, Menlo Park, California, STC has been able to incorporate UPT labels into an on-site rapid test format. Similar to a home pregnancy test, these products work by applying fluid to a test strip which has been treated with specific biologicals. Carried by the liquid sample, phosphors labeled with corresponding biologicals flow through the strip and may be captured as they pass into specific zones. The amount of phosphor signal found on the strip will be proportional to the amount of the target analyte.

STC believes that there exists increasing demand for rapid, point-of-care IVD tests. Many currently marketed rapid, point-of-care technologies are limiting due to their analytical sensitivity or the number of analytes detected in a single assay. STC is in the process of developing up-converting phosphors as reporters in rapid point-of-care diagnostic assays using a lateral flow format.

STC has expanded its efforts to pursue point-of-care UPT applications. To understand its potential, a variety of basic feasibility studies have been conducted. These studies demonstrated the potential of the label platform.

These demonstration tests included a variety of drugs, pathogens, proteins, and DNA. The sensitivities demonstrated by these tests ranged from 10 to 1,000 times better than comparable commercial products. Given the wide array of analytes feasible with UPT, STC expects to pursue broad market applications in the future.

Instrument Platform. UPT particles are not visible to the eye and therefore any test employing UPT labels requires an instrument to "read" the test device and show the result on a screen. A prototype device employing UPT has been produced by SRI International as part of a federal grant to demonstrate UPT's potential for detecting biological and chemical warfare agents. Although only in its early stages, it was successful enough to become the prototype for developing a commercial reader. Under the UPlink trademark, STC is aggressively pursuing the commercialization of a UPT collector, test strip, and reader intended for multiplexed, high sensitivity diagnostic applications.

Recent developments in infrared diode lasers and compact photon multiplier tubes ("PMTs") have created the opportunity for rapid commercial development of benchtop or hand-held instruments for the detection of up-converting phosphors in diagnostic assays. Infrared diode lasers are semiconductor devices manufactured by the same technology used for compact disc players and telecommunications. They are efficient energy converters with lifetimes in excess of 10,000 hours. Also, they are relatively inexpensive, and are readily coupled to fiber optics. Highly sensitive PMTs with broad, even detection ranges are also commercially available at reasonable cost. Data from PMTs are easily converted for importation into a spreadsheet using a PC interface, or directly into a graphical or numerical readout on a hand-held device. In cooperation with SRI International, STC has developed both a prototype desktop and a hand-held instrument for use with UPT.

Assay Formats

Background. UPT particles are easily conjugated to biomolecules such as antibodies. This creates a sensitive probe-reporter pair that has been successfully adapted to a standard lateral flow format. UPT particles

conjugated with analyte-specific antibodies are dried into a fleece attached to the strip and in physical contact with both the strip and an overlying sample absorbent pad. Beyond the UPT fleece is a wicking fleece that assists in driving capillary flow during the assay. Once all reagents have been applied, the test strip is dried and assembled into a protective cassette housing. These strips are expected to have a shelf-life of 12 months or greater under appropriate storage conditions.

UPlink Status. STC is pursuing the development of UPlink for on-site DOA testing in oral fluid samples. During 2000, STC will focus its research and development activities on feasibility and development of a NIDA-5 DOA multiplexed oral fluid test. Prior to commercialization, UPlink must undergo additional process and development testing, clinical trials, and receive FDA approval. STC anticipates that a commercial product for use in onsite DOA testing in oral fluid samples may be available in the second half of 2001.

External Development Opportunities. STC is conducting research into additional applications for UPT outside the IVD market which would be exploited by developing strategic relationships with third parties for the potential applications. These relationships would potentially generate revenue streams for STC through research grants, licensing fees, royalties, manufacturing capabilities, and instrument sales. The applications which STC is currently exploring include, but are not limited to, high throughput drug screening, genomic and pharmacogenomic applications, surgical imaging, veterinary testing, food and biological testing, chemical and biological warfare, image analysis and miniaturized platforms.

UPT License Agreements

In April 1995, STC entered into an agreement with SRI International and the David Sarnoff Research Center. STC received exclusive worldwide rights under patents and know-how owned by SRI to develop and market products relating to up converting phosphor in all diagnostic applications that involve the use of UPT. STC also received non-exclusive worldwide rights under patents and know how owned by Sarnoff to develop and market products relating to up converting phosphor in all diagnostic applications that involve the use of UPT. STC has the right to sublicense these rights under the agreement subject to consent from SRI and Sarnoff Research Center.

Under our agreement with SRI, STC is required to make license, maintenance and royalty payments to SRI. The royalty payments are to be made upon the achievement of certain development milestones and royalty payments on any sales of products developed under the agreement. STC believes that the royalty rates payable by STC are comparable to the rates generally payable by other companies under similar arrangements.

Research and Development

In 1999, research and development activities focused on development of UPT, commercializing the Intercept service, Toxicology products, development of monoclonal antibody capabilities, and improving Q.E.D. performance and cost structure. UPT efforts were focused on development of a lateral flow device, particle size reduction, feasibility studies for on-site DOA, foodborne pathogens, cardiac markers, and preliminary DNA feasibility. STC has expanded the research and development group to 23 scientists/engineers and a system integrator.

STC supplements its own research and development activities by funding external research. STC has been, and will continue to fund research at Leiden University, SRI International, and the David Sarnoff Research Institute, Palo Alto, California. STC also funds various research activities at Lehigh University, Bethlehem, Pennsylvania.

Research and development expenses totaled approximately $3.3 million in 1999, of which $468,000 was paid to external consultants for research related primarily to UPT and $2.8 million was spent internally by the company for research related primarily to UPT. Research and development expenses totaled approximately $2.3 million in 1998, $174,000 external and $2.1 million was internal and $1.9 million in 1997, $186,000 external and $1.7 million was internal.

Sales and Marketing

STC's strategy is to reach the major target markets through a combination of direct sales and independent distributors. STC's marketing strategy is to develop a mix of trade shows, print advertising, and distributor promotions to support sales to each target market. At this time, STC's Insurance and Forensic Toxicology products are sold directly to end users; Histofreezer and Q.E.D. product lines are sold through independent distributors; and Intercept is sold to workplace testing through LabOne and to the public health and criminal justice markets on both a direct basis and a co-marketing plan with Epitope.

STC sells the Histofreezer product line to distributors that market to more than 150,000 primary care physicians and podiatrists. Major distributors include McKesson HBOC, Physicians Sales & Service, Bergen Brunswig, and Henry Schein. Sales of Histofreezer totaled approximately $5.7 million in 1999, which represented approximately 41% of STC's revenue in that year. Sales of Histofreezer totaled $4.8 million, or 45% of STC's revenue in 1998 and $3.1 million, or 39% of STC's revenue, in 1997.

Significant Customers, Products, and Markets

In 1999, two customers accounted for approximately 24% of total revenues. In 1998 and 1997, one customer accounted for approximately 14% and 17% of total revenues, respectively. The loss of any of these customers would have a material adverse effect on STC.

STC manufactures and markets its products primarily in the United States and Europe. STC's principal manufacturing facilities are located in the United States and STC operates a sales office in the Netherlands. Product revenues attributable to customers in the United States amounted to $10.8 million, $8.9 million and $7.4 million in the years ended December 31, 1999, 1998 and 1997 respectively. Revenues attributable to customers in Europe amounted to $1.8 million in the year ended December 31, 1999 and $1.2 million during the period from June 1998 through December 1998 in which STC had operations in the Netherlands.

Manufacturing

STC's AUTO-LYTE and MICRO-PLATE assays are manufactured at its Bethlehem, Pennsylvania, facility. STC manufactures the test components and assembles and packages the tests for distribution. More than 50 million tests were produced at STC's facility in 1999. STC's immunoassays require the production of highly specific and sensitive antibodies corresponding to the antigen of interest. Antibodies are produced commercially by injecting a vaccine consisting of a purified, specific antigen into one of a variety of animals. The injected animal's immune system then manufactures antibodies, which are collected, purified, and prepared for use in various diagnostic products. Substantially, all of STC's antibody requirements are produced by a contract supplier. However, in 1999, STC began to develop its own in-house monoclonal and polyclonal antibody capabilities. STC believes that it maintains adequate reserves of antibody supplies and believes it has access to sufficient raw materials for its products.

The Q.E.D. test is manufactured, packaged, and shipped from STC's Bethlehem facility.

Employees

As of March 31, 2000, STC had 93 full-time employees, including 26 in sales, marketing, and technical support; 27 in manufacturing; 28 in research and development; and 12 in administration and finance. Ten of STC's employees hold Ph.D. degrees. STC's employees are not represented by a collective bargaining agreement.

STC offers a benefits program to all of its full-time employees. STC contributes 80% of the premium cost for comprehensive health care coverage for employees and their families. Additionally, STC maintains a 401(k) plan with matching contributions for the lesser of 8% of salary or $3,000. STC contributed $113,708 in 1999, $93,607 in 1998 and $88,106 in 1997 to fund its matching commitments.

Competition

The diagnostic industry is a multi-billion dollar international industry and is intensely competitive. Many of STC's competitors are larger with greater financial, research, manufacturing, and marketing resources. Important competitive factors for STC's products include product quality, price, ease of use, customer service, and reputation. Industry competition is based upon scientific and technological capability, proprietary know-how, access to adequate capital, the ability to develop and market products and processes, the ability to attract and retain qualified personnel, and the availability of patent protection.

A few large corporations produce a wide variety of diagnostic tests and other medical devices and equipment, a larger number of mid-size companies generally compete only in the diagnostic industry, and, finally, a significant number of small companies produce only a few diagnostic products. As a result, the diagnostic test industry is fragmented and segmented.

The future market for diagnostic tests is expected to be characterized by consolidation, greater cost consciousness, and tighter reimbursement policies. The purchaser of diagnostic products will place increased emphasis on lowering costs, automation, service, and volume discounts. The increased complexity of the market is expected to force many competitors to enter into joint ventures or license certain products or technologies.

STC MICRO-PLATE DOA reagents are targeted to forensic testing laboratories where sensitivity, automation, and "system solutions" are important. With respect to sensitivity, in the past laboratories have typically had to rely on radioimmunoassay. Radioimmunoassay requires radioactive materials, which have short shelf-life and disposal problems. STC's MICRO-PLATE EIAs run on automated equipment and, uncommon for a company of its size, STC delivers to the laboratory a complete "system package" of reagents, instrumentation, and software (known as a "reagent rental" transaction) to meet the specific needs of each customer.

STC believes that it is a low-cost producer with additional savings made possible by process optimization and increased capacity utilization. Consequently, STC plans to use aggressive pricing programs to gain entry into new product market opportunities. In addition to aggressive pricing, STC provides customers with the opportunity to improve automation without capital expenditures by entering into reagent rental arrangements. STC offers its customers an option, typically provided by only the biggest and best capitalized competitors, to have laboratory equipment installed and financed by STC in exchange for a multi-year agreement to purchase a minimum number of tests over the life of the contract. Finally, STC provides highly responsive customer assistance and field service, installation, training, and support, allowing it to compete effectively with its larger competitors.

The Q.E.D. device is competitively priced to provide customers with the only quantitative oral fluid alcohol test at a significant cost savings compared to breath testing. Breath testing equipment is typically far more expensive and must be operated by qualified personnel. Thus, the cost per breath test is high. Since the vast majority of screening tests are negative, the absence of alcohol can be determined via the much less costly Q.E.D. test, with the few positive results confirmed by other appropriate methods. Additionally, STC has developed and markets a Department of Transportation approved program to train our customer's employees to administer the Q.E.D. test, providing another cost advantage over a breathalyzer-only testing program. Although there are lower priced tests on the market that use oral fluid or breath as a test medium, these tests are qualitative tests that are believed to be substantially lower in quality and scope of benefits than the Q.E.D. test.

The Histofreezer product's patented delivery system and warmer operating temperature than liquid nitrogen, provide STC with the opportunity to target sales to physicians, such as family practitioners, pediatricians, and podiatrists. STC does not target sales to dermatologists because they have the volume of patients required to support the capital costs associated with a liquid nitrogen delivery system. There is limited

competition for convenient cryosurgical products for wart removal in the primary care physician market. Consequently, STC has been able to price the product to provide adequate margins for STC, medical product dealers, and physicians.

Patents, Copyrights, and Proprietary Information

STC seeks patent and other intellectual property rights to protect and preserve its proprietary technology and its right to capitalize on the results of its research and development activities. STC also relies upon trade secrets, know-how, continuing technological innovations, and licensing opportunities to provide it with competitive advantages in its selected markets and to accelerate new product introductions. Respecting the patent and intellectual property rights of others, STC regularly searches for third-party patents in its fields of endeavor to shape its own patent and product commercialization strategies as effectively as possible as well as to identify licensing opportunities.

As part of the UPT license agreements, STC licensed certain U.S. and foreign patents and/or patent applications. These license agreements generally relate to the development of up-converting phosphor technology and the use of that technology for diagnostic applications. Since October 7, 1998, the U.S. and European Patent Offices have issued STC's licensors eight patents for methods, compositions, and apparatuses relating to phosphor technologies. Several additional UPT patent applications remain pending in the U.S. and abroad. STC expects to continue to expand its UPT patent portfolio in 2000.

STC has five U.S. patents and numerous foreign patents and patent applications for the Analog-to-Digital ("A/D") Threshold Signaling Technology used in the Q.E.D. test. These patents are related to the A/D Technology color control systems and methods, systems and devices for the assay, and detection of biochemical molecules.

STC has three U.S. patents and numerous foreign patents issued for apparatuses and methods for the topical removal of skin lesions relating to its Histofreezer device. In addition, STC was issued U.S. patent 5,885,789 in May of 1999. This patent relates to STC's method for detecting blood in urine specimens and STC's Auto-Lyte products.

It is STC's policy to require its employees, consultants, outside collaborators, and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with STC. These agreements provide that all confidential information developed by, or made known to, the individual during the course of the individual's relationship with STC, is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees, the agreement provides that all inventions conceived by the individual during his tenure at STC will be the exclusive property of STC.

UPT(TM) and Up-link(TM) are trademarks of STC and Histofreezer(R) and Auto-Lyte(R) are registered trademarks of STC.

Government Regulation

Most of STC's diagnostic products are regulated by the FDA as medical devices. Prior to entering commercial distribution, all medical devices must undergo FDA review under either a 510(k) or a PMA review procedure depending on the type of assay. Compared to a PMA, 510(k) notification is generally a streamlined filing submitted to demonstrate that the device in question is "substantially equivalent" to another legally marketed device. Tests for therapeutic drugs and hormones are included in this category. Approval under this procedure may be granted within 90 days, but in some cases as much as a year or more is required. STC has submitted and gained market clearance for fifty-one 510(k)s since inception.

Many of the insurance testing products are labeled for "insurance risk assessment only" and many of the DOA products sold to state crime labs are labeled for "forensic use only." The FDA does not currently regulate either of these markets.

Products for physicians' offices and hospital markets are affected by the Clinical Laboratory Improvement Act of 1998 ("CLIA"), which is designed to ensure the quality and reliability of medical testing. CLIA regulations may have the effect of discouraging or increasing the cost of testing in physicians' offices. The regulations establish requirements for laboratories in the area of administration, participation in proficiency testing, patient-test management, quality control, personnel, quality assurance, and inspection. Under these regulations, the specific requirements that a laboratory must meet depend upon the complexity of the tests performed by the laboratory. Laboratory tests are categorized as either: (1) waived tests, (2) tests of moderate complexity, or (3) tests of high complexity. Laboratories that perform either moderate or high complexity tests must meet standards in all areas, with the major difference in requirements between moderate and high complexity testing concerning quality control and personnel qualifications. In general, personnel conducting high complexity testing will require more education and experience than those doing moderate complexity testing. Under the CLIA regulations, all laboratories performing moderately or highly complex tests will be required to obtain either a registration certificate or certificate of accreditation from the Health Care Financing Administration. The Q.E.D. test is considered waived under CLIA.

The U.S. Food, Drug, and Cosmetic Act regulates STC's quality and manufacturing procedures by requiring STC and its contract manufacturers demonstrate compliance with Quality Systems Regulations. The FDA monitors compliance with these requirements by requiring manufacturers to register with the FDA, which subjects them to periodic FDA inspections of manufacturing facilities. The FDA conducted an unannounced inspection of the operations of STC in June 1996. That investigation was concluded without any disciplinary action.

STC has voluntarily recalled Q.E.D. tests on two occasions. In both instances, the Q.E.D. tests were recalled because STC did not believe that the materials met STC's quality standards. Both recalls were conducted according to FDA guidelines. The FDA investigated the initial recall on December 1996. The investigation was concluded without disciplinary action. The FDA investigated the second recall in March of 1998. At the conclusion of that investigation, STC was issued a 483 Notice for improper validation. STC has taken the appropriate steps to correct the deficiencies. If violations of the applicable regulations are noted during future FDA inspections of STC's manufacturing facility, or the manufacturing facilities of a contract manufacturer, the continued marketing of STC's products may be adversely affected.

STC is currently pursuing ISO certification and CE marks, but there are no assurances that we will obtain these certifications. Preliminary gap analysis has been completed and has generated an action plan to address areas for improvement. The pre-assessment audit has been scheduled for the third quarter of 2000 with the registrar and the registration audit is planned for the fourth quarter of 2000. If we fail to obtain these certifications, or are delayed in efforts to obtain these certifications, it could result in the inability of our partners or us to sell product and may lead to the termination of such strategic partnerships.

Environmental Regulations

Because of the nature of its current and proposed research, development, and manufacturing processes, STC is subject to stringent federal, state, and local laws, rules, regulations, and policies governing the use, generation, manufacture, storage, air emission, effluent discharge, and handling and disposal of certain materials and wastes. STC believes that it has complied with these laws and regulations in all material respects and has not been required to take any action to correct any noncompliance.

Product Liability Insurance

STC's products carry the risk of potential product liability exposure. Consequently, STC maintains product liability insurance to cover any such occurrence. STC believes it has adequate coverage, but there can be no assurance that there is sufficient coverage. There are no claims pending against STC at this time.

Properties

On April 30, 1999, STC signed a five-year lease to rent 25,845 square feet of space at the John M. Cook Technology Center on the south side of Bethlehem located at 150 Webster Street. In March 2000, STC occupied this facility as its main corporate, sales and marketing, and research and development offices. Annual rent for the first five years of this lease is approximately $270,000. The lease also includes a five-year renewal option and a ten-year purchase option. STC's administrative offices and research and development laboratories are located at this Facility.

STC owns 33,500 square feet on 3.4 acres of land at 1745 Eaton Avenue in Bethlehem, Pennsylvania which is used for manufacturing. STC rents additional warehouse space on an as-needed basis. STC leases space for a sales office in Reeuwijk, The Netherlands.

STC believes its manufacturing and laboratory facilities are in compliance with all applicable laws, rules, and regulations, and are maintained in a manner consistent with the FDA's Quality Systems Regulations standards.

STC believes that its facilities are in good condition, well maintained, and suitable for its needs.

Legal Proceedings

STC is not a party to any material pending legal proceedings against it.

Recent Developments

In March 2000, STC signed a research and development agreement with Drager Sicherheitstechnik GmbH, a European manufacturer and supplier of medical and safety technology products for health care and industrial applications, to develop and optimize the UPlink system for rapid detection of drugs of abuse in oral fluid. The UPlink system developed with the European partner is expected to be marketed to law enforcement officials as a system for rapidly assessing whether a subject is under the influence of one or more DOA substances. As part of the research and development agreement, STC received a non-refundable fee and will receive additional fees upon achievement of technical milestones. Upon successful completion of such research and development activities, the European partner has the option to become STC's exclusive worldwide distributor of the UPlink drugs of abuse test strip and reader developed under the research and development agreement to law enforcement officials for use in rapidly assessing whether a subject is under the influence of one or more DOA substances.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Profile

STC develops, manufactures, and markets proprietary in vitro diagnostic products and medical devices for use in clinical laboratories, physician offices, hospitals, and workplace point-of-care testing. STC is a supplier of oral fluid assays to the insurance risk assessment testing market and also manufactures and markets other substance abuse testing products. In addition to these activities, STC has made a net investment of more than $10.8 million over the past five years to develop UPT (Up-Converting Phosphor Technology), a proprietary label detection technology for the detection of drugs of abuse and other substances. STC does not expect any revenues from UPT product sales for at least the next twelve months, if at all. STC expects expenses related to the development and commercialization of UPT to increase over historical levels, primarily due to expected increases in research and development and marketing.

RESULTS OF OPERATIONS - (Dollars in thousands)	Year Ended December 31,			Three Months Ended March 31,	
	1999	1998	1997	2000	1999
Revenues:					
Product	$13,117	$10,467	$ 7,717	$3,528	$2,778
Licensing and product development	898	185	205	100	110
	14,015	10,652	7,922	3,628	2,888
Cost and expenses:					
Cost of goods sold	4,500	4,145	3,033	1,159	1,052
Sales and marketing	3,705	2,869	2,885	908	710
Research and development	3,304	2,339	1,870	946	613
Acquired in-process technology	1,500	--	--	--	--
General and administrative	1,582	1,294	1,185	430	303
	14,591	10,647	8,973	3,443	2,678
Operating income (loss)	(576)	5	(1,051)	185	210
Interest expense	544	561	334	128	137
Interest income	(316)	(105)	(235)	(120)	(13)
Foreign currency (gain) loss	142	(5)	--	15	--
Income (loss) before income taxes	(946)	(446)	(1,150)	162	86
Income taxes	50	--	--	56	--
Net loss	$ (996)	$ (446)	$(1,150)	$ 106	$ 86

Three months ended March 31, 2000 and 1999

Total revenues increased 26% to approximately $3.6 million in 2000 from approximately $2.9 million in 1999.

Product revenues increased 27% to approximately $3.5 million in 2000 from approximately $2.8 million in 1999. This increase was the result of increased sales across nearly all business lines, primarily the insurance testing and domestic Histofreezer markets. International sales increased 17% to $575,000 in 2000 from $490,000 in 1999.

Licensing and product development revenues decreased to $100,000 in 2000 from $110,000 in 1999. During 2000, licensing and product development revenues primarily consisted of income from STC's

partnership with LabOne related to the launch of Intercept service. During 1999, licensing and product development revenues consisted of income from outside parties to conduct a business and technology assessment of UPT, develop certain proprietary antibodies, and income from certain Q.E.D. product development fees.

During 2000, STC will focus its UPT efforts on the enhancing product development revenue from external research and development contracts for the IVD market. STC expects to capitalize on UPT outside the IVD market by developing strategic relationships with third parties. These relationships are expected to generate revenue streams for STC through research and development and supply agreements. However, there can be no assurance as to the receipt or timing of these fees, if any.

Cost of goods sold, as a percentage of product revenues, decreased to 33% in 2000 from 38% in 1999. Gross margins improved as a result of favorable product mix, improvements in operating processes, and greater capacity utilization.

Sales and marketing expenses increased 28% to $908,000 in 2000 from $710,000 in 1999, as a result of STC's national market launch for the Intercept service in February 2000 and higher staffing levels. As a result of the Intercept service launch, STC has significantly increased its marketing and sales efforts to create market awareness and demand for these new products, including media and advertising campaigns and the creation of our first website dedicated to the sale of an oral fluid test over the Internet. Sales and marketing expenses remained constant at 25% of total revenues.

Research and development expenses increased 54% to $946,000 in 2000 from $613,000 in 1999, primarily as a result of our increasing investment in UPT. UPT efforts were focused on development of the UPlink(TM) reader and test strip for DOA applications and demonstration of DNA detection feasibility. In an effort to meet UPT's aggressive time schedule, STC continues to hire experienced scientists and has contracted with several outside consulting groups to supplement STC's internal work. This trend is expected to continue for the foreseeable future. Additional development activities focused on commercializing the Intercept service, toxicology product improvement projects, and development of monoclonal antibody capabilities.

General and administrative expenses increased 42% to $430,000 in 2000 from $303,000 in 1999. This increase was due to the expansion of our MIS department, costs associated with STC's building expansion, and higher legal fees.

Operating income decreased to $185,000 in 2000 from $210,000 in 1999 as a result of increased research and development costs related to UPT, partially offset by increased product revenues and improvements in gross margins.

Interest expense decreased to $128,000 in 2000 from $137,000 in 1999 as a result of principal loan repayments and the refinancing of subordinated debt.

Interest income increased to $120,000 in 2000 from $13,000 in 1999 as a result of higher cash and cash equivalents available for investment in 2000 from the proceeds of the sale of our Series A convertible preferred stock in the second quarter of 2000.

During 2000, a provision for income taxes of $56,000 was recorded as a result of STC's profitability.

Years ended December 31, 1999 and 1998

Total revenues increased 32% to approximately $14.0 million in 1999 from approximately $10.7 million in 1998.

Product revenues increased 25% to approximately $13.1 million in 1999 from approximately $10.5 million in 1998. This increase was the result of increased sales in the insurance testing market as a result of both price

increases and increased testing volume, the acquisition of the Histofreezer product line in June 1998, and continued growth of toxicology sales. International product sales were 18% of total product revenues in 1999, up from 15% last year, as a result of increased Histofreezer sales and the revenues associated with a one-time private label sale of the Q.E.D.(R) Saliva Alcohol Test in Europe.

Licensing and product development revenues increased 385% to $898,000 in 1999 from $185,000 in 1998. The increase was primarily the result of STC beginning to secure research projects for the evaluation of UPT for a broad range of market applications. During 1999, STC received licensing and product development revenues fees in connection with a research agreement to collaborate on the development of certain analyses for point-of-care testing, licensing and product development revenues to conduct a business and technology assessment of UPT for food pathogen applications, and licensing and product development revenues from STC's partnership with LabOne for the Intercept service. During 1998, licensing and product development revenues consisted primarily of fees from outside parties to develop certain proprietary antibodies and certain product development revenues for the Q.E.D. test.

Costs of goods sold, as a percentage of product revenues, decreased to 34% in 1999 from 40% in 1998. Gross margins improved primarily as a result of increased pricing, improvements in operating processes, greater capacity utilization, and favorable product mix.

Sales and marketing expenses increased 29% to approximately $3.7 million in 1999 from approximately $2.9 million in 1998 as a result of STC's preparations for a national market launch for the Intercept service in February 2000 and the establishment of its international sales office in the Netherlands. Sales and marketing expenses remained relatively constant at 26% and 27% of total revenues in 1999 and 1998, respectively, despite a $836,000 increase in 1999 spending.

Research and development expenses increased 41% to approximately $3.3 million in 1999 from approximately $2.3 million in 1998, primarily as a result of increasing investment in UPT. Research and development expenses as a percentage of total revenues were 24% and 22% in 1999 and 1998, respectively. Development activities focused on commercializing the Intercept service, toxicology product improvement projects, development of monoclonal antibody capabilities, and improving the performance of the Q.E.D. test. UPT efforts were focused on development of a lateral flow device, particle size reduction, feasibility studies for on-site Drugs of Abuse ("DOA"), foodborne pathogens, cardiac markers, and preliminary DNA feasibility.

In 1999, STC paid $1.5 million to its sublicensor of certain UPT patents owned by Leiden University, The Netherlands, for the termination of an existing license agreement between the sublicensor and STC and to secure a direct research, development, and license arrangement with Leiden University. STC has accounted for the purchase price as acquired in-process technology expense because, at the date of the transaction, the technology rights acquired by STC related to UPT had not progressed to a stage where it met technological feasibility and there existed a significant amount of uncertainty as to STC's ability to complete the development of the technology which would achieve market acceptance within a reasonable timeframe. In addition, the acquired in-process technology did not have an alternative future use to STC that had reached technological feasibility.

General and administrative expenses increased 22% to approximately $1.6 million in 1999 from approximately $1.3 million in 1998, which represented 11% of total revenues in 1999 compared to 12% in 1998. This increase was due to expenses related to the amortization of goodwill associated with the Histofreezer acquisition in 1998, the expansion of our MIS department, and STC's 1999 Management Bonus Plan.

Operating loss was $576,000 in 1999 compared to income of $5,000 in 1998 primarily as a result of the acquired in-process technology charge of $1.5 million. Excluding this charge, operating income improved $618,000 as a result of the continued increases in profitability of our existing product lines.

Interest expense decreased to $544,000 in 1999 from $561,000 in 1998 as a result of loan repayments and the refinancing of $1.1 million of subordinated debt.

Interest income increased to $316,000 in 1999 from $105,000 in 1998 as a result of higher cash and cash equivalents available for investment from the proceeds of the sale of our Series A Convertible Preferred Stock in the second quarter of 1999.

Foreign currency loss was $142,000 in 1999 as a result of higher guilder rates during 1999 as compared to STC's foreign exchange contract rates.

Years ended December 31, 1998 and 1997

Total revenues increased 34% to approximately $10.7 million in 1998 from approximately $8.0 million in 1997.

Product revenues increased 36% to approximately $10.5 million in 1998 from approximately $7.7 million in 1997. This increase was the result of the acquisition of the worldwide rights to the Histofreezer product line in June 1998, new sales to an insurance laboratory customer, strong unit volume growth for oral fluid testing of insurance applicants, and continued growth of the domestic Histofreezer product line. As a percentage of product revenues, international product sales increased to 15% in 1998 from 5% in 1997 as a result of the Histofreezer acquisition in 1998 and increased international activities for Forensic Toxicology DOA.

Licensing and product development revenues decreased 10% to $185,000 in 1998 from $205,000 in 1997. During 1998, licensing and product development revenues consisted primarily of fees to develop certain proprietary antibodies and product development fees for the Q.E.D. test. During 1997, licensing and product development revenues consisted primarily of a Phase I research grant for the detection of E. coli O157, and certain product development fees for the Q.E.D. test.

Cost of goods sold, as a percentage of product revenues, increased to 40% in 1998 from 39% in 1997. Lower material costs and favorable product mix were offset by increased labor and quality control costs, lower gross margins on the sale of the Histofreezer international units, and higher depreciation and warranty costs for STC's reagent rental program.

Sales and marketing expenses remained level at $2.9 million, with sales and marketing expenses as a percentage of total revenues decreasing to 27% from 36%. In 1998, higher direct selling expenses were offset by a reduction in non-recurring costs associated with the startup of a project with an insurance laboratory customer and the elimination of certain Histofreezer commissions in 1998.

Research and development expenses increased 25% to approximately $2.3 million in 1998 from approximately $1.9 million in 1997 as a result of increasing investments in our UPT technology. Additional development activities focused on finishing the development of Intercept products, internal product improvement projects, and improving performance of the Q.E.D. test. Partially offsetting these activities was STC's decision to discontinue the development of the AUTO-LYTE(R) DOA panel due to the dependency on certain sole source suppliers and a non-competitive cost structure.

General and administrative expenses increased 9% to approximately $1.3 million in 1998 from $1.2 million in 1997. This increase was due to expenses related to the amortization of the goodwill associated with the Histofreezer acquisition in 1998, employee training costs, and increased staffing. Excluding the Histofreezer amortization, general and administrative expenses would have declined by approximately $40,000.

Operating income improved by approximately $1.0 million.

Interest expense increased to $561,000 in 1998 from $334,000 in 1997 as a result of approximately $1.9 million of debt incurred to finance the Histofreezer acquisition and one-time expenses associated with STC's refinancing of existing bank debt.

Interest income decreased to $105,000 in 1998 from $235,000 in 1997 as a result of lower cash balances in 1998.

Liquidity and Capital Resources

STC's cash and short-term investment position decreased $858,000 from approximately $9.4 million at December 31, 1999 to approximately $8.6 million at March 31, 2000 as a result of STC's capital investment into the infrastructure of our facilities, the timing of payments for year-end accruals, and continued principal term debt payments. At March 31, 2000, STC's working capital was $9.3 million and the current ratio was 4.0:1.

Liquidity is expected to remain strong for the foreseeable future, but will continue to be negatively affected by increased UPT investment for research and development and the design and construction of a fully automated lateral flow manufacturing line, principal loan payments, investment into the commercialization of the Intercept service, and new equipment and tenant fit-out costs associated with STC's expanded research and development and administrative facilities.

Net cash provided by operating activities was $24,000, a decline of $225,000 over 1999 as a direct result of increased inventory, consisting primarily of microplate equipment held for resale, and the timing of the payment for $300,000 of 1999 incentive bonuses, offset by first quarter profitability of $106,000.

Net cash used in investing activities was $106,000, primarily as a result of STC's investment into tenant fit-out costs, additional laboratory equipment, and information systems equipment associated with the new facilities.

During the remainder of 2000, STC anticipates making a substantial investment into machinery and equipment as STC acquires additional laboratory equipment, furniture, phones, computer equipment, and security systems for the new facilities and renovation of its manufacturing facilities. We expect to invest up to $1 million for the UPT lateral flow pilot manufacturing equipment. In addition, during 2000, STC will continue to invest into information and communication technologies as productivity improving technology becomes available.

Liquidity improved as a result of the proceeds of the second round of the private placement in June 1999, continued profitability of existing product lines, and the refinancing of STC's bank debt. In the remainder of 2000, liquidity will be negatively effected by UPT investments, the market launch of the Intercept service, the tenant fit-out for STC's new facility, term debt payments, and costs associated with the merger with Epitope.

At March 31, 2000, STC had a $1 million working capital line of credit in place with a bank with an interest rate of the bank's LIBOR rate + 235 basis points. STC had no borrowings outstanding at March 31, 2000, under this line of credit. This lending facility expires June 30, 2001.

At March 31, 2000, STC had a $1 million equipment line of credit in place with a bank. There were no borrowings under this line of credit outstanding at March 31, 2000. Any future draws on the equipment line will be to purchase equipment and the interest rate will be fixed at prime. The unused portion of this lending facility expires on June 30, 2001.

The credit facilities require, among other items, the maintenance of certain minimum financial ratios, first lien position on all assets, and the personal guarantees of STC's founders and principal stockholders. The personal guarantees of STC's founders and principal stockholders are anticipated to be removed upon the closing of the mergers.

STC does not anticipate seeking any additional financing in the remainder of 2000, as capital expenditures will be funded by internally generated cash flow, tenant fit-out allowances, and STC's existing cash balances.

Recent Accounting Pronouncements

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements". The bulletin draws on existing accounting rules and provides specific guidance on revenue recognition of up-front non-refundable license fees. STC has followed such principles in its financial statements.

STC STOCK OWNERSHIP

The following table sets forth certain information regarding the ownership of common stock at May 31, 2000, by: (1) each person, entity or group known by STC to own beneficially more than 5% of STC's outstanding common stock; (2) each director; (3) each of the named executive officers; and (4) all directors and executive officers as a group. Unless otherwise indicated, the address of each person identified is c/o STC Technologies, Inc., 150 Webster Street, Bethlehem, PA, 18015.

The percentages shown are based upon 3,468,859 shares of common stock outstanding assuming conversion of all outstanding convertible preferred stock into common stock. Pursuant to Rule 13d-3 under the Exchange Act, shares of common stock which a person has the right to acquire pursuant to the exercise of stock options and warrants held by that holder that are exercisable within sixty days are deemed to be outstanding for the purpose of computing the percentage ownership of that person, but are not deemed outstanding for computing the percentage ownership of any other person.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage
HealthCare Ventures V, L.P. 44 Nassau Street Princeton, New Jersey 08542	588,235	17.0%
William M. Hinchey(1)	426,811	12.3
Michael J. Gausling(2)	399,408	11.5
R. Sam Niedbala(3)	401,099	11.5
Pennsylvania Early Stage Partners, L.P. Building 600, Suite 610 435 Devon Park Drive Wayne, PA 19087	176,471	5.1
Rho Management Trust II c/o Rho Management Company, Inc. 767 Fifth Avenue New York, New York 10153	65,382	1.9
Michael J. Caruso(4)	57,509	1.7
Jeffrey P. Libson(5)	4,000	*
Michael G. Bolton(6)	177,971	5.1
William W. Crouse(7)	589,735	17.0
Harold R. Werner(8)	589,735	17.0
All directors and executive officers as a group (9 persons)(9)	2,056,533	59.3

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* Less than one percent

(1) Includes 100,000 shares held by The William M. Hinchey 2000 Grantor Retained Annuity Trust Dated April 27, 2000 of which Mr. Hinchey is the trustee and 4,705 share held by The William M. Hinchey Irrevocable Education Trust Dated April 27, 2000 of which Maureen H. Hinchey is a trustee. Also includes 3,333 shares of Class B common stock.

(2) Includes 100,000 shares held by The Michael J. Gausling Grantor Retained Annuity Trust Dated April 28, 2000 of which Mr. Gausling is the trustee and 6,500 shares held by The Mike Gausling Irrevocable Education Trust Dated April 28, 2000 of which Sharon M. Gausling is a trustee. Includes Also includes 88 shares of Class B common stock.

(3) Includes 100,000 shares held by The Raymond S. Niedbala 2000 Grantor Retained Annuity Trust Dated April 28, 2000 of which Dr. Niedbala is the trustee and 15,000 shares held by The Raymond S. Niedbala Family Trust Dated April 28, 2000 of which Linda-Lee Niedbala is a trustee. Also includes 3,333 shares of Class B common stock.

(4) Includes 8,000 shares of Class B common stock and 4,000 shares of common stock which Mr. Caruso has the right to acquire within 60 days of June 1, 2000 upon the exercise of stock options.
(5) Includes 4,000 shares of common stock which Mr. Libson has the right to acquire within 60 days of June 1, 2000 upon the exercise of stock options.
(6) Includes 176,471 shares held of record by Pennsylvania Early Stage Partners L.P. Mr. Bolton is the managing director of Pennsylvania Early Stage Partners GP, LLC, the general partner of Pennsylvania Early Stage Partners L.P. Also includes 1,500 shares of common stock which Mr. Bolton has the right to acquire within 60 days of June 1, 2000 upon the exercise of stock options.
(7) Includes 588,235 shares held of record by HealthCare Ventures V, LP. Mr. Crouse is a general partner of HealthCare Partners V, L.P., the general partner, of HealthCare Ventures V, LP. Mr. Crouse, together with the other general partners of HealthCare Ventures V, LP shares voting and investment control with respect to the shares owned by HealthCare Ventures V, LP. Also includes 1,500 shares of common stock which Mr. Crouse has the right to acquire within 60 days of June 1, 2000 upon the exercise of stock options.
(8) Includes 588,235 shares held of record by HealthCare Ventures V, LP. Mr. Werner is a general partner of HealthCare Partners V, L.P., the general partner, of HealthCare Ventures V, LP. Mr. Werner, together with the other general partners of HealthCare Ventures V, LP shares voting and investment control with respect to the shares owned by HealthCare Ventures V, LP. Also includes 1,500 shares of common stock which Mr. Werner has the right to acquire within 60 days of June 1, 2000 upon the exercise of stock options.
(9) Includes 588,235 shares held of record by HealthCare Ventures V, LP, 176,471 shares held of record by Pennsylvania Early Stage Partners L.P. and 12,500 shares of common stock which certain directors have the right to acquire within 60 days of June 1, 2000 upon the exercise of stock options.

INFORMATION ABOUT ORASURE TECHNOLOGIES, INC.

OraSure Technologies is a newly formed Delaware corporation that has not, to date, conducted any activities other than those incident to its formation, its execution of the agreement and plan of merger and related agreements, and its participation in the preparation of this joint proxy statement/prospectus. The financial statements of OraSure Technologies are omitted because OraSure Technologies has nominal assets and no liabilities, as well as no operations to date. There are also no contingent assets or liabilities. OraSure Technologies has 100 shares of its common stock issued and outstanding, all of which are owned by Epitope.

As a result of the mergers of STC and Epitope into OraSure Technologies, the business of OraSure Technologies will be the businesses currently conducted by STC and Epitope. The headquarters of OraSure Technologies will be located at 150 Webster Street, Bethlehem, Pennsylvania by January 1, 2001 and its telephone number at that address will be (610) 882-1820. Until January 1, 2001, the address for OraSure Technologies will be 8505 S.W. Creekside Place, Beaverton, Oregon 97008 and its telephone number will be (503) 641-6115.

CERTAIN LEGAL INFORMATION

Copies of the OraSure Technologies certificate of incorporation and bylaws, the STC certificate of incorporation and bylaws, and the Epitope articles of incorporation and bylaws, in each case as in effect on the date of this joint proxy statement/prospectus, will be sent to Epitope or STC stockholders upon request. See "Where You Can Find More Information" on page 109. The summary contained in the following chart is not intended to be complete and is qualified by reference to Delaware law, Oregon law, the OraSure Technologies certificate of incorporation and bylaws, the STC certificate of incorporation and bylaws, and the Epitope articles of incorporation and bylaws, in each case as in effect on the date of this joint proxy statement/prospectus.

Summary of Material Differences Between Current Rights of STC and Epitope Stockholders and Rights Those Stockholders Will Have as OraSure Technologies Stockholders Following the Mergers

Authorized Capital Stock

STC	Epitope	OraSure Technologies
The authorized capital stock of STC consists of 6,000,000 shares of common stock and 2,000,000 shares of preferred stock, including 1,118,000 shares of Series A Convertible Preferred Stock.	The authorized capital stock of Epitope consists of 30,000,000 shares of common stock and 1,000,000 shares of preferred stock.	The authorized capital stock of OraSure Technologies consists of 120,000,000 shares of common stock and 25,000,000 shares of preferred stock, including shares of Series A Preferred Stock.
As of the date of this document, no shares of any series of STC preferred stock are outstanding, other than 1,080,061 shares of Series A Convertible Preferred Stock.	As of the date of this document, no shares of any series of Epitope preferred stock are outstanding.	As of the date of this document, no shares of any series of OraSure Technologies preferred stock are outstanding.

Number of Directors

STC	Epitope	OraSure Technologies
The STC board of directors currently consists of eight directors.	The Epitope board of directors currently consists of nine directors.	The OraSure Technologies board of directors currently consists of nine directors but will be reduced to seven directors concurrently with the mergers. Following the mergers, the OraSure Technologies board of directors will initially consist of three members designated by Epitope, three members designated by STC and one member who will be a person mutually acceptable to both STC and Epitope.

Classification of Board of Directors

STC	Epitope	OraSure Technologies
The STC board of directors is not divided into classes. Each director serves a one-year term.	The Epitope board of directors is divided into three classes, with each class serving a staggered three-year term. This provision may not be amended or repealed unless such action is approved by the affirmative vote of not less than 90 percent of the votes then entitled to be cast in the election of directors.	The OraSure Technologies board of directors is divided into three classes, designated as Class I, Class II and Class III. Concurrently with the mergers, the size of OraSure Technologies Board will be reduced to seven members and all of its current members will resign except for Messrs. Thompson, Pringle and

		Hausmann. Mr. Hausmann and Mr. Bolton will serve as Class I directors for a one-year term, Mr. Pringle and Mr. Crouse will serve as Class II directors for a two-year term and Mr. Thompson and Mr. Gausling will serve as Class III directors for a three-year term. At each annual meeting beginning in 2001, successors to directors whose terms are expiring will be elected for three-year terms.

Removal of Directors

STC	Epitope	OraSure Technologies
Any or all of the directors may be removed with or without cause by vote of the holders of a majority of the shares then entitled to vote at an election of directors.	Directors may be removed from office with or without cause by the affirmative vote of holders of at least 90% of the votes then entitled to be cast for the election of directors, only at a meeting of the stockholders called expressly for that purpose. This provision may not be amended or repealed unless such action is approved by the affirmative vote of not less than 90% of the votes then entitled to be cast in the election of directors.	Directors may be removed from office only for cause, and only by the affirmative vote of the holders of a majority of shares of stock entitled to vote in an election of directors.

Stockholder Action by Written Consent

STC	Epitope	OraSure Technologies
STC stockholders may act by written consent in lieu of a meeting of stockholders. Such consent must be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.	Epitope stockholders may act by written consent in lieu of a meeting of stockholders. Such consent must be signed by all stockholders entitled to vote.	The stockholders of OraSure Technologies may not act by written consent in lieu of a meeting of stockholders, unless such consent is unanimous.

Calling of Special Meetings of Stockholders

STC	Epitope	OraSure Technologies
The STC bylaws provides that the president may call a special meeting of stockholders, and the president or the secretary must call such a meeting at the written request of stockholders owning a majority of the entire issued and outstanding voting capital stock of STC.	The Epitope bylaws provide that a special meeting of stockholders may be called only by the president, the board of directors, the holders of not less than one-tenth of all shares entitled to vote at the meeting or as provided in the Oregon Business Corporation Act.	The OraSure Technologies certificate of incorporation provides that only the chairman of the board, the president or the board of directors (pursuant to a resolution approved by a majority of the whole board) may call a special meeting of stockholders.

Amendment of Charter and Bylaws

STC	Epitope	OraSure Technologies
STC's certificate of incorporation may be amended if the change is proposed by the board of directors and approved by the holders of a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class.	The board of directors of Epitope may amend its articles of incorporation without stockholder approval to make certain housekeeping amendments, such as technical changes to the corporate name, the deletion of the names and addresses of the initial directors, the name and address of the initial registered agent, and the corporation's mailing address, and certain other narrowly defined matters. However, in general, an amendment to Epitope's articles of incorporation must be adopted by both the board of directors and the stockholders. The vote of the stockholders needed to approve an amendment depends upon the voting groups entitled to vote separately on the amendment, whether any of those voting groups would be entitled to dissenters' rights if the amendment were adopted, any special requirements contained in the articles of incorporation and any additional voting requirements imposed by the board of directors. In general, if a quorum exists, action by a voting group is approved if the votes cast favoring the action exceed the votes cast opposing the action. If two or more separate voting groups are entitled to vote	OraSure Technologies' certificate of incorporation may be amended if the change is proposed by the board of directors and approved by the holders of a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class, provided that any change in the provisions of the certificate of incorporation relating to: . actions by stockholders or calling special meetings of stockholders; . the election, qualifications, powers, duties, or removal of the directors, the

classification of the board of directors or the factors for directors to consider upon receipt of an acquisition proposal;

- the amendment of the bylaws or the adoption of a provision of the certificate of incorporation inconsistent with the bylaws; or

- the amendment of the charter,

must be approved by the holders of two-thirds (66.6%) of the combined voting power of the then outstanding shares of stock of all

on an amendment, the votes of each voting group must be counted separately. The holders of outstanding shares of a class or series of shares are entitled to vote as a separate voting group on a proposed amendment if the amendment would:

(1) increase or decrease the aggregate number of authorized shares of the class or series;

(2) effect an exchange or reclassification of all or part of the shares of the class or series into shares of another class or series;

(3) effect an exchange or reclassification, or create a right of exchange, of all or part of the shares of another class or series into shares of the class or series;

(4) change the designation, rights, preferences or limitations of all or part of the class or series;

(5) change the shares of all or part of the class or series into a different number of shares of the same class or series;

(6) create a new class or series of shares having rights or preferences with respect to distributions or to dissolution that are prior, superior or substantially equal to the shares of the class or series;

(7) increase the rights, preferences or number of authorized shares of any class or series that, after giving effect to the amendment, have rights or preferences with respect to distributions or to dissolution that are prior, superior or substantially equal to the shares of the class or series;

classes and series of OraSure Technologies entitled to vote generally in the election of directors, voting together as a single class.

(8) limit or deny an existing preemptive right of all or part of the shares of the class or series; or

(9) cancel or otherwise affect rights to distributions or dividends that have accumulated but that have not yet been declared on all or part of the shares of the class or series.

The right to vote as a separate voting group because the class or series would be affected in one or more of the above nine ways is required even if the articles of incorporation provide that the shares are non-voting shares. However, if two or more series of shares are entitled to vote as separate voting groups pursuant to the above list, and the proposed amendment would affect those two or more series in the same or in a substantially similar way, all of the series so affected must vote together as a single voting group on the proposed amendment. Classes of shares that are entitled to vote as separate voting groups and that are affected by a proposed amendment in the same or a substantially similar way are not required to vote together as a single voting group.

Each voting group for which the amendment would create dissenters' rights also has the right to vote as a separate voting group on the amendment. The types of amendments to the charter that would create dissenters' rights are those amendments that would:

(1) alter or abolish a preemptive right of the holder of the shares to acquire shares or other securities; or

(2) reduce the number of shares owned by the stockholder to a fraction of a share if the

	fractional share is to be acquired for cash by the corporation.	
	Where an amendment would create dissenters' rights as to a voting group, it must be approved by a majority of the votes entitled to be cast on the amendment by the voting group. Dissenters' rights do not apply to shares listed on a national securities exchange or quoted on Nasdaq.	
The STC bylaws may be amended by the holders of a majority of the shares entitled to vote or by a majority of the directors at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such amendment is properly given.	The Epitope bylaws may be amended by the affirmative vote of a majority of the directors present (when a quorum exists) at any regular or special meeting of the board of directors. The bylaws also may be amended by the shareholders.	The OraSure Technologies bylaws may be amended by the vote of a majority of the whole board of directors or by the affirmative vote of two-thirds (66.6%) of the combined voting power of the then outstanding shares of stock of all classes and series of OraSure Technologies entitled to vote generally in the election of directors, voting together as a single class.

Stockholder Rights Plan

STC	Epitope	OraSure Technologies
STC currently has no stockholder rights plan.	Epitope entered into a Rights Agreement, dated as of December 15, 1997, with ChaseMellon Shareholder Services, L.L.C., as Rights Agent, pursuant to which Epitope issued rights, exercisable only upon the occurrence of certain events, to purchase its Series A Junior Participating Cumulative Preferred Stock. The rights expire on December 26, 2007.	On May 6, 2000, the board of directors of OraSure Technologies adopted a stockholder rights plan, pursuant to which OraSure Technologies will issue rights to purchase its Series A Preferred Stock along with the common stock to be issued pursuant to the mergers, which rights will be exercisable only upon the occurrence of certain events. The rights will expire on May 6, 2010. See "Description of OraSure Technologies Capital Stock-- Description of Rights."
	The rights have no effect upon the consummation of the mergers.	
		The rights have no effect upon the consummation of the mergers.

DESCRIPTION OF ORASURE TECHNOLOGIES CAPITAL STOCK

General

The authorized capital stock of OraSure Technologies consists of 120,000,000 shares of OraSure Technologies common stock, par value $.000001 per share, of which, as of , 2000, there were 100 shares issued and outstanding and 25,000,000 shares of preferred stock, par value $.000001 per share, none of which, as of , 2000, were outstanding and shares of which, as of , 2000, have been designated Series A Preferred Stock and reserved for issuance upon the exercise of the rights distributed to the holders of OraSure Technologies common stock pursuant to the rights agreement described below under "Description of Rights." All of the outstanding shares of the capital stock of OraSure Technologies are duly authorized, validly issued, fully paid and nonassessable, and no class is entitled to preemptive rights. As of , 2000, except for OraSure Technologies' Series A Preferred Stock purchase rights distributed pursuant to the rights agreement described below under "Description of Rights", there were no outstanding subscriptions, options, warrants, rights, contracts or other arrangements or commitments obligating OraSure Technologies to issue any shares of its capital stock or any securities convertible into or exchangeable for shares of its capital stock. The following summary description of the capital stock of OraSure Technologies does not purport to be complete and is qualified in its entirety by reference to OraSure Technologies' certificate of incorporation, including the certificate of designations relating to the Series A Preferred Stock, and to the Delaware General Corporation Law.

OraSure Technologies Common Stock

Subject to the rights of holders of any outstanding OraSure Technologies preferred stock, the holders of outstanding shares of OraSure Technologies common stock are entitled to share ratably in dividends declared out of assets legally available therefor at such time and in such amounts as the OraSure Technologies board of directors may from time to time lawfully determine.

Each holder of OraSure Technologies common stock is entitled to one vote for each share held and, except as otherwise provided by law or by the OraSure Technologies board of directors with respect to any series of OraSure Technologies preferred stock, the holders of OraSure Technologies common stock will exclusively possess all voting power. Holders of OraSure Technologies common stock are not entitled to accumulate votes for the election of directors. The OraSure Technologies common stock is not entitled to conversion or preemptive rights and is not subject to redemption or assessment. Subject to the rights of holders of any outstanding OraSure Technologies preferred stock, upon liquidation, dissolution or winding up of OraSure Technologies, any assets legally available for distribution to stockowners as such are to be distributed ratably among the holders of the OraSure Technologies common stock at that time outstanding.

We intend to file an application to have the common stock of OraSure Technologies listed on the Nasdaq Stock Market under the ticker symbol "OSUR."

OraSure Technologies Preferred Stock

The OraSure Technologies board of directors has the authority to issue OraSure Technologies preferred stock in one or more series with such distinctive serial designations, at such price or prices and for such other consideration as may be fixed by the OraSure Technologies board of directors. OraSure Technologies preferred stock of all series shall be in all respects entitled to the same preferences, rights and privileges and subject to the same qualifications, limitations and restrictions; provided, however, that different series of OraSure Technologies preferred stock may vary with respect to, among other things, dividend rates, conversion rights, voting rights, redemption rights, liquidation preferences and the number of shares constituting each such series as shall be determined and fixed by resolution or resolutions of the OraSure Technologies board of directors providing for the issuance of such series, without any further vote or action by the stockholders of OraSure Technologies. All the shares of any one series will be alike in every particular. OraSure Technologies' charter currently provides that no share of any series of preferred stock may be entitled to more than one vote. The

ability of the OraSure Technologies board of directors to issue OraSure Technologies preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, a majority of the outstanding voting stock of OraSure Technologies. As of the date of this joint proxy statement/prospectus, no shares of OraSure Technologies preferred stock are issued and outstanding and shares have been designated as Series A Preferred Stock and reserved for issuance as described below under "Description of Rights."

Description of Rights

On May , 2000, the OraSure Technologies board of directors adopted a Rights Plan which is summarized under this "Rights Plan" section. Pursuant to the Rights Plan, OraSure Technologies will distribute a dividend of one right to purchase certain shares of capital stock of OraSure Technologies under certain circumstances, for each outstanding share of common stock. We refer to these purchase rights as the "Rights." The Rights will trade with the common stock and detach and become exercisable only if, in a transaction not approved by the OraSure Technologies board of directors, ten business days elapse after either a person (together with such person's affiliates or associates) acquires 15% or more of the outstanding shares of OraSure Technologies common stock, or announces a tender offer the consummation of which would result in ownership by a person (together with such person's affiliates or associates) of 15% or more of such shares.

If the Rights detach and become exercisable as a result of the commencement of a tender offer, unless subsequently redeemed, each Right then would entitle its holder to purchase one one-thousandth of a share of the Series A Preferred Stock for an exercise price specified in the Rights Plan (which is intended to equal the estimated value of OraSure Technologies common stock at the end of the ten-year life of the Rights). If OraSure Technologies were to be involved in a merger or other business combination transaction after the Rights become exercisable, each Right would entitle its holder to purchase, for the Right's exercise price, a number of the acquiring or surviving company's shares of common stock having a market value equal to twice the exercise price. If, in a transaction not approved by the OraSure Technologies board of directors, a person (together with such person's affiliates or associates) acquires 15% or more of the outstanding shares of OraSure Technologies common stock, each Right would entitle its holder (other than the acquiring person and its affiliates and associates, all of whose Rights become automatically void) to purchase, for the Right's exercise price, a number of shares of OraSure Technologies common stock having a market value equal to twice the exercise price. At any time after a person (together with such person's affiliates or associates) acquires at least 15%, but not more than 50%, of the outstanding shares of OraSure Technologies common stock, the OraSure Technologies board of directors can elect to exchange one share of common stock for each Right (other than Rights held by such acquiring person and its affiliates and associates). OraSure Technologies would be entitled to redeem the Rights at $. per Right at any time until ten business days following a public announcement that a person (together with such person's affiliates or associates) has acquired beneficial ownership of 15% or more of the outstanding shares of common stock. Following such an announcement, or, subject to certain exceptions, the acquisition of beneficial ownership of 15% or more of the outstanding shares of common stock by the acquiror (together with such person's affiliates or associates), the Rights acquired by such person or persons would be null and void. Prior to the date upon which the Rights detach, the terms of the Rights Plan could be amended by the OraSure Technologies board of directors without the consent of the holders of the Rights. The Rights expire on May , 2010, unless earlier redeemed by OraSure Technologies. The Rights Plan will not be intended to deter all takeover bids for OraSure Technologies. To the extent an acquiror would be discouraged by the Rights Plan from acquiring an equity position in OraSure Technologies, stockholders may be deprived from receiving a premium for their shares. The issuance of additional shares of common stock prior to the time the Rights become exercisable would result in an increase in the number of Rights outstanding.

We anticipate that the Series A Preferred Stock, if issued, would rank junior to all other series of preferred stock as to the payment of dividends and the distribution of assets in liquidation, unless the terms of any such

other series provide otherwise. Each share of Series A Preferred Stock would have a quarterly dividend rate per share equal to 1,000 times the per share amount of any dividend (other than a dividend payable in shares of common stock or a subdivision of the common stock) declared from time to time on the common stock, subject to certain adjustments. The holders of Series A Preferred Stock would be entitled to receive a preferred liquidation payment per share of $1,000 (plus accrued and unpaid dividends) or, if greater, an amount equal to 1,000 times the payment to be made per share of common stock. Generally, the holder of each share of Series A Preferred Stock would vote together with the common stock (and any other series of preferred stock entitled to vote on such matter) on any matter as to which the common stock is entitled to vote, including the election of directors. The holder of each share of Series A Preferred Stock would be entitled to 1,000 votes, or one vote for each one one-thousandth of a share. In the event of any merger, consolidation, combination or other transaction in which shares of common stock are exchange for or changed into other stock or securities, cash and/or property, the holder of each share of Series A Preferred Stock would be entitled to receive 1,000 times the aggregate amount of stock, securities, cash and/or property into which or for which each share of common stock is changed or exchanged.

The foregoing dividend, voting and liquidation rights of the Series A Preferred Stock would be protected against dilution in the event that additional shares of common stock are issued pursuant to a stock split or stock dividend. Because of the nature of the Series A Preferred Stock's dividend, voting, liquidation and other rights, the value of the one one-thousandth of a share of Series A Preferred Stock purchasable with each Right is intended to approximate the value of one share of common stock.

Statutory Business Combination Provision

OraSure Technologies will be subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the time that the person became an interested stockholder, unless (i) prior to such time the Board of Directors of the corporation approved either the business combination or the transaction in which the person became an interested stockholder, (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owns at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by directors who are also officers of the corporation and by certain employee stock plans, or (iii) at or after such time the business combination is approved by the Board of Directors of the corporation and by the affirmative vote of at least 66 2/3% of the outstanding voting stock of the corporation that is not owned by the interested stockholder. A "business combination" generally includes mergers, asset sales and similar transactions between the corporation and the interested stockholder, and other transactions resulting in a financial benefit to the stockholder. An "interested stockholder" is a person who owns 15% or more of the corporation's voting stock or who is an affiliate or associate of the corporation and, together with his or her affiliates and associates, has owned 15% or more of the corporation's voting stock within three year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder.

Other Matters

The certificate of incorporation of OraSure Technologies provides that the number of directors shall be as determined by the Board of Directors from time to time, but shall be at least three and not more than twelve. It also provides that directors may be removed only for cause, and then only by the affirmative vote of the holders of at least a majority of all outstanding voting stock entitled to vote in an election of directors. This provision, in conjunction with the provision of the certificate of incorporation authorizing the Board of Directors to fill vacant directorships, will prevent stockholders from removing incumbent directors without cause and filling the resulting vacancies with their own nominees.

The Certification of Incorporation of OraSure Technologies provides that stockholders may act only at an annual or special meeting of stockholders and may not act by written consent unless such consent is

unanimous. The certificate of incorporation provides that special meetings of the stockholders can be called only by the Chairman of the Board, the President, or the Board of Directors pursuant to a resolution approved by a majority of the whole Board of Directors.

The certificate of incorporation of OraSure Technologies authorizes the Board of Directors to take into account (in addition to any other considerations which the Board of Directors may lawfully take into account) in determining whether to take or to refrain from taking corporate action on any possible acquisition proposals, including proposing any related matter to the stockholders of OraSure Technologies, the long-term as well as short-term interests of OraSure Technologies and its stockholders, including the possibility that these may be best served by the continued independence of OraSure Technologies, customers, employees and other constituencies of OraSure Technologies and any subsidiaries, as well as the effect upon communities in which OraSure Technologies and any subsidiaries do business. In considering the foregoing and other pertinent factors, the Board of Directors is not required, in considering the best interests of OraSure Technologies, to regard any particular corporate interest or the interest of any particular group affected by such action as a controlling interest.

Stockholder Proposals

The bylaws of OraSure Technologies contain provisions (i) requiring that advance notice be delivered to OraSure Technologies of any business to be brought by a stockholder before any meeting of stockholders and (ii) establishing certain procedures to be followed by stockholders in nominating persons for election to the Board of Directors. Generally, such advance notice provisions provide that written notice must be given to the Secretary of OraSure Technologies by a stockholder, with respect to director nominations or stockholder proposals, not less than 50 nor more than 75 days prior to the meeting (except that if less than 65 days notice or prior public disclosure of the date of the meeting is given or made to stockholders, then notice by the stockholder, to be timely, must be received within 15 days of the date on which notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs). Such notice must set forth specific information regarding such stockholder and such business or director nominee, as described in the bylaws. The foregoing summary is qualified in its entirety by reference to the bylaws of OraSure Technologies, which are included as an exhibit to the registration statement of which this document is a part.

Limitations on Director/Officer Liability

Delaware law authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breach of a director's fiduciary duty of care. The duty of care requires that, when acting on behalf of the corporation, directors must exercise an informed business judgment based on all material information reasonably available to them. Absent the limitations authorized by Delaware law, directors are accountable for monetary damages for conduct constituting gross negligence in the exercise of their duty of care. Delaware law enables corporations to limit available relief to equitable remedies such as injunction or rescission. The certificate of incorporation of OraSure Technologies limits the liability of directors to OraSure Technologies or its stockholders to the fullest extent permitted by Delaware law. Specifically, directors of OraSure Technologies will not be personally liable to OraSure Technologies or its stockholders for monetary damages for breach of a director's fiduciary duty as a director, except for liability for breach of the duty of loyalty, for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law or for any transaction in which a director has derived an improper personal benefit.

The bylaws require OraSure Technologies to indemnify to the fullest extent permitted by Delaware law any person who is a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that such person is or was a director, officer, employee or agent of OraSure Technologies, or is serving as a director, officer, employee or agent of another enterprise at OraSure Technologies' request. Indemnification is

not, however, permitted under the bylaws unless the person acted in good faith and in a manner such person reasonably believed to be in or not opposed to OraSure Technologies' best interests and, with respect to any criminal action or proceeding, that such person had no reasonable cause to believe such person's conduct was unlawful. The bylaws further provide that OraSure Technologies shall not indemnify any person for any liabilities or expenses incurred by such person in connection with an action, suit or proceeding by or in the right of OraSure Technologies in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to OraSure Technologies, unless and only to the extent that the court in which the action, suit or proceeding is brought determines that the person is entitled to indemnity for such expenses. The indemnification provided by the bylaws is not exclusive of any other rights to which those seeking indemnification may be otherwise entitled.

OraSure Technologies has entered into indemnification agreements with each of its directors and officers. The indemnification agreements provide that OraSure Technologies will indemnify the directors and officers against all liabilities and expenses actually and reasonably incurred in connection with any action, suit or proceeding (including an action by or in the right of OraSure Technologies) to which any of them is, was or at any time becomes a party, or is threatened to be made a party, by reason of their status as a director or officer of OraSure Technologies, or by reason of their serving or having served at the request or on behalf of OraSure Technologies as a director, officer, trustee or in any other comparable position of any other enterprise to the fullest extent allowed by law. No indemnity will be provided under the indemnification agreements for any amounts for which indemnity is provided by any other indemnification obligation or insurance maintained by OraSure Technologies or another enterprise or otherwise. Nor will indemnity be provided to any director or officer on account of conduct which is finally adjudged by a court to have been knowingly fraudulent, deliberately dishonest or willful misconduct. In addition, no indemnification will be provided if a final court adjudication determines that such indemnification is not lawful, or in respect to any suit in which judgment is rendered against any director or officer for an accounting of profits made from a purchase or sale of securities of OraSure Technologies in violation of Section 16(b) of the Securities Exchange Act of 1934 or of any similar law, or on account of any remuneration paid to any director or officer which is adjudicated to have been paid in violation of law.

OraSure Technologies also intends to obtain director's and officer's liability insurance.

The foregoing limitations on liability and indemnification obligations may have the effect of reducing the likelihood of derivative litigation against directors and may discourage or deter stockholders or management from bringing a lawsuit against directors for breach of their fiduciary duties, even though such an action, if successful, might otherwise have benefited OraSure Technologies and its stockholders.

Transfer Agent and Registrar

The transfer agent and registrar for OraSure Technologies common stock is ChaseMellon Shareholder Services L.L.C.

Stock Market Listing; Delisting of Epitope Common Stock

It is a condition to the consummation of the merger that the shares of OraSure Technologies common stock to be issued in the merger be approved for listing on the Nasdaq Stock Market, subject to official notice of issuance. We intend to file an application to have the common stock of OraSure Technologies listed on the Nasdaq Stock Market under the ticker symbol "OSUR". If the merger is completed, Epitope common stock will cease to be listed on the Nasdaq Stock Market.

LEGAL MATTERS

The validity of the OraSure Technologies common stock to be issued to STC stockholders and Epitope stockholders in the mergers will be passed upon by Stinson, Mag & Fizzell, P.C. It is a condition to the completion of the mergers that Epitope and STC receive opinions from their respective tax counsel that the mergers will qualify as tax-free reorganizations for United States federal income tax purposes. Jeffrey Libson, a partner at Pepper Hamilton LLP, which is counsel to STC, and a member of the STC board of directors, beneficially owns 4,000 shares of STC common stock.

EXPERTS

The financial statements of Epitope, Inc. incorporated into this joint proxy statement/prospectus by reference to Epitope's Annual Report on Form 10-K for the year ended September 30, 1999 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The audited financial statements of STC as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999 included in this joint proxy statement/prospectus, have been audited by Arthur Andersen LLP, independent public accountants, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

FUTURE STOCKHOLDER PROPOSALS

OraSure Technologies

It is anticipated that OraSure Technologies' 2001 annual meeting of stockholders will be held on , 2001. Any OraSure Technologies stockholder who intends to present a proposal at the annual meeting must deliver the proposal to OraSure Technologies at 150 Webster Street, Bethlehem, Pennsylvania 18015, Attention: by the applicable deadline below:

- If the stockholder proposal is intended for inclusion in OraSure Technologies' proxy materials for that meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, OraSure Technologies must receive the proposal by , 2000. Such proposal must also comply with the other requirements of the proxy solicitation rules of the Securities and Exchange Commission.

- If the stockholder proposal is to be presented without inclusion in OraSure Technologies' proxy materials for that meeting, OraSure Technologies must receive the proposal by , 2001 in accordance with the advance notice provisions of the certificate of incorporation and bylaws of OraSure Technologies. See " Description of OraSure Technologies Capital Stock--Stockholder Proposals" beginning on page .

Proxies solicited in connection with the 2001 annual meeting of stockholders will confer on the appointed proxies discretionary voting authority to vote on stockholder proposals that are not presented for inclusion in the proxy materials unless the proposing stockholder notifies OraSure Technologies by , 2001 that such proposal will be made at the meeting.

Epitope

Epitope has already held its 2000 annual meeting of stockholders. Epitope will hold an annual meeting in 2001 only if the mergers have not already been completed. Any shareholder who intends to present a proposal at the 2001 annual meeting and who wishes to include the proposal in Epitope's proxy materials for that meeting must deliver the proposal to Epitope at 8505 S.W. Creekside Place, Beaverton, Oregon 97008, Attention: Secretary, by September 13, 2000. Such proposal must also comply with the other requirements of the proxy solicitation rules of the Securities and Exchange Commission.

Proxies solicited in connection with the 2001 annual meeting of shareholders will confer on the appointed proxies discretionary voting authority to vote on shareholder proposals that are not presented for inclusion in the proxy materials unless the proposing shareholder notifies Epitope by November 27, 2000 that such proposal will be made at the meeting.

STC

STC will hold an annual meeting in the year 2000 only if the merger has not already been completed.

WHERE YOU CAN FIND MORE INFORMATION

Epitope files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any reports, statements or other information Epitope files at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C., 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Epitope's SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at http://www.sec.gov.

OraSure Technologies filed a registration statement on Form S-4 (333-) to register with the SEC the shares of common stock to be issued to stockholders of STC and of Epitope in the mergers. This document is a part of that registration statement and constitutes a prospectus of OraSure Technologies in addition to being a proxy statement of Epitope and STC for their respective meetings. As allowed by SEC rules, this document does not contain all the information included in the registration statement or the exhibits to the registration statement.

The SEC allows Epitope to "incorporate by reference" information into this document, which means that Epitope can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this document, except for any information superseded by information in, or incorporated by reference in, this document. This document incorporates by reference the documents set forth below that Epitope has previously filed with the SEC. These documents contain important information about Epitope and its finances.

Epitope SEC Filings (File No. 1-10492)	Period
Annual Report on Form 10-K filed on December 31, 1999	Fiscal year ended September 30, 1999
Quarterly Reports on Form 10-Q filed on February 11 and May 10, 2000	Quarters ended December 31, 1999 and March 31, 2000
Current Reports on Form 8-K dated October 1, 1999 and May 6, 2000	Filed on October 4, 1999 and May 10, 2000
Proxy Statement on Schedule 14A for Annual Meeting of Stockholders on February 15, 2000	Filed on January 11, 2000
The description of Epitope common stock set forth in the Registration Statement on Form 8-A as amended by Exhibit 99.1 to Epitope's Current Report on Form 8-K dated December 24, 1997	Filed on December 30, 1997

Epitope also is incorporating by reference additional documents that Epitope files with the SEC between the date of this document and the date of the Epitope meeting.

Epitope has supplied all information contained or incorporated by reference in this document relating to Epitope and STC has supplied all such information relating to STC.

If you are an Epitope stockholder, Epitope may have sent you some of the documents incorporated by reference, but you can obtain any of them through Epitope or the SEC. Documents incorporated by reference are available from Epitope without charge, excluding all exhibits unless Epitope has specifically incorporated by reference an exhibit in this document. Epitope stockholders may obtain documents incorporated by reference in this document by requesting them in writing or by telephone from the Secretary of Epitope at the following address:

EPITOPE, INC.
8505 S.W. Creekside Place
Beaverton, Oregon 97008
(503) 641-6115

If you would like to request documents from us, please do so by , 2000 to receive them before the meetings.

You should rely only on the information contained or incorporated by reference in this document to vote on the Epitope proposal and the STC proposal, as the case may be. We have not authorized anyone to provide you with information that is different from what is contained in this document. This document is dated , 2000. You should not assume that the information contained in this document is accurate as of any date other than that date, and neither the mailing of this document to stockholders nor the issuance of common stock in the mergers shall create any implication to the contrary.

STC TECHNOLOGIES, INC.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To STC Technologies, Inc.:

We have audited the accompanying balance sheets of STC Technologies, Inc. (a Delaware corporation), as of December 31, 1999 and 1998, and the related statements of operations, redeemable convertible preferred stock and stockholders' equity and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of STC Technologies, Inc. as of December 31, 1999 and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Philadelphia, Pa.,
January 26, 2000

STC TECHNOLOGIES, INC.

BALANCE SHEETS

	December 31, 1999	December 31, 1998	March 31, 2000 (Unaudited)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,254,475	$ 1,206,194	$ 898,121
Short-term investments	8,163,449	--	7,661,469
Accounts receivable, net of allowance for doubtful accounts of $68,954, $60,590 and $71,660	2,506,929	1,517,629	2,477,975
Inventories	941,742	1,020,333	1,130,810
Prepaid expenses and other	175,987	151,405	215,087
Deferred income taxes	52,000	143,497	52,000
Total current assets	13,094,582	4,039,058	12,435,462
PROPERTY AND EQUIPMENT, net	3,972,397	3,917,230	4,366,985
PATENTS AND PRODUCT RIGHTS, net	2,148,905	2,394,368	2,086,442
OTHER ASSETS	340,541	75,457	324,696
	$19,556,425	$10,426,113	$19,213,585
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt	$ 1,054,462	$ 526,851	$ 1,054,462
Accounts payable	884,390	744,305	1,095,757
Accrued expenses	1,269,592	553,389	925,355
Total current liabilities	3,208,444	1,824,545	3,075,574
LONG-TERM DEBT	5,819,980	6,000,633	5,563,342
DEFERRED INCOME TAXES	82,000	173,497	82,000
DEFERRED REVENUE	430,000	--	394,167
REDEEMABLE CONVERTIBLE PREFERRED STOCK (liquidation preference of $10,098,570 at March 31, 2000)	9,601,609	--	9,851,695
COMMITMENTS (Note 11)			
STOCKHOLDERS' EQUITY:			
Class A common stock (voting), par value $.000001; 5,000,000 shares authorized; 2,783,548 shares issued and 2,000,000 shares outstanding	3	3	3
Class B common stock (nonvoting), par value $.000001; 1,000,000 shares authorized; 388,798 shares issued and outstanding	--	--	--
Additional paid-in capital	4,684,132	4,677,040	4,684,132
Treasury stock, at cost	(407,242)	(407,242)	(407,242)
Accumulated other comprehensive income (loss)	(259,218)	15,042	(282,563)
Accumulated deficit	(3,603,283)	(1,857,405)	(3,747,523)
Total stockholders' equity	414,392	2,427,438	246,807
	$19,556,425	$10,426,113	$19,213,585

The accompanying notes are an integral part of these statements.

STC TECHNOLOGIES, INC.

STATEMENTS OF OPERATIONS

	For the Year Ended December 31,			Three Months Ended March 31,	
	1999	1998	1997	2000	1999
				(unaudited)	
REVENUES:					
Product	$13,116,847	$10,467,444	$ 7,716,541	$3,528,117	$2,777,951
Licensing and product development	898,154	185,000	205,000	99,627	110,000
	14,015,001	10,652,444	7,921,541	3,627,744	2,887,951
COSTS AND EXPENSES:					
Cost of goods sold	4,500,152	4,145,070	3,032,641	1,159,178	1,051,457
Sales and marketing	3,704,635	2,868,469	2,884,958	908,009	709,845
Research and development	3,304,295	2,339,329	1,870,102	945,438	613,223
Acquired in-process technology	1,500,000	--	--	--	--
General and administrative	1,582,237	1,294,278	1,184,388	430,390	303,097
	14,591,319	10,647,146	8,972,089	3,443,015	2,677,622
Operating income (loss)	(576,318)	5,298	(1,050,548)	184,729	210,329
INTEREST EXPENSE	543,654	561,215	334,365	128,022	137,217
INTEREST INCOME	(316,039)	(104,974)	(234,527)	(120,514)	(13,191)
FOREIGN CURRENCY (GAIN) LOSS	141,687	(4,805)	--	15,425	94
Income (loss) before income taxes	(945,620)	(446,138)	(1,150,386)	161,796	86,209
INCOME TAXES	50,000	--	--	55,950	--
NET INCOME (LOSS)	$ (995,620)	$ (446,138)	$(1,150,386)	$ 105,846	$ 86,209
BASIC AND DILUTED NET INCOME (LOSS) PER SHARE	$ (0.42)	$ (0.19)	$ (0.48)	$ 0.04	$ 0.04
SHARES USED IN COMPUTING BASIC AND DILUTED NET INCOME (LOSS) PER SHARE	2,388,798	2,388,798	2,388,688	2,388,798	2,388,798
PRO FORMA BASIC AND DILUTED NET INCOME (LOSS) PER SHARE (Unaudited)	$ (0.32)			$ 0.03	
SHARES USED IN COMPUTING PRO FORMA BASIC AND DILUTED NET INCOME (LOSS) PER SHARE (Unaudited)	3,142,064			3,468,859	

The accompanying notes are an integral part of these statements.

STC TECHNOLOGIES, INC.
STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY

	Redeemable		Stockholders' Equity							
			Common Stock							
	Series A Preferred Stock		Class A		Class B		Additional Paid-in	Treasury Stock		Subscription
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Shares	Amount	Receivable
BALANCE, DECEMBER 31, 1996	--	$ --	2,783,548	$ 3	368,800	$ --	$4,427,065	783,548	$ (407,242)	$(50,000)
Cash receipt of subscription receivable	--	--	--	--	--	--	--	--	--	50,000
Issuance of Class B common stock in connection with purchase of building	--	--	--	--	19,998	--	249,975	--	--	--
Net loss	--	--	--	--	--	--	--	--	--	--
BALANCE, DECEMBER 31, 1997	--	--	2,783,548	3	388,798	--	4,677,040	783,548	(407,242)	--
Comprehensive loss:										
Net loss	--	--	--	--	--	--	--	--	--	--
Currency translation adjustment	--	--	--	--	--	--	--	--	--	--
Total comprehensive loss										
BALANCE, DECEMBER 31, 1998	--	--	2,783,548	3	388,798	--	4,677,040	783,548	(407,242)	--
Issuance of stock options to a consultant	--	--	--	--	--	--	7,092	--	--	--
Sale of Series A Preferred Stock, net of expense	1,080,061	8,851,351	--	--	--	--	--	--	--	--
Accretion of redemption premium on preferred stock	--	750,258	--	--	--	--	--	--	--	--
Comprehensive loss:										
Net loss	--	--	--	--	--	--	--	--	--	--
Currency translation adjustment	--	--	--	--	--	--	--	--	--	--
Unrealized loss on marketable securities	--	--	--	--	--	--	--	--	--	--
Total comprehensive loss										
BALANCE, DECEMBER 31, 1999	1,080,061	9,601,609	2,783,548	3	388,798	--	4,684,132	783,548	(407,242)	--
Accretion of redemption premium on preferred stock (unaudited)	--	250,086	--	--	--	--	--	--	--	--
Comprehensive loss:										
Net income (unaudited)	--	--	--	--	--	--	--	--	--	--
Currency translation adjustment (unaudited)	--	--	--	--	--	--	--	--	--	--
Unrealized loss on marketable securities (unaudited)	--	--	--	--	--	--	--	--	--	--
Total comprehensive income (unaudited)										
BALANCE, MARCH 31, 2000 (unaudited)	1,080,061	$ 9,851,695	2,783,548	$ 3	388,798	$ --	$ 4,684,132	783,548	$ (407,242)	$ --

	Stockholders' Equity		
	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
BALANCE, DECEMBER 31, 1996.....	$--	$(260,881)	$3,708,945
Cash receipt of subscription receivable.....	--	--	50,000
Issuance of Class B common stock in connection with purchase of building.....	--	--	249,975
Net loss.....	--	(1,150,386)	(1,150,386)
BALANCE, DECEMBER 31, 1997.....	--	(1,411,267)	2,858,534
Comprehensive loss:			
Net loss.....	--	(446,138)	(446,138)
Currency translation adjustment.....	15,042	--	15,042
Total comprehensive loss.....			(431,096)
BALANCE, DECEMBER 31, 1998.....	15,042	(1,857,405)	2,427,438
Issuance of stock options to a consultant.....	--	--	7,092
Sale of Series A Preferred Stock, net of expense....	--	--	--
Accretion of redemption premium on preferred stock.....	--	(750,258)	--
Comprehensive loss:			
Net loss.....	--	(995,620)	(995,620)
Currency translation adjustment.....	(74,260)	--	(74,260)
Unrealized loss on marketable securities.....	(200,000)	--	(200,000)
Total comprehensive loss.....			(1,269,880)
BALANCE, DECEMBER 31, 1999.....	(259,218)	(3,603,283)	414,392
Accretion of redemption premium on preferred stock (unaudited).....	--	(250,086)	--
Comprehensive loss:			
Net income (unaudited).....	--	105,846	105,846
Currency translation adjustment (unaudited).....	(17,095)	--	(17,095)
Unrealized loss on marketable securities (unaudited).....	(6,250)	--	(6,250)
Total comprehensive income (unaudited).....			82,501
BALANCE, MARCH 31, 2000 (unaudited)..	$(282,563)	$ (3,747,523)	$ 246,807

The accompanying notes are an integral part of these statements.

STC TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,			For the Three Months Ended March 31,	
	1999	1998	1997	2000	1999
				(unaudited)	
OPERATING ACTIVITIES:					
Net income (loss)	$ (995,620)	$ (446,138)	$(1,150,386)	$ 105,846	$ 86,209
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Stock based compensation expense	7,092	--	--	--	--
Amortization of deferred revenue	(107,500)	--	--	(35,833)	--
Depreciation and amortization	1,192,091	1,069,625	854,492	276,016	298,282
Amortization of debt discount	--	--	126,573		
Gain on sale of property and equipment	(44,033)	--	--	--	--
Changes in assets and liabilities:					
Accounts receivable	(989,300)	(220,816)	(181,550)	28,954	45,576
Inventories	78,591	(115,230)	(120,874)	(189,068)	5,629
Prepaid expenses and other	47,834	(50,530)	(29,903)	(29,505)	39,765
Accounts payable	140,085	209,200	62,886	211,367	(13,187)
Accrued expenses	716,203	(63,029)	149,896	(344,237)	(213,760)
Net cash provided by (used in) operating activities	45,443	383,082	(288,866)	23,540	248,514
INVESTING ACTIVITIES:					
Purchases of property and equipment	(1,056,012)	(722,154)	(1,101,281)	(608,141)	(299,678)
Proceeds from the sale of property and equipment	98,250	--	--	--	--
Purchase of patents and product rights	--	(2,548,690)	--	--	--
Purchase of short-term investments	(8,163,449)	--	--	--	--
Proceeds from sale of short-term investments	--	315,963	297,236	501,980	--
Net cash used in investing activities	(9,121,211)	(2,954,881)	(804,045)	(106,161)	(299,678)
FINANCING ACTIVITIES:					
Proceeds from term debt	2,219,433	6,650,000	3,800,000	--	74,070
Repayment of term debt	(1,872,475)	(4,905,166)	(4,810,070)	(256,638)	(127,628)
Net proceeds from issuance of preferred and common stock	8,851,351	--	50,000	--	6,223,233
Net cash provided by (used in) financing activities	9,198,309	1,744,834	(960,070)	(256,638)	6,169,675
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	(74,260)	15,042	--	(17,095)	(26,816)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	48,281	(811,923)	(2,052,981)	(356,354)	6,091,695
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,206,194	2,018,117	4,071,098	1,254,475	1,206,194
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,254,475	$ 1,206,194	$ 2,018,117	$ 898,121	$7,297,889

==========	==========	==========	==========	==========

The accompanying notes are an integral part of these statements.

STC TECHNOLOGIES, INC.

NOTES TO THE FINANCIAL STATEMENTS

(information as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 is unaudited)

1. BACKGROUND:

STC Technologies, Inc. ("the Company") develops, manufactures, and markets proprietary medical devices and products including in vitro diagnostic tests and other medical devices for use in commercial labs, physicians' offices, hospitals, and for point-of-care testing. In addition, the Company has focused on developing UPT, a proprietary label detection technology.

On May 6, 2000, the Company entered into a merger agreement with Epitope, Inc. ("Epitope"). The agreement is subject to approval by Epitope and the Company's shareholders and other closing conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Interim Financial Statements

The financial statements as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 are unaudited and, in the opinion of management, include all adjustments (consisting only of normal and recurring adjustments) necessary for a fair presentation of results for these interim periods. The results of operations for the three months ended March 31, 2000 are not necessarily indicative of the results expected for the entire year.

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Short-term Investments

Short-term investments consist of treasury notes, certificates of deposits and other government obligations with original maturities greater than ninety days and less than one year. Such investments are recorded at fair value due to the nature of the maturities.

Supplemental Cash Flow Information

For the years ended December 31, 1999, 1998 and 1997, the Company paid interest of $564,036, $486,799, and $233,887, respectively.

Inventories

Inventories are stated at the lower of cost or market determined on a first-in, first-out basis.

The Company currently buys one of its medical products from a foreign vendor. Purchases are payable in foreign currency. Changes in the exchange rate would impact the Company's product cost. The Company attempts to reduce its exposure to fluctuations in exchange rates by maintaining an operating balance of guilders and creating offsetting positions through the purchase of futures contracts. As of December 31, 1999, the Company did not have any open future contracts. Future changes in foreign exchange rates or changes in actual purchases could have a material adverse effect on the Company.

(information as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 is unaudited)

Property and Equipment

Property and equipment are stated at cost. Property and equipment capitalized under capital leases are recorded at the present value of the minimum lease payments due over the lease term. Additions or improvements are capitalized, while repairs and maintenance are charged to expense. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets or the lease term, whichever is shorter. Buildings are depreciated over 20 years, while computer equipment, machinery and equipment, and furniture and fixtures are depreciated over 3 to 7 years. When assets are sold or otherwise disposed of, the related property amounts are relieved from the accounts, and any gain or loss is recorded in the statement of operations.

Long-term Investments

Included in other assets is an investment in a warrant to purchase shares in LabOne common stock which is classified as available-for-sale securities in accordance with Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Available-for-sale securities are carried at fair value, based on quoted market prices, with unrealized gains and losses reported as a separate component of stockholders' equity.

Accrued Expenses

	December 31,		March 31,
	1999	1998	2000
Payroll and related benefits	$ 380,245	$ 83,504	$120,000
Legal	216,440	25,000	84,921
Deferred revenue	--	--	250,000
Other	672,907	444,885	470,434
	$1,269,592	$553,389	$925,355

Revenue Recognition

The Company recognizes product revenues when products are shipped. Licensing and product development revenues are recognized when the related technology is licensed or the product development efforts are performed. Amounts received prior to the performance of product development efforts are recorded as deferred revenues.

In December 1999, the U.S. Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" ("SAB 101"). The bulletin draws on existing accounting rules and provides specific guidance on revenue recognition of up-front non-refundable license fees. The Company has applied the provisions of SAB 101 in the accompanying financial statements.

Significant Customers and Supplier Concentrations

The Company is dependent on several large customers for a significant portion of its revenues. In 1999, two customers accounted for approximately 24% of total revenues. In 1998 and 1997, one customer accounted for approximately 14% and 17% of total revenues, respectively. A loss of one or more of the Company's major customers could have a material adverse effect on the Company's business.

For the year ended December 31, 1999, one vendor accounted for approximately 33% of total materials purchased. In 1998, two vendors accounted for approximately 41% of total materials purchased.

(information as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 is unaudited)

Research and Development

Research and development costs are charged to expense as incurred.

Income Taxes

The Company follows SFAS No. 109, "Accounting for Income Taxes." Under SFAS No. 109, the liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using enacted tax rates that are expected to be in effect when the differences reverse.

Foreign Currency Translation

Pursuant to SFAS No. 52, "Foreign Currency Translation," the assets and liabilities of the Company's foreign operations are translated into U.S. dollars at current exchange rates as of the balance sheet date, and revenues and expenses are translated at average exchange rates for the period. Resulting translation adjustments are reflected as a separate component of stockholders' equity. All foreign currency transaction gains and losses are recorded on the accompanying statements of operations.

Stock-Based Compensation

The Company accounts for stock-based compensation to employees using the intrinsic value method in accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." The Company accounts for stock-based compensation to nonemployees using the fair value method in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation" and Emerging Issues Task Force 96-18.

Net Income (Loss) Per Common Share

The Company has presented basic and diluted net income (loss) per share pursuant to SFAS No. 128, "Earnings per Share," and the Securities and Exchange Commission Staff Accounting Bulletin No. 98. In accordance with SFAS 128, basic and diluted net income (loss) per share has been computed using the weighted-average number of shares of common stock outstanding during the period. The Company has excluded all redeemable convertible preferred stock and outstanding stock options from the calculation of diluted income (loss) per share because such securities are antidilutive for all periods presented. Pro forma basic and diluted net income (loss) per common share, as presented in the statements of operations, has been computed for the year ended December 31, 1999 and for the three months ended March 31, 2000 as described above, and also gives effect to the conversion of the redeemable convertible preferred stock which will convert to common stock prior to closing of the planned merger with Epitope (See Note 1) from the original date of issuance.

Impairment of Long-Lived Assets

In accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of," if indicators of impairment exist, the Company assesses the recoverability of the affected long-lived assets by determining whether the carrying value of such assets can be recovered through undiscounted future operating cash flows. If impairment is indicated, the Company measures the amount of such impairment by comparing the carrying value of the assets to the present value of the expected future cash flows associated with the use of the asset. The Company believes the future cash flows to be received from the long-lived assets will exceed the assets' carrying value, and accordingly the Company has not recognized any impairment losses through December 31, 1999.

(information as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 is unaudited)

Other Comprehensive Income

The Company follows SFAS No. 130, "Reporting Comprehensive Income." This statement requires the classification of items of other comprehensive income by their nature in a financial statement and display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of the balance sheet.

Reclassification

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

3. INVENTORIES:

	December 31, 1999	December 31, 1998	March 31, 2000
Raw materials	$251,557	$ 257,656	$ 336,819
Work in process	284,185	381,707	334,500
Finished goods	406,000	380,970	459,491
	$941,742	$1,020,333	$1,130,810

4. PROPERTY AND EQUIPMENT:

	December 31, 1999	December 31, 1998	March 31, 2000
Building and leasehold improvements	$ 2,614,526	$ 2,567,739	$ 3,045,200
Machinery and equipment	4,362,377	4,052,482	4,438,724
Computer equipment	795,613	520,929	848,311
Furniture and fixtures	464,475	420,985	493,441
Vehicles	108,997	15,189	128,453
	8,345,988	7,577,324	8,954,129
Less--Accumulated depreciation and amortization	(4,373,591)	(3,660,094)	(4,587,144)
	$ 3,972,397	$ 3,917,230	$ 4,366,985

5. ACQUISITION OF PRODUCT RIGHTS:

On June 9, 1998, the Company acquired the patents and exclusive worldwide distribution rights to one of its medical products. The purchase price of $2,548,690, including transaction costs, has been recorded as patents and product rights and is being amortized using the straight-line method over an estimated useful life of 10 years. Amortization expense for the years ended December 31, 1999 and 1998 was $245,463 and $154,322, respectively. In connection with the acquisition, the Company entered into a five-year production agreement with the seller of this medical product. In addition, the Company entered into a royalty agreement with a separate party (see Note 11).

6. LINE OF CREDIT:

The Company has established a $1 million line of credit with a bank, which bears interest at the LIBOR rate plus 235 basis points. Borrowings under this line are collateralized by the Company's accounts receivable and the personal guarantees of certain principal stockholders of the Company. The line expires on April 30, 2000. There were no borrowings against the line at December 31, 1999 and 1998 (See Note 7).

(information as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 is unaudited)

7. LONG-TERM DEBT:

	December 31,	
	1999	1998
Note payable to bank, interest at 8%, monthly installments of principal and interest of $59,219 through December 2003, and monthly installments of remaining principal and interest based on prime rate plus 1% through December 2005, secured by certain property and equipment, inventory, intangible assets and the personal guarantees of certain principal stockholders of the Company	$ 3,379,663	$3,786,000
Note payable to bank, interest at 8%, monthly installments of principal and interest of $8,181 through December 2003, secured by the Company's building and the personal guarantees of certain principal stockholders of the Company	949,750	970,000
Note payable to Pennsylvania Industrial Development Authority, interest at 2%, monthly installments of principal and interest of $4,895 through March 2010, secured by a second lien on the Company's building and the personal guarantees of certain principal stockholders of the Company	539,885	587,295
Note payable to bank, interest at 7.8%, monthly installments of principal and interest of $23,146 through July 2004, secured by certain property and equipment, inventory, intangible assets and the personal guarantees of certain principal stockholders of the Company	1,065,410	--
Note payable to bank, interest at 7.75%, monthly installments of principal and interest of $31,271 through July 2002, secured by certain property and equipment, inventory, intangible assets and the personal guarantees of certain principal stockholders of the Company	875,168	--
Note payable to bank, interest at 7.49%, monthly installments of principal and interest of $747 through February 2004, secured by automobiles	32,010	--
Note payable to bank, interest at 7.75%, monthly installments of principal and interest of $747 through March 2004, secured by automobiles	32,556	--
Note payable to Commonwealth of Pennsylvania, Sunny Day Fund, secured by certain equipment, monthly installments of principal and interest (interest at 3%) of $6,752 through June 1999	--	40,189
Subordinated notes payable to certain principal stockholders, interest payable monthly at prime plus 6%, repaid in 1999	--	1,144,000
	6,874,442	6,527,484
Less--Current portion	(1,054,462)	(526,851)
	$ 5,819,980	$6,000,633

Long-term debt maturities as of December 31, 1999, are as follows:

2000	$1,054,462
2001	1,139,825
2002	1,073,249
2003	928,083
2004	820,463
Thereafter	1,858,360
	$6,874,442

The Company has established a $1 million equipment facility with a bank (see Note 6), with interest fixed at the bank's prime rate on the date of commencement. Borrowings under this line are collateralized by the equipment financed and the personal guarantees of the Company's principal stockholders. There were no outstanding borrowings under this facility as of December 31, 1999 and 1998, respectively. The unused portion of the equipment facility

expires on April 30, 2000.

(information as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 is unaudited)

8. INCOME TAXES:

At December 31, 1999, the Company had a net operating loss carryforward for federal income tax purposes of approximately $130,000 that begins to expire in 2011. The Tax Reform Act of 1986 contains provisions that may limit the net operating loss carryforward available to be used in any given year in the event of significant changes in ownership. Given the Company's losses in recent years, the Company believes a valuation allowance is needed as of December 31, 1999.

The tax effect of temporary differences as established in accordance with SFAS No. 109 that give rise to deferred income taxes are as follows:

	December 31,	
	1999	1998
Gross deferred tax asset:		
Accruals and reserves currently not deductible	$ 230,000	$ 45,000
Patent costs	526,000	--
Research and development credit carryforwards	306,000	142,000
Net operating loss carryforwards	44,000	465,800
Valuation allowance on deferred tax assets	(1,027,000)	(489,500)
	$ 79,000	$ 163,300
Gross deferred tax liability:		
Depreciation	$ (82,000)	$(164,800)
Other	(27,000)	(28,500)
	$ (109,000)	$(193,300)

9. PREFERRED STOCK

In March and June 1999, the Company completed the closing of a private placement of 1,080,061 shares of its Series A Convertible Preferred stock (the "Preferred Stock") at $8.50 per share, which generated net proceeds of $8,851,351. Each share of the Preferred Stock is convertible, at the option of the holder, into one share of the Company's Class A common stock, subject to certain antidilution rights, and automatically converts upon the closing of a qualified initial public offering. Beginning March 2003, each year 25% of the Preferred Stock are redeemable at the option of the majority of the holders of Preferred Stock at $8.50 per share, plus a dividend of 10% per year compounded annually since the date of issuance. Dividends are accrued as an increase to the carrying value of the Preferred Stock. The Preferred Stock is carried at its current redemption value in the accompanying balance sheet outside of stockholders' equity since the redemption of the Preferred Stock is outside the control of the Company.

10. STOCK OPTIONS

In May 1996, the Company adopted a stock option plan that provides for the grant of options to purchase up to 240,000 shares of Class B common stock to employees, consultants, and advisors. In April 1999, the Company amended the 1996 stock option plan to increase the number of shares to 327,281. Options are granted with exercise prices equal to or greater than the fair value of the Class B common stock on the date of grant. Options vest and are exercisable over a period determined at the discretion of the Board of Directors, but no longer than 10 years.

The Company applies Accounting Principal Board Opinion No. 25, "Accounting for Stock Issued to Employees," and the related interpretations in accounting for its stock option plans. As the exercise price of the stock options exceeded the fair value of the Class B common stock at the date of option issuance, no

(information as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 is unaudited)
compensation cost has been recorded in the accompanying statement of operations. The Company follows the disclosure requirements of SFAS No. 123, "Accounting for Stock-Based Compensation." Had compensation cost for the Company's common stock option plan been determined based upon the fair value of the options at the date of grant, as prescribed under SFAS No. 123, the Company's net loss for the years ended December 31, 1999, 1998 and 1997 would have been as follows:

	December 31,		
	1999	1998	1997
Net loss--as reported	$ (995,620)	$(446,138)	$(1,150,386)
Net loss--pro forma	$(1,054,003)	$(483,046)	$(1,226,083)
Basic and diluted net loss per share--as reported	$ (0.42)	$ (0.19)	$ (0.48)
Basic and diluted net loss per share--pro forma	$ (0.44)	$ (0.20)	$ (0.51)

The weighted average fair value of the options granted during 1999, 1998 and 1997 is estimated at $1.55, $2.37 and $2.87, respectively per share, using the Black-Scholes option pricing model with the following assumptions: dividend yield of zero; volatility of zero; weighted average risk-free interest rate of 6.37%, 5.61% and 6.33%, respectively, and an expected life of 7 years.

Information with respect to the options granted under the stock option plan is as follows:

	Shares	Aggregate Price	Price Per Share
Outstanding, December 31, 1996	--	$ --	$ --
Granted	78,015	1,170,225	15.00
Canceled	(4,690)	(70,350)	15.00
Outstanding, December 31, 1997	73,325	1,099,875	15.00
Granted	2,000	30,000	15.00
Canceled	(4,050)	(60,750)	15.00
Outstanding, December 31, 1998	71,275	1,069,125	15.00
Granted	128,602	546,559	4.25
Canceled	(7,794)	(112,707)	4.25-15.00
Outstanding, December 31, 1999	192,083	1,502,977	4.25-15.00
Canceled	(2,472)	(17,752)	4.25-15.00
Outstanding, March 31, 2000	189,611	$ 1,485,226	$4.25-$15.00

At December 31, 1999, there were outstanding presently exercisable options to purchase an aggregate of 58,112 shares at an average exercise price of $12.13 per share, with an aggregate exercise price of $705,055. At December 31, 1999, 135,198 shares were available for future grants under the plan.

11. COMMITMENTS:

Royalty Agreements

As part of the acquisition of the assets of Enzymatics, Inc., the Company entered into royalty agreements with the Commonwealth of Pennsylvania and a related state agency. The agreement with the Commonwealth requires a 3% royalty to be paid on the net sales of the Q.E.D. test up to a maximum of $2.2 million. The agreement with the related state agency requires a 2% royalty to be paid on the net sales of the Q.E.D. test up to a maximum of $300,000. Total Q.E.D. royalty expense was $54,160, $42,267 and $43,962 for the years ended December 31, 1999, 1998 and 1997, respectively. Total royalty payments under the terms of these

(information as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 is unaudited)
agreements were $34,621, $31,015 and $37,859 for the years ended December 31, 1999, 1998 and 1997, respectively.

As part of the termination agreement with Orion Diagnostica, the Company entered into a royalty agreement with Orion Diagnostica for AlcoScreen(TM) unit sales. The agreement requires a royalty of $.20 per AlcoScreen(TM) unit delivered to a European distributor by the Company up to a maximum of $300,000 through April 25, 2000. Effective April 26, 2000, the royalty is reduced to $.10 per AlcoScreen(TM) unit delivered to the European distributor. The royalty agreement expires on April 26, 2004. Total AlcoScreen(TM) royalty expense was $20,028 for the year ended December 31, 1999. Total royalty payments under the terms of this agreement were zero for the year ended December 31, 1999.

In connection with the acquisition of the exclusive distribution rights to the Histofreezer product in 1998, the Company entered into a royalty agreement with the inventor of Histofreezer. Royalties are payable in Netherlands Guilders ("NG"), converted to U.S. dollars using the year-end currency exchange rate, and are based on annual treatment sales of the Histofreezer product. For the years ended December 31, 1999 and 1998, Histofreezer royalty expense was $95,448 and $64,117, respectively, based on the average exchange rate during the years.

Phosphor Agreements

In April 1995, the Company entered into several research, licensing and royalty agreements (collectively the "Phosphor Agreements") related to the development of its UPT label detection technology. The Phosphor Agreements require, among other things, the Company to make annual license payments of $50,000 until commercial sale of product, pay royalties ranging from 4% to 6% of net sales of related product as defined, and pay 20% of sublicensing revenues.

In July 1999, the Company acquired the patent rights (the "Rights") to such phosphor technology thus amending the Company's requirements to make annual license payments, pay royalties, and pay sublicensing fees. The Company paid approximately $1,400,000 for the Rights and incurred approximately $100,000 of expenses related to the buyout of the Rights. The Company has accounted for the purchase price of the Rights as acquired in-process technology expense because, at the date of the transaction, the technology rights acquired by the Company related to UPT had not progressed to a stage where it met technological feasibility and there existed a significant amount of uncertainty as to the Company's ability to complete the development of the technology which would achieve market acceptance within a reasonable timeframe. In addition, the acquired in-process technology did not have an alternative future use to the Company that had reached technological feasibility. In connection with the buyout, the Company is required to pay royalties of $25,000 per year until the Rights expire. The Company must also pay sponsored research funds of $125,000 per year through July 2002, and $50,000 per year thereafter until the Rights expire.

For the years ended December 31, 1999, 1998 and 1997, net investments related to the Phosphor Agreements and the Rights were $3,699,207, $2,100,688 and $1,625,832, respectively.

Leases

The Company entered into a 5 year noncancellable building lease in 1999. The Company anticipates occupancy of the new building in early 2000. Future payments required under this lease are as follows:

2000	$ 201,121
2001	268,161
2002	268,161
2003	268,161
2004 and thereafter	335,201
	$1,340,805

(information as of March 31, 2000 and for the three months ended March 31, 2000 and 1999 is unaudited)

Automobile lease expense during 1999, 1998 and 1997 was $25,536, $26,534 and $29,635, respectively. The Company is required to pay $10,334 on these leases in 2000.

12. RETIREMENT PLAN:

Effective January 1, 1994, the Company adopted a profit sharing plan that includes provisions under Section 401(k) (salary deferral) of the Internal Revenue Code. Contributions to the profit sharing plan are determined annually by the Board of Directors. Employee contributions are made at the election of the participants on a monthly basis. The Company may then elect to match the employee contributions to limits specified within the plan agreement. Company contributions to the plan were $113,708, $93,607 and $88,106 for the years ended December 31, 1999, 1998 and 1997, respectively.

13. GEOGRAPHIC INFORMATION:

Under the disclosure requirements of SFAS No. 131, "Segment Disclosures and Related Information," the Company operates within one segment, medical devices and products. The Company's products are sold principally in the United States and Europe. Operating income and identifiable assets are not applicable since all of the Company's revenues outside the United States are export sales.

The following table represents total revenues by geographic area:

	For the Year ended December 31,		
	1999	1998	1997
United States	$11,653,000	$9,030,000	$7,567,000
Europe	1,787,000	1,179,000	272,000
Other regions	575,000	443,000	83,000
	$14,015,000	$10,652,000	$7,922,000

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Delaware General Corporation Law

Section 145(a) of the General Corporation Law of the State of Delaware (the "DGCL") provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Section 145(b) of the DGCL states that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 145(c) of the DGCL provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145, or in defense of any claim, issue or matter therein, the person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection therewith.

Section 145(d) of the DGCL states that any indemnification under subsections (a) and (b) of Section 145 (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of Section 145. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

Section 145(e) of the DGCL provides that expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the corporation as authorized in Section 145. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

Section 145(f) of the DGCL states that the indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office.

Section 145(g) of the DGCL provides that a corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the corporation would have the power to indemnify the person against such liability under the provisions of Section 145.

Section 145(j) of the DGCL states that the indemnification and advancement of expenses provided by, or granted pursuant to, Section 145 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 102(b)(7) of the DGCL provides that a certificate of incorporation may contain a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director provided that shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit.

Certificate of Incorporation and Bylaws, and Indemnification Agreements

The Certificate of Incorporation limits the liability of directors of the Registrant to the Registrant or its stockholders to the fullest extent permitted by Delaware law. Specifically, directors of the Registrant will not be personally liable to the Registrant or its stockholders for monetary damages for breach of a director's fiduciary duty as a director, except for liability for breach of the duty of loyalty, for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL or for any transaction in which a director has derived an improper personal benefit.

The Registrant's Bylaws require the Registrant to indemnify any person who is a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that such person is or was a director, officer, employee or agent of the Registrant, or is serving as a director, officer, employee or agent of another enterprise at the Registrant's request. Indemnification is not, however, permitted under the Bylaws unless the person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the Registrant's best interests and, with respect to any criminal action or proceeding, that such person had no reasonable cause to believe such person's conduct was unlawful. The Registrant's Bylaws further provide that the Registrant shall not indemnify any person for any liabilities or expenses incurred by such person in connection with an action, suit or proceeding by or in the right of the Registrant in respect of any claim, issue

or matter as to which such person shall have been adjudged to be liable to the Registrant, unless and only to the extent that the court in which the action, suit or proceeding is brought determines that the person is entitled to indemnity for such expenses. The indemnification provided by the Bylaws is not exclusive of any other rights to which those seeking indemnification may be otherwise entitled.

The Registrant has entered into indemnification agreements (the "Agreements") with each of the Registrant's directors and officers. The Agreements provide that the Registrant will indemnify the directors and officers against all liabilities and expenses actually and reasonably incurred in connection with any action, suit or proceeding (including an action by or in the right of the Registrant) to which any of them is, was or at any time becomes a party, or is threatened to be made a party, by reason of their status as a director or officer of the Registrant, or by reason of their serving or having served at the request or on behalf of the Registrant as a director, officer, trustee or in any other comparable position of any other enterprise to the fullest extent allowed by law. No indemnity is provided under the Agreements for any amounts for which indemnity is provided by any other indemnification obligation or insurance maintained by the Registrant or another enterprise or otherwise. Nor is indemnity provided to any director or officer on account of conduct which is finally adjudged by a court to have been knowingly fraudulent, deliberately dishonest or a knowing violation of law. In addition, no indemnification is provided if a final court adjudication shall determine that such indemnification is not lawful, or in respect to any suit in which judgment is rendered against any director or officer for an accounting of profits made from a purchase or sale of securities of the Registrant in violation of Section 16(b) of the Securities Exchange Act of 1934 or of any similar law, or on account of any remuneration paid to any director or officer which is adjudicated to have been paid in violation of law.

Insurance

The Registrant intends to maintain liability insurance for the benefit of its directors and officers.

Item 21. Exhibits and Financial Statement Schedules

(a) The following exhibits are filed herewith or incorporated herein by reference.

Exhibit Number	
2.1	Agreement and Plan of Merger, dated as of May 6, 2000, by and among Epitope, Inc., the Registrant and STC Technologies, Inc. ("Merger Agreement"), including the Epitope Stockholders Agreement and the STC Stockholders Agreement attached as Exhibits A and B thereto and the other exhibits attached thereto (filed as Exhibit 2 to the Current Report on Form 8-K of Epitope, Inc. dated May 9, 2000 and incorporated by reference herein)
3.1	Certificate of Incorporation of the Registrant
3.1.1	Certificate of Amendment to Certificate of Incorporation dated May 23, 2000
3.1.2	Certificate of Designation of Series A Preferred Stock of Registrant (to be filed by amendment)
3.2	Bylaws of the Registrant
4.1	Specimen certificate representing shares of the Registrant's $.00001 par value common stock (to be filed by amendment)
4.2	Rights Agreement dated as of May 6, 2000 between the Registrant and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (to be filed by amendment)
5.1	Opinion of Stinson, Mag & Fizzell, P.C. (to be filed by amendment)
8.1	Opinion of Stinson, Mag & Fizzell, P.C. (to be filed by amendment)
8.2	Opinion of Pepper Hamilton LLP (to be filed by amendment)
10.1	Form of Indemnification Agreement (and list of parties to such agreement) (to be filed by amendment)
10.2	Form of Employment Agreement dated as of the closing date for the mergers between the Registrant and Robert D. Thompson (to be filed by amendment)

Exhibit Number	
10.3	Form of Employment Agreement dated as of the closing date for the mergers between the Registrant and Michael J. Gausling (to be filed by amendment)
10.4	Form of Employment Agreement dated as of the closing date for the mergers between the Registrant and William Hinchey (to be filed by amendment)
10.5	Form of Employment Agreement dated as of the closing date for the mergers between the Registrant and Dr. R. Sam Niedbala (to be filed by amendment)
10.6	Form of Employment Agreement dated as of the closing date for the mergers between the Registrant and William D. Block (to be filed by amendment)
10.7	Form of Employment Agreement dated as of the closing date for the mergers between the Registrant and J. Richard George (to be filed by amendment)
23.1	Consent of PricewaterhouseCoopers LLP
23.2	Consent of Arthur Andersen LLP
23.3	Consent of Stinson, Mag & Fizzell, P.C. (included in Exhibits 5.1 and 8.1)
23.4	Consent of Pepper Hamilton LLP (included in Exhibit 8.2)
24.1	Powers of Attorney (included on signature page to this registration statement)
99.1	Consent of Deutsche Bank Securities Inc.
99.2	Consent of FleetBoston Robertson Stephens Inc.
99.3	Form of Proxy of Epitope, Inc.
99.4	Form of Proxy of STC Technologies, Inc.

(b) Financial statement schedules have been omitted because they either are not required or are not applicable or because equivalent information has been included in the financial statements, the notes thereto or elsewhere herein.

Item 22. Undertakings

(a) The undersigned registrant hereby undertakes:

(1) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) That, prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other Items of the applicable form.

(3) That, every prospectus (i) that is filed pursuant to paragraph (2) immediately preceding, or (ii) that purports to meet the requirements of section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415 (section 230.415 of this chapter), will be filed as part of an amendment of the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(4) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

(5) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Beaverton, State of Oregon, on June 12, 2000.

Orasure Technologies, Inc.

By: /s/ Robert D. Thompson
Robert D. Thompson,
President

Know all men by these presents, that we, the undersigned directors of OraSure Technologies, Inc., hereby severally constitute Robert D. Thompson and Charles E. Bergeron, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the registration statement filed herewith and any and all amendments to said registration statement, and generally to do all such things in our names and in our capacities as directors to enable OraSure Technologies, Inc. to comply with the provisions of the Securities Act of 1933, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signature as they may be signed by our said attorneys, or any of them, to said registration statement and any and all amendments thereto.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Robert D. Thompson Robert D. Thompson	President, Chief Executive Officer and Director (Principal Executive Officer)	June 12, 2000
/s/ Charles E. Bergeron Charles E. Bergeron	Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	June 12, 2000
/s/ W. Charles Armstrong W. Charles Armstrong	Director	June 12, 2000
/s/ Andrew S. Goldstein Andrew S. Goldstein	Director	June 12, 2000
/s/ Frank G. Hausmann Frank G. Hausmann	Director	June 12, 2000
/s/ Margaret H. Jordan Margaret H. Jordan	Director	June 12, 2000
/s/ Michael J. Paxton Michael J. Paxton	Director	June 12, 2000
/s/ Roger L. Pringle Roger L. Pringle	Director	June 12, 2000
/s/ G. Patrick Sheaffer G. Patrick Sheaffer	Director	June 12, 2000
/s/ Robert J. Zollars Robert J. Zollars	Director	June 12, 2000

AGREEMENT AND PLAN OF MERGER

dated as of

May 6, 2000

among

EPITOPE, INC.

EDWARD MERGER SUBSIDIARY, INC.*

and

STC TECHNOLOGIES, INC.

- --------
* The name of Edward Merger Subsidiary, Inc. was changed to OraSure Technologies, Inc. after the Agreement and Plan of Merger was executed.

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of May 6, 2000 (the "Agreement"), by and among Epitope, Inc., an Oregon corporation ("Epitope"), Edward Merger Subsidiary, Inc., a Delaware corporation and a wholly-owned subsidiary of Epitope ("Merger Sub") and STC Technologies, Inc., a Delaware corporation ("STC").

RECITALS:

WHEREAS, the Boards of Directors of Epitope and STC deem it advisable and in the best interests of each corporation and its respective stockholders that Epitope and STC engage in a business combination as peer firms in a combination of equals in order to advance the long-term strategic business interests of Epitope and STC;

WHEREAS, the combination of Epitope and STC shall be effected by the terms of this Agreement through the mergers as outlined below;

WHEREAS, the respective Boards of Directors of STC and Merger Sub have each (i) determined that the merger of STC with and into Merger Sub (the "STC Merger") is fair to, and in the best interests of, their respective companies and stockholders, (ii) have approved and declared the advisability of this Agreement and (ii) have approved the STC Merger, and (iii) have recommended the approval and adoption of this Agreement by their respective company's stockholders;

WHEREAS, the respective Boards of Directors of Epitope and Merger Sub have each (i) determined that the merger of Epitope with and into Merger Sub (the "Epitope Merger"; the Epitope Merger and the STC Merger are referred to collectively as the "Mergers") is fair to, and in the best interests of, their respective companies and stockholders, (ii) have approved and declared the advisability of this Agreement and the Epitope Merger, and (iii) have recommended the approval and adoption of this Agreement by their respective company's stockholders;

WHEREAS, for Federal income tax purposes, it is intended that each of the Mergers shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (a "368 Reorganization"), and the regulations promulgated thereunder;

WHEREAS, for accounting purposes, it is intended that each of the Mergers shall be accounted for as a pooling of interests transaction under United States generally accepted accounting principles applied on a consistent basis ("GAAP"); and

WHEREAS, simultaneously with the execution and delivery of this Agreement: (i) STC has entered into an agreement (the "STC Stockholders Agreement") with certain stockholders of Epitope pursuant to which such Epitope stockholders have agreed to vote the shares of Epitope Common Stock owned by them in favor of the Epitope Merger under certain circumstances, which agreement is accompanied by irrevocable proxies to vote such shares in accordance therewith; and (ii) Epitope has entered into an agreement (the "Epitope Stockholders Agreement" and, together with the STC Stockholders Agreement, the "Stockholders Agreements," in the respective forms attached as Exhibits A and B hereto) with certain stockholders of STC pursuant to which such STC stockholders have agreed to vote the shares of STC Common Stock owned by them in favor of the STC Merger under certain circumstances, which agreement is accompanied by irrevocable proxies to vote such shares in accordance therewith.

NOW, THEREFORE, in consideration of the premises, which are incorporated into and made part of this Agreement, and of the mutual representations, warranties, covenants, agreements and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

For purposes of this Agreement, the capitalized terms used in this Agreement shall have the meanings specified or referred to in Appendix I hereto which is incorporated herein by reference.

ARTICLE II

THE MERGERS

Section 2.1. STC Merger.

(a) The STC Merger. Upon the terms and subject to the conditions of this Agreement and in accordance with the Delaware General Corporation Law of the State of Delaware (the "Delaware Law"), at the STC Effective Time (as defined below), STC shall be merged with and into Merger Sub. As a result of the STC Merger, the separate corporate existence of STC shall cease and Merger Sub shall continue as the surviving corporation of the STC Merger (the "Surviving Corporation").

(b) STC Effective Time. As soon as practicable after the Closing of the STC Merger, the Certificate of Merger for the STC Merger ("STC Certificate of Merger"), in substantially the form attached hereto as Exhibit C, prepared and executed in accordance with the relevant provisions of the Delaware Law, shall be filed with the Secretary of State of Delaware. The parties hereto agree to take all such further actions as may be required by law to make the Merger effective. The Merger shall become effective in accordance with the terms of this Agreement, the STC Certificate of Merger at the time and date contemplated therein (such time and date being referred to herein as the "STC Effective Time").

(c) The Closing. The Closing of the Mergers and transactions contemplated by this Agreement will take place at 11:00 a.m. on a date mutually agreed upon by the parties hereto, which shall be no later than the third Business Day following the date on which all of the conditions to the obligations of the parties hereunder set forth in Article VIII hereof have been satisfied or waived. The place of Closing shall be at such place as may be mutually agreed upon by the parties hereto.

(d) Effects of the STC Merger. At and after the STC Effective Time, the STC Merger will have the effects set forth in the Delaware Law. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all the property, rights, privileges, powers and franchises of Merger Sub and STC shall be vested in the Surviving Corporation, and all debts, liabilities and duties of Merger Sub and STC shall become the debts, liabilities and duties of the Surviving Corporation. In addition, the STC Merger shall have the following effects:

(i) Articles of Incorporation. The Certificate of Incorporation of Merger Sub as in effect as of the date hereof shall be amended to change the name of Merger Sub to OraSure Technologies, Inc., but otherwise shall read as set forth in Exhibit F and such Certificate of Incorporation, as so amended, shall be the Certificate of Incorporation of the Surviving Corporation (as set forth in Exhibit F hereto) and the Certificate of Incorporation shall be the Certificate of Incorporation of the Surviving Corporation.

(ii) Bylaws. The Bylaws of Merger Sub as in effect as of the date hereof shall be amended to reflect the change of Merger Sub's name to OraSure Technologies, Inc., but otherwise shall read as set forth in Exhibit G and shall, as so amended, be the Bylaws of the Surviving Corporation.

(iii) Board of Directors. At the STC Effective Time, the Board of Directors of the Surviving Corporation shall consist of seven (7) persons. Of the seven persons initially elected to the Board of Directors of the Surviving Corporation, three (3) (the "STC Designees") shall be persons named by the Board of Directors of STC and three (3) (the "Epitope Designees") shall be persons named by the Board of Directors of Epitope and one (1) shall be a person mutually acceptable to both the Boards of Directors

of STC and Epitope. The Board of Directors of the Surviving Corporation shall be divided into three classes, with the initial terms of office of the first, second and third classes expiring at the first, second and third annual meetings of the stockholders of the Surviving Corporation, respectively. One STC Designee and one Epitope Designee shall be placed in each class of the Board of Directors of the Surviving Corporation. If, prior to the STC Effective Time, (i) any of the individuals named by STC or Epitope to serve on the Board of Directors of the Surviving Corporation following the STC Effective Time resigns, retires or otherwise ceases to serve as a director of STC or Epitope, as the case may be, or otherwise becomes unable or unwilling to serve as a director of the Surviving Corporation, or (ii) STC or Epitope shall determine to replace an individual named by such party to serve on the Board of Directors of the Surviving Corporation, the party that designated such individual may name a replacement to become a director of the Surviving Corporation. The persons named as members of the Board of Directors of the Surviving Corporation pursuant to this Section 2.1.(d)(iii) shall be named in the Joint Proxy Statement/Prospectus and the Registration Statement, subject to receipt of the consent of such individuals to be so named.

(iv) Management. The principal officers of the Surviving Corporation at the Effective Time shall be as listed on Exhibit H. All other management positions of the Surviving Corporation shall be determined jointly by the Surviving Corporation's President and Chief Executive Officer.

(e) Effect on Capital Stock. At the STC Effective Time, by virtue of the STC Merger and without any action on the part of the parties hereto or their respective stockholders:

(i) STC Common Stock. Each share of STC Common Stock outstanding immediately prior to the STC Effective Time (except for shares of STC Common Stock held by persons who object to the STC Merger and comply with all provisions of the Delaware Law concerning the right of such holders to dissent from the STC Merger and demand appraisal for their shares) shall be converted into and become shares of Surviving Corporation Common Stock at an exchange ratio (the "Exchange Ratio") determined as follows (together with any cash in lieu of fractional shares of Surviving Corporation Common Stock to be paid pursuant to Section 2.1(e)(iv) (the "Merger Consideration") which fraction of a share shall be rounded to four decimal places):

(A) If the Average Epitope Stock Price is greater than $13.00, the Exchange Ratio shall be the quotient of (i) the quotient of (x) $260 million divided by (y) the Average Epitope Stock Price, divided by (ii) the sum of the number of shares of STC Common Stock outstanding immediately prior to the STC Effective Time and the number of shares of STC Common Stock underlying STC Common Stock Equivalents; or

(B) If the Average Epitope Stock Price is equal to or less than $13.00, but equal to or more than $10.00, the Exchange Ratio shall be the quotient of 20 million shares divided by the sum of the number of shares of STC Common Stock outstanding immediately prior to the STC Effective Time and the number of shares of STC Common Stock underlying STC Common Stock Equivalents; or

(C) If the Average Epitope Stock Price is less than $10.00, the Exchange Ratio shall be the quotient of (i) the quotient of (x) $200 million divided by (y) the Average Epitope Stock Price, divided by (ii) the sum of the number of shares of STC Common Stock outstanding immediately prior to the STC Effective Time and the number of shares of STC Common Stock underlying STC Common Stock Equivalents; provided however, that in the event the quotient in clause (i) of this subsection (C) exceeds 25 million shares, such quotient shall be deemed to be 25 million shares for the purposes of completing the calculation set forth in this subsection (C), and; provided further, that in the event that the Average Epitope Stock Price is less than $6.00, STC shall have the termination rights provided in Section 10.1(h).

(ii) STC Stock held by Merger Sub and STC. Each share of STC Common Stock or STC Preferred Stock held by STC as treasury stock or owned by Merger Sub immediately prior to the STC Effective Time shall be cancelled without payment of any consideration therefor and shall cease to exist.

(iii) Merger Sub Common Stock. Each share of common stock of Merger Sub outstanding and each share held in treasury immediately prior to the STC Effective Time shall be converted into and become one share of Surviving Corporation Common Stock.

(iv) Fractional Shares. No fraction of a share of Surviving Corporation Common Stock shall be issued in connection with the conversion of STC Common Stock in the STC Merger and the distribution of Surviving Corporation Common Stock in respect thereof, but in lieu of such fraction, the Exchange Agent shall make a cash payment (without interest and subject to the payment of any applicable withholding Taxes) equal to the same fraction of the market value of a full share of Surviving Corporation Common Stock, computed on the basis of the mean of the high and low sales prices of Surviving Corporation Common Stock as reported on NASDAQ on the first full day on which Surviving Corporation Common Stock is traded on the Nasdaq Stock Market after the STC Effective Time.

(f) Stock Options and Other Stock Compensation.

(i) On or prior to the STC Effective Time, STC will take all action necessary such that each stock option or other stock related right or other form of stock related incentive or deferred compensation that was granted pursuant to the STC Employee Plans (as defined in Section 4.12(a)) prior to the STC Effective Time and which remains outstanding immediately prior to the STC Effective Time shall cease to represent a right with respect to shares of STC Common Stock and shall be converted, at the STC Effective Time, into a right, on the same terms and conditions as were applicable under such stock option or other stock related right or other form of stock related incentive or deferred compensation, as applicable (but taking into account any changes thereto (except that there shall be no acceleration in the vesting or exercisability of such option, right or incentive compensation by reason of this Agreement, the STC Merger, the Epitope Merger or the other matters contemplated by this Agreement), provided for in the STC Employee Plans or in the terms of such right by reason of this Agreement or the transactions contemplated hereby), with respect to that number of shares of Surviving Corporation Common Stock determined by multiplying the number of shares of STC Common Stock subject to such stock option or other stock related right or other form of stock related incentive or deferred compensation, as applicable, by the Exchange Ratio, rounded, if necessary, to the nearest whole share of Surviving Corporation Common Stock, at (in the case of a stock option or stock appreciation right) a price per share (rounded to the nearest one-hundredth of a cent) equal to the per-share exercise price specified in such stock option or stock appreciation right, as applicable, divided by the Exchange Ratio; provided, however, that in the case of any stock option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code, the option price, the number of shares subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 424(a) of the Code.

(ii) As soon as practicable after the STC Effective Time, the Surviving Corporation shall deliver to the holders of stock options or other stock related rights or other forms of stock related incentive or deferred compensation appropriate notices setting forth such holders' rights pursuant to the STC Employee Plans (except that there shall be no acceleration in the vesting or exercisability of such option, right or incentive compensation by reason of this Agreement, the STC Merger, the Epitope Merger or the other matters contemplated by this Agreement) and the agreements evidencing the grants of such stock options or other stock related rights or other forms of stock related incentive or deferred compensation shall continue in effect on the same terms and conditions (subject to the adjustments required by this Section 2.1(f)(ii) after giving effect to the STC Merger and the Epitope Merger and the terms of the STC Employee Plans (except that there shall be no acceleration in the vesting or exercisability of such option, right or incentive compensation by reason of this Agreement, the STC Merger, the Epitope Merger or the other matters contemplated by this Agreement)). To the extent permitted by law, the Surviving Corporation shall comply with the terms of the STC Employee Plans and shall take such reasonable steps as are necessary or required by, and subject to the provisions of, such STC Employee Plans, to have the stock options which qualified as incentive stock options prior to the Effective Time continue to qualify as incentive stock options of the Surviving Corporation after the Effective Time.

(iii) The Surviving Corporation shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Surviving Corporation Common Stock for delivery upon exercise of stock options or other stock related rights or other forms of stock related incentive or deferred compensation in

accordance with this Section 2.1(f). Promptly after the STC Effective Time, the Surviving Corporation shall file a registration statement on Form S-3 or Form S-8, as the case may be (or any successor or other appropriate forms), with respect to the shares of Surviving Corporation Common Stock subject to such stock options or other stock related rights or other forms of stock related incentive or deferred compensation, and shall use commercially reasonable efforts to maintain the effectiveness of such registration statement or registration statements (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such stock options or other stock related rights or other forms of stock related incentive or deferred compensation remain outstanding. With respect to those individuals who subsequent to the Mergers will be subject to the reporting requirements under Section 16(a) of the Exchange Act, where applicable, the Surviving Corporation shall administer the STC Employee Plans in a manner consistent with the exemptions provided by Rule 16b-3 promulgated under the Exchange Act.

(g) Certain Adjustments. If, between the date of this Agreement and the Effective Time, the outstanding STC Common Stock or Epitope Common Stock shall have been changed into a different number of shares or different class by reason of any reclassification, recapitalization, stock split, reverse stock split, combination or exchange of shares, or a stock dividend or dividend payable in any other securities shall be declared with a record date within such period, or any similar event shall have occurred, the Exchange Ratio shall each be appropriately adjusted to provide to the holders of STC Common Stock the same economic effect as contemplated by this Agreement prior to such event.

(h) Appraisal Rights. Notwithstanding Section 2.1(e), shares of STC Common Stock outstanding immediately prior to the STC Effective Time and held by a holder who has not voted in favor of the Mergers or consented thereto in writing and who has demanded appraisal for such shares of STC Common Stock, as the case may be, in accordance with the Delaware Law shall not be converted into the shares of Surviving Corporation Common Stock unless such holder fails to perfect or withdraws or otherwise loses his right to appraisal. If after the STC Effective Time such holder fails to perfect or withdraws or loses his right to appraisal, such shares of STC Common Stock shall be treated as if they had been converted as of the STC Effective Time into the shares of Surviving Corporation Common Stock in accordance with Section 2.1(e). STC shall give the Surviving Corporation prompt notice of any demands received by STC for appraisal of shares of STC Common Stock, and the Surviving Corporation shall have the right to participate in all negotiations and proceedings with respect to such demands. STC shall not, except with the prior written consent of the Surviving Corporation, make any payment with respect to, or settle or offer to settle, any such demands.

Section 2.2. Epitope Merger.

(a) The Epitope Merger. Upon the terms and subject to the conditions of this Agreement and in accordance with the Business Corporation Act of the State of Oregon (the "Oregon Law"), and the Delaware General Corporation Law of the State of Delaware (the "Delaware Law"), at the Epitope Effective Time (as defined below), which shall be immediately following the STC Effective Time, Epitope shall be merged with and into Merger Sub. As a result of the Merger, the separate corporate existence of Epitope shall cease and Merger Sub shall continue as the surviving corporation of the Epitope Merger (the "Surviving Corporation").

(b) Epitope Effective Time. As soon as practicable after the Closing of the Mergers, the Articles of Merger for the Epitope Merger in substantially the form attached hereto as Exhibit D, prepared and executed in accordance with the relevant provisions of the Oregon Law, shall be filed with the Secretary of State of Oregon, and the Certificate of Merger for the Epitope Merger, in substantially the form attached hereto as Exhibit E, prepared and executed in accordance with the relevant provisions of the Delaware Law, shall be filed with the Secretary of State of Delaware. The parties hereto agree to take all such further actions as may be required by law to make the Epitope Merger effective. The Epitope Merger shall become effective in accordance with the terms of this Agreement, the Articles of Merger and the Certificate of Merger at the time and date contemplated therein (such time and date being referred to herein as the Epitope Effective Time or "Effective Time").

(c) Effects of the Epitope Merger. At and after the Epitope Effective Time, the Epitope Merger will have the effects set forth in the Delaware Law and the Oregon Law. Without limiting the generality of the foregoing,

and subject thereto, at the Epitope Effective Time all the property, rights, privileges, powers and franchises of Epitope and Merger Sub shall be vested in the Surviving Corporation, and all debts, liabilities and duties of Epitope and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation. In addition, the Epitope Merger shall have the following effects:

(i) Certificate of Incorporation. The Certificate of Incorporation of Merger Sub as in effect as of the date hereof shall be amended to change the name of Merger Sub to OraSure Technologies, Inc., but otherwise shall read as set forth in Exhibit F and such Certificate of Incorporation, as so amended, shall be the Certificate of Incorporation of the Surviving Corporation.

(ii) Bylaws. The Bylaws of Merger Sub as in effect as of the date hereof shall be amended to reflect the change of Merger Sub's name to OraSure Technologies, Inc., but otherwise shall read as set forth in Exhibit G and shall, as so amended, be the Bylaws of the Surviving Corporation.

(iii) Board of Directors. At the Effective Time, the Board of Directors of the Surviving Corporation shall consist of the seven (7) persons and be divided into the classes specified in Section 2.1(d)(iii).

(iv) Management. The principal officers of the Surviving Corporation at the Effective Time shall be as listed on Exhibit H. All other management positions of the Surviving Corporation shall be determined jointly by the Surviving Corporation's President and Chief Executive Officer.

(d) Effect on Capital Stock. At the Epitope Effective Time, by virtue of the Epitope Merger and without any action on the part of the parties hereto or their respective stockholders:

(i) Epitope Common Stock. Each share of Epitope Common Stock outstanding immediately prior to the Epitope Effective Time shall be converted into and become one share (the "Epitope Exchange Ratio") of Surviving Corporation Common Stock (the "Epitope Merger Consideration").

(ii) Epitope Stock held by Epitope and Merger Sub. Each share of Epitope Common Stock held by Epitope as treasury stock or owned by Merger Sub immediately prior to the Epitope Effective Time shall be cancelled without payment of any consideration therefor and shall cease to exist.

(iii) Merger Sub Common Stock. Each share of Common Stock of Merger Sub outstanding and each share held in treasury immediately prior to the Epitope Effective Time shall be converted into and become one share of Surviving Corporation Common Stock.

(e) Stock Options and Other Stock Compensation.

(i) On or prior to the Epitope Effective Time, Epitope will take all action necessary such that each stock option or other stock related right or other form of stock related incentive or deferred compensation that was granted pursuant to the Epitope Employee Plans (as defined in Section 4.12(a)) prior to the Epitope Effective Time and which remains outstanding immediately prior to the Epitope Effective Time shall cease to represent a right with respect to shares of Epitope Common Stock and shall be converted, at the Epitope Effective Time, into a right, on the same terms and conditions as were applicable under such stock option or other stock related right or other form of stock related incentive or deferred compensation, as applicable (but taking into account any changes thereto, provided for in the Epitope Employee Plans or in the terms of such right by reason of this Agreement or the transactions contemplated hereby), with respect to that number of shares of Surviving Corporation Common Stock determined by multiplying the number of shares of Epitope Common Stock subject to such stock option or other stock related right or other form of stock related incentive or deferred compensation, as applicable, by the Epitope Exchange Ratio, at a price per share equal to the per-share exercise price specified in such stock option or stock appreciation right, as applicable.

(ii) As soon as practicable after the Epitope Effective Time, the Surviving Corporation shall deliver to the holders of stock options or other stock related rights or other forms of stock related incentive or deferred compensation appropriate notices setting forth such holders' rights pursuant to the Epitope Employee Plans and the agreements evidencing the grants of such stock options or other stock related rights or other forms of stock related incentive or deferred compensation shall continue in effect on the

same terms and conditions (after giving effect to the Merger and the terms of the Epitope Employee Plans. To the extent permitted by law, the Surviving Corporation shall comply with the terms of the Epitope Employee Plans and shall take such reasonable steps as are necessary or required by, and subject to the provisions of, such Epitope Employee Plans, to have the stock options which qualified as incentive stock options prior to the Effective Time continue to qualify as incentive stock options of the Surviving Corporation after the Effective Time.

(iii) The Surviving Corporation shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Surviving Corporation Common Stock for delivery upon exercise of stock options or other stock related rights or other forms of stock related incentive or deferred compensation in accordance with this Section 2.2(d)(ii). Promptly after the Epitope Effective Time, the Surviving Corporation shall file a registration statement on Form S-3 or Form S-8, as the case may be (or any successor or other appropriate forms), with respect to the shares of Surviving Corporation Common Stock subject to such stock options or other stock related rights or other forms of stock related incentive or deferred compensation, and shall use commercially reasonable efforts to maintain the effectiveness of such registration statement or registration statements (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such stock options or other stock related rights or other forms of stock related incentive or deferred compensation remain outstanding. With respect to those individuals who subsequent to the Merger will be subject to the reporting requirements under Section 16(a) of the Exchange Act, where applicable, the Surviving Corporation shall administer the Epitope Employee Plans in a manner consistent with the exemptions provided by Rule 16b-3 promulgated under the Exchange Act.

(f) Certain Adjustments. If, between the date of this Agreement and the Epitope Effective Time, the outstanding common stock of Merger Sub or Epitope Common Stock shall have been changed into a different number of shares or different class by reason of any reclassification, recapitalization, stock split, reverse stock split, combination or exchange of shares, or a stock dividend or dividend payable in any other securities shall be declared with a record date within such period, or any similar event shall have occurred, the Epitope Exchange Ratio shall be appropriately adjusted to provide to the holders of STC Common Stock the same economic effect as contemplated by this Agreement prior to such event.

Section 2.3. Exchange of Certificates.

(a) Prior to the Effective Time, Epitope and STC shall cause the Surviving Corporation, and the Surviving Corporation agrees, to appoint the Exchange Agent to act as the exchange agent in connection with the Mergers. Except as otherwise provided in this Article II, from and after the Effective Time, each holder of a certificate that immediately prior to the STC Effective Time or Epitope Effective Time, as the case may be, represented outstanding shares of STC Common Stock or Epitope Common Stock (collectively, the "Certificates") shall be entitled to receive in exchange therefor, upon surrender thereof to the Exchange Agent, a certificate or certificates representing the number of whole shares of Surviving Corporation Common Stock into which such holder's shares were converted in the STC Merger or Epitope Merger, as the case may be. Prior to the Effective Time, the Surviving Corporation will deliver to the Exchange Agent, in trust for the benefit of the holders of STC Common Stock and Epitope Common Stock, (i) certificates representing shares of Surviving Corporation Common Stock (such shares of Surviving Corporation Common Stock together with any dividends or distributions with respect thereto, being hereinafter referred to as the "Exchange Fund") and (ii) cash in an amount sufficient for payment in lieu of fractional shares necessary to make the exchanges contemplated by this Article II on a timely basis.

(b) Promptly after the Effective Time, the Exchange Agent shall mail to each record holder of STC Common Stock and Epitope Common Stock as of the Effective Time, a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent) and instructions for use in effecting the surrender of Certificates in exchange for certificates representing shares of Surviving Corporation Common Stock. Upon

surrender to the Exchange Agent of a Certificate, together with such letter of transmittal duly executed, and any other required documents, the holder of such Certificate shall be entitled to receive in exchange therefor, certificates representing shares of Surviving Corporation Common Stock as set forth in this Article II, and such Certificate shall forthwith be canceled. No holder of a Certificate or Certificates shall be entitled to receive any dividend or other distribution from the Surviving Corporation until the surrender of such holder's Certificate for a certificate or certificates representing shares of Surviving Corporation Common Stock. Upon such surrender, there shall be paid to the holder the amount of any dividends or other distributions (without interest) that theretofore became payable, but that were not paid by reason of the foregoing, with respect to the number of whole shares of Surviving Corporation Common Stock represented by the certificates issued upon surrender, which amount shall be delivered to the Exchange Agent by the Surviving Corporation from time to time as such dividends or other distributions are declared. If delivery of certificates representing shares of Surviving Corporation Common Stock is to be made to a person other than the person in whose name the Certificate surrendered is registered or if any certificate for shares of Surviving Corporation Common Stock as the case may be, is to be issued in a name other than that in which the Certificate surrendered therefor is registered, it shall be a condition of such delivery or issuance that the Certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the person requesting such delivery or issuance shall pay any transfer or other Taxes required by reason of such delivery or issuance to a person other than the registered holder of the Certificate surrendered or establish to the satisfaction of the Surviving Corporation that such Tax has been paid or is not applicable. Until surrendered in accordance with the provisions of this Section 2.4, each Certificate shall represent for all purposes only the right to receive shares of Surviving Corporation Common Stock (and, in the case of Certificates theretofore representing STC Common Stock, cash in lieu of fractional shares) as provided in this Article II without any interest thereon.

(c) After the Effective Time, there shall be no transfers on the stock transfer books of the Surviving Corporation of the shares of STC Common Stock or Epitope Common Stock that were outstanding prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation for transfer, they shall be canceled and exchanged for shares of Surviving Corporation Common Stock as provided in this Article II, in accordance with the procedures set forth in this Section 2.3.

(d) Any portion of the Exchange Fund and any cash in lieu of fractional shares of Surviving Corporation Common Stock made available to the Exchange Agent which remains undistributed to the former stockholders of STC for one year after the STC Effective Time shall be delivered to the Surviving Corporation, upon demand, and any stockholders of STC who have not theretofore complied with this Article II shall thereafter look only to the Surviving Corporation for payment of their claim for Surviving Corporation Common Stock, any cash in lieu of fractional shares of Surviving Corporation Common Stock and any dividends or distributions with respect to Surviving Corporation Common Stock. Any portion of the Exchange Fund which remains undistributed to the former stockholders of Epitope for one year after the Epitope Effective Time shall be delivered to the Surviving Corporation, upon demand, and any stockholders of Epitope who have not theretofore complied with this Article II shall thereafter look only to the Surviving Corporation for payment of their claim for Surviving Corporation Common Stock, and any dividends or distributions with respect to Surviving Corporation Common Stock.

(e) None of STC, Epitope, or the Surviving Corporation shall be liable to any holder of shares of STC Common Stock or Epitope Common Stock, as the case may be, for such shares (or dividends or distributions with respect thereto) or cash in lieu of fractional shares of Surviving Corporation Common Stock delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. Any amounts remaining unclaimed by holders of any such shares two years after the Effective Time (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any Governmental Entity) shall, to the extent permitted by applicable law, become the property of the Surviving Corporation free and clear of any claims or interest of any such holders or their successors, assigns or personal representatives previously entitled thereto.

Section 2.4. Affiliates. Notwithstanding anything to the contrary herein, to the fullest extent permitted by law and pooling of interests accounting treatment, no certificates representing shares of Surviving Corporation Common Stock or cash shall be delivered to a Person who may be deemed an "affiliate" of STC or Epitope in accordance with Section 8.8 hereof for purposes of Rule 145 under the Securities Act and, for purposes of qualifying the Merger for pooling of interests accounting treatment under Opinion 16 of the Accounting Principles Board and applicable rules and regulations of the SEC, until such Person has executed and delivered a STC Affiliate Agreement (as defined in Section 8.8(a)) or an Epitope Affiliate Agreement (as defined in Section 8.8(b)), as the case may be, pursuant to Section 8.8.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF EPITOPE

Except as disclosed in (i) the Epitope Disclosure Schedule delivered to STC separately prior to, or contemporaneously with, the date hereof (each section or subsection of which qualifies the correspondingly numbered representation, warranty or covenant to the extent specified therein) or (ii) the Epitope SEC Documents filed on or prior to the date hereof, Epitope represents and warrants to STC that:

Section 3.1. Corporate Existence and Power. Epitope is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Oregon, and has all corporate powers required to carry on its business as now conducted. Epitope is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where the failure to be so qualified, individually or in the aggregate, would not be reasonably likely to have an Epitope Material Adverse Effect. Epitope has heretofore made available to STC true and complete copies of Epitope's articles of incorporation and bylaws as currently in effect.

Section 3.2. Corporate Authorization. The execution, delivery and performance by Epitope of this Agreement and the consummation by Epitope of the transactions contemplated hereby are within Epitope's corporate powers and, except for the Epitope Stockholder Approval (as defined herein), have been duly authorized by all necessary corporate action. Assuming that this Agreement constitutes the valid and binding obligation of STC, this Agreement constitutes a valid and binding agreement of Epitope, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect, relating to or affecting creditors' rights and remedies generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 3.3. Governmental Authorization. The execution, delivery and performance by Epitope of this Agreement and the consummation by Epitope of the transactions contemplated hereby require no action by or in respect of, or filing with, any Governmental Entity other than (a) the filing of (i) Articles of Merger in accordance with the Oregon Law, (ii) a Certificate of Merger in accordance with the Delaware Law, and (iii) appropriate documents with the relevant authorities of other states or jurisdictions in which Epitope or any Epitope Subsidiary is qualified to do business; (b) compliance with any applicable requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") by stockholders of STC who will acquire the Surviving Corporation Common Stock with a value in excess of $15 million as a result of the Mergers and who do not have an exemption from the HSR Act therefor; (c) compliance with any applicable requirements of the Securities Act and the Exchange Act; (d) such as may be required under any applicable state securities or blue sky laws; and (e) such other consents, approvals, actions, orders, authorizations, registrations, declarations and filings that, if not obtained or made, would not, individually or in the aggregate, (x) be reasonably likely to have an Epitope Material Adverse Effect or (assuming for this purpose that the Effective Time had occurred) a Surviving Corporation Material Adverse Effect, or (y) prevent or materially impair the ability of Epitope to consummate the transactions contemplated by this Agreement.

Section 3.4. Non-Contravention. The execution, delivery and performance by Epitope of this Agreement and the consummation by Epitope of the transactions contemplated hereby do not and will not (a) contravene or

conflict with Epitope's articles of incorporation or bylaws, (b) assuming compliance with the matters referred to in Section 3.3, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to Epitope or any Epitope Subsidiary, (c) constitute a default under or give rise to a right of termination, cancellation or acceleration of any right or obligation of Epitope or any Epitope Subsidiary or to a loss of any benefit or status to which Epitope or any Epitope Subsidiary is entitled under any provision of any agreement, contract or other instrument binding upon Epitope or any Epitope Subsidiary or any license, franchise, permit or other similar authorization held by Epitope or any Epitope Subsidiary, or (d) result in the creation or imposition of any Lien on any asset of Epitope or any Epitope Subsidiary other than, in the case of each of (b), (c) and (d), any such items that would not, individually or in the aggregate (x) be reasonably likely to have an Epitope Material Adverse Effect or (y) prevent or materially impair the ability of Epitope to consummate the transactions contemplated by this Agreement.

Section 3.5. Capitalization.

(a) The authorized capital stock of Epitope consists of 30,000,000 shares of Epitope Common Stock, and 1,000,000 shares of preferred stock, no par value per share, of Epitope ("Epitope Preferred Stock"). At the close of business on April 30, 2000, (i) 16,393,495 shares of Epitope Common Stock were issued and outstanding, (ii) stock options ("Epitope Stock Options") and warrants ("Epitope Warrants") to purchase an aggregate of 4,136,571 shares of Epitope Common Stock were issued and outstanding (of which options and warrants to purchase an aggregate of 3,012,999 shares of Epitope Common Stock were exercisable), (iii) no shares of Epitope Common Stock were held in its treasury, (iii) no shares of Epitope Preferred Stock were issued and outstanding, and (iv) no shares of Epitope Series A Preferred Stock were reserved for issuance upon exercise of the Epitope Stock Purchase Rights. All outstanding shares of capital stock of Epitope have been duly authorized and validly issued and are fully paid and nonassessable.

(b) As of the date hereof, except (i) as set forth in this Section 3.5, and (ii) for changes since September 30, 1999, resulting from the exercise of stock options or warrants outstanding on such date, there are no outstanding (x) shares of capital stock or other voting securities of Epitope, (y) securities of Epitope convertible into or exchangeable for shares of capital stock or voting securities of Epitope, or (z) options or other rights to acquire from Epitope, and no obligation of Epitope to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of Epitope (the items in clauses (x), (y) and (z) being referred to collectively as the "Epitope Securities"). There are no outstanding obligations of Epitope or any Epitope Subsidiary to repurchase, redeem or otherwise acquire any Epitope Securities. There are no outstanding contractual obligations of Epitope to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other Person. There are no stockholder agreements, voting trusts or other agreements or understandings to which Epitope is a party, or of which Epitope is aware, relating to voting, registration or disposition of any shares of capital stock of Epitope or granting to any person or group of persons the right to elect, or to designate or nominate for election, a director to the board of directors of Epitope.

Section 3.6. Subsidiaries.

(a) Each Significant Subsidiary of Epitope is a corporation duly incorporated or an entity duly organized, and is validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, has all powers and authority and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and is duly qualified to do business as a foreign entity and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, in each case with such exceptions as, individually or in the aggregate, would not be reasonably likely to have, an Epitope Material Adverse Effect.

(b) All of the outstanding shares of capital stock of, or other ownership interest in, each Epitope Subsidiary has been validly issued and is fully paid and nonassessable. All of the outstanding capital stock of,

or other ownership interest in, each of Epitope's Subsidiaries, is owned, directly or indirectly, by Epitope, is owned free and clear of any Lien and free of any other limitation or restriction (including any limitation or restriction on the right to vote, sell or otherwise dispose of such capital stock or other ownership interests) with such exceptions as, individually or in the aggregate, would not be reasonably likely to have, an Epitope Material Adverse Effect. There are no outstanding (i) securities of Epitope or any of the Epitope Subsidiaries convertible into or exchangeable or exercisable for shares of capital stock or other voting securities or ownership interests in any of the Epitope Subsidiaries, (ii) options, warrants or other rights to acquire from Epitope or any of the Epitope Subsidiaries, and no other obligation of Epitope or any of the Epitope Subsidiaries to issue, any capital stock, voting securities or other ownership interests in, or any securities convertible into or exchangeable or exercisable for any capital stock, voting securities or ownership interests in, any of the Epitope Subsidiaries or (iii) obligations of Epitope or any of the Epitope Subsidiaries to repurchase, redeem or otherwise acquire any outstanding securities of any of the Epitope Subsidiaries or any capital stock of, or other ownership interests in, any of the Epitope Subsidiaries.

Section 3.7. Epitope SEC Documents.

(a) Epitope has made available to STC the Epitope SEC Documents. Epitope has filed all reports, filings, registration statements and other documents required to be filed by it with the SEC since September 30, 1997. No Epitope Subsidiary is required to file any form, report, registration statement or prospectus or other document with the SEC.

(b) As of its filing date, each Epitope SEC Document complied as to form in all material respects with the applicable requirements of the Securities Act and/or the Exchange Act, as the case may be.

(c) No Epitope SEC Document filed pursuant to the Exchange Act contained, as of its filing date, any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No Epitope SEC Document, as amended or supplemented, if applicable, filed pursuant to the Securities Act contained, as of the date such document or amendment became effective, any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

Section 3.8. Financial Statements; No Material Undisclosed Liabilities.

(a) The audited consolidated financial statements and unaudited consolidated interim financial statements of Epitope included in the Epitope 10-K and the Epitope 10-Q fairly present in all material respects, in conformity with GAAP consistently applied (except as may be indicated in the notes thereto and except that financial statements on Form 10-Q do not contain all GAAP notes to such financial statements), the consolidated financial position of Epitope and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations, consolidated cash flows and changes in stockholders' equity for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim financial statements).

(b) There are no liabilities of Epitope or any Epitope Subsidiary of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, in each case, that are required by GAAP to be set forth on a consolidated balance sheet of Epitope, other than:

(i) liabilities or obligations disclosed or provided for in the Epitope Balance Sheet or disclosed in the notes thereto;

(ii) liabilities or obligations under this Agreement or incurred in connection with the transactions contemplated hereby; and

(iii) other liabilities or obligations that individually or in the aggregate, would not be reasonably likely to have an Epitope Material Adverse Effect.

(c) Epitope and the Epitope Subsidiaries keep proper accounting records in which all material assets and liabilities, and all material transactions, of Epitope and the Epitope Subsidiaries are recorded in conformity with GAAP. No part of Epitope's or any Epitope Subsidiary's accounting system or records, or access thereto, is under the control of a Person who is not an employee of Epitope or such Subsidiary.

Section 3.9. Information to be Supplied.

(a) The information to be supplied by Epitope expressly for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus will (i) in the case of the Registration Statement, at the time it becomes effective, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading and (ii) in the case of the remainder of the Joint Proxy Statement/Prospectus, at the time of the mailing thereof, and at the time of the Special Meetings, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Joint Proxy Statement/Prospectus will comply (with respect to information relating to Epitope) as to form in all material respects with the provisions of the Securities Act and the Exchange Act.

(b) Notwithstanding the foregoing, Epitope makes no representation or warranty with respect to any statements made or incorporated by reference in the Joint Proxy Statement/Prospectus based on information supplied by STC.

Section 3.10. Absence of Certain Changes. Since September 30, 1999, except as otherwise expressly contemplated by this Agreement, Epitope and the Epitope Subsidiaries have conducted their business in the ordinary course consistent with past practice and there has not been (a) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of Epitope or any Epitope Subsidiary that, individually or in the aggregate, has had or would be reasonably likely to have an Epitope Material Adverse Effect, (b) any action, event, occurrence, development or state of circumstances or facts that, individually or in the aggregate, has had or would be reasonably likely to have an Epitope Material Adverse Effect or (c) any incurrence, assumption or guarantee by Epitope of any material indebtedness for borrowed money other than in the ordinary course and in amounts and on terms consistent with past practices.

Section 3.11. Litigation. Section 3.11 of the Epitope Disclosure Schedule contains a list and description of each action, suit, investigation, arbitration or proceeding pending against, or to the Knowledge of Epitope threatened against, Epitope or any Epitope Subsidiary or any of their respective assets or properties before any arbitrator or Governmental Entity. None of such actions, suits, investigations, arbitrations or proceedings, individually or in the aggregate, would be reasonably likely to have, an Epitope Material Adverse Effect. There are no outstanding judgments, decrees, injunctions, awards or orders against Epitope that would be reasonably likely to have, individually or in the aggregate, an Epitope Material Adverse Effect.

Section 3.12. Taxes.

(a) All Tax returns, statements, reports and forms (collectively, the "Epitope Returns") required to be filed with any taxing authority by, or with respect to, Epitope and the Epitope Subsidiaries have been filed in substantial compliance with all applicable laws.

(b) Epitope and the Epitope Subsidiaries have timely paid all Taxes shown as due and payable on the Epitope Returns that have been so filed, and all other Taxes not subject to reporting obligations, and, as of the time of filing, the Epitope Returns correctly reflected the facts regarding the income, business, assets, operations, activities and the status of Epitope and the Epitope Subsidiaries (other than Taxes that are being contested in good faith and for which adequate reserves are reflected on the Epitope Balance Sheet).

(c) Epitope and the Epitope Subsidiaries have made provision for all Taxes payable by them for which no Epitope Return has yet been filed.

(d) The charges, accruals and reserves for Taxes with respect to Epitope and the Epitope Subsidiaries reflected on the Epitope Balance Sheet are adequate under GAAP to cover the Tax liabilities accruing through the date thereof.

(e) There is no action, suit, proceeding, audit or claim now proposed or pending against or with respect to Epitope or any of the Epitope Subsidiaries in respect of any Tax that would be reasonably likely to have an Epitope Material Adverse Effect.

(f) Neither Epitope nor any of the Epitope Subsidiaries has been a member of an affiliated, consolidated, combined or unitary group other than one of which Epitope was the common parent.

(g) Neither Epitope nor any of the Epitope Subsidiaries holds any asset subject to a consent under Section 341(f) of the Code.

(h) The representations and warranties contained in the Epitope Representation Letter, attached hereto as Exhibit I, are true and correct.

Section 3.13. Employee Benefits.

(a) Section 3.13(a) of the Epitope Disclosure Schedule contains a correct and complete list identifying each material "employee benefit plan", as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), each employment, severance or similar contract, plan, arrangement or policy and each other plan or arrangement (written or oral) providing for compensation, bonuses, profit-sharing, stock option or other stock related rights or other forms of incentive or deferred compensation, vacation benefits, insurance coverage (including any self-insured arrangements), health or medical benefits, disability benefits, workers' compensation, supplemental unemployment benefits, severance benefits and post-employment or retirement benefits (including compensation, pension, health, medical or life insurance benefits) that is maintained, administered or contributed to by Epitope or any ERISA Affiliate (as defined below) of Epitope and covers any employee or former employee of Epitope or any Epitope Subsidiary. Copies of such plans (and, if applicable, related trust agreements) and all amendments thereto and written interpretations thereof have been furnished, or will be made available upon request, to STC together with the most recent annual report (Form 5500 including, if applicable, Schedule B thereto) and summary plan description prepared in connection with any such plan. Such plans are referred to collectively herein as the "Epitope Employee Plans". For purposes of this Section 3.13, "ERISA Affiliate" of any Person means any other Person which, together with such Person, would be treated as a single employer under Section 414 of the Code.

(b) No Epitope Employee Plan is now or at any time has been subject to Part 3, Subtitle B of Title I of ERISA or Title IV of ERISA. At no time has Epitope or any of its ERISA Affiliates contributed to, or been required to contribute to, any "multiemployer plan," as defined in Section 3(37) or ERISA (a "Multiemployer Plan"), and neither Epitope nor any of its ERISA Affiliates has, or ever has had, any liability (contingent or otherwise) relating to the withdrawal or partial withdrawal from a multiemployer Plan. To the Knowledge of Epitope, no condition exists and no event has occurred that would be reasonably likely to constitute grounds for termination of any Epitope Employee Plan that is a Retirement Plan. To the Knowledge of Epitope, nothing has been done or omitted to be done and no transaction or holding of any asset under or in connection with any Epitope Employee Plan has occurred that will make Epitope or any Epitope Subsidiary, or any officer or director of Epitope or any Epitope Subsidiary, subject to any liability under Title I of ERISA or liable for any tax pursuant to Section 4975 of the Code (assuming the taxable period of any such transaction expired as of the date hereof) that would be reasonably likely to have an Epitope Material Adverse Effect.

(c) Each Epitope Employee Plan that is intended to be qualified under Section 401(a) of the Code now meets, and at all time since its inception have met, the requirements for such qualification, and each trust forming a part thereof is now, and at all times since its inception has been, exempt from tax pursuant to Section 501(a) of the Code. Each such plan has received a determination letter from the Internal Revenue Service to the effect that such plan is qualified and its related trust is exempt from federal income taxes. Epitope has furnished, or will make available upon request, to STC copies of the most recent Internal Revenue Service determination letters with respect to each such Epitope Employee Plan. Each Epitope Employee Plan has been maintained and administered in substantial compliance with its terms (except that in any case in which any Epitope Employee Plan is currently required to comply with a provision of ERISA or of the Code, but is not

yet required to be amended to reflect such provision, such plan has been maintained and administered in accordance with the provision) and with the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to ERISA and the Code, which are applicable to such Epitope Employee Plan. All material reports, returns and similar documents with respect to each Epitope Employee Plan required to be filed with any government agency or distributed to any Epitope Employee Plan participant have been duly timely filed and distributed.

(d) There is no contract, agreement, plan or arrangement that, as a result of the Mergers, would be reasonably likely to obligate Epitope to make any payment of any amount that would not be deductible pursuant to the terms of Section 162(m) or Section 280G of the Code.

(e) Except as disclosed in writing to STC prior to the date hereof, there has been no amendment to, written interpretation or announcement (whether or not written) relating to, or change in employee participation or coverage under, any Epitope Employee Plan that would increase materially the expense of maintaining such Epitope Employee Plan above the level of the expense incurred in respect thereof for the fiscal year ended September 30, 1999.

(f) No Epitope Employee Plan promises or provides post-retirement medical, life insurance or other benefits due now or in the future to current, former or retired employees of Epitope or any Subsidiary.

Section 3.14. Compliance with Laws; Licenses, Permits and Registrations.

(a) Neither Epitope nor any Epitope Subsidiary is in violation of, or has violated, any applicable provisions of any laws, statutes, ordinances, regulations, judgments, injunctions, orders or consent decrees, except for any such violations that, individually or in the aggregate, would not be reasonably likely to have an Epitope Material Adverse Effect.

(b) Each of Epitope and the Epitope Subsidiaries has all permits, licenses, approvals, authorizations of and registrations with and under all federal, state, local and foreign laws, and from all Governmental Entities required by Epitope and the Epitope Subsidiaries to carry on their respective businesses as currently conducted, except where the failure to have any such permits, licenses, approvals, authorizations or registrations, individually or in the aggregate, would not be reasonably likely to have an Epitope Material Adverse Effect.

Section 3.15. Title to Properties.

(a) Epitope and each Epitope Subsidiary have good and marketable title to, or valid leasehold interests in, all their properties and assets except for such as are no longer used or useful in the conduct of their businesses or as have been disposed of in the ordinary course of business and except for defects in title, easements, restrictive covenants and similar Liens, encumbrances or impediments that do not materially interfere with the ability of Epitope and its Subsidiaries to use their respective assets and conduct their businesses, as currently used or conducted. All such assets and properties, other than assets and properties in which Epitope or any Epitope Subsidiary has leasehold interests, are free and clear of all Liens, except for Liens that, in the aggregate, do not and will not materially interfere with the ability of Epitope and the Epitope Subsidiaries to use their respective assets and conduct their businesses, as currently conducted.

(b) Epitope and each Epitope Subsidiary (i) are in substantial compliance with the terms of all leases to which they are a party and under which they are in occupancy, and all such leases are in full force and effect and (ii) enjoy peaceful and undisturbed possession under all such leases.

Section 3.16. Intellectual Property.

(a) Epitope and the Epitope Subsidiaries own or have a valid license to use (i) all fictional business names, trading names, registered and unregistered trademarks, service marks, domain names and applications (collectively, "Marks"); (ii) all patents, patent applications, and inventions and discoveries that may be

patentable (collectively, "Patents"); (iii) all copyrights in both published works and unpublished works (collectively, "Copyrights"); (iv) all rights in mask works (collectively, "Rights in Mask Works"); and (v) all know-how, trade secrets, and confidential information, (such as, customer lists, software, technical information, data, process technology, and plans) (collectively, "Trade Secrets"); necessary to (x) carry on the business of Epitope as currently conducted or as proposed to be conducted by the Surviving Corporation, to (y) make, have made, use, distribute and sell all products currently sold by Epitope and all products in development, including all products proposed to be sold under the "OraSure" or "OraQuick" trade names.

(b) There are no outstanding and, to Epitope's Knowledge, no Threatened disputes or disagreements with respect to any agreement to which Epitope or an Epitope subsidiary is a party, relating to any of Epitope's Marks, Patents, Copyrights, Rights in Mask Works, or Trade Secrets (collectively, "Epitope Intellectual Property").

(c) Epitope is the owner of all right, title, and interest in and to the Epitope Intellectual Property, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims.

(d) All former and current employees of Epitope have executed written contracts with Epitope that assign to Epitope all rights to any inventions, improvements, discoveries, or information relating to the business of Epitope. To Epitope's knowledge, no employee of Epitope has entered into any contract that restricts or limits in any way the scope or type of work in which the employee may be engaged or requires the employee to transfer, assign, or disclose information concerning his work to anyone other than Epitope.

(e) All of the Patents are currently in compliance in all material respects with formal legal requirements (including payment of filing, examination, and maintenance fees and proofs of working or use), are valid and enforceable, and are not subject to any maintenance fees or taxes or actions that have not been paid when due.

(f) Epitope uses reasonable procedures to keep its Trade Secrets confidential. Epitope's Trade Secrets have been disclosed only under written agreements that require the recipient to hold such Trade Secrets confidential.

(g) No Patent has been or is now involved in any interference, reissue, reexamination, or opposition proceeding. To Epitope's Knowledge, there is no potentially interfering patent or patent application of any third party.

(h) No Patent is infringed or, to Epitope's Knowledge, has been challenged or threatened in any way. To Epitope's Knowledge, none of the products manufactured and sold or proposed to be sold, nor any process or know-how used, by Epitope infringes or is alleged to infringe any Patent or other proprietary right of any other Person.

(i) Epitope is not required to make any payments to any third parties in connection with its use of Epitope Intellectual Property.

(j) All products made, used, or sold under the Patents have been marked with the proper patent notice.

Section 3.17. Environmental Matters.

(a) To the Knowledge of Epitope, there has not been, as of the date hereof, any (i) "release" (as defined in 42 U.S.C. (S)9601(22)) or threat of a "release" of any "hazardous substances" (as defined in 42 U.S.C. (S)9601(14)) or oil or other petroleum related products on or about any of the real property owned, operated or leased by Epitope or any Epitope Subsidiary ("Epitope Real Property"), or (ii) release or presence of any pollutant, contaminant or condition giving rise to a cause of action under federal, state or local statutory or common law on or about any of the Epitope Real Property other than such as would not reasonably be expected to have an Epitope Material Adverse Effect.

(b) Neither Epitope nor any Epitope Subsidiary has any contract, agreement or otherwise arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment, of hazardous substances at any "facility" (as defined in 42 U.S.C. (S)9601(9)) owned or operated by another Person.

(c) Neither Epitope nor any Epitope Subsidiary has accepted any hazardous substances for transport to disposal or treatment facilities or sites selected by Epitope or any Epitope Subsidiary.

(d) To the Knowledge of Epitope, the Epitope Real Property and the use thereof is in material compliance with, and each Epitope and each Epitope Subsidiary is in compliance with, all applicable laws, statutes, ordinances, rules and regulations of any Governmental Entity relating to environmental protection, underground storage tanks, toxic waste, hazardous waste, oil or hazardous substance handling, treatment, storage, disposal or transportation, or arranging therefor, respecting any products or materials previously or now located on, or in transit from the Epitope Real Property, including without limitation the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Superfund Amendments and Reauthorization Act of 1986.

(e) The past disposal practices relating to hazardous substances and hazardous wastes of Epitope and each Epitope Subsidiary (and their respective predecessors, if any) have been accomplished in accordance with all applicable laws, statutes, rules, regulations and ordinances.

(f) Neither Epitope nor any Epitope Subsidiary has been notified of, nor, to the Knowledge of Epitope or any Epitope Subsidiary is there, any basis for any potential liability of Epitope or any Epitope Subsidiary with respect to the cleanup of any waste disposal site or facility. Neither Epitope nor any Epitope Subsidiary has received any notification to the effect that any site at which Epitope or any Epitope Subsidiary has disposed of hazardous substances or oil has been or is under investigation by any Governmental Entity.

(g) Neither Epitope nor any Epitope Subsidiary has received any notification of releases or hazardous substances or oil from any Governmental Entity.

Section 3.18. Finders' Fees; Opinions of Financial Advisor.

(a) Except for Deutsche Bank Securities Inc. (also operating as Deutsche Banc Alex. Brown), there is no investment banker, broker, finder or other intermediary that has been retained by, or is authorized to act on behalf of, Epitope or any Epitope Subsidiary who might be entitled to any fee or commission from STC or any of its Affiliates upon consummation of the transactions contemplated by this Agreement.

(b) The Board of Directors of Epitope has received the opinion of Deutsche Bank Securities Inc., dated as of the date of this Agreement, to the effect that, as of such date, the Exchange Ratio is fair, from a financial point of view, to Epitope.

Section 3.19. Required Vote; Board Approval.

(a) The only votes of the holders of any class or series of capital stock of Epitope required by law, rule, regulation or rule of the National Association of Securities Dealers, Inc. to approve and adopt this Agreement and/or any of the other transactions contemplated hereby, including the Mergers, are the affirmative vote of the holders of more than fifty percent of all votes entitled to be cast on the STC Merger and the Epitope Merger (the "Epitope Stockholder Approval").

(b) Epitope's Board of Directors has unanimously (i) determined and declared that this Agreement and the transactions contemplated hereby, including the Merger, are advisable and in the best interests of Epitope and its stockholders, (ii) approved and adopted this Agreement, the Merger and the other transactions contemplated hereby and (iii) resolved to recommend to such stockholders that they vote in favor of adopting and approving this Agreement and the Mergers in accordance with the terms hereof, subject to the Board's fiduciary duties under applicable law, at a special meeting of the stockholders of Epitope duly held for such purpose (the "Epitope Stockholders Meeting").

Section 3.20. State Takeover Statutes.

(a) Epitope has taken all actions required to be taken by it in order to exempt this Agreement and the transactions contemplated hereby from the provisions of Sections 60.801 through 60.845 of the Oregon Law, and accordingly, such Sections do not apply to the Mergers or any of such transactions. No other "control share acquisition," "business combination," "fair price" or other anti-takeover laws or regulations enacted under state or federal laws in the United States apply to this Agreement or any of the transactions contemplated hereby.

Section 3.21. Pooling Matters; Tax Treatment.

(a) Epitope intends that the Mergers be accounted for under the "pooling of interests" method under the requirements of Opinion No. 16 (Business Combinations) of the Accounting Principles Board of the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, and the rules and regulations of the SEC. Epitope will request a letter addressed to it from PriceWaterhouse Coopers LLP, dated as of the Closing Date, and (if and when obtained) a copy of it will be delivered to STC. Such letter (which may contain customary qualifications and assumptions) shall state that PriceWaterhouse Coopers LLP concurs with Epitope's management's conclusion that no conditions exist that would preclude the Surviving Corporation from accounting for the Mergers as a "pooling of interests," as described in the first sentence of this Section 3.21(a).

(b) Neither Epitope nor any of its Affiliates has taken or agreed to take, or will take, any action or is aware of any fact or circumstance that would prevent or impede the Mergers from qualifying (i) for "pooling of interests" accounting treatment as described in Section 3.21(a) above or (ii) as a 368 Reorganization or that would make untrue any representation or warranty contained in the Representation Letter attached as Exhibit I.

Section 3.22. Certain Agreements. None of Epitope, any Epitope Subsidiary or any of their respective Affiliates (i) are parties to or otherwise bound by any agreement or arrangement that limits or otherwise restricts Epitope, any Epitope Subsidiary, the Surviving Corporation or any of their respective Affiliates from engaging or competing in any line of business or in any locations, and (ii) except in the ordinary course of business, have amended, modified or terminated any material contract, agreement or arrangement of Epitope or any Epitope Subsidiary or otherwise waived, released or assigned any material rights, claims or benefits of Epitope or any Epitope Subsidiary thereunder.

Section 3.23. Epitope Rights Agreement. Merger Sub will, prior to the Effective Time, take or cause to be taken all action so that each issued and outstanding share of STC Common Stock (other than shares to be cancelled in accordance with Section 2.1(e)(iii)), upon conversion of such shares into Surviving Corporation Common Stock in accordance with Section 2.1(e)(i), shall have associated rights to purchase the appropriate number of shares of Surviving Corporation Series A Preferred Stock pursuant to the Merger Sub Rights Agreement. Epitope has amended the Epitope Rights Agreement in accordance with its terms to render it inapplicable to the transactions contemplated by this Agreement so that the entering into of this Agreement and the consummation of the transactions contemplated hereby do not and will enable or require the Rights granted thereunder (the "Epitope Stock Purchase Rights") to be exercised, distributed or triggered. Epitope has delivered to STC a true and complete copy of the Epitope Rights Agreement, as amended, in effect as of the date of the execution of this Agreement.

Section 3.24. Employment Agreements. There exists (i) no union, guild or collective bargaining agreement to which Epitope or any Epitope Subsidiary is a party, (ii) no employment, consulting or severance agreement between Epitope or any Subsidiary of Epitope and any Person (except for consulting agreements that individually, and in the aggregate, are not material to Epitope), and (iii) no employment, consulting, severance or indemnification agreement or other agreement or plan to which Epitope or any Epitope Subsidiary is a party that would be altered or result in any bonus, golden parachute, severance or other payment or obligation to any Person, or result in any acceleration of the time of payment or in the provision or vesting of any benefits, as a result of the execution or performance of this Agreement or as a result of the Mergers or the other transactions contemplated hereby.

Section 3.25. Transactions With Directors, Officers and Affiliates. Except for any of the following matters which would not be required to be disclosed pursuant to Item 402 or Item 404 of Regulation S-K of the U.S. Securities and Exchange Commission (the "Commission"), since September 30, 1999, there have been no transactions between Epitope or any of its Subsidiaries and any director, officer, employee, stockholder or "Affiliate" (as identified pursuant to Section 8.8 hereof) of Epitope or any of its Subsidiaries, including, without limitation, loans, guarantees or pledges to, by or for Epitope or any of Epitope's Subsidiaries from, to, by or for any of such Persons. Since September 30, 1999, none of the officers or directors of Epitope or any of its Subsidiaries, and no spouse or relative of any of such Persons, has been a director or officer of, or has had any material direct or indirect interest in, any Person which during such period has been a supplier, customer or sales agent of Epitope or any of its Subsidiaries or has competed with or been engaged in any business of the kind being conducted by Epitope or any of its Subsidiaries.

Section 3.26. Material Contracts. Schedule 3.26 delivered to STC by Epitope prior to the execution of this Agreement lists all material contracts and agreements to which, as of the date hereof, Epitope or any Epitope Subsidiary is a party or by which Epitope or any Epitope Subsidiary is bound or under which Epitope or any Epitope Subsidiary has or may acquire any rights, which were not filed prior to the date hereof as exhibits to Epitope Commission Filings, which involve or relate to (i) obligations of Epitope or any Epitope Subsidiary for borrowed money or other indebtedness where the amount of such obligations exceeds $250,000 individually, (ii) the lease by Epitope or any Epitope Subsidiary, as lessee or lessor, of real property for rent of more than $250,000 per annum, (iii) the purchase or sale of goods (other than raw material to be purchased by Epitope on terms that are customary and consistent with the past practice of Epitope and in amounts and at prices substantially consistent with past practices of Epitope) or services with an aggregate minimum purchase price of more than $250,000 per annum, (iv) rights to manufacture and/or distribute any product which accounted for more than $250,000 of the consolidated revenues of Epitope and its Subsidiaries during the fiscal year ended September 30, 1999 or under which Epitope or any Epitope Subsidiary received or paid license or other fees in excess of $250,000 during any year, (v) the purchase or sale of assets or properties not in the ordinary course of business having a purchase price in excess of $250,000, (vi) the right (whether or not currently exercisable) to use, license (including any "in-license" or "outlicense"), sublicense or otherwise exploit any intellectual property right or other proprietary asset of Epitope or of any of Subsidiary of Epitope or any other Person which, when considered together with all such other rights, is material to Epitope; (vii) any material collaboration or joint venture or similar arrangement; (viii) the restriction on the right or ability of Epitope or any Subsidiary of Epitope (A) to compete with any other Person, (B) to acquire any product or other asset or any services from any other Person, (C) to solicit, hire or retain any Person as an employee, consultant or independent contractor, (D) to develop, sell, supply, distribute, offer, support or service any product or any technology or other asset to or for any other Person, (E) to perform services for any other Person, or (F) to transact business or deal in any other manner with any other Person; (ix) any currency hedging; or (x) individual capital expenditures or commitments in excess of $250,000. All such contracts and agreements are duly and validly executed by Epitope or such Epitope Subsidiary, and are in full force and effect. Neither Epitope nor any of its Subsidiaries has violated or breached, or committed any default under, any contract or agreement, and, to the knowledge of Epitope, no other Person has violated or breached, or committed any default under, any contract or agreement, which violation, breach or default (alone or in combination with other violations, breaches or defaults under such contract or agreement or under other contracts or agreements) has had or may reasonably be expected to have an Epitope Material Adverse Effect. No event has occurred which, after notice or the passage of time or both, would constitute a default by Epitope or any Subsidiary of Epitope under any contract or agreement or give any Person the right to (A) declare a default or exercise any remedy under any contract or agreement, (B) receive or require a rebate, chargeback, penalty or change in delivery schedule under any contract or agreement, (C) accelerate the maturity or performance of any contract or agreement, or (D) cancel, terminate or modify any contract or agreement, in each case which, together with all other events of the types referred to in clauses (A), (B), (C) and (D) of this sentence has had or may reasonably be expected to have an Epitope Material Adverse Effect. All such contracts and agreements will continue, after the Effective Time, to be binding in all material respects in accordance with their respective terms until their respective expiration dates.

Section 3.27. Certain Business Practices. Neither Epitope, nor to the Knowledge of Epitope any director, officer, agent or employee of Epitope, has (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or (iii) made any other unlawful payment.

Section 3.28. Insurance. Epitope has made available to STC a summary of all material insurance policies and all material self insurance programs and arrangements relating to the business, assets and operations of Epitope and its Subsidiaries. Each of such insurance policies is in full force and effect. Since September 30, 1999, neither Epitope nor any of its Subsidiaries has received any notice or other communication regarding any actual or possible (i) cancellation or invalidation of any material insurance policy, (ii) refusal of any coverage or rejection of any material claim under any insurance policy, or (iii) material adjustment in the amount of the premiums payable with respect to any insurance policy. There is no pending workers' compensation or other claim under or based upon any insurance policy of Epitope or any of its Subsidiaries other than claims incurred in the ordinary course of business.

Section 3.29. Product Information.

(a) Non-Exempt Products. The products of Epitope listed on Section 3.29(a) of the Disclosure Schedule (the "Epitope Non-Exempt Products") are subject to the premarket approval requirements of the Medical Device Amendments to the Federal Food, Drug and Cosmetic Act and all premarketing approval letters received from Food and Drug Administration (the "FDA") are identified on Section 3.29(a) of the Disclosure Schedule.

(i) All Epitope Non-Exempt Products and all modifications or changes to any Non-Exempt Product are in compliance in all material respects with the premarketing and postmarking regulatory controls of the Medical Device Amendments to the Federal Food, Drug and Cosmetic Act.

(ii) All pre-market notification submissions and any supplementary materials submitted therewith are accurate in all material respects and each of the Epitope Non-Exempt Products is suitable for its intended use.

(iii) During the five-year period prior to the date hereof, there have been no adverse actions taken by the FDA or any other Governmental Entity involving Non-Exempt Products including, without limitation any recalls of any Epitope Non-Exempt Product. For Epitope Non-Exempt Products, Epitope maintains a system designed to keep records of complaints. There are no current recalls or, to Epitope's or Epitope Knowledge, threatened recalls of any Epitope Non-Exempt Product.

(iv) All Epitope Non-Exempt Products are manufactured in all material respects in accordance with the good manufacturing practices regulations of the Federal Food, Drug and Cosmetic Act. All contract manufacturers and contract sterilizers have been, during the five-year period prior to the date hereof, and are now registered with the Food and Drug Administration and all facilities used in the manufacture and sterilization of Epitope Non-Exempt Products have been, during the five-year period prior to the date hereof, and are now in compliance in all material respects with the applicable regulations of the Food and Drug Administration.

(v) No Epitope Non-Exempt Products have been, during the five-year period prior to the date hereof, or are now misbranded.

(vi) During the five-year period prior to the date hereof, for all Epitope Non-Exempt Products, Epitope has either submitted to the Food and Drug Administration all written information disseminated on new uses in a supplemental application or submitted an application for an exemption from submission of a supplemental application.

(b) Neither Epitope nor any Epitope Subsidiary has any Knowledge of any current investigations by any Governmental or Regulatory including, without limitation, the Food and Drug Administration regarding Epitope or any products of Epitope or any Epitope Subsidiary.

Section 3.30. Product Liability Claims. During the three-year period preceding the date hereof, neither Epitope nor any Epitope Subsidiary has ever been notified of or received a claim, informally or in a legal action filed with a court, arbitrator, mediator or with any other adjudicatory body or incurred any uninsured or insured liability, in the form of a judgment, settlement or other payment or required activity or inactivity, for or based upon breach of product warranty (other than warranty service and repair claims in the ordinary course of business not material in amount of significance), strict liability in tort, negligent design or manufacture of product, negligent provision of instructions, warnings or services, fraudulent representations, deceptive trade practices or any other allegation of liability, concerning a personal injury (whether physical or emotional distress) or resulting in product recalls, arising from the materials, design, testing, manufacture, packaging, labeling (including instructions for use) or sale of its products or from the provision of services (hereafter collectively referred to as "Product Liability"). To the knowledge of Epitope, no basis for any claim based upon alleged Product Liability exists which would have an Epitope Material Adverse Effect.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF STC

Except as disclosed in the STC Disclosure Schedule delivered to Epitope separately prior to, or contemporaneously with, the date hereof (each section or subsection of which qualifies the correspondingly numbered representation, warranty or covenant to the extent specified therein), STC represents and warrants to Epitope that:

Section 4.1. Corporate Existence and Power. STC is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and has all corporate powers required to carry on its business as now conducted. STC is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where the failure to be so qualified, individually or in the aggregate, would not be reasonably likely to have a STC Material Adverse Effect. STC has heretofore made available to Epitope true and complete copies of STC's certificate of incorporation and bylaws as currently in effect.

Section 4.2. Corporate Authorization. The execution, delivery and performance by STC of this Agreement and the consummation by STC of the transactions contemplated hereby are within STC's corporate powers and, except for the STC Stockholder Approval (as defined herein), have been duly authorized by all necessary corporate action. Assuming that this Agreement constitutes the valid and binding obligation of Epitope, this Agreement constitutes a valid and binding agreement of STC, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect, relating to or affecting creditors' rights and remedies generally and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 4.3. Governmental Authorization. The execution, delivery and performance by STC of this Agreement and the consummation by STC of the transactions contemplated hereby require no action by or in respect of, or filing with, any Governmental Entity other than (a) the filing of (i) the Articles of Merger in accordance with the Oregon Law, (ii) the Certificate of Merger in accordance with the Delaware Law, and (iii) appropriate documents with the relevant authorities of other states or jurisdictions in which STC or any STC Subsidiary is qualified to do business; (b) compliance with any applicable requirements of the HSR Act by stockholders of STC who will acquire the Surviving Corporation Common Stock with a value in excess of $15 million as a result of the Mergers and who do not have an exemption from the HSR Act therefor; (c) compliance with any applicable requirements of the Securities Act and the Exchange Act; (d) such as may be required under any applicable state securities or blue sky laws; and (e) such other consents, approvals, actions, orders, authorizations, registrations, declarations and filings that, if not obtained or made, would not, individually or in the aggregate, (x) be reasonably likely to have a STC Material Adverse Effect or (assuming for this purpose that the Effective Time had occurred) a Surviving Corporation Material Adverse Effect, or (y) prevent or materially impair the ability of STC to consummate the transactions contemplated by this Agreement.

Section 4.4. Non-Contravention. The execution, delivery and performance by STC of this Agreement and the consummation by STC of the transactions contemplated hereby do not and will not (a) contravene or conflict with STC's certificate of incorporation or bylaws, (b) assuming compliance with the matters referred to in Section 4.3, contravene or conflict with or constitute a violation of any provision of any law, regulation, judgment, injunction, order or decree binding upon or applicable to STC, (c) constitute a default under or give rise to a right of termination, cancellation or acceleration of any right or obligation of STC or any STC Subsidiary or to a loss of any benefit or status to which STC is entitled under any provision of any agreement, contract or other instrument binding upon STC or any STC Subsidiary or any license, franchise, permit or other similar authorization held by STC, or (d) result in the creation or imposition of any Lien on any asset of STC other than, in the case of each of (b), (c) and (d), any such items that would not, individually or in the aggregate (x) be reasonably likely to have a STC Material Adverse Effect or (y) prevent or materially impair the ability of STC to consummate the transactions contemplated by this Agreement.

Section 4.5. Capitalization.

(a) The authorized capital stock of STC consists of 6,000,000 shares of STC Common Stock and 2,000,000 shares of STC Preferred Stock. At the close of business on May 5, 2000, (i) 2,388,798 shares of STC Common Stock were issued and outstanding, (ii) stock options ("STC Stock Options") and warrants ("STC Warrants") to purchase an aggregate of 187,477 shares of STC Common Stock were issued and outstanding (of which options and warrants to purchase an aggregate of 60,060 shares of STC Common Stock were exercisable), (iii) 783,548 shares of STC Common Stock were held in its treasury, (iv) 1,080,061 shares of STC Preferred Stock were issued and outstanding, and (v) stock options and warrants to purchase an aggregate of 0 shares of STC Preferred Stock were issued and outstanding (of which options and warrants to purchase an aggregate of 0 shares of STC Preferred Stock were exercisable). All outstanding shares of capital stock of STC have been duly authorized and validly issued and are fully paid and nonassessable.

(b) As of the date hereof, except (i) as set forth in this Section 4.5, (ii) and (ii) for changes since December 31, 1999, resulting from the exercise of stock options outstanding on such date, there are no outstanding (x) shares of capital stock or other voting securities of STC, (y) securities of STC convertible into or exchangeable for shares of capital stock or voting securities of STC, or (z) options or other rights to acquire from STC, and no obligation of STC to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of STC (the items in clauses (x), (y) and (z) being referred to collectively as the "STC Securities"). There are no outstanding obligations of STC or any STC Subsidiary to repurchase, redeem or otherwise acquire any STC Securities. There are no outstanding contractual obligations of STC to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other Person. There are no stockholder agreements, voting trusts or other agreements or understandings to which STC is a party, or of which STC is aware, relating to voting, registration or disposition of any shares of capital stock of STC or granting to any person or group of persons the right to elect, or to designate or nominate for election, a director to the board of directors of STC.

Section 4.6. Subsidiaries. STC does not have any subsidiaries and does not own or control, directly or indirectly, any stock or equity interest in any corporation or other Person.

Section 4.7. Financial Statements; No Material Undisclosed Liabilities.

(a) The audited consolidated balance sheets of STC as of December 31, 1997, 1998 and 1999, together with the related audited statements of operations, stockholders' equity and cash flows for the fiscal years then ended and the notes thereto and the unaudited balance sheet of STC as of February 29, 2000, together with the related unaudited statements of operations, stockholders' equity and cash flows for the period then ended (the "STC Financial Statements") fairly present in all material respects, in conformity with GAAP consistently applied (except as may be indicated in the notes thereto and except that the unaudited interim financial statements do not contain all GAAP notes to such financial statements), the financial position of STC as of the dates thereof and its results of operations, stockholders' equity and consolidated cash flows for the periods then ended (subject to normal year-end adjustments in the case of any unaudited interim financial statements).

(b) There are no liabilities of STC of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, in each case, that are required by GAAP to be set forth on a balance sheet of STC, other than:

(i) liabilities or obligations disclosed or provided for in the STC Balance Sheet or disclosed in the notes thereto;

(ii) liabilities or obligations under this Agreement or incurred in connection with the transactions contemplated hereby; and

(iii) other liabilities or obligations that individually or in the aggregate, would not be reasonably likely to have a STC Material Adverse Effect.

(c) STC keeps proper accounting records in which all material assets and liabilities, and all material transactions, of STC are recorded in conformity with GAAP. No part of STC's accounting system or records, or access thereto, is under the control of a Person who is not an employee of STC.

Section 4.8. Information to be Supplied.

(a) The information to be supplied by STC expressly for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus will (i) in the case of the Registration Statement, at the time it becomes effective, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading and (ii) in the case of the remainder of the Joint Proxy Statement/Prospectus, at the time of the mailing thereof, and at the time of the Special Meetings, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Joint Proxy Statement/Prospectus will comply (with respect to information relating to STC) as to form in all material respects with the provisions of the Securities Act and the Exchange Act.

(b) Notwithstanding the foregoing, STC makes no representation or warranty with respect to any statements made or incorporated by reference in the Joint Proxy Statement/Prospectus based on information supplied by Epitope.

Section 4.9. Absence of Certain Changes. Since December 31, 1999, except as otherwise expressly contemplated by this Agreement, STC has conducted its business in the ordinary course consistent with past practice and there has not been (a) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of STC that, individually or in the aggregate, has had or would be reasonably likely to have a STC Material Adverse Effect, (b) any action, event, occurrence, development or state of circumstances or facts that, individually or in the aggregate, has had or would be reasonably likely to have a STC Material Adverse Effect or (c) any incurrence, assumption or guarantee by STC of any material indebtedness for borrowed money other than in the ordinary course and in amounts and on terms consistent with past practices.

Section 4.10. Litigation. Section 4.10 of the STC Disclosure Schedule contains a list of each action, suit, investigation, arbitration or proceeding pending against, or to the Knowledge of STC threatened against, STC or any of its assets or properties before any arbitrator or Governmental Entity. None of such actions, suits, investigations, arbitrations or proceedings, individually or in the aggregate, would be reasonably likely to have a STC Material Adverse Effect. There are no outstanding judgments, decrees, injunctions, awards or orders against STC that would be reasonably likely to have, individually or in the aggregate, a STC Material Adverse Effect.

Section 4.11. Taxes.

(a) All Tax returns, statements, reports and forms (collectively, the "STC Returns") required to be filed with any taxing authority by, or with respect to, STC have been filed in substantial compliance with all applicable laws.

(b) STC has timely paid all Taxes shown as due and payable on the STC Returns that have been so filed, and all other Taxes not subject to reporting obligations, and as of the time of filing, the STC Returns correctly reflected the facts regarding the income, business, assets, operations, activities and the status of STC (other than Taxes that are being contested in good faith and for which adequate reserves are reflected on the STC Balance Sheet).

(c) STC has made provision for all Taxes payable by them for which no STC Return has yet been filed.

(d) The charges, accruals and reserves for Taxes with respect to STC reflected on the STC Balance Sheet are adequate under GAAP to cover the Tax liabilities accruing through the date thereof.

(e) There is no action, suit, proceeding, audit or claim now proposed or pending against or with respect to STC in respect of any Tax that would be reasonably likely to have a STC Material Adverse Effect.

(f) STC has not been a member of an affiliated, consolidated, combined or unitary group other than one of which STC was the common parent.

(g) STC does not hold any asset subject to a consent under Section 341(f) of the Code.

(h) The representations and warranties contained in the STC Representation Letter, attached hereto as Exhibit J are true and correct.

Section 4.12. Employee Benefits.

(a) Section 4.12(a) of the STC Disclosure Schedule contains a correct and complete list identifying each material "employee benefit plan", as defined in Section 3(3) of ERISA, each employment, severance or similar contract, plan, arrangement or policy and each other plan or arrangement (written or oral) providing for compensation, bonuses, profit-sharing, stock option or other stock related rights or other forms of incentive or deferred compensation, vacation benefits, insurance coverage (including any self-insured arrangements), health or medical benefits, disability benefits, workers' compensation, supplemental unemployment benefits, severance benefits and post-employment or retirement benefits (including compensation, pension, health, medical or life insurance benefits) that is maintained, administered or contributed to by STC or any of its ERISA Affiliates and covers any employee or former employee of STC or any STC Subsidiary. Copies of such plans (and, if applicable, related trust agreements) and all amendments thereto and written interpretations thereof have been furnished, or will be made available upon request, to Epitope together with the most recent annual report (Form 5500 including, if applicable, Schedule B thereto) and summary plan description prepared in connection with any such plan. Such plans are referred to collectively herein as the "STC Employee Plans". For purposes of this Section 4.12, "ERISA Affiliate" of any Person means any other Person which, together with such Person, would be treated as a single employer under Section 414 of the Code.

(b) No STC Employee Plan is now or at any time has been subject to Part 3, Subtitle B of Title I or ERISA or Title IV of ERISA. At no time has STC or any of its ERISA Affiliates contributed to, or been required to contribute to, any "multiemployer plan," as defined in Section 3(37) of ERISA (a "Multiemployer Plan"), and neither STC nor any of its ERISA Affiliates has, or ever has had, any liability (contingent or otherwise) relating to the withdrawal or partial withdrawal from a Multiemployer Plan. To the Knowledge of STC, no condition exists and no event has occurred that would be reasonably likely to constitute grounds for termination of any STC Employee Plan that is a Retirement Plan. To the Knowledge of STC, nothing has been done or omitted to be done and no transaction or holding of any asset under or in connection with any STC Employee Plan has occurred that will make STC or any STC Subsidiary, or any officer or director of STC or any STC Subsidiary, subject to any liability under Title I of ERISA or liable for any tax pursuant to Section 4975 of the Code (assuming the taxable period of any such transaction expired as of the date hereof) that would be reasonably likely to have a STC Material Adverse Effect.

(c) Each STC Employee Plan that is intended to be qualified under Section 401(a) of the Code now meets, and at all times since its inception have met, the requirements for such qualification, and each trust forming a part thereof is now, and at all times since its inception has been, exempt from tax pursuant to Section 501(a) of the Code. Each such plan has received a determination letter from the Internal Revenue Service to the effect that such plan is qualified and its related trust is exempt from federal income taxes. STC has furnished, or will make available upon request, to Epitope copies of the most recent Internal Revenue Service determination letters with respect to each such STC Employee Plan. Each STC Employee Plan has been maintained and administered in substantial compliance with its terms (except that in any case in which any STC Employee Plan is currently required to comply with a provision of ERISA or of the Code, but is not yet to be amended to reflect such provision, such plan has been maintained and administered in accordance with the provision) and with the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to ERISA and the Code, which are applicable to such STC Employee Plan. All material reports, returns and similar documents with respect to each STC Employee Plan required to be filed with any governmental agency or distributed to any STC Employee Plan participant have been duly timely filed and distributed.

(d) There is no contract, agreement, plan or arrangement that, as a result of the Mergers, would be reasonably likely to obligate STC to make any payment of any amount that would not be deductible pursuant to the terms of Section 162(m) or Section 280G of the Code.

(e) Except as disclosed in writing to Epitope prior to the date hereof, there has been no amendment to, written interpretation or announcement (whether or not written) relating to, or change in employee participation or coverage under, any STC Employee Plan that would increase materially the expense of maintaining such STC Employee Plan above the level of the expense incurred in respect thereof for the fiscal year ended December 31, 1999.

(f) No STC Employee Plan promises or provides post-retirement medical, life insurance or other benefits due now or in the future to current, former or retired employees of STC or any Subsidiary.

Section 4.13. Compliance with Laws; Licenses, Permits and Registrations.

(a) STC is not in violation of, nor has STC violated, any applicable provisions of any laws, statutes, ordinances, regulations, judgments, injunctions, orders or consent decrees, except for any such violations that, individually or in the aggregate, would not be reasonably likely to have a STC Material Adverse Effect.

(b) STC has all permits, licenses, approvals, authorizations of and registrations with and under all federal, state, local and foreign laws, and from all Governmental Entities required by STC to carry on its business as currently conducted, except where the failure to have any such permits, licenses, approvals, authorizations or registrations, individually or in the aggregate, would not be reasonably likely to have a STC Material Adverse Effect.

Section 4.14. Title to Properties.

(a) STC has good and marketable title to, or valid leasehold interests in, all its properties and assets except for such as are no longer used or useful in the conduct of its business or as have been disposed of in the ordinary course of business and except for defects in title, easements, restrictive covenants and similar Liens, encumbrances or impediments that do not materially interfere with the ability of STC to conduct its business as currently conducted. All such assets and properties, other than assets and properties in which STC has leasehold interests, are free and clear of all Liens, except for Liens that do not and will not materially interfere with the ability of STC to conduct its business as currently conducted.

(b) STC (i) is in substantial compliance with the terms of all leases to which it is a party and under which it is in occupancy, and all such leases are in full force and effect and (ii) enjoys peaceful and undisturbed possession under all such leases.

Section 4.15. Intellectual Property.

(a) STC owns or has a valid license to use (i) all Marks; (ii) all Patents; (iii) all Copyrights; (iv) all Rights in Mask Works' and (v) all Trade Secrets; necessary to (x) carry on the business of STC as currently conducted or as proposed to be conducted by the Surviving Corporation, to (y) make, have made, use, distribute and sell all products currently sold by STC and all products in development.

(b) There are no outstanding and, to STC's Knowledge, no threatened disputes or disagreements with respect to any agreement to which STC is a party, relating to any of STC's Marks, Patents, Copyrights, Rights in Mask Works, or Trade Secrets (collectively, "STC Intellectual Property").

(c) STC is the owner of all right, title, and interest in and to the STC Intellectual Property, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims.

(d) All former and current employees of STC have executed written contracts with STC that assign to STC all rights to any inventions, improvements, discoveries, or information relating to the business of STC. To STC's knowledge, no employee of STC has entered into any contract that restricts or limits in any way the scope or type of work in which the employee may be engaged or requires the employee to transfer, assign, or disclose information concerning his work to anyone other than STC.

(e) All of the Patents are currently in compliance with formal legal requirements (including payment of filing, examination, and maintenance fees and proofs of working or use), are valid and enforceable, and are not subject to any maintenance fees or taxes or actions that have not been paid when due.

(f) STC uses reasonable procedures to keep its Trade Secrets confidential, STC's Trade Secrets have been disclosed only under written agreements that require the recipient to hold such Trade Secrets confidential.

(g) No Patent has been or is now involved in any interference, reissue, reexamination, or opposition proceeding. To STC's Knowledge, there is no potentially interfering patent or patent application of any third party.

(h) No Patent is infringed or, to STC's Knowledge, has been challenged or threatened in any way. To STC's knowledge, none of the products manufactured and sold or proposed to be sold, nor any process or know-how used, by STC infringes or is alleged to infringe any Patent or other proprietary right of any other Person.

(i) STC is not required to make any payments to any third parties in connection with its use of the STC Intellectual Property.

(j) All products made, used, or sold under the Patents have been marked with the proper patent notice.

Section 4.16. Environmental Matters.

(a) To the Knowledge of STC, there has not been, as of the date hereof, any (i) "release" (as defined in 42 U.S.C. (S)9601(22)) or threat of a "release" of any "hazardous substances" (as defined in 42 U.S.C. (S)9601(14)) or oil or other petroleum related products on or about any of the real property owned, operated or leased by STC ("STC Real Property"), or (ii) release or presence of any pollutant, contaminant or condition giving rise to a cause of action under federal, state or local statutory or common law on or about any of the STC Real Property other than such as would not reasonably be expected to have an STC Material Adverse Effect.

(b) STC has no contract or agreement or has not otherwise arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment, of hazardous substances at any "facility" (as defined in 42 U.S.C. (S)9601(9)) owned or operated by another Person.

(c) STC has not accepted any hazardous substances for transport to disposal or treatment facilities or sites selected by STC.

(d) To the Knowledge of STC, the STC Real Property and the use thereof is in material compliance with, and STC is in compliance with, all applicable laws, statutes, ordinances, rules and regulations of any Governmental Entity relating to environmental protection, underground storage tanks, toxic waste, hazardous waste, oil or hazardous substance handling, treatment, storage, disposal or transportation, or arranging therefor, respecting any products or materials previously or now located on, or in transit from the STC Real Property, including without limitation the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Superfund Amendments and Reauthorization Act of 1986.

(e) The past disposal practices relating to hazardous substances and hazardous wastes of STC (and its predecessors, if any) have been accomplished in accordance with all applicable laws, statutes, rules, regulations and ordinances.

(f) STC has not been notified of nor, to the Knowledge of STC, is there any basis for any potential liability of STC with respect to the clean-up of any waste disposal site or facility. STC has received no notification to the effect that any site at which STC has disposed of hazardous substances or oil has been or is under investigation by any Governmental Entity.

(g) STC has not received any notification of releases of hazardous substances or oil from any governmental or quasi-governmental agency.

Section 4.17. Finders' Fees; Opinions of Financial Advisor.

(a) Except for BancBoston Robertson Stephens, there is no investment banker, broker, finder or other intermediary that has been retained by, or is authorized to act on behalf of, STC or who might be entitled to any fee or commission from Epitope or any of its Affiliates upon consummation of the transactions contemplated by this Agreement.

(b) STC has received the opinion of BancBoston Robertson Stephens dated as of the date hereof, to the effect that, as of such date, the Exchange Ratio is fair, from a financial point of view, to STC and the holders of shares of STC Common Stock (other than Merger Sub, any affiliates of Epitope or Merger Sub, or any holders of STC Common Stock who are officers or directors (or who have representatives serving as directors) of STC).

Section 4.18. Required Vote and Waiver; Board Approval.

(a) Assuming satisfaction of the condition set forth in Section 9.3(g), the only vote or waiver of rights of the holders of any class or series of capital stock of STC required by law, rule or regulation to approve and adopt this Agreement and/or any of the other transactions contemplated hereby, including the Mergers (collectively, the "STC Stockholder Approval") is the affirmative vote of the holders of more than fifty percent of the outstanding shares of STC Common Stock in favor of the approval and adoption of this Agreement and approval of the STC Merger.

(b) STC's Board of Directors has unanimously (i) determined and declared that this Agreement and the transactions contemplated hereby, including the Mergers, are advisable and in the best interests of STC and its stockholders, (ii) approved and adopted this Agreement, the Mergers and the other transactions contemplated hereby and (iii) resolved to recommend to such stockholders that they vote in favor of adopting and approving this Agreement and the Mergers in accordance with the terms hereof at a special meeting of the stockholders of STC duly held for such purpose (the "STC Stockholders Meeting").

Section 4.19. State Takeover Statutes. STC has taken all actions required to be taken by it in order to exempt this Agreement and the transactions contemplated hereby from the provisions of Section 203 of the Delaware Law, and accordingly, such Section does not apply to the Mergers or any of such transactions. No other "control share acquisition," "business combination," "fair price" or other anti-takeover laws or regulations enacted under state or federal laws in the United States apply to this Agreement or any of the transactions contemplated hereby.

Section 4.20. Pooling Matters; Tax Treatment.

(a) STC intends that the Mergers be accounted for under the "pooling of interests" method under the requirements of Opinion No. 16 (Business Combinations) of the Accounting Principles Board of the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, and the rules and regulations of the SEC. STC will request a letter addressed to it from Arthur Andersen LLP dated as of the Closing Date, and (if and when obtained) a copy of it will be delivered to Epitope. Such letter (which may contain customary qualifications and assumptions) shall state that Arthur Andersen LLP concurs with STC's management's conclusion that no conditions exist with respect to STC that would preclude the Surviving Corporation from accounting for the Mergers as a "pooling of interests" as described in the first sentence of Section 4.20(a).

(b) Neither STC nor any of its Affiliates has taken or agreed to take, or will take, any action or is aware of any fact or circumstance that would prevent or impede the Mergers from qualifying (i) for "pooling of interests" accounting treatment as described in Section 4.20(a) above or (ii) as a 368 Reorganization or that would make untrue any representation or warranty contained in the Representation Letter attached as Exhibit J.

Section 4.21. Certain Agreements. Neither STC nor any of its Affiliates (i) are parties to or otherwise bound by any agreement or arrangement that limits or otherwise restricts STC, the Surviving Corporation or any of their respective Affiliates from engaging or competing in any line of business or in any locations, and (ii) except in the ordinary course of business, have amended, modified or terminated any material contract, agreement or arrangement of STC or otherwise waived, released or assigned any material rights, claims or benefits of STC thereunder.

Section 4.22. Employment Agreements. There exists (i) no union, guild or collective bargaining agreement to which STC is a party, (ii) no employment, consulting or severance agreement between STC and any Person (except for consulting agreements that individually, and in the aggregate, are not material to STC), and (iii) no employment, consulting, severance or indemnification agreement or other agreement or plan to which STC is a party that would be altered or result in any bonus, golden parachute, severance or other payment or obligation to any Person, or result in any acceleration of the time of payment or in the provision or vesting of any benefits, as a result of the execution or performance of this Agreement or as a result of the Mergers or the other transactions contemplated hereby.

Section 4.23. Transactions With Directors, Officers and Affiliates. Except for any of the following matters which would not be required to be disclosed pursuant to Item 402 or Item 404 of Regulation S-K of the Commission (assuming STC was subject to such Items), since December 31, 1999, there have been no transactions between STC or any of its Subsidiaries and any director, officer, employee, stockholder or "Affiliate" (as identified pursuant to Section 8.8 hereof) of STC, including, without limitation, loans, guarantees or pledges to, by or for STC, from, to, by or for any of such Persons. Except for any of the following matters which would not be required to be disclosed pursuant to Item 402 or Item 404 of Regulation S-K of the Commission (assuming that STC was subject to such Items), since September 30, 1999, none of the officers or directors of STC, and no spouse or relative of any of such Persons, has been a director or officer of, or has had any material direct or indirect interest in, any Person which during such period has been a supplier, customer or sales agent of STC or has competed with or been engaged in any business of the kind being conducted by STC.

Section 4.24. Material Contracts. Schedule 4.24 delivered to Epitope by STC prior to the execution of this Agreement lists all material contracts and agreements to which, as of the date hereof, STC is a party or by which it is bound or under which STC has or may acquire any rights, which involve or relate to (i) obligations of STC for borrowed money or other indebtedness where the amount of such obligations exceeds $250,000 individually, (ii) the lease by STC, as lessee or lessor, of real property for rent of more than $250,000 per annum, (iii) the purchase or sale of goods (other than raw material to be purchased by STC on terms that are customary and consistent with the past practice of STC and in amounts and at prices substantially consistent

with past practices of STC) or services with an aggregate minimum purchase price of more than $250,000 per annum, (iv) rights to manufacture and/or distribute any product which accounted for more than $250,000 of the consolidated revenues of STC during the fiscal year ended September 30, 1999 or under which STC received or paid license or other fees in excess of $250,000 during any year, (v) the purchase or sale of assets or properties not in the ordinary course of business having a purchase price in excess of $250,000, (vi) the right (whether or not currently exercisable) to use, license (including any "in-license" or "outlicense"), sublicense or otherwise exploit any intellectual property right or other proprietary asset of STC or any other Person which, when considered together with all such other rights, is material to STC; (vii) any material collaboration or joint venture or similar arrangement; (viii) the restriction on the right or ability of STC (A) to compete with any other Person, (B) to acquire any product or other asset or any services from any other Person, (C) to solicit, hire or retain any Person as an employee, consultant or independent contractor, (D) to develop, sell, supply, distribute, offer, support or service any product or any technology or other asset to or for any other Person, (E) to perform services for any other Person, or (F) to transact business or deal in any other manner with any other Person; (ix) any currency hedging; or (x) individual capital expenditures or commitments in excess of $250,000. All such contracts and agreements are duly and validly executed by STC and are in full force and effect. STC has not violated or breached, or committed any default under, any contract or agreement, and, to the Knowledge of STC, no other Person has violated or breached, or committed any default under, any contract or agreement, which violation, breach or default (alone or in combination with other violations, breaches or defaults under such contract or agreement or under other contracts or agreements) has had or may reasonably be expected to have a STC Material Adverse Effect. No event has occurred which, after notice or the passage of time or both, would constitute a default by STC under any contract or agreement or give any Person the right to (A) declare a default or exercise any remedy under any contract or agreement, (B) receive or require a rebate, chargeback, penalty or change in delivery schedule under any contract or agreement, (C) accelerate the maturity or performance of any contract or agreement, or (D) cancel, terminate or modify any contract or agreement, in each case which, together with all other events of the types referred to in clauses (A), (B), (C) and (D) of this sentence has had or may reasonably be expected to have a STC Material Adverse Effect. All such contracts and agreements will continue, after the Effective Time, to be binding in all material respects in accordance with their respective terms until their respective expiration dates.

Section 4.25. Certain Business Practices. Neither STC nor to the knowledge of STC any director, officer, agent or employee of STC has (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, (assuming for purposes of this Section 4.25 that STC is subject to Section 30A of the Exchange Act) or (iii) made any other unlawful payment.

Section 4.26. Insurance. The Company has made available to Epitope a summary of all material insurance policies and all material self insurance programs and arrangements relating to the business, assets and operations of STC. Each of such insurance policies is in full force and effect. Since December 31, 1999, STC has not received any notice or other communication regarding any actual or possible (i) cancellation or invalidation of any material insurance policy, (ii) refusal of any coverage or rejection of any material claim under any insurance policy, or (iii) material adjustment in the amount of the premiums payable with respect to any insurance policy. There is no pending workers' compensation or other claim under or based upon any insurance policy of STC other than claims incurred in the ordinary course of business.

Section 4.27. Product Information.

(a) Non-Exempt Products. The products of STC listed in Section 4.27(a) of the Disclosure Schedule (the "STC Non-Exempt Products") are subject to the premarket notification (510(k)) requirements of the Medical Device Amendments to the Federal Food, Drug and Cosmetic Act and all marketing clearance/substantial equivalence letters received from the FDA are identified in Section 4.27(a) of the Disclosure Schedule.

(i) All STC Non-Exempt Products and all modifications or changes to any Non-Exempt Product are in compliance in all material respects with the premarketing and postmarking regulatory controls of the Medical Device Amendments to the Federal Food, Drug and Cosmetic Act.

(ii) All pre-market notification submissions and any supplementary materials submitted therewith are accurate in all material respects and each of the STC Non-Exempt Products is suitable for its intended use.

(iii) During the five-year period prior to the date hereof, there have been no adverse actions taken by the FDA or any other Governmental Entity involving Non-Exempt Products including, without limitation any recalls of any STC Non-Exempt Product. For STC Non-Exempt Products, STC maintains a system designed to keep records of complaints. There are no current recalls or, to STC or STC's Knowledge, threatened recalls of any STC Non-Exempt Product.

(iv) All STC Non-Exempt Products are manufactured in all material respects in accordance with the good manufacturing practices regulations of the Federal Food, Drug and Cosmetic Act. All contract manufacturers and contract sterilizers have been, during the five-year period prior to the date hereof, and are now registered with the Food and Drug Administration and all facilities used in the manufacture and sterilization of STC Non-Exempt Products have been, during the five-year period prior to the date hereof, and are now in compliance in all material respects with the applicable regulations of the Food and Drug Administration.

(v) No STC Non-Exempt Products have been, during the five-year period prior to the date hereof, or are now misbranded in any material respect.

(vi) During the five-year period prior to the date hereof, for all STC Non-Exempt Products, STC has either submitted to the Food and Drug Administration all written information disseminated on new uses in a supplemental application or submitted an application for an exemption from submission of a supplemental application.

(b) STC has no Knowledge of any current investigations by any Governmental Entity including, without limitation, the Food and Drug Administration regarding STC or any products of STC.

Section 4.28. Product Liability Claims. During the three-year period preceding the date hereof, STC has never been notified of or received a claim, informally or in a legal action filed with a court, arbitrator, mediator or with any other adjudicatory body or incurred any uninsured or insured liability, in the form of a judgment, settlement or other payment or required activity or inactivity, for or based upon breach of product warranty (other than warranty service and repair claims in the ordinary course of business not material in amount of significance), strict liability in tort, negligent design or manufacture of product, negligent provision of instructions, warnings or services, fraudulent representations, deceptive trade practices or any other allegation of liability, concerning a personal injury (whether physical or emotional distress) or resulting in product recalls, arising from the materials, design, testing, manufacture, packaging, labeling (including instructions for use) or sale of its products or from the provision of services (hereafter collectively referred to as "Product Liability"). To the Knowledge of STC, no basis for any claim based upon alleged Product Liability exists which would have an STC Material Adverse Effect.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF MERGER SUB

Merger Sub represents and warrants to STC as follows:

Section 5.1. Organization. Merger Sub is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware. Merger Sub is a direct wholly-owned subsidiary of Epitope. The authorized capital stock of Merger Sub consists of 120,000,000 shares of common stock, par value $0.000001 per share and 25,000,000 shares of preferred stock, par value $0.000001 per share. As of the date hereof, 100 shares of Merger Sub common stock are outstanding, all of which are held beneficially and of record by Epitope. There are not now, and immediately prior to the Sam Effective Time, there will be no, options, warrants or other rights to purchase common stock of Merger Sub.

Section 5.2. Corporate Authorization. Merger Sub has all requisite corporate power and authority to enter into this agreement and to consummate the transaction contemplated by this Agreement. The execution, delivery and performance by each of Merger Sub of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of Merger Sub. This Agreement has been duly executed and delivered by Merger Sub and constitutes a valid and binding agreement of Merger Sub, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors generally or by general equity principles.

Section 5.3. Non-Contravention. The execution, delivery and performance by Merger Sub of this Agreement and the consummation by Merger Sub of the transactions contemplated by this Agreement do not and will not contravene or conflict with its certificate of incorporation or bylaws.

Section 5.4. No Business Activities. Merger Sub has not conducted any activities other than in connection with the organization of Merger Sub, the negotiation and execution of this Agreement and the consummation of the transactions contemplated by this Agreement. Merger Sub has no subsidiaries.

Section 5.5. Taxes.

(a) The representations and warranties contained in the Merger Sub Representation Letter attached hereto as Exhibit O are true and correct.

(b) Merger Sub has not taken or agreed to take, will not take, and is not aware of any fact or circumstance that would prevent or impede the Mergers from qualifying as 368 Reorganizations or that would make untrue any representation or warranty contained in the Officer's Certificate referred to in Section 5.5(a) hereof.

ARTICLE VI

COVENANTS OF EPITOPE

Epitope agrees that:

Section 6.1. Epitope Interim Operations. Except as expressly contemplated or permitted by this Agreement, or as required by any Governmental Entity of competent jurisdiction, without the prior consent of STC (which consent shall not be unreasonably withheld or delayed), from the date hereof until the Effective Time, Epitope shall, and shall cause each of the Epitope Subsidiaries to, conduct their business in all material respects in the ordinary course consistent with past practice and shall use commercially reasonable efforts to (i) preserve intact its present business organization, (ii) maintain in effect all material foreign, federal, state and local licenses, approvals and authorizations, including, without limitation, all material licenses and permits that are required for Epitope or any Epitope Subsidiary to carry on its business and (iii) preserve existing relationships with its material customers, lenders, suppliers and others having material business relationships with it. Without limiting the generality of the foregoing, except as expressly contemplated or permitted by this Agreement, or as required by a Governmental Entity of competent jurisdiction, from the date hereof until the Effective Time, without the prior consent of STC (which consent shall not be unreasonably withheld or delayed), Epitope shall not, nor shall it permit any Epitope Subsidiary to:

(a) amend its articles of incorporation or by-laws;

(b) split, combine or reclassify any shares of capital stock of Epitope or any less-than-wholly-owned Epitope Subsidiary or declare, set aside or pay any dividend (except for dividends by any wholly-owned Epitope Subsidiary) or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock, or redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any of its securities or any securities of any Epitope Subsidiary;

(c) (i) issue, deliver or sell, or authorize the issuance, delivery or sale of, any shares of its capital stock of any class or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such capital stock or any such convertible securities, other than (A) a number of shares of capital stock equal to that number of shares underlying options forfeited prior to the Closing by former Epitope employees, pursuant to the Epitope Employee Plans; or (B) Epitope Common Stock upon the exercise of stock options or warrants in accordance with their present terms or upon exercise of options issued pursuant to clause (A) above of this Section 6.1(c)(i); or (ii) amend in any respect any term of any outstanding security of Epitope or any Epitope Subsidiary;

(d) other than in connection with transactions not prohibited by Section 6.1(e), incur any capital expenditures or any obligations or liabilities in respect thereof, except for those (i) contemplated by the capital expenditure budgets for Epitope and the Epitope Subsidiaries made available to STC, or (ii) incurred in the ordinary course of business of Epitope and the Epitope Subsidiaries and consistent with past practice;

(e) acquire (whether pursuant to cash merger, stock or asset purchase or otherwise) in one transaction or series of related transactions (i) any assets (including any equity interests) having a fair market value in excess of $100,000, or (ii) all or substantially all of the equity interests of any Person or any business or division of any Person having a fair market value in excess of $100,000, but in no event shall the expenditures, commitments, obligations or liabilities made, incurred, or assumed, as the case may be, by Epitope and the Epitope Subsidiaries pursuant to Section 6.1(d) and 6.1(e) exceed $500,000 in the aggregate;

(f) sell, lease, out-license, encumber or otherwise dispose of any assets, other than (i) sales of finished goods in the ordinary course of business consistent with past practice, (ii) equipment and property no longer used in the operation of Epitope's business and (iii) assets related to discontinued operations of Epitope or any Epitope Subsidiary;

(g) (i) incur any indebtedness for borrowed money or guarantee any such indebtedness, (ii) issue or sell any debt securities or warrants or rights to acquire any debt securities of Epitope or any Epitope Subsidiary, (iii) make any loans, advances or capital contributions to or investments in, any other Person, or (iv) except in the ordinary course of business consistent with past practice (which shall include, without limitation, borrowings under Epitope's existing credit agreements and overnight borrowings and loans and advances to wholly-owned Epitope Subsidiaries) guarantee any debt securities or indebtedness of others, in any such case in an amount in excess of $100,000;

(h) (i) enter into any agreement or arrangement that limits or otherwise restricts Epitope, any Epitope Subsidiary or any of their respective Affiliates or any successor thereto or that would, after the Effective Time, limit or restrict Epitope, any Epitope Subsidiary or the Surviving Corporation, or any of their respective Affiliates, from engaging or competing in any line of business or in any location, or (ii) enter into, amend, modify or terminate any material contract, agreement or arrangement of Epitope or any Epitope Subsidiary or otherwise waive, release or assign any material rights, claims or benefits of Epitope or any Epitope Subsidiary thereunder; provided, however, that this Section 6.1(h) shall not prevent Epitope from entering into material contracts with customers, suppliers or distributors, so long as such contracts are entered into in the ordinary course and consistent with Epitope's past practice;

(i) (i) except as required by law or a written agreement existing on or prior to the date hereof, increase the amount of compensation of any director or executive officer or make any increase in or commitment to increase any employee benefits, (ii) except as required by law, or a written agreement existing on or prior to the date hereof or a written Epitope severance policy existing as of the date hereof, grant any severance or termination pay to any director, officer or employee of Epitope or any Epitope Subsidiary, (iii) adopt any additional employee benefit plan or, except in the ordinary course of business consistent with past practice and containing only normal and customary terms, make any contribution to any such existing plan or (iv) except as may be required by law or a written agreement or written employee benefit plan existing on or prior to the date hereof, or as contemplated by this Agreement, enter into or amend in any respect or accelerate the vesting under any Epitope Employee Plan employment

agreement, option, license agreement or retirement agreements, or (v) hire any employee with an annual base salary in excess of $75,000;

(j) change (x) Epitope's methods of accounting in effect at September 30, 1999, except as required by changes in GAAP or by Regulation S-X of the Exchange Act, as concurred with by its independent public accountants, (y) Epitope's fiscal year, or (z) make any material Tax election, other than in the ordinary course of business consistent with past practice and containing only normal and customary terms;

(k) (i) settle, propose to settle, or commence any litigation, investigation, arbitration, proceeding or other claim that is material to the business of Epitope and the Epitope Subsidiaries, taken as a whole, other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice of liabilities (x) recognized or disclosed in the most recent consolidated financial statements (or the notes thereto) of Epitope included in the Epitope SEC Documents or (y) incurred since the date of such financial statements in the ordinary course of business consistent with past practice, or (ii) make any tax election or enter into any settlement or compromise of any tax liability; or

(l) Epitope shall not, and shall not permit any of the Epitope Subsidiaries to, enter into any new line of business;

(m) except to the extent required to comply with its obligations hereunder, or required by law, Epitope shall not amend or propose to so amend its Articles of Incorporation, Bylaws or other governing documents;

(n) Epitope shall not amend, modify or waive (other than any amendment or waiver required to consummate the transactions contemplated by this Agreement) any provision of the Epitope Rights Agreement, and shall not take any action to redeem the Epitope Stock Purchase Rights or render the Epitope Stock Purchase Rights inapplicable to any transaction (other than the transactions contemplated by this Agreement); or

(o) agree, resolve or commit to do any of the foregoing.

Section 6.2. Acquisition Proposals; Board Recommendation.

(a) Epitope agrees that it shall not, nor shall it permit any Epitope Subsidiary to, and it shall direct and use its reasonable best efforts to cause any officer, director, employee, investment banker, attorney, accountant, agent or other advisor or representative of Epitope or any Epitope Subsidiary, not to directly or indirectly, (i) solicit, initiate or knowingly facilitate or encourage the submission of any Acquisition Proposal for Epitope, (ii) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to or take any other action knowingly to facilitate any inquiries or the making of any proposal that constitutes an Acquisition Proposal for Epitope, (iii) grant any waiver or release under any standstill or similar agreement with respect to any class of Epitope's equity securities or (iv) enter into any agreement with respect to an Acquisition Proposal for Epitope. Notwithstanding anything in this Agreement to the contrary, Epitope or its Board of Directors shall be permitted to (A) to the extent applicable, comply with Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act with regard to an Acquisition Proposal for Epitope, (B) in response to an unsolicited bona fide written Acquisition Proposal for Epitope by any Person, recommend approval of such an unsolicited bona fide written Acquisition Proposal for Epitope to its stockholders or effect an Adverse Change in the Epitope Recommendation, or (C) engage in any discussions or negotiations with, or provide any information to, any Person in response to an unsolicited bona fide Acquisition Proposal for Epitope by any such Person, if and only to the extent that Epitope (including for this purpose, if authorized by Epitope, all Epitope Subsidiaries or any officer, director, employee, investment banker, attorney, accountant, agent or other advisor or representative of Epitope or any Epitope Subsidiaries) have not violated in any material respect any of the restrictions contained in Section 6.2(a) and, in any such case as is referred to in clause (B) or (C), (i) the Epitope Stockholders Meeting shall not have occurred, (ii) the Epitope Board of Directors (x) in the case of clause (B) above, concludes in good faith after consultation with its financial advisors and counsel, and taking into account, among other things, all legal, financial, regulatory and other aspects of such Acquisition Proposal, and the nature of the Person making the Acquisition Proposal, that such written Acquisition Proposal for

Epitope constitutes a Superior Proposal, and provides written notice of termination of this Agreement pursuant to Section 10.1(e) (provided that such termination shall not be effective until such time as Epitope makes the payment to STC contemplated by Section 10.2(b))or (y) in the case of clause (C) above concludes in good faith after consultation with its financial advisors and counsel, and taking into account, among other things, all legal, financial, regulatory and other aspects of such Acquisition Proposal, and the nature of the Person making the Acquisition Proposal, that such Acquisition Proposal for Epitope would reasonably be expected to result in a Superior Proposal, (iii) prior to providing any information or data to any Person in connection with an Acquisition Proposal for Epitope by any such Person, the Epitope Board of Directors receives from such Person an executed confidentiality agreement containing confidentiality terms at least as stringent as those contained in the confidentiality agreement between Epitope and STC dated as of March 23, 2000 (the "Confidentiality Agreement"), and (iv) prior to providing any information or data to any Person or entering into discussions or negotiations with any Person, Epitope notifies STC promptly of such inquiries, proposals or offers received by, any such information requested from, or any such discussions or negotiations sought to be initiated or continued with, it, its subsidiaries, its or its subsidiaries' officers or directors, or any of its agents or representatives indicating, in connection with such notice, the name of such Person and the material terms and conditions of any inquiries, proposals or offers and shall furnish only information and data that has been previously furnished to STC. Epitope will provide STC with a copy of any written Acquisition Proposal or amendments or supplements thereto, and shall thereafter inform STC on a prompt basis of any changes to the terms and conditions of such Acquisition Proposal. Epitope will take the necessary steps to inform promptly the individuals or entities referred to in the first sentence of this Section 6.2(a) of the obligations undertaken in this Section 6.2.

(b) "Superior Proposal" means a written proposal made by a Person other than STC which is for (I)(i) a merger, reorganization, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or similar transaction involving Epitope as a result of which either (A) Epitope's stockholders prior to such transaction (by virtue of their ownership of Epitope's shares) in the aggregate cease to own at least 50% of the voting securities of the entity surviving or resulting from such transaction (or if there is an ultimate parent entity of such surviving or resulting entity, then of such ultimate parent entity) or (B) the individuals comprising the board of directors of Epitope prior to such transaction do not constitute a majority of the board of directors of the surviving or resulting entity (or, if there is an ultimate parent entity of such surviving or resulting entity, then of such ultimate parent entity), (ii) a sale, lease, exchange, transfer or other disposition of at least 50% of the assets of Epitope and its Subsidiaries, taken as a whole, in a single transaction or a series of related transactions, or (iii) the acquisition, directly or indirectly, by a Person of beneficial ownership of 50% or more of the Epitope Common Stock whether by merger, consolidation, share exchange, business combination, tender or exchange offer or otherwise (other than a merger, consolidation, share exchange, business combination, tender or exchange offer or other transaction upon the consummation of which Epitope's stockholders would in the aggregate beneficially own greater than 60% of the voting securities of such Person), and which is (II) otherwise on terms which the board of directors of Epitope in good faith concludes (after consultation with its financial advisors and outside counsel and upon receipt of advice from its financial advisors), taking into account, among other things, all legal, financial, regulatory and other aspects of the proposal and the nature of the Person making the proposal, (i) would, if consummated, result in a transaction that is more favorable to its stockholders (in their capacities as stockholders), from a financial point of view, than the transactions contemplated by this Agreement (after giving effect, for purposes of clause (ii) of Section 10.1(e), to any revised proposal made by STC prior to the end of the three Business-Day period referred to in Section 10.1(e)), and (ii) is reasonably capable of being completed; provided, however, that any such Acquisition Proposal shall not be deemed a Superior Proposal if any financing required to consummate the transaction contemplated by such Acquisition Proposal is not committed in writing as of the time the Epitope Board makes its determination that it is a Superior Proposal.

ARTICLE VII

COVENANTS OF STC

STC agrees that:

Section 7.1. STC Interim Operations. Except as expressly contemplated or permitted by this Agreement, or as required by any Governmental Entity of competent jurisdiction, without the prior consent of Epitope (which consent shall not be unreasonably withheld or delayed), from the date hereof until the Effective Time, STC shall conduct its business in all material respects in the ordinary course consistent with past practice and shall use commercially reasonable efforts to (i) preserve intact its present business organization, (ii) maintain in effect all material foreign, federal, state and local licenses, approvals and authorizations, including, without limitation, all material licenses and permits that are required for STC to carry on its business and (iii) preserve existing relationships with its material customers, lenders, suppliers and others having material business relationships with it. Without limiting the generality of the foregoing, except as expressly contemplated or permitted by this Agreement, or as required by a Governmental Entity of competent jurisdiction, from the date hereof until the Effective Time, without the prior consent of Epitope (which consent shall not be unreasonably withheld or delayed), STC shall not:

(a) amend its certificate of incorporation or by-laws;

(b) split, combine or reclassify any shares of capital stock of STC or declare, set aside or pay any dividend or other distribution (whether in cash, stock or property, or any combination thereof) in respect of its capital stock or redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any of its securities;

(c) (i) issue, deliver or sell, or authorize the issuance, delivery or sale of, any shares of its capital stock of any class or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such capital stock or any such convertible securities, other than (A) a number of shares of capital stock equal to that number of shares underlying options forfeited prior to the Closing by former STC employees, pursuant to the STC Employee Plans, (B) STC Common Stock upon the exercise of stock options or warrants in accordance with their present terms or upon exercise of options issued pursuant to clause (A) of this Section 7.1(c)(i); or (C) STC Common Stock upon the conversion of the STC Notes; or (ii) amend in any respect any term of any outstanding security of STC;

(d) other than in connection with transactions not prohibited by Section 7.1(e), incur any capital expenditures or any obligations or liabilities in respect thereof, except for those (i) contemplated by the capital expenditure budgets for STC made available to Epitope, or (ii) incurred in the ordinary course of business of STC and consistent with past practice;

(e) acquire (whether pursuant to cash merger, stock or asset purchase or otherwise) in one transaction or series of related transactions (i) any assets (including any equity interests) having a fair market value in excess of $100,000, or (ii) all or substantially all of the equity interests of any Person or any business or division of any Person having a fair market value in excess of $100,000, but in no event shall the expenditures, commitments, obligations or liabilities made, incurred or assumed, as the case may be, by STC pursuant to Sections 7.1(d) and 7.1(e) exceed $500,000 in the aggregate;

(f) sell, lease, out-license, encumber or otherwise dispose of any assets, other than (i) sales of finished goods in the ordinary course of business consistent with past practice, (ii) equipment and property no longer used in the operation of STC's business and (iii) assets related to discontinued operations of STC or any STC Subsidiary;

(g) (i) incur any indebtedness for borrowed money or guarantee any such indebtedness, (ii) issue or sell any debt securities or warrants or rights to acquire any debt securities of STC, (iii) make any loans, advances or capital contributions to or investments in, any other Person, or (iv) except in the ordinary course of business consistent with past practice (which exception shall include, without limitation, borrowings under STC's existing credit agreements and overnight borrowings) guarantee any debt securities or indebtedness of others in any such case in an amount in excess of $100,000;

(h) (i) enter into any agreement or arrangement that limits or otherwise restricts STC or any of its Affiliates or any successor thereto or that would, after the Effective Time, limit or restrict STC or the Surviving Corporation, or any of their respective Affiliates, from engaging or competing in any line of business or in any location, or (ii) enter into, amend, modify or terminate any material contract, agreement or arrangement of STC or otherwise waive, release or assign any material rights, claims or benefits of STC thereunder; provided, however, that this Section 7.1(h) shall not prevent STC from entering into material contracts with customers, suppliers or distributors, so long as such contracts are entered into in the ordinary course and consistent with STC's prior practice;

(i) (i) except as required by law or a written agreement existing on or prior to the date hereof, increase the amount of compensation of any director or executive officer or make any increase in or commitment to increase any employee benefits, (ii) except as required by law, a written agreement existing on or prior to the date hereof, or a written STC severance policy existing as of the date hereof, grant any severance or termination pay to any director, officer or employee of STC or, (iii) adopt any additional employee benefit plan or, except in the ordinary course of business consistent with past practice and containing only normal and customary terms, make any contribution to any existing such plan or (iv) except as may be required by law or a written agreement or written employee benefit plan existing on or prior to the date hereof, or as contemplated by this Agreement, enter into, amend in any respect, or accelerate the vesting under any STC Employee Plan, employment agreement, option, license agreement or retirement agreements, or (v) hire any employee with an annual base salary in excess of $75,000;

(j) change (x) STC's methods of accounting in effect at December 31, 1999 except as required by changes in GAAP, as concurred with by its independent public accountants, (y) STC's fiscal year, or (z) make any material Tax election, other than in the ordinary course of business consistent with past practice and containing only normal and customary terms;

(k) (i) settle, propose to settle or commence, any litigation, investigation, arbitration, proceeding or other claim that is material to the business of STC, other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice of liabilities (x) recognized or disclosed in the STC Financial Statements (or the notes thereto) or (y) incurred since the date of such Financial Statements in the ordinary course of business consistent with past practice, or (ii) make any Tax election or enter into any settlement or compromise of any Tax liability;

(l) enter into any new material line of business;

(m) except to the extent required to comply with its obligations hereunder or required by law, STC shall not amend or propose to so amend its Certificate of Incorporation, Bylaws or other governing documents; or

(n) agree, resolve or commit to do any of the foregoing.

Section 7.2. Acquisition Proposals; Board Recommendation. STC agrees that it shall not, and it shall use its reasonable best efforts to cause any officer, director, employee, investment banker, attorney, accountant, agent or other advisor or representative of STC, not to directly or indirectly, (i) solicit, initiate or knowingly facilitate or encourage the submission of any Acquisition Proposal for STC, (ii) participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, or take any other action knowingly to facilitate any inquiries or the making of any proposal that constitutes an Acquisition Proposal for STC, (iii) grant any waiver or release under any standstill or similar agreement with respect to any class of STC equity securities or (iv) enter into any agreement with respect to any Acquisition Proposal for STC.

ARTICLE VIII

COVENANTS OF STC AND EPITOPE

The parties hereto agree that:

Section 8.1. Reasonable Best Efforts. Subject to the terms and conditions hereof, each party will use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement as promptly as practicable.

Section 8.2. Certain Filings; Cooperation in Receipt of Consents; Listing. As promptly as reasonably practicable after the date hereof, STC and Epitope shall prepare and Epitope shall file with the SEC the Registration Statement, in which the Joint Proxy Statement/Prospectus will be included as Epitope's prospectus. Each of STC and Epitope shall use all reasonable efforts to have the Registration Statement declared effective under the Securities Act as promptly as reasonably practicable after such filing and to keep the Registration Statement effective as long as is necessary to consummate the Merger and the transactions contemplated thereby. Each of STC and Epitope shall mail the Joint Proxy Statement/Prospectus to their respective stockholders as promptly as reasonably practicable after the Registration Statement is declared effective under the Securities Act and, if necessary, after the Joint Proxy Statement/Prospectus shall have been so mailed, promptly circulate amended, supplemental or supplemented proxy material, and, if required in connection therewith, resolicit proxies. Epitope and STC shall take any action (other than qualifying to do business in any jurisdiction in which it is not now so qualified or to file a general consent to service of process) required to be taken under any applicable state securities or blue sky laws in connection with the issuance of shares of Surviving Corporation Common Stock in the Mergers.

(a) No amendment or supplement to the Joint Proxy Statement/Prospectus will be made by STC or Epitope without the approval of the other party, which will not be unreasonably withheld or delayed. Each party will advise the other party, promptly after it receives notice thereof, of (i) the time when the Registration Statement has become effective or any supplement or amendment has been filed, (ii) the issuance of any stop order, (iii) the suspension of the qualification of the shares of Surviving Corporation Common Stock issuable in connection with the Mergers for offering or sale in any jurisdiction, or (iv) any request by the SEC for amendment of the Joint Proxy Statement/Prospectus or comments thereon and responses thereto or requests by the SEC for additional information, in each case, whether orally or in writing. If at any time prior to the Effective Time, STC or Epitope discovers any information relating to either party, or any of their respective Affiliates, officers or directors, that should be set forth in an amendment or supplement to the Joint Proxy Statement/Prospectus, so that such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party that discovers such information shall promptly notify the other party hereto and an appropriate amendment or supplement describing such information shall be promptly filed with respect thereto, and with respect to the Registration Statement, as the case may be, with the SEC and, to the extent required by law or regulation, disseminated to the stockholders of STC or Epitope.

(b) STC and Epitope shall cooperate with one another in (i) determining whether any other action by or in respect of, or filing with, any Governmental Entity is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated hereby, (ii) seeking any such other actions, consents, approvals or waivers or making any such filings, furnishing information required in connection therewith and seeking promptly to obtain any such actions, consents, approvals or waivers, (iii) setting a mutually acceptable date for the Special Meetings, so as to enable them to occur, to the extent practicable, on the same date, and (iv) taking all lawful action to call, give notice of, convene and hold a meeting of its stockholders for the purpose of obtaining the requisite votes to approve and adopt this Agreement, the Mergers and the other matters contemplated by this Agreement. The Board of Directors of Epitope shall, subject to its fiduciary duties under applicable law, declare the

advisability of and recommend adoption and approval of this Agreement, the Merger and the other matters contemplated by this Agreement by the stockholders of Epitope, and shall not, subject to its fiduciary duties under applicable law, withdraw, modify or materially qualify in any manner adverse to STC such recommendation or take any action or make any statement in connection with the Epitope Stockholder Meeting materially inconsistent with such recommendation (any such withdrawal, modification, qualification or statement (whether or not required), an "Adverse Change in the Epitope Recommendation"). The Board of Directors of STC shall, subject to its fiduciary duties under applicable law, declare the advisability of and recommend adoption and approval of this Agreement, the Merger and the other matters contemplated by this Agreement by the stockholders of STC, and shall not, subject to its fiduciary duties under applicable law, withdraw, modify or materially qualify in any manner adverse to Epitope to such recommendation or take any action or make any statement in connection with the STC Stockholders Meeting materially inconsistent with such recommendation (any such withdrawal, modification, qualification or statement (whether or not required), an "Adverse Change in the STC Recommendation").

(c) Each party shall permit the other party to review any communication given by it to, and consult with each other in advance of any meeting or conference with, any Governmental Entity or, in connection with any proceeding by a private party, with any other Person, and to the extent permitted by the applicable Governmental Entity or other Person, give the other party the opportunity to attend and participate in such meetings and conferences, in each case in connection with the transactions contemplated hereby.

(d) Epitope and STC agree to use their respective reasonable best efforts to cause the shares of Surviving Corporation Common Stock to be issued upon conversion of shares of Epitope Common Stock and STC Common Stock in accordance with this Agreement, the Articles of Merger and the Certificates of Merger to be approved for listing upon issuance on the Nasdaq Stock Market.

Section 8.3. Headquarters. The parties intend that, by January 1, 2001, the Surviving Corporation shall maintain its principal corporate offices and headquarters in Bethlehem, Pennsylvania.

Section 8.4. Public Announcements. Epitope and STC shall use reasonable best efforts to develop a joint communications plan and each party shall use reasonable best efforts (i) to ensure that all press releases and other public statements with respect to the transactions contemplated hereby shall be consistent with such joint communications plan, and (ii) unless otherwise required by applicable law or by obligations pursuant to any rules of the Nasdaq Stock Market, to consult with each other before issuing any press release or, to the extent practical, otherwise making any public statement with respect to this Agreement or the transactions contemplated hereby.

Section 8.5. Access to Information; Notification of Certain Matters.

(a) From the date hereof until the Effective Time and subject to applicable law, STC and Epitope shall (i) give to the other party, its counsel, financial advisors, auditors and other authorized representatives reasonable access during normal business hours to the offices, properties, books, records, contracts, commitments, officers and employees and all other information concerning it and its business, properties, assets, condition (financial or otherwise) or prospects of such party, (ii) consistent with its legal obligations, furnish or make available to the other party, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information as such Persons may reasonably request and (iii) instruct its employees, counsel, financial advisors, auditors and other authorized representatives to cooperate with the reasonable requests of the other party in its investigation. Any investigation pursuant to this Section 8.5 shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the other party. Unless otherwise required by law, each of Epitope and STC will hold, and will cause its respective officers, employees, counsel, financial advisors, auditors and other authorized representatives to hold, any nonpublic information obtained in any such investigation in confidence in accordance with Section 8.9. No information or knowledge obtained in any investigation pursuant to this Section 8.5 shall affect or be deemed to modify any representation or warranty made by any party hereunder.

(b) Each party hereto shall give prompt notice to each other party hereto of:

(i) the receipt by such party or any of such party's Subsidiaries of any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement.

(ii) the receipt by such party or any of such party's Subsidiaries of any notice or other communication from any Governmental Entity in connection with any of the transactions contemplated by this Agreement; and

(iii) such party's obtaining Knowledge of any actions, suits, claims, investigations or proceedings commenced, threatened against, relating to or involving or otherwise affecting any of STC or Epitope, as the case may be, or any Epitope Subsidiary which relate to the consummation of the transactions contemplated by this Agreement; and

(iv) such party's obtaining Knowledge of the occurrence, or failure to occur, of any event which occurrence or failure to occur will be likely to cause (A) any representation or warranty contained in this Agreement o be untrue or inaccurate in any material respect, or (B) any material failure of any party to comply with or satisfy any covenant, condition or agreement o be complied with or satisfied by it under this Agreement; provided, however, that no such notification shall limit or otherwise affect the representations, warranties, obligations or remedies of the parties to the conditions to the obligations of the parties hereunder.

Section 8.6. Further Assurances. At and after the STC Effective Time or Epitope Effective Time, as the case may be, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of Epitope, STC or Merger Sub, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of Epitope, STC or Merger Sub, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of STC, Epitope or Merger Sub acquired or to be acquired by the Surviving Corporation as a result of, or in connection with the Mergers.

Section 8.7. Tax and Accounting Treatment.

(a) Prior to the Effective Time, each party shall cooperate with the other party and shall use its reasonable best efforts to cause the Mergers to qualify as 368 Reorganizations, and will not take any action reasonably likely to cause the Mergers not so to qualify. The Surviving Corporation shall not take any action after the Effective Time that would cause the Mergers not to qualify as 368 Reorganizations.

(b) Each party shall cooperate with the other party and shall use its reasonable best efforts to cause the Mergers to qualify for "pooling of interest" accounting treatment as described in Section 3.21 and Section 4.20, and shall not take any action reasonably likely to cause the Mergers not so to qualify. Epitope shall use reasonable best efforts to cause to be delivered to STC two letters from Epitope's independent public accountants, one dated approximately the date on which the Registration Statement shall become effective and one dated the Closing Date, each addressed to Epitope and STC, in form and substance reasonably satisfactory to STC and customary in scope and substance for comfort letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement. STC shall use reasonable best efforts to cause to be delivered to Epitope two letters from STC's independent public accountants, one dated approximately the date on which the Registration Statement shall become effective and one dated the Closing Date, each addressed to Epitope and STC, in form and substance reasonably satisfactory to Epitope and customary in scope and substance for comfort letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement.

(c) Each party shall cooperate with the other party and shall use its reasonable best efforts to obtain the opinions referred to in Sections 9.2(b) and 9.3(b) and in connection therewith, each of Epitope, STC and Merger Sub shall deliver to such counsel customary representation letters substantially in the forms attached hereto as Exhibit I, Exhibit J and Exhibit O (the "Epitope Representation Letter", the "STC Representation Letter", and the "Merger Sub Representation Letter" respectively) or otherwise in form and substance reasonably satisfactory to such counsel.

Section 8.8. Affiliates.

(a) Not less than 45 days prior to the Effective Time, STC shall deliver to Epitope a letter identifying all persons who, in the reasonable judgment of STC, may be deemed at the time this Agreement is submitted for adoption by the stockholders of STC, "affiliates" of STC for purposes of Rule 145 under the Securities Act or for purposes of qualifying the Mergers for pooling of interests accounting treatment under Opinion 16 of the Accounting Principles Board and applicable SEC rules and regulations, and such list shall be updated as necessary to reflect changes from the date hereof. STC shall use reasonable best efforts to cause each Person identified on such list to deliver to Epitope not less than 30 days prior to the STC Effective Time, a written agreement substantially in the form attached as Exhibit K hereto (a "STC Affiliate Agreement").

(b) Not less than 45 days prior to the Effective Time, Epitope shall deliver to STC a letter identifying all persons who, in the reasonable judgment of Epitope, may be deemed at the time this Agreement is submitted for adoption by the stockholders of Epitope, "affiliates" of Epitope for purposes of qualifying the Mergers for pooling of interests accounting treatment under Opinion 16 of the Accounting Principles Board and applicable SEC rules and regulations, and such list shall be updated as necessary to reflect changes from the date hereof. Epitope shall use reasonable best efforts to cause each person identified on such list to deliver to Epitope not less than 30 days prior to the Effective Time, a written agreement substantially in the form attached as Exhibit L (an "Epitope Affiliate Agreement").

(c) The Surviving Corporation shall use its reasonable best efforts to publish no later than 90 days after the end of the first month after the Effective Time in which there are at least 30 days of combined operations following the Mergers (which month may be the month in which the Effective Time occurs), combined sales and net income figures as contemplated by and in accordance with the terms of SEC Accounting Series Release No. 135.

Section 8.9. Confidentiality.

(a) Prior to the Effective Time and after any termination of this Agreement each party hereto will hold, and will use its reasonable best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors, affiliates (as such term is used in Rule 12b-2 under the Exchange Act) and representatives (collectively, the "Representatives"), to hold, in confidence all confidential documents and information concerning the other parties hereto and its Subsidiaries furnished to such party in connection with the transactions contemplated by this Agreement, including, without limitation, all analyses, compilations, studies or records prepared by the party receiving the information or by such party's Representatives, that contain or otherwise reflect or are generated from such information (collectively, the "Confidential Material"). The party furnishing any Confidential Material is herein referred to as the "Delivering Company" and the party receiving any Confidential Material is herein referred to as the "Receiving Company."

(b) The Receiving Company agrees that the Confidential Material will not be used other than for the purpose of the transactions contemplated by this Agreement, and that such information will be kept confidential by the Receiving Company and its Representatives; provided, however, that (i) any of such information may be disclosed to the Representatives who need to know such information for the purpose described above (it being understood that (a) each such Representative shall be informed by the Receiving Company of the confidential nature of such information, shall be directed by the Receiving Company to treat such information confidentially and not to use it other than for the purpose described above and shall agree to be bound by the terms of this Section 8.9, and (b) in any event, the Receiving Company shall be responsible for any breach of this Agreement by any of its Representatives), and (ii) any other disclosure of such information may be made if the Delivering Company has, in advance, consented to such disclosure in writing. The Receiving Company will make all reasonable, necessary and appropriate efforts to safeguard the Confidential Material from disclosure to anyone other than as permitted hereby.

(c) Notwithstanding the foregoing, if the Receiving Company or any of its Representatives is requested or required (by oral question or request for information or documents in legal proceedings, interrogatories, subpoena, civil investigative demand or similar process) to disclose any Confidential Material, the Receiving

Company will promptly notify the Delivering Company of such request or requirement so that the Delivering Company may seek an appropriate protective order and/or waive the Receiving Company's compliance with the provisions of this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, the Receiving Company or any of its Representatives is nonetheless, in the reasonable written opinion of the Receiving Company's counsel, compelled to disclose Confidential Material to any tribunal, the Receiving Company or such Representative, after notice to the Delivering Company, may disclose such information to such tribunal. The Receiving Party shall exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Material so disclosed. The Receiving Company or such Representative shall not be liable for the disclosure of Confidential Material hereunder to a tribunal compelling such disclosure unless such disclosure to such tribunal was caused by or resulted from a previous disclosure by the Receiving Company or any of its Representatives not permitted by this Agreement.

(d) This Section 8.9 shall be inoperative as to particular portions of the Confidential Material if such information (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Company or its Representatives, (ii) was available to the Receiving Company on a non-confidential basis prior to its disclosure to the Receiving Company by the Delivering Company or the Delivering Company's Representatives, or (iii) becomes available to the Receiving Company on a non-confidential basis from a source other than the Delivering Company or the Delivering Company's Representatives, provided that such source is not known by the Receiving Company, after reasonable inquiry, to be bound by a confidentiality agreement with the Delivering Company or the Delivering Company's Representatives and is not otherwise prohibited from transmitting the information to the Receiving Company by a contractual, legal or fiduciary obligation. The fact that information included in the Confidential Material is or becomes otherwise available to the Receiving Company or its Representatives under clauses (i) through (iii) above shall not relieve the Receiving Company or its Representatives of the prohibitions of the confidentiality provisions of this Section 8.9 with respect to the balance of the Confidential Material.

(e) If this Agreement is terminated, each party hereto will, and will use its reasonable best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to, destroy or deliver to the party from whom such Confidential Material was obtained, upon request, all documents and other materials, and all copies thereof, obtained by such party or on its behalf from any such other parties in connection with this Agreement that are subject to such confidence.

Section 8.10. Benefit Matters. Epitope and STC will work together to design benefit plans to be adopted by the Surviving Corporation for the benefit of its employees as soon as practicable following the Mergers. Until such adoption, the Surviving Corporation shall cause all Epitope Employee Plans and all STC Employee Plans to be maintained in full force and effect.

Section 8.11. Antitrust Matters.

(a) The parties hereto promptly will complete all documents required to be filed with the Federal Trade Commission and the Department of Justice in order to permit stockholders who will acquire Surviving Corporation Common Stock with a value in excess of $15 million as a result of the Mergers and who do not have exemption from the HSR Act therefor to comply with the HSR Act and, together with the Persons who are required to join in such filings, will file the same with the appropriate Governmental Entities. The parties hereto promptly will furnish all materials thereafter required by any of the Governmental Entities having jurisdiction over such filings and will take all reasonable actions and file and use all reasonable efforts to have declared effective or approved all documents and notifications with any such Governmental Entities, as may be required under the HSR Act for the consummation of the Mergers.

(b) The parties hereto will use their reasonable best efforts to resolve such objections, if any, as may be asserted with respect to the transactions contemplated by this Agreement under any antitrust, competition or trade regulatory laws, rules or regulations of any domestic or foreign Governmental Entity ("Antitrust Laws"). If any suit is threatened or instituted challenging the Mergers as violating any Antitrust Law, the parties hereto

will take such action as may be reasonably required (i) by the applicable Governmental Entity in order to resolve such objections as such Governmental Entity may have to such transaction under such Antitrust Law or (ii) by any domestic or foreign court or similar tribunal, in any suit brought by a private party or governmental authority challenging the Merger as violating any Antitrust Law, in order to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order that has the effect of preventing the consummation of the Merger. Nothing in this Section 8.11 shall require any of Epitope and its Subsidiaries or STC to sell, hold separate or otherwise dispose of or conduct their business in a specified manner, or agree to sell, hold separate or otherwise dispose of or conduct their business in a specified manner, or permit the sale, holding separate or other disposition of, any assets of Epitope, STC or any Epitope Subsidiary or the conduct of their business in a specified manner, whether as a condition to obtaining any approval from a Governmental Entity or any other Person or for any other reason, if such sale, holding separate or other disposition or the conduct of their business in a specified manner is not conditioned on the Closing or would reasonably be expected to have a Material Adverse Effect on the Surviving Corporation and its Subsidiaries, taken together, after giving effect to the Mergers.

(c) Each party promptly will inform the others of any material communication from the Federal Trade Commission, the Department of Justice or any other domestic or foreign Governmental Entity regarding any of the transactions contemplated by this Agreement. If any party or any Affiliate thereof receives a request for additional information or documentary material from any such government or authority with respect to the transactions contemplated by this Agreement, such party will endeavor in good faith to make, as soon as reasonably practicable and after consultation with the other parties, an appropriate response to such request. Each party hereto promptly will advise the other parties hereto in respect of any understandings, undertakings or agreements which the advising party proposes to make or enter into with the Federal Trade Commission, the Department of Justice or any other domestic or foreign Governmental Entity in connection with the transactions contemplated by this Agreement.

Section 8.12. Exemption From Liability Under Section 16(b).

(a) Provided that STC delivers to the Surviving Corporation the Section 16 Information with respect to STC prior to the Effective Time, the Board of Directors of the Surviving Corporation, or a committee of Non-Employee Directors thereof (as such term is defined for purposes of Rule 16b-3(d) under the Exchange Act), shall adopt a resolution in advance of the STC Effective Time providing that the receipt by the STC Insiders of Surviving Corporation Common Stock in exchange for shares of STC Common Stock, and of options to purchase Surviving Corporation Common Stock upon assumption and conversion by the Surviving Corporation of options to purchase STC Common Stock, in each case pursuant to the transactions contemplated hereby and to the extent such securities are listed in the Section 16 Information, are intended to be exempt from liability pursuant to Rule 16b-3 under the Exchange Act.

(b) "Section 16 Information" shall mean information accurate in all respects regarding the STC Insiders, the number of shares of STC Common Stock, or other STC equity securities, deemed to be beneficially owned by each such STC Insider and expected to be exchanged for Surviving Corporation Common Stock in connection with the Mergers.

(c) "STC Insiders" shall mean those officers and directors of STC who are subject to the reporting requirements of Section 16(a) of the Exchange Act who are listed in the Section 16 Information.

Section 8.13. Indemnification and Insurance.

(a) The Surviving Corporation agrees to assume the agreements listed in Exhibit M, which agreements will survive the Mergers and will continue in full force and effect for a period of not less than six (6) years from the Effective Time. In the event any claim is asserted or made within such six-year period, all rights to indemnification in respect of any such claim will continue until final disposition thereof. An "Indemnified Party" shall mean any Person who is at the Effective Time or prior thereto has been an employee, agent, director or officer of either STC or Epitope as provided in their respective charters, bylaws or resolutions.

(b) From and after the Effective Time, the Surviving Corporation shall indemnify all Indemnified Parties to the fullest extent permitted by the Delaware Law with respect to all acts and omissions arising out of such individuals' services as officers, directors, employees or agents of either STC or Epitope or as trustees or fiduciaries of any plan for the benefit of employees, or otherwise on behalf of, either STC or Epitope, occurring at or prior to the Effective Time, including the transactions contemplated by this Agreement. In the event any Indemnified Party is or becomes involved in any capacity in any action, proceeding or investigation in connection with any such matter occurring at or prior to the Effective Time, the Surviving Corporation will pay as incurred such Indemnified Party's legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith. The Surviving Corporation will pay all expenses, including attorneys' fees, that may be incurred by any Indemnified Party in enforcing the indemnity and other obligations provided for in this Section 8.13.

(c) The Surviving Corporation will cause to be maintained in effect for not less than six (6) years from the Effective Time directors' and officers' liability insurance covering the directors and officers of STC and Epitope similar in scope and coverage to the directors' and officers' liability insurance maintained by STC and Epitope for their directors and officers.

(d) The provisions of this Section 8.13 are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party, his or her heirs and his or her personal representatives and shall be binding on all successors and assigns of the Surviving Corporation.

ARTICLE IX

CONDITIONS TO THE MERGER

Section 9.1. Conditions to the Obligations of Each Party. The respective obligations of STC, Epitope and Merger Sub to consummate the Mergers are subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Stockholder Approval. Each of the Epitope Stockholder Approval and the STC Stockholder Approval shall have been obtained;

(b) Securities Laws. (i) The Registration Statement shall have become effective in accordance with the provisions of the Securities Act, no stop order suspending the effectiveness of the Registration Statement shall have been issued by the SEC and no proceedings for that purpose shall have been initiated or threatened by the SEC and not concluded or withdrawn and (ii) all state securities or blue sky authorizations necessary to carry out the transactions contemplated hereby shall have been obtained and be in effect;

(c) Nasdaq Stock Market Listing. The shares of Surviving Corporation Common Stock to be issued in the Mergers shall have been approved for listing upon issuance on the Nasdaq Stock Market, subject to official notice of issuance;

(d) Antitrust. (i) Any applicable waiting period under the HSR Act contemplated by Section 8.11 hereof shall have expired or been earlier terminated and (ii) if required by applicable law, the parties shall have received a decision from the Commission on the European Communities (the "European Commission") under Regulation 4064/89 (with or without the initiation of proceedings under Article 6(1)(c) thereof) that the proposed Mergers and any matters arising therefrom fall within either Article 6.l(a) or Article 6. l(b) of such Regulation and that, in any event, the Mergers will not be referred to any competent authority or dealt with by the European Commission pursuant to Article 9.3 of such Regulation;

(e) Other Regulatory Approvals. Other than the filings provided for by Article II, all authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity the failure of which to obtain would have a STC Material Adverse Effect, an Epitope Material Adverse Effect or a Surviving Corporation Material Adverse Effect, shall have been filed, occurred or been obtained;

(f) No Injunctions or Restraints; Illegality. No Laws shall have been adopted or promulgated, and no temporary restraining order, preliminary or permanent injunction or other order issued by a court or other Governmental Entity of competent jurisdiction shall be in effect, (i) having the effect of making the Mergers illegal or otherwise prohibiting, enjoining or restraining consummation of the Mergers or (ii) which otherwise would reasonably be expected to have a Surviving Corporation Material Adverse Effect after giving effect to the Mergers; provided, however, that the provisions of this Section 9.1(f) shall not be available to any party whose failure to fulfill its obligations pursuant to Sections 8.1 and 8.2 shall have been the cause of, or shall have resulted in, such order or injunction.

(g) Pooling. (i) Epitope shall have received a letter (which may contain customary qualifications and assumptions) from PriceWaterhouse Coopers LLP dated as of the Closing Date and addressed to Epitope, stating that PriceWaterhouse Coopers LLP concurs with Epitope's management's conclusion that no conditions exist that would preclude the Surviving Corporation from accounting for the Mergers as a "pooling of interests" in conformity with GAAP as described in Accounting Principles Board Opinion No. 16 and applicable rules and regulations of the SEC and such letter shall not have been withdrawn or modified in any material respect and (ii) STC shall have received a letter (which may contain customary qualifications and assumption) from Arthur Andersen LLP dated as of the Closing Date and addressed to STC, stating that Arthur Andersen LLP concurs with STC's management's conclusion that no conditions exist with respect to STC that would preclude the Surviving Corporation from accounting for the Mergers as a "pooling of interests" in conformity with GAAP as described in Accounting Principles Board Opinion No. 16 and applicable rules and regulations of the SEC and such letter shall not have been withdrawn or modified in any material respect.

Section 9.2. Conditions to the Obligations of Epitope and Merger Sub. The obligations of Epitope and Merger Sub to consummate the Mergers are subject to the satisfaction, or waiver by Epitope and Merger Sub, on or prior to the Closing Date, of the following further conditions:

(a) Representations and Covenants. (i) STC shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the time of the filing of the Articles of Merger and the Certificates of Merger; (ii) the representations and warranties of STC in this Agreement that are qualified as to materiality, STC Material Adverse Effect or Surviving Corporation Material Adverse Effect shall be accurate, and any such representations and warranties that are not so qualified shall be accurate, in all material respects, as of the date of this Agreement and as of the Effective Time (except for representations and warranties that address matters only as of a specific date, in which case such representations and warranties qualified as to materiality, STC Material Adverse Effect or Surviving Corporation Material Adverse Effect shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date); and (iii) Epitope shall have received a certificate signed by the Chief Executive Officer or Chief Financial Officer of STC to the foregoing effect;

(b) Tax Opinion. Epitope shall have received an opinion of Stinson, Mag & Fizzell, P.C. in form and substance reasonably satisfactory to Epitope, on the basis of certain facts, representations and assumptions set forth in such opinion, dated as of the date of the filing of the Articles of Merger and the Certificates of Merger, to the effect that the Mergers will qualify for federal income tax purposes as 368 Reorganizations and that each of Epitope, STC and Merger Sub will be a party to a reorganization within the meaning of Section 368(b) of the Code. In rendering such opinion, such counsel shall be entitled to rely upon representations of officers of Epitope, STC and Merger Sub;

(c) Employment Agreements. The employees identified in Exhibit N hereto shall have executed and delivered to the Surviving Corporation employment agreements in the respective forms delivered to Epitope and Merger Sub on or prior to the date hereof;

(d) Affiliate Agreements. Epitope shall have received from each Person named in the letter referred to in Section 8.8(b) an executed copy of an Epitope Affiliate Agreement and a STC Affiliate Agreement substantially in the form of Exhibit L and Exhibit M, respectively, to this Agreement;

(e) Fairness Opinion. The opinion described in Section 3.18(b) shall not have been withdrawn or materially modified in an adverse manner;

(f) No Material Adverse Change. There shall have been (i) no material adverse change in the financial condition, results of operations or cash flows or assets, liabilities, business or prospects of STC from the date of the STC Balance Sheet through the Closing Date and (ii) no action taken by the FDA with respect to STC's products, operations or facilities that would be reasonably expected to have a STC Material Adverse Effect;

(g) FDA Action. There shall have been no adverse action taken by the Food and Drug Administration that would, or would be reasonably expected to, prohibit or significantly limit the manufacture, sale, promotion or distribution of any products of STC or the operation of STC; and

(h) Epitope Rights Agreement. The Epitope Stock Purchase Rights shall not have become exercisable or been distributed or triggered.

Section 9.3. Conditions to the Obligations of STC. The obligations of STC to consummate the Merger are subject to the satisfaction, or waiver by STC, on or prior to the Closing Date, of the following further conditions:

(a) Representations and Covenants. (i) Epitope shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the time of the filing of the Articles of Merger and the Certificates of Merger; (ii) the representations and warranties of Epitope and Merger Sub in this Agreement that are qualified as to materiality, Epitope Material Adverse Effect or Surviving Corporation Material Adverse Effect shall be accurate, and any such representations and warranties that are not so qualified shall be accurate, in all material respects, as of the date of this Agreement and as of the Effective Time (except for representations and warranties which address matters only as of a specific date, in which case such representations and warranties qualified as to materiality, Epitope Material Adverse Effect or Surviving Corporation Material Adverse Effect shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such earlier date); and (iii) STC shall have received a certificate signed by the Chief Executive Officer or Chief Financial Officer of Epitope and Merger Sub to the foregoing effect;

(b) Tax Opinion. STC shall have received an opinion of Pepper Hamilton LLP in form and substance reasonably satisfactory to STC, on the basis of certain facts, representations and assumptions set forth in such opinion, dated as of the date of the filing of the Articles of Merger and the Certificates of Merger, to the effect that the Mergers will qualify for federal income tax purposes as 368 Reorganizations and that each of Epitope, STC and Merger Sub will be a party to a reorganization within the meaning of Section 368(b) of the Code. In rendering such opinion, such counsel shall be entitled to rely upon representations of officers of Epitope, STC and Merger Sub;

(c) Employment Agreements. The employees identified in Exhibit N hereto shall have executed and delivered to the Surviving Corporation employment agreements in the respective forms delivered to STC on or prior to the date hereof;

(d) No Material Adverse Change. There shall have been no material adverse change in the financial condition, results of operations or cash flows or assets, liabilities, business or prospects of Epitope from the date of the Epitope Balance Sheet through the Closing Date;

(e) FDA Action. There shall have been no adverse action taken by the Food and Drug Administration that would, or would reasonably be expected to, prohibit or significantly limit the manufacture, sale, promotion or distribution of any products of Epitope or the operations of Epitope;

(f) Epitope Rights Agreement. The Epitope Stock Purchase Rights shall not have become exercisable or been distributed or triggered; and

(g) STC Preferred Stock. The holders of all shares of STC Preferred Stock shall have converted all of their shares into STC Common Stock.

ARTICLE X

TERMINATION

Section 10.1. Termination. This Agreement may be terminated at any time prior to the Effective Time by written notice by the terminating party to the other party (except if such termination is pursuant to Section 10.1(a)), notwithstanding approval thereof by the respective stockholders of Epitope and STC:

(a) by mutual written agreement of Epitope and STC;

(b) by either STC or Epitope, if

(i) the Mergers shall not have been consummated by October 31, 2000 (the "Expiration Date"); provided, however, that (x) the right to terminate this Agreement under this Section 10.1(b)(i) shall not be available to any party whose breach of any provision of this Agreement has resulted in the failure of the Mergers to occur on or before the Expiration Date, and (y) such termination shall not limit any obligation to make any payment or reimbursement required under Section 10.2(b);

(ii) there shall be any Law that makes consummation of the Mergers illegal or otherwise prohibited or any judgment, injunction, order or decree of any Governmental Entity having competent jurisdiction enjoining Epitope, STC or the Merger Sub from consummating the Mergers is entered and such judgment, injunction, judgment or order shall have become final and nonappealable and, prior to such termination, the parties shall have used reasonable best efforts to resist, resolve or lift, as applicable, such law, regulation, judgment, injunction, order or decree; or

(iii) the holders of Epitope Common Stock do not approve this Agreement.

(c) by Epitope, (i) if there shall have occurred an Adverse Change in the STC Recommendation (or the Board of Directors of STC have resolved or publicly proposed to take such action); (ii) if there shall have occurred a willful and material breach of Section 7.2 by STC or any of its officers, directors, employees, advisors or agents; (iii) if a breach of any representation, warranty, covenant or agreement on the part of STC set forth in this Agreement shall have occurred that would cause the condition set forth in Section 9.2(a) not to be satisfied, and such condition shall be incapable of being satisfied or, if capable of being satisfied, shall not have been satisfied within 20 days after written notice thereof shall have been received by STC; (iv) STC shall have failed to include in the Joint Proxy Statement the recommendation of the Board of Directors of STC in favor of the adoption and approval of this Agreement and the approval of the Merger; (v) the Board of Directors of STC shall have approved, endorsed or recommended any Acquisition Proposal; (vi) a tender or exchange offer relating to securities of STC shall have been commenced and STC shall not have sent to its security holders, within ten business days after the commencement of such tender or exchange offer, a statement disclosing that STC recommends rejection of such tender or exchange offer; or (vii) STC or STC's Board of Directors or any committee thereof shall have resolved to do or permit any of the foregoing;

(d) by STC, (i) if there shall have occurred an Adverse Change in the Epitope Recommendation (or the Board of Directors of Epitope have resolved or publicly proposed to take such action); (ii) if there shall have occurred a willful and material breach of Section 6.2 by Epitope, any Epitope Subsidiary or any of their respective officers, directors, employees, advisors or agents; or (iii) if a breach of any representation, warranty, covenant or agreement on the part of Epitope set forth in this Agreement shall have occurred that would cause the condition set forth in Section 9.3(a) not to be satisfied, and such condition is incapable of being satisfied or, if capable of being satisfied, shall not have been satisfied within 20 days after written notice thereof shall have been received by Epitope; (iv) Epitope shall have failed to include in the Joint Proxy Statement the recommendation of the Board of Directors of Epitope in favor of the adoption and approval of this Agreement and the approval of the Merger; (v) the Board of Directors of Epitope shall have approved, endorsed or recommended any Acquisition Proposal; (vi) a tender or exchange offer relating to securities of Epitope shall have been commenced and Epitope shall not have sent to its security holders, within ten business days after the commencement of such tender or exchange offer, a statement disclosing that Epitope recommends rejection of such tender or exchange offer; or (vii) Epitope or Epitope's Board of Directors or any committee thereof shall have resolved to do or permit any of the foregoing;

(e) by Epitope at any time prior to its required stockholders approval, upon three Business Days' prior notice to STC, if the Epitope Board of Directors shall have determined as of the date of such notice that an Acquisition Proposal is a Superior Proposal and has entered into (subject to termination of this Agreement) a definitive agreement for such Superior Proposal; provided, however, that (i) Epitope shall have complied with Section 6.2, (ii) the Board of Directors of Epitope shall have concluded in good faith, as of the effective date of such termination, after taking into account any revised proposal by STC during such three Business Day period, that an Acquisition Proposal is a Superior Proposal and (iii) Epitope shall have made the payment and reimbursement set forth in Section 10.2(b);

(f) automatically if the transactions contemplated herein are enjoined by a court of competent jurisdiction for a period extending beyond 90 days;

(g) by STC, if a Share Acquisition Date shall have occurred pursuant to the Epitope Rights Agreement;

(h) by STC, if the Epitope Average Price shall be less than $6.00; or

(i) by STC, if the Epitope meeting of stockholders is canceled or is otherwise not held or if a final vote of Epitope's stockholders has not been taken with respect to the Mergers prior to October 31, 2000, except as a result of a judgment, injunction, order or decree of any competent authority or events or circumstances beyond the reasonable control of Epitope.

Section 10.2. Effect of Termination.

(a) If this Agreement is terminated pursuant to Section 10.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of Epitope or STC or their respective officers or directors except with respect to the provisions of Sections 8.9, 10.2, 12.1, 12.4, 12.5, 12.10 and 12.11 of this Agreement which provisions shall remain in full force and effect and survive any termination of this Agreement, and except that, notwithstanding anything to the contrary contained in this Agreement, neither Epitope nor STC shall be relieved or released from any liabilities or damages arising out of its willful material breach of this Agreement or any obligations under Section 10.2(b).

(b) Epitope agrees to pay STC (A) a fee in immediately available funds equal to $3,000,000 in the event that this Agreement is terminated by STC pursuant to clauses (i), (iv), (v), (vi) or (vii) of Section 10.1(d) or pursuant to Section 10.1(i), (B) together with an additional payment of $2,000,000 plus reimbursement to STC of its reasonable Expenses (as defined in Section 10.3) up to a maximum amount of $1,000,000, if (x) an Acquisition Proposal had been made prior to the actions referenced in clauses (i), (iv), (v), (vi) or (vii) of Section 10.1(d) or Section 10.1(i), and (y) within twelve months following such termination by STC, Epitope enters into a definitive agreement with the party that made such Acquisition Proposal. Epitope agrees to (i) pay STC a fee in immediately available funds equal to $5,000,000, and (ii) to reimburse STC for its reasonable Expenses (as defined in Section 10.3) up to a maximum amount of $1,000,000, in the event this Agreement is terminated by Epitope pursuant to Section 10.1(e), which payment and reimbursement shall be reduced by the amount of all payments, and reimbursements made by Epitope pursuant to the first sentence of this Section 10.2(b). The payment of the first $3,000,000 required by clause (A) of the first sentence of this Section 10.2(b) shall be made not later than the close of business on the second Business Day after STC has terminated this Agreement pursuant to the provisions referred to in such sentence. The combined payment and reimbursement of up to an additional $3,000,000 required by clause (B) of the first sentence of this Section 10.2(b) shall be made contemporaneously with entering into a definitive agreement with the third party that made the Acquisition Proposal referred to in that sentence. The termination of this Agreement, and the payment and reimbursement required by the second sentence of this Section 10.2(b) shall be made contemporaneously with a termination of this Agreement by Epitope.

(c) The remedy provided for in Section 10.2(b) shall be the exclusive remedy at law or in equity that STC shall have in the event of a termination of this Agreement (A) by STC pursuant to clauses (i), (iv), (v), (vi) or (vii) of Section 10.1(d) or Section 10.1(i), or (B) by Epitope pursuant to Section 10.1(e).

(d) Epitope acknowledges that the agreements contained in this Section 10.2 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements STC would not have entered into this Agreement.

Section 10.3. Fees and Expenses. Except as set forth in this Section 10.2(b), all fees and expenses incurred in connection herewith and the transactions contemplated hereby shall be paid by the party incurring such expenses, whether or not the Mergers are consummated. As used in this Agreement, "Expenses" includes all out-of-pocket expenses (including, without limitation, all fees and expenses of counsel, accountants, investment bankers, experts and consultants to a party hereto and its affiliates) incurred by a party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and the transactions contemplated hereby, including the preparation, printing, filing and mailing of the Joint Proxy Statement/Prospectus and the solicitation of stockholder approvals and all other matters related to the transactions contemplated hereby.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or by telecopy or telefacsimile, upon confirmation of receipt, in each case, if on a Business Day, and otherwise on the next Business Day, (b) on the first service, or (c) on the fifth Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

if to the Surviving Corporation, to the address set forth below for Epitope and STC, including copies;

if to Epitope, to:

Epitope, Inc.
8505 SW Creekside Place
Beaverton, OR 97008
Attention: Robert Thompson, President
and Chief Executive Officer

with a copy to:

Stinson, Mag & Fizzell, P.C.
1201 Walnut Street, Suite 2800
Kansas City, MO 64106
Attention: John A. Granda, Esq.

if to STC to:

STC Technologies, Inc.
1745 Eaton Avenue
Bethlehem, PA 18018
Attention: Mike Gausling, President
and Chief Executive Officer

with a copy to:

Pepper Hamilton LLP
1235 Westlakes Drive, Suite 400
Berwyn, PA 19312
Attention: Jeffrey P. Libson, Esq.

Section 11.2. Survival of Representations, Warranties and Covenants After the Effective Time. The representations, warranties, covenants and other agreements contained herein and in any certificate or other instrument delivered pursuant hereto, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall not survive the Effective Time.

Section 11.3. Amendments; No Waivers.

(a) Any provision of this Agreement may be amended or waived prior to the Effective Time if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Epitope and STC or in the case of a waiver, by the party against whom the waiver is to be effective; provided that (i) after the Epitope Stockholder Approval, no such amendment or waiver shall, without the further approval of such stockholders, be made that would require such approval under any applicable law, rule or regulation and (ii) after the STC Stockholder Approval, no such amendment or waiver shall, without the further approval of such stockholders, be made that would require such approval under any applicable law, rule or regulation.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 11.4. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto, in whole or in part (whether by operation of law or otherwise), without the prior written consent of the other party, and any attempt to make any such assignment without such consent shall be null and void. 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 assigns.

Section 11.5. Governing Law. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Delaware without regard to any principles of conflicts or choice of law.

Section 11.6. Counterparts; Effectiveness. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that both parties need not sign the same counterpart. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

Section 11.7. No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than Section 8.13 (which is intended to be for the benefit of the Persons covered thereby and may be enforced by such Persons).

Section 11.8. Interpretation. When a reference is made in this Agreement to Sections, Exhibits or Schedules, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

Section 11.9. Enforcement. 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. It is accordingly agreed that the parties shall be entitled to specific performance of the terms hereof, this being in addition to any other remedy to which they are entitled at law or in equity.

Section 11.10. Entire Agreement. This Agreement (together with the exhibits and schedules hereto) constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof.

Section 11.11. Severability. If any term, provision, covenant or restriction set forth in this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not deemed by a party (acting reasonably and in good faith) to be materially adverse to that party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in order that the transactions contemplated hereby may be consummated as originally contemplated to the fullest extent possible.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Epitope, Inc.

/s/ Robert D. Thompson
By: _____
Name: Robert D. Thompson
Title: President and Chief Executive Officer

STC Technologies, Inc.

/s/ Michael J. Gausling
By: _____
Name: Michael J. Gausling
Title: President and Chief Executive Officer

Edward Merger Subsidiary, Inc.

/s/ Robert D. Thompson
By: _____
Name: Robert D. Thompson
Title: Chief Executive Officer

APPENDIX I

DEFINITIONS

"Acquisition Proposal for Epitope" means any offer or proposal for a merger, consolidation, share, exchange, business combination, reorganization, recapitalization, issuance of securities, acquisition of securities, liquidation, dissolution, tender offer or exchange offer or other similar transaction or series of transactions involving, or any purchase of 10% or more of the assets, or directly or indirectly acquires beneficial ownership of securities representing, or exchangeable for or convertible into, more than 10% of the outstanding securities of any class of voting securities of, Epitope or any Significant Subsidiary of Epitope or in which Epitope or any Significant Subsidiary of Epitope issues securities representing 10% of the outstanding securities of any class of voting securities of Epitope or any significant subsidiary of Epitope, other than the transactions contemplated by this Agreement.

"Acquisition Proposal for STC" means any offer or proposal for a merger, consolidation, share exchange, business combination, reorganization, recapitalization, issuance of securities, liquidation, dissolution, tender offer or exchange offer or other similar transaction or series of transactions involving, or any purchase of 10% or more of the assets, or directly or indirectly acquires beneficial ownership of securities representing, or exchangeable for or convertible into, more than 10% of the outstanding securities of any class of voting securities of STC or in which STC issues securities representing 10% of the outstanding securities of any class of voting securities of STC, other than the transactions contemplated by this Agreement.

"Action" means any action, suit, proceeding or investigation by or before any Governmental Entity or arbitrator.

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by, or under common control with, such Person. For purposes of this definition, the term "control" (including the correlative terms "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, or partnership or other ownership interests, by contract, or otherwise.

"Articles of Merger" means the Articles of Merger of Epitope with and into Merger Sub, in substantially the form attached hereto as Exhibit D.

"Average Epitope Stock Price" means the average of the closing sales price per share of Epitope Common Stock as reported by NASDAQ on each of the 20 consecutive trading days immediately preceding the third trading day prior to the Determination Date.

"Business Day" means any day other than a Saturday, Sunday or one on which banks are authorized by law to close in the City of New York.

"Certificate of Merger" means either (i) the Certificate of Merger of STC with and into Merger Sub, in substantially the form attached hereto as Exhibit C, or (ii) the Certificate of Merger of Epitope with and into Merger Sub, in substantially the form of Exhibit E, as the case may be.

"Certificates of Merger" includes both of such Certificates.

"Closing" means the closing of the Mergers contemplated in this Agreement.

"Closing Date" means the date on which the Closing occurs.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consequential Damages" means Damages arising out of any interruption of business, loss of profits, loss of use of facilities, claims of customers, loss of goodwill or any indirect, incidental or special Damages.

"Damages" means all losses, claims, damages, costs, fines, penalties, obligations, payments and liabilities (including those arising out of any Action), together with all reasonable costs and expenses (including reasonable outside attorneys' fees and reasonable out-of-pocket expenses) incurred in connection with any of the foregoing.

"Determination Date" means the date on which the last of the following occurs: (i) the effective date (including the expiration of any applicable waiting period by law) of the last required consent or order of any Governmental Entity having authority over and approving or exempting the Merger, and (ii) the date on which the stockholders of both Epitope and STC have approved the Merger.

"Epitope Balance Sheet" means Epitope's consolidated balance sheet included in the Epitope 10-K relating to its fiscal year ended on September 30, 1999.

"Epitope Common Stock" means the common stock of Epitope, no par value per share, including the associated rights (the "Epitope Stock Purchase Rights") to purchase shares of Series A Junior Participating Cumulative Preferred Stock of Epitope (the "Epitope Series A Preferred Stock") pursuant to the Rights Agreement, dated as of December 15, 1997, between Epitope and ChaseMellon Shareholder Services, L.L.C., as Rights Agent, as proposed to be amended as contemplated by Section 3.23 hereof (the "Epitope Rights Agreement"). All references in this Agreement to Epitope Common Stock to be received pursuant to the Merger shall be deemed to include the Epitope Stock Purchase Rights.

"Epitope Disclosure Schedule" means the schedule delivered to STC by Epitope pursuant to Article III hereof containing exceptions to the representations and warranties of Epitope set forth in such Article III.

"Epitope SEC Documents" means (i) Epitope's annual report on Form 10-K for its fiscal year ended September 30, 1999 (the "Epitope 10-K"), (ii) Epitope's quarterly report on Form 10-Q (the "Epitope 10-Q") for its fiscal quarter ended December 31, 1999, (iii) Epitope's proxy or information statements relating to meetings of, or actions taken without a meeting by, Epitope's stockholders held since September 30, 1999, and (iv) all other reports, filings, registration statements and other documents filed by it with the SEC since September 30, 1999.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exchange Agent" means the agent to be agreed upon by Epitope and STC and engaged by the Surviving Corporation to effect the exchange of the Certificates pursuant to Section 2.3 of this Agreement.

"Governmental Entity" means any federal, state or local governmental authority, any transgovernmental authority or any court, tribunal, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign.

"Joint Proxy Statement/Prospectus" means the joint proxy statement/prospectus included in the Registration Statement relating to the Special Meetings, together with any amendments or supplements thereto.

"Knowledge" means, with respect to the matter in question, if any of (i) in the case of Epitope or Merger Sub, Robert Thompson, President and Chief Executive Officer, Charles Bergeron, Vice President and Chief Financial Officer, Andrew S. Goldstein, Senior Vice President, Richard George, Vice President and Chief Science Officer, William D. Block, Vice President of Marketing and Sales, and Rob Ngungu, Vice President of Regulatory Affairs and Quality Assurance, and (ii) in the case of STC, Michael J. Gausling, President and Chief Executive Officer, William M. Hinchey, Executive Vice President, R. STC Niedbala, Executive Vice President, and Richard D. Hooper, Chief Financial Officer, has actual knowledge of such matter.

"Law" means any federal, state, local, municipal, foreign, international, multinational, or other judicial or administrative order, judgment, decree, constitution, statute, rule, regulation, treaty, ordinance or principle of common law.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset.

"Material Adverse Effect" means a material adverse effect on the financial condition, business, results of operations or prospects of a Person and its Subsidiaries, taken as a whole, but shall exclude any material adverse effect arising out of any change or development relating to (i) U.S. or global economic or industry conditions (including, without limitation, conditions applicable generally to the oral specimen collection business), (ii) changes in U.S. or global financial markets or conditions, and/or (iii) any generally applicable change in Law or GAAP or interpretation of any thereof. "Epitope Material Adverse Effect" means a Material Adverse Effect in respect of Epitope, "STC Material Adverse Effect" means a Material Adverse Effect in respect of STC and "Surviving Corporation Material Adverse Effect" means a Material Adverse Effect in respect of the Surviving Corporation.

"Merger" or "Mergers" has the meaning specified in the Recitals to this Agreement.

"Merger Consideration" means the total number of shares of Surviving Corporation Common Stock issued pursuant to the STC Merger or the Epitope Merger, as the case may be, issued pursuant to Article II, together with any cash in lieu of fractional shares of Surviving Corporation Common Stock to be paid pursuant to Section 2.1(d)(iv).

"Person" means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including any Governmental Entity.

"Registration Statement" means the Registration Statement on Form S-4 registering under the Securities Act the Surviving Corporation Common Stock issuable in connection with the Merger.

"STC Balance Sheet" means STC's audited balance sheet relating to its fiscal year ended on December 31, 1999.

"STC Common Stock" means the common stock of STC, $0.000001 par value per share, and all references in this Agreement to STC Common Stock shall be deemed to include both the Class A Common Stock and the Class B Common Stock of STC.

"STC Common Stock Equivalent" means all rights and options to purchase or acquire STC Common Stock.

"STC Disclosure Schedule" means the schedule delivered to Epitope by STC pursuant to Article IV hereof containing exceptions to the representations and warranties of STC set forth in such Article IV.

"STC Preferred Stock" means the Series A Convertible Preferred Stock of STC, $0.000001 par value per share.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Significant Subsidiary" means any Subsidiary that constitutes a "significant subsidiary" of such Person with the meaning of Rule 1-02 of Regulation S-X of the Exchange Act.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are directly or indirectly owned by such Person. "Epitope Subsidiary" means a Subsidiary of Epitope.

"Surviving Corporation Common Stock" means the common stock of Merger Sub, $0.000001 par value per share, including the associated rights (the "Surviving Corporation Stock Purchase Rights") to purchase shares of Series A Preferred Stock of the Surviving Corporation (the "Surviving Corporation Series A Preferred Stock") pursuant to the Rights Agreement between the Surviving Corporation and ChaseMellon Shareholder Services, L.L.C., as Rights Agent (the "Surviving Corporation Rights Agreement"). All references in this Agreement to Surviving Corporation Common Stock to be received pursuant to the Merger shall be deemed to include the Surviving Corporation Stock Purchase Rights.

"Tax" or "Taxes" means any federal, state, county, local or foreign taxes, charges, levies, imposts, duties, other assessments or similar charges of any kind whatsoever, including any interest, penalties and addition imposed thereon or with respect thereto.

In addition to the definitions set forth above, each of the following terms is defined in the Section set forth opposite such term:

TERMS	Section
Adverse Change in the Epitope Recommendation	8.2(b)
Adverse Change in the STC Recommendation	8.2(b)
Certificates	2.3(a)
Confidentiality Agreement	6.2(a)
Confidential Material	8.9(a)
Delaware Law	2.1(a)
Delivering Company	8.9(a)
Effective Time	2.2(b)
Epitope	Preamble
Epitope Designees	2.4(d)
Epitope Employee Plans	3.13(a)
Epitope Intellectual Property	3.16(b)
Epitope Preferred Stock	3.5
Epitope Representation Letter	8.7(c)
Epitope Returns	3.12
Epitope Securities	3.5(b)
Epitope Stockholder Approval	3.19(a)
Epitope Stockholders Agreement	Recitals
Epitope Stockholders Meeting	3.19(b)
Epitope Stock Options	3.5(a)
Epitope Warrants	3.5(a)
ERISA	3.13(a)
ERISA Affiliate	3.13(a)
European Commission	9.1(d)
Exchange Ratio	2.1(e)
Expenses	10.3
Expiration Date	10.1(b)
GAAP	Recitals
HSR Act	3.3
Mergers	Recitals
Merger Consideration	2.1(e)
Multiemployer Plan	3.13(b)
Oregon Law	2.2(a)
Receiving Company	8.9(a)
Representatives	8.9(a)
STC	Preamble

ANNEX B

[LETTERHEAD OF DEUTSCHE BANK SECURITIES INC.]

May 6, 2000

The Board of Directors
Epitope, Inc.
8505 SW Creekside Place
Beaverton, Oregon 97008-7108

Members of the Board:

Deutsche Bank Securities Inc. ("Deutsche Bank") has acted as financial advisor to Epitope, Inc. ("Epitope") in connection with the proposed transaction involving Epitope and STC Technologies, Inc. ("STC") pursuant to an Agreement and Plan of Merger, dated as of May 6, 2000 (the "Agreement"), by and among Epitope, Edward Merger Subsidiary, Inc., a wholly owned subsidiary of Epitope ("Sub"), and STC. As set forth more fully in the Agreement, (i) Epitope will be merged with and into Sub (the "Epitope Merger") pursuant to which each outstanding share of the common stock, no par value per share, of Epitope ("Epitope Common Stock") will be converted into one share of the common stock, par value $0.000001 per share, of Sub ("Sub Common Stock") and (ii) STC will be merged with and into Sub (the "STC Merger" and, together with the Epitope Merger, the "Mergers") pursuant to which each outstanding share of the Class A common stock, par value $0.000001 per share, and Class B common stock, par value of $0.000001 per share, of STC (collectively, "STC Common Stock") will be converted into the right to receive that number of shares of Sub Common Stock determined as follows (the total number of shares of Sub Common Stock to be so determined and issuable in the STC Merger, the "Exchange Ratio"): (A) if the Average Epitope Stock Price (as defined in the Agreement) is greater than $13.00, the quotient of (i) the quotient of (x) $260 million divided by (y) the Average Epitope Stock Price, divided by (ii) the sum of the number of shares of STC Common Stock outstanding immediately prior to the effective time of the STC Merger and the number of shares of STC Common Stock underlying outstanding rights and options to purchase or acquire STC Common Stock ("STC Common Stock Equivalents"), (B) if the Average Epitope Stock Price is equal to or less than $13.00, but equal to or more than $10.00, the quotient of 20 million shares divided by the sum of the number of shares of STC Common Stock outstanding immediately prior to the effective time of the STC Merger and the number of shares of STC Common Stock underlying outstanding STC Common Stock Equivalents or (C) if the Average Epitope Stock Price is less than $10.00, the quotient of (i) the quotient of (x) $200 million divided by (y) the Average Epitope Stock Price divided by (ii) the sum of the number of shares of STC Common Stock outstanding immediately prior to the effective time of the STC Merger and the number of shares of STC Common Stock underlying outstanding STC Common Stock Equivalents; provided that the quotient in clause (C)(i), if in excess of 25 million, will be deemed to be 25 million.

You have requested Deutsche Bank's opinion as to the fairness, from a financial point of view, of the Exchange Ratio to Epitope.

In connection with Deutsche Bank's role as financial advisor to Epitope, and in arriving at its opinion, Deutsche Bank has reviewed certain publicly available financial and other information concerning Epitope, certain financial and other information concerning STC, and certain internal analyses and other information furnished to or discussed with it by Epitope, STC and their respective advisors. Deutsche Bank also has held discussions with members of the senior managements of Epitope and STC regarding the business and prospects of their respective companies and the joint prospects of a combined company. In addition, Deutsche Bank has (i) reviewed the reported prices and trading activity for Epitope Common Stock, (ii) compared certain financial and stock market information for Epitope and STC with similar information for certain other companies whose securities are publicly traded, (iii) reviewed the financial terms of certain recent business combinations which it deemed comparable in whole or in part, (iv) reviewed the terms of the Agreement and (v) performed such other studies and analyses and considered such other factors as it deemed appropriate.

Deutsche Bank has not assumed responsibility for independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning Epitope, STC or Sub, including, without limitation, any financial information, forecasts or projections considered in connection with the rendering of its opinion. Accordingly, for purposes of its opinion, Deutsche Bank has assumed and relied upon the accuracy and completeness of all such information and Deutsche Bank has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise), of Epitope or STC. With respect to the financial forecasts and projections relating to Epitope and STC that were made available to Deutsche Bank and used in its analyses, including forecasts of certain synergies expected to be achieved as a result of the Mergers, Deutsche Bank has been advised by the managements of Epitope and STC and has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Epitope and STC. Deutsche Bank's opinion is necessarily based upon economic, market and other conditions as in effect on, and the information made available to it as of, the date hereof.

For purposes of rendering its opinion, Deutsche Bank has assumed that, in all respects material to its analysis, the representations and warranties of Epitope, STC and Sub contained in the Agreement are true and correct, Epitope, STC and Sub will each perform all of the covenants and agreements to be performed by it under the Agreement and all conditions to the obligations of each of Epitope, STC and Sub to consummate the Mergers will be satisfied without any waiver thereof. Deutsche Bank also has assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Mergers will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which either Epitope or STC is a party or is subject or by which it is bound, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on Epitope, STC or Sub or materially reduce the contemplated benefits of the Mergers to Epitope. In addition, representatives of Epitope have informed Deutsche Bank, and accordingly for purposes of rendering its opinion Deutsche Bank has assumed, that the Mergers are expected to qualify as tax-free reorganizations for federal income tax purposes and be accounted for as poolings of interests. Deutsche Bank is expressing no opinion as to the price at which Sub Common Stock will trade at any time.

This opinion is addressed to, and for the use and benefit of, the Board of Directors of Epitope and is not a recommendation to any stockholder as to how such stockholder should vote with respect to matters relating to the proposed Mergers. This opinion is limited to the fairness, from a financial point of view, of the Exchange Ratio to Epitope. Deutsche Bank expresses no opinion as to the merits of the underlying decision by Epitope to engage in the Mergers.

Deutsche Bank, as a customary part of its investment banking business, is engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, private placements and valuations for estate, corporate and other purposes. We have acted as financial advisor to Epitope in connection with the Mergers and will receive a fee for our services, a significant portion of which is contingent upon the consummation of the Mergers and a portion of which is payable upon delivery of this opinion. In the ordinary course of business, Deutsche Bank and its affiliates also may actively trade or hold the securities and other instruments and obligations of Epitope for their own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities, instruments or obligations.

Based upon and subject to the foregoing, it is Deutsche Bank's opinion that, as of the date of this letter, the Exchange Ratio is fair, from a financial point of view, to Epitope.

Very truly yours,

/s/ Deutsche Bank Securities Inc.

DEUTSCHE BANK SECURITIES INC.

ANNEX C

May 9, 2000

Board of Directors
STC Technologies, Inc.
1745 Eaton Avenue
Bethlehem, PA 18018-1799

Members of the Board:

We understand that STC Technologies, Inc. ("STC"), Epitope, Inc. ("Epitope"), and Edward Merger Subsidiary, Inc. (a wholly owned subsidiary of Epitope, "Merger Sub") have entered into an Agreement and Plan of Merger (the "Agreement"), dated May 6, 2000, which provides, among other things, for (i) the merger (the "STC Merger") of STC with and into Merger Sub and (ii) the merger (the "Epitope Merger", and together with the STC Merger, the "Merger") of Epitope with and into Merger Sub. Upon consummation of the Merger, Merger Sub will continue as the surviving corporation (the "Surviving Corporation"). All capitalized terms not defined herein shall have the meanings set forth in the Agreement.

Under the terms, and subject to the conditions, set forth in the Agreement, at the effective time of the Merger, the outstanding shares of common stock of STC, par value $0.000001 per share ("STC Common Stock") other than certain shares to be canceled pursuant to the Agreement and shares held by stockholders who properly exercise dissenters' rights ("Dissenting Shares"), will be converted into the right to receive shares of the common stock of Surviving Corporation, par value $0.000001 per share ("Surviving Corporation Common Stock") determined by the exchange ratio (the "Exchange Ratio") as follows: (i) if the Average Epitope Stock Price is greater than $13.00, the Exchange Ratio shall be the quotient of (a) the quotient of (x) $260 million divided by (y) the Average Epitope Stock Price, divided by (b) the sum of the number of shares of STC Common Stock outstanding immediately prior to the effective time of the Merger and the number of shares of STC Common Stock underlying STC Common Stock Equivalents; or (ii) if the Average Epitope Stock Price is equal to or less than $13.00, but equal to or more than $10.00, the Exchange Ratio shall be the quotient of 20 million shares divided by the sum of the number of shares of STC Common Stock outstanding immediately prior to the effective time of the Merger and the number of shares of STC Common Stock underlying STC Common Stock Equivalents; or (iii) if the Average Epitope Stock Price is less than $10.00, the Exchange Ratio shall be the quotient of (a) the quotient of (x) $200 million divided by (y) the Average Epitope Stock Price, divided by (b) the sum of the number of shares of STC Common Stock outstanding immediately prior to the effective time of the Merger and the number of shares of STC Common Stock underlying STC Common Stock Equivalents; provided, however, that in the event that the quotient in clause (a) of this subsection (iii) exceeds 25 million shares, such quotient shall be deemed to be 25 million shares for the purposes of completing the calculation set forth in this subsection (iii) and; provided further, that in the event that the Average Epitope Stock Price is less than $6.00, STC shall have the right to terminate the Agreement.

The terms and conditions of the Merger are set out more fully in the Agreement.

You have asked us whether, in our opinion, the Exchange Ratio is fair from a financial point of view and as of the date hereof to STC and the "Holders of STC Common Stock." The "Holders of STC Common Stock" shall be defined as all holders of STC Common Stock other than Epitope, Merger Sub, any affiliates of Epitope or Merger Sub, holders of Dissenting Shares or any holders of STC Common Stock who are officers or directors (or who have representatives serving as directors) of STC.

For purposes of this opinion we have, among other things:

(i) reviewed certain publicly available financial statements and other business and financial information of Epitope;

(ii) reviewed certain internal financial statements and other financial and operating data, including certain financial forecasts and other forward looking information, concerning (a) STC prepared by the management of STC and (b) Epitope prepared by the management of Epitope;

(iii) reviewed certain publicly available estimates of research analysts relating to Epitope;

(iv) held discussions with the respective managements of STC and Epitope concerning the businesses, past and current operations, financial condition and future prospects of both STC and Epitope, independently and combined, including discussions with the managements of STC and Epitope concerning cost savings and other synergies that are expected to result from the Merger as well as their views regarding the strategic rationale for the Merger;

(v) reviewed the financial terms and conditions set forth in the Agreement;

(vi) reviewed the stock price and trading history of Epitope Common Stock;

(vii) compared the financial performance of Epitope and the prices and trading activity of Epitope Common Stock with that of certain other publicly traded companies comparable with Epitope;

(viii) compared the financial performance of STC with that of certain publicly traded companies comparable to STC;

(ix) reviewed the pro forma impact of the Merger on Epitope's earnings per share;

(x) prepared an analysis of the relative contributions of STC and Epitope to the combined company;

(xi) prepared a discounted cash flow analysis of STC and Epitope;

(xii) participated in discussions and negotiations among representatives of STC and Epitope and their financial and legal advisors; and

(xiii) made such other studies and inquiries, and reviewed such other data, as we deemed relevant.

In our review and analysis, and in arriving at our opinion, we have assumed and relied upon the accuracy and completeness of all of the financial and other information provided to us (including information furnished to us orally or otherwise discussed with us by managements of STC and Epitope) or publicly available and have neither attempted to verify, nor assumed responsibility for verifying, any of such information. We have relied upon the assurances of the managements of STC and Epitope that they are not aware of any facts that would make such information inaccurate or misleading. Furthermore, we did not obtain or make, or assume any responsibility for obtaining or making, any independent evaluation or appraisal of the properties, assets or liabilities (contingent or otherwise) of STC or Epitope, nor were we furnished with any such evaluation or appraisal. With respect to the financial forecasts and projections (and the assumptions and bases therefor) for each of STC and Epitope that we have reviewed, we have assumed that such forecasts and projections have been reasonably prepared in good faith on the basis of reasonable assumptions and reflect the best currently available estimates and judgments as to the future financial condition and performance of STC and Epitope, respectively, and we have further assumed that such projections and forecasts will be realized in the amounts and in the time periods currently estimated. We have assumed that the Merger will be consummated upon the terms set forth in the Agreement without material alteration thereof, including, among other things, that the Merger will be accounted for as a "pooling-of-interests" business combination in accordance with U.S. generally accepted accounting principles ("GAAP") and that the Merger will be treated as a tax-free reorganization pursuant to the Internal Revenue Code of 1986, as amended. In addition, we have assumed that the historical financial statements of each of STC and Epitope reviewed by us have been prepared and fairly presented in accordance with U.S. GAAP consistently applied. We have relied as to certain legal matters relevant to rendering our opinion on the advice of counsel to STC.

This opinion is necessarily based upon market, economic and other conditions as in effect on, and information made available to us as of, the date hereof. It should be understood that subsequent developments may affect the conclusion expressed in this opinion and that we disclaim any undertaking or obligation to advise any person of any change in any matter affecting this opinion which may come or be brought to our attention after the date of this opinion. Our opinion is limited to the fairness, from a financial point of view and as to the date hereof, to STC and the Holders of STC Common Stock of the Exchange Ratio. We do not express any opinion as to (i) the value of any employee agreement or other arrangement entered into in connection with the Merger, (ii) any tax or other consequences that might result from the Merger or (iii) what the value of Surviving Corporation Common Stock will be when issued to STC's stockholders pursuant to the Merger or the price at which the shares of Surviving Corporation Common Stock that are issued pursuant to the Merger may be traded in the future. Our opinion does not address the relative merits of the Merger and the other business strategies that STC's Board of Directors has considered or may be considering, nor does it address the decision of STC's Board of Directors to proceed with the Merger.

In connection with the preparation of our opinion, we were not authorized to solicit, and did not solicit, third-parties regarding alternatives to the Merger.

We are acting as financial advisor to STC in connection with the Merger and will receive (i) a fee contingent upon the delivery of this opinion and (ii) an additional fee contingent upon the consummation of the Merger. In addition, STC has agreed to indemnify us for certain liabilities that may arise out of our engagement. In the ordinary course of business, we may trade in Epitope's or Surviving Corporation's securities for our own account and the account of our customers and, accordingly, may at any time hold a long or short position in Epitope's securities or Surviving Corporation's securities.

Our opinion expressed herein is provided for the information of the Board of Directors of STC in connection with its evaluation of the Merger. Our opinion is not intended to be and does not constitute a recommendation to any stockholder of STC or Epitope as to how such stockholder should vote, or take any other action, with respect to the Merger. This opinion may not be summarized, described or referred to or furnished to any party except with our express prior written consent.

Based upon and subject to the foregoing considerations, it is our opinion that, as of the date hereof, the Exchange Ratio is fair to STC and the Holders of STC Common Stock from a financial point of view.

Very truly yours,

FLEETBoston Robertson Stephens Inc.

/s/ FLEETBoston Robertson Stephens Inc.

Delaware General Corporation Law
(S) 262. Appraisal Rights

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to (S) 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a nonstock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a nonstock corporation; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to (S) 251 (other than a merger effected pursuant to (S) 251(g) of this title), (S) 252, (S) 254, (S) 257, (S) 258, (S) 263 or (S) 264 of this title:

(1) Provided, however, that no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in subsection (f) of (S) 251 of this title.

(2) Notwithstanding paragraph (1) of this subsection, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to (S)(S) 251, 252, 254, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a. and b. of this paragraph; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs a., b. and c. of this paragraph.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under (S) 253 of this title is not owned by the parent corporation immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for such meeting with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) hereof that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to (S) 228 or (S) 253 of this title, each consitutent corporation, either before the effective date of the merger or consolidation or within ten days thereafter, shall notify each of the holders of any class or series of stock of such constitutent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section; provided that, if the notice is given on or after the effective date of the merger or consolidation, such notice shall be given by the surviving or resulting corporation to all such holders of any class or series of stock of a constituent corporation that are entitled to appraisal rights. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constitutent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constitutent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constitutent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) hereof and who is otherwise entitled to appraisal rights, may file a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) hereof, whichever is later.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After determining the stockholders entitled to an appraisal, the Court shall appraise the shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. In determining the fair rate of interest, the Court may consider all relevant factors, including the rate of interest which the surviving or resulting corporation would have had to pay to borrow money during the pendency of the proceeding. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, permit discovery or other pretrial proceedings and may proceed to trial upon the appraisal prior to the final determination of the stockholder entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Interest may be simple or compound, as

the Court may direct. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

Exhibit 3.1

CERTIFICATE OF INCORPORATION
OF
EDWARD MERGER SUBSIDIARY, INC.

ARTICLE I

The name of this Corporation is: Edward Merger Subsidiary, Inc.

ARTICLE II

The registered office of the Corporation in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The Registered Agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

A. The total number of shares of capital stock which the Corporation shall have authority to issue is 145,000,000, of which (i) 25,000,000 shares shall be preferred stock, of the par value of $.000001 per share (hereinafter referred to as "Preferred Stock"), and (ii) 120,000,000 shares shall be common stock, of the par value of $.000001 per share (hereinafter referred to as "Common Stock"). All shares of Common Stock and Preferred Stock shall be fully paid up when issued and shall be non-assessable.

B. The preferences, limitations, and relative rights of the shares of each class of capital stock of the Corporation shall be as follows:

1. Preferred Stock.

a. Division into Series. The Board of Directors shall have authority to divide the Preferred Stock into as many series as the Board of Directors shall from time to time determine, and to issue the Preferred Stock in such series. The Board of Directors shall determine the number of shares comprising each series, which number may, unless otherwise provided by the Board of Directors in creating such series, be increased or decreased from time to time by action of the Board of Directors. Each series shall be so designated as to distinguish the shares thereof from the shares of all other series.

b. Authority of Board of Directors to Determine Preferences, Limitations, and Relative Rights. The Board of Directors shall have authority to determine, except as otherwise prescribed in this Article IV or by law, the preferences, limitations, and relative rights, including voting rights, of the shares of Preferred Stock before the issuance of any shares of such class or the

preferences, limitations, and relative rights, including voting rights, of the shares of any series of Preferred Stock before the issuance of any shares of such series. All shares of any such series shall have preferences, limitations, and relative rights, including voting rights, identical with those of other shares of the same series and, except to the extent otherwise provided in the description of such series, of those of other series of the Preferred Stock.

2. Common Stock.

Subject to the preferences, limitations, and relative rights of the Preferred Stock, or any series thereof, the holders of Common Stock shall have all rights of stockholders, including, without limitation, (i) unlimited voting rights on all corporate matters on the basis of one vote per share, except as such voting rights may be limited or required to be shared together with another class or series as provided by law, and (ii) the right to receive the net assets of the corporation upon dissolution. Shares of Common Stock may be issued from time to time as the Board of Directors shall determine and on such terms and for such consideration as shall be fixed by the Board of Directors.

3. Denial of Preemptive Rights.

No stockholder shall have any preemptive right to acquire additional shares of this Corporation, whether of shares originally authorized or other shares which may subsequently be authorized.

ARTICLE V

A. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders, and may not be effected by any consent in writing by such stockholders, unless such consent is unanimous.

B. Except as otherwise required by law and subject to the rights, if any, of the holders of Preferred Stock or any series thereof, special meetings of the stockholders of the Corporation may be called only by the Chairman of the Board of Directors, the President of the Corporation or the Board of Directors pursuant to a resolution approved by a majority of the whole Board of Directors.

ARTICLE VI

A. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans (an "Indemnitee"), against all liability and loss suffered and

expenses (including attorneys' fees) incurred by such person. The Corporation shall be required to indemnify a person in connection with a proceeding (or part thereof) initiated by such person only if the proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

B. The right to indemnification conferred by this ARTICLE VI shall be presumed to have been relied upon by the Indemnitee and shall be enforceable as a contract right. The Corporation may enter into contracts to provide individual Indemnitees with specific rights of indemnification to the fullest extent permitted by applicable law and may create trust funds, grant security interests, obtain letters of credit, purchase and maintain insurance or use other means to ensure the payment of such amounts as may be necessary to effect the rights provided in this ARTICLE VI or in any such contract. The right to indemnification conferred by this ARTICLE VI shall be in addition to any other similar rights to indemnification which may be provided by contract, the Bylaws of the Corporation or applicable law.

C. Upon making a request for indemnification, the Indemnitee shall be presumed to be entitled to indemnification under this ARTICLE VI and the Corporation shall have the burden of proof to overcome that presumption in reaching any contrary determination. Such indemnification shall include the right to receive payment in advance of any expenses incurred by the Indemnitee in connection with any Proceeding, consistent with the provisions of applicable law.

ARTICLE VII

A. The number of Directors of this Corporation shall not be less than three nor more than twelve as may be determined from time to time by the affirmative vote of the majority of the Board of Directors. The Directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of Directors constituting the entire Board of Directors. At the organizational meeting of the sole incorporator of this Corporation, Class I Directors shall be elected for a one-year term, Class II Directors shall be elected for a two-year term and Class III Directors shall be elected for a three-year term. At each annual meeting of stockholders, beginning in 2001, successors to the class of Directors whose term expires at that annual meeting shall be elected for a three-year term. A Director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

If the number of Directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of Directors in each class as nearly equal as possible, and any additional Director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of Directors shorten the term of any incumbent Director. Any Director elected to fill a vacancy not resulting from an increase in the number of Directors shall have the same remaining term as that of his or her predecessor. Any vacancy on the Board of Directors that results from an increase in the number of Directors may be filled by the affirmative vote of a majority of the Board of Directors then in office, and any other vacancy occurring on the Board of Directors may be filled by the affirmative vote of a

majority of the Directors then in office, although less than a quorum, or by a sole remaining Director.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect Directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Certificate of Incorporation applicable thereto, and such Directors so elected shall not be divided into classes pursuant to this ARTICLE VII unless expressly provided by such terms.

B. There shall be no qualifications for election as a Director of the Corporation; except that no person shall be eligible to stand for election as a Director if such person has been convicted of a felony by a court of competent jurisdiction where such conviction is no longer subject to direct appeal.

C. Except to the extent prohibited by law, the Board of Directors shall have the right (which, to the extent exercised, shall be exclusive) to establish the rights, powers, duties, rules and procedures that from time to time shall govern the Board of Directors and each of its members, including without limitation the vote required for any action by the Board of Directors, and that from time to time shall affect the Directors' power to manage the business and affairs of the Corporation; and no Bylaw shall be adopted by stockholders which shall impair or impede the implementation of the foregoing.

D. A Director may be removed only for cause, and only by the affirmative vote of the holders of a majority of shares of stock entitled to vote in an election of Directors. No Director so removed may be reinstated so long as the cause for removal continues to exist. For purposes of this Section D of this ARTICLE VII, "cause" shall be limited to: (i) conviction of a felony; (ii) declaration of unsound mind by order of a court; (iii) gross dereliction of duty; (iv) commission of a crime involving moral turpitude; or (v) commission of an action which constitutes intentional misconduct or a knowing violation of law if such action in either event results both in an improper substantial personal benefit to the Director and a material injury to the Corporation.

E. Advance notice of nominations for the election of Directors other than nominations made by the Board of Directors or a committee thereof, as well as advance notice of any proposals or other matters to be presented at any meeting of the Corporation's stockholders, shall be given to the Corporation in the manner provided in the Bylaws.

ARTICLE VIII

In discharging the duties of their respective positions, the Board of Directors and/or a committee or committees of the Board and/or individual Directors (collectively or individually, as the case may be, a "Director" or "Directors") when evaluating any Acquisition Proposal (as defined below) or presenting any related matter to the stockholders of the Corporation, shall, in connection with the exercise of such Directors' judgment in determining what is in the best interests of the Corporation as a whole, be authorized to give due consideration to such factors as the Directors determine to be relevant, including without limitation:

1. the consideration being offered in the Acquisition Proposal in relation to such Directors' estimate of: (i) the current value of the Corporation and/or its equity securities (or relevant portion of such equity securities) and/or its assets (or relevant portion of its assets) in a freely negotiated or independent transaction, whether in the form of a merger, consolidation, sale of assets or securities, reorganization, recapitalization, or any combination of the foregoing; (ii) the current value of the Corporation and/or its equity securities (or relevant portion of such equity securities) and/or its assets (or relevant portion of its assets) if orderly liquidated in a complete or partial liquidation; (iii) the future value of the Corporation and/or its equity securities (or relevant portion of such equity securities) and/or its assets (or relevant portion of its assets) over a period of years if the Corporation remained an independent entity, in each case discounted to current value at a discount rate reflective of the relevant risk or risks involved; (iv) premiums over market prices for the equity securities of other corporations in similar transactions; (v) the future prospects of the Corporation, the earnings potential and growth in asset value of the Corporation over a period of years, the Corporation's short-term and/or long-term plans and/or the likelihood of increasing or enhancing any or all of the foregoing if such short-term and/or long-term plans are achieved; (vi) other alternatives that may be available to the Corporation for increasing the current or future value of the Corporation and/or its equity securities (or relevant portion of its equity securities) and/or its assets (or relevant portion of its assets); and (vii) opinions or advice rendered by investment bankers, appraisers and other valuation professionals retained by the Corporation with respect to such of the matters set forth in (i)-(vi) above as may be relevant;

2. then existing political, economic and other factors bearing on security prices or asset values generally or the current market value of the Corporation's securities or assets in particular;

3. whether the Acquisition Proposal might violate federal, state or local laws;

4. social, legal and economic effects on any or all groups affected, including, without limitation, stockholders, employees, suppliers, customers, creditors and others having similar relationships with the Corporation, and the communities in which the Corporation conducts its businesses;

5. the financial condition and earning prospects of the Person (as defined below) making the Acquisition Proposal including such Person's ability to service its debts and other existing or likely financial obligations;

6. the competence, experience, integrity, intent and conduct (past, stated and potential) of the Person (as defined below) making the Acquisition Proposal;

7. the short-term and long-term interests of the Corporation, including without limitation benefits that may accrue to the Corporation from its short-term and/or long-term plans and the possibility that these interests may be best served by the continued independence of the Corporation; and

8. all other pertinent factors.

In considering the foregoing factors, including any other pertinent factors not listed above, such Directors shall not be required, in considering the best interests of the Corporation, to regard any corporate interest or the interest of any particular group affected by such action, including, without limitation, the interests of stockholders of the Corporation, as a dominant or controlling interest or factor.

For the purposes of this ARTICLE VIII, the term "Acquisition Proposal" shall mean a proposal or offer of any Person (it being understood that a "Person" shall mean any individual, firm, corporation or other entity): (a) to make a tender offer, exchange offer or other comparable offer for any equity security of the Corporation; (b) to effect a merger, consolidation, reorganization or recapitalization with or involving another Person (as defined above); (c) to effect any purchase, sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) of all or substantially all of the assets or equity securities of the Corporation with or involving another Person (as defined above); (d) to effect a complete or partial liquidation or dissolution of the Corporation; or (e) to effect a "business combination" (as defined in Section 203(c)(3) of the General Corporation Law of Delaware, as amended from time to time).

ARTICLE IX

No Director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty by such Director as a Director; provided, however, that this ARTICLE IX shall not eliminate or limit the liability of a Director to the extent provided by applicable law: (i) for any breach of the Director's duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the General Corporation Law of Delaware; or (iv) for any transaction from which the Director derived an improper personal benefit. No amendment to or repeal of this ARTICLE IX shall apply to or have any effect on the liability or alleged liability of any Director of the Corporation for or with respect to any acts or omissions of such Director occurring prior to such amendment or repeal.

ARTICLE X

Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code (relating to the General Corporation Law of the State of Delaware) or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code (relating to the General Corporation Law of the State of Delaware) order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as such court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors,

and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, such compromise or arrangement and such reorganization shall, if sanctioned by the court to which such application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

ARTICLE XI

A. The original Bylaws of this Corporation shall be adopted in any manner provided by law.

B. In furtherance, and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, adopt, alter, amend or repeal the Bylaws of the Corporation by the vote of not less than a majority of the whole Board of Directors.

C. Notwithstanding any other provisions in this Certificate of Incorporation or the Bylaws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law), the stockholders of the Corporation shall also have the power, to the extent such power is at the time in question conferred on them by applicable law, to make, adopt, alter, amend or repeal the Bylaws of the Corporation only upon the affirmative vote of two-thirds (66.6%) or more of the combined voting power of the then outstanding shares of stock of all classes and series of the Corporation entitled to vote generally in the election of directors ("Voting Stock"), voting together as a single class.

ARTICLE XII

A. In addition to any requirements of any other provisions of this Certificate of Incorporation (and notwithstanding the fact that a lesser percentage may be specified by law or this Certificate of Incorporation), the affirmative vote, at an annual or special meeting of the stockholders, of the holders of two-thirds (66.6%) or more of the combined voting power of the then outstanding shares of Voting Stock (as defined in Section C of ARTICLE XI), voting together as a single class, shall be required to amend, alter or repeal, or adopt any provision inconsistent with, ARTICLES V, VII, VIII and XI.

B. In addition to any requirements of any other provisions of this Certificate of Incorporation (and notwithstanding the fact that a lesser percentage may be specified by law or this Certificate of Incorporation), the affirmative vote, at an annual or special meeting of the stockholders, of the holders of two-thirds (66.6%) or more of the combined voting power of the then outstanding shares of Voting Stock voting together as a single class shall be required to amend, alter or repeal, or adopt any provision in this Certificate of Incorporation inconsistent with the Bylaws of the Corporation.

C. In addition to any requirements of any other provisions of this Certificate of Incorporation (and notwithstanding the fact that a lesser percentage may be specified by law or this Certificate of Incorporation), none of Sections A or B of this ARTICLE XII may be amended, altered or repealed, nor may any provision inconsistent therewith be adopted, unless the respective percentage or more of the combined voting power specified therein of the

outstanding shares of Voting Stock, voting together as a single class, votes in favor thereof, nor may this Section C of this ARTICLE XII be amended, altered or repealed, nor may any provision inconsistent herewith be adopted unless the holders of two-thirds (66.6%) or more of the combined voting power of the then outstanding shares of Voting Stock, voting together as a single class, vote in favor thereof.

IN WITNESS WHEREOF, this Certificate of Incorporation has been executed on behalf of the Corporation by its Incorporator as of May 5, 2000, and each of them does hereby affirm and acknowledge that this Certificate of Incorporation is the act and deed of the Corporation and that the facts stated herein are true.

/s/ John A. Granda

John A. Granda, Incorporator
1201 Walnut, Suite 2800
Kansas City, Missouri 64106

EXHIBIT 3.1.1

CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION
OF
EDWARD MERGER SUBSIDIARY, INC.

The undersigned, Edward Merger Subsidiary, Inc., a Delaware corporation (the "Corporation"), for the purpose of amending the Certificate of Incorporation of the Corporation, in accordance with the General Corporation Law of Delaware, does hereby make and execute this Certificate of Amendment of Certificate of Incorporation and does hereby certify that:

I. The following resolution proposed by the Board of Directors and adopted by the stockholders of the Corporation sets forth the amendment adopted:

NOW, THEREFORE, BE IT RESOLVED, that Article I of the Certificate of Incorporation of the Corporation is hereby amended as follows:

ARTICLE I

The name of the Corporation is: OraSure Technologies, Inc.

II. Such amendment has been duly adopted in accordance with the provisions of Section 242 of the Delaware Corporation Law, as amended.

IN WITNESS WHEREOF, this Certificate of Amendment has been executed on behalf of the Corporation by its _____ President and attested by its _____ Secretary as of May ____, 2000, and each of them does hereby affirm and acknowledge that this Certificate of Amendment is the act and deed of the Corporation and that the facts stated herein are true.

EDWARD MERGER SUBSIDIARY, INC.

By: /s/ Charles E. Bergeron

Charles E. Bergeron
Chief Financial Officer

ATTEST:

/s/ Andrew S. Goldstein

Andrew S. Goldstein
Senior Vice President and Secretary

EXHIBIT 3.2

BYLAWS
OF
ORASURE TECHNOLOGIES, INC.

ARTICLE I
Name and Location

SECTION 1. Name. The name of the Corporation shall be the name set forth in the Certificate of Incorporation.

SECTION 2. Principal Office. The principal office of the Corporation is located at 8505 S.W. Creekside Place, Beaverton, Oregon 97008.

SECTION 3. Additional Offices. Other offices for the transaction of business of the Corporation may be located at such place or places as the Board of Directors may from time to time determine.

ARTICLE II
Capital Stock

SECTION 1. Stock Certificates. All certificates of stock shall be signed by the Chairman of the Board of Directors, the President or a Vice President and the Secretary or an Assistant Secretary, and sealed with the corporate seal.

SECTION 2. Stock Transfers. Transfers of stock shall be made on the books of the Corporation upon the surrender of the old certificate properly endorsed, and said old certificate shall be canceled before a new certificate is issued.

SECTION 3. Lost or Destroyed Stock Certificates. A new certificate of stock may be issued in the place of any certificate theretofore issued, alleged to have been lost or destroyed, and the Corporation may, in its discretion, require the owner of the lost or destroyed certificate, or its legal representative, to give a bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any certificate.

SECTION 4. Preemptive Rights Denied. No holder of shares of any class of the Corporation, or holder of any securities or obligations convertible into shares of any class of the Corporation, shall have any preemptive right whatsoever to subscribe for, purchase or otherwise acquire shares of the Corporation of any class, whether now or hereafter authorized; provided, however, that nothing in this Section 4 shall prohibit the Corporation from granting, contractually or otherwise, to any such holder, the right to purchase additional securities of the Corporation.

ARTICLE III
Stockholders' Meetings

SECTION 1. Annual Meeting. The annual meeting of the stockholders of the Corporation shall be held, either within or without the State of Delaware, on such date and at

such time as may from time to time be determined by the Board of Directors. At such meeting the stockholders shall elect directors in the manner provided in the Certificate of Incorporation of the Corporation. The stockholders may transact such other business at such annual meetings as may properly come before the meeting.

SECTION 2. Special Meeting. A special meeting of the holders of any one or more classes of the capital stock of the Corporation entitled to vote as a class or classes with respect to any matter, as required by law or as provided by the Certificate of Incorporation, may be called at any time and place, either within or without the state of Delaware, only by the Chairman of the Board, the President or the Board of Directors.

SECTION 3. Notice. Notice of the time and place of all annual meetings and of the time, place and purpose of all special meetings shall be mailed by the Secretary to each stockholder at his or her last known post office address as it appears on the records of the Corporation at least ten (10) days before the date set for such meeting.

SECTION 4. Nomination of Directors. Nomination of persons for election to the Board of Directors of the Corporation at a meeting of the stockholders may be made by or at the direction of the Board of Directors or may be made at a meeting of stockholders by any stockholder of the Corporation entitled to vote for the election of Directors at the meeting in compliance with the notice procedures set forth in this Section 4 of ARTICLE III. Such nomination, other than those made by or at the direction of the Board, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than fifty (50) days nor more than seventy-five (75) days prior to the meeting; provided, however, that in the event that less than sixty-five (65) days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received no later than the close of business on the fifteenth (15th) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Such stockholder's notice to the Secretary shall set forth: (a) as to each person whom the stockholder proposes to nominate for election or re-election as a Director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person, and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of Directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and (b) as to the stockholder giving the notice; (i) the name and record address of the stockholder; and (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a Director of the Corporation. No person shall be eligible for election as a Director of the Corporation at a meeting of the stockholders unless such person has been nominated in accordance with the procedures set forth herein. If the facts warrant, the Chairman of the meeting shall determine and declare to the meeting that a nomination does not satisfy the requirements set forth in the preceding sentence and the defective nomination shall be disregarded. Nothing in this SECTION 4

shall be construed to affect the requirements for proxy statements of the Corporation under Regulation 14A of the Exchange Act.

SECTION 5. Presentation of Business at Stockholders' Meetings. At any meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before a meeting, business must be: (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before a meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than fifty (50) days nor more than seventy-five (75) days prior to the meeting; provided, however, that in the event that less than sixty-five (65) days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received no later than the close of business on the fifteenth (15th) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Such stockholder's notice to the Secretary shall set forth: (a) as to each matter the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, and (b) as to the stockholder giving the notice, (i) the name and record address of the stockholder, (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder and (iii) any material interest of the stockholder in such business. No business shall be conducted at a meeting of the stockholders unless proposed in accordance with the procedures set forth herein. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the foregoing procedure and such business shall not be transacted. To the extent this Section 5 shall be deemed by the Board of Directors or the Securities and Exchange Commission, or finally adjudged by a court of competent jurisdiction, to be inconsistent with the right of stockholders to request inclusion of a proposal in the Corporation's proxy statement pursuant to Rule 14a-8 promulgated under the Exchange Act, such rule shall prevail.

SECTION 6. Presiding Officials. The Chairman of the Board of Directors, or in his or her absence or inability to act, the President, or in his or her absence or inability to act, any Vice President, shall preside at all stockholders' meetings.

SECTION 7. Voting. Except as otherwise provided in the Certificate of Incorporation of the Corporation, at each meeting of the stockholders, each stockholder shall be entitled to cast one vote for each share of voting stock standing of record on the books of the Corporation, in his or her name, and may cast such vote either in person or by proxy. All proxies shall be in writing and filed with the Secretary of the meeting.

SECTION 8. Quorum; Adjournment. At any meeting held for the purpose of electing directors, the presence in person or by proxy of the holders of at least a majority of the then outstanding voting shares of the Corporation shall be required and be sufficient to constitute a quorum for the election of directors. At a meeting held for any purpose other than the election of

directors, shares representing a majority of the votes entitled to be cast on such matter, present in person or represented by proxy, shall constitute a quorum. In the absence of the required quorum at any meeting of stockholders, a majority of such holders present in person or by proxy shall have the power to adjourn the meeting, from time to time, without notice (except as required by law) other than an announcement at the meeting, until a quorum shall be present.

SECTION 9. Annual Statement of Business. At each of the annual stockholders' meetings, one of the executive officers of the Corporation shall submit a statement of the business done during the preceding year, together with a report of the general financial condition of the Corporation.

ARTICLE IV
Directors

SECTION 1. Powers of the Board. The business and property of the Corporation shall be managed by a Board consisting of such number of Directors as is determined from time to time in accordance with the provisions of the Certificate of Incorporation of the Corporation. The Board of Directors may elect one of their number to act as Chairman of the Board.

SECTION 2. Qualification. Each Director upon his or her election shall qualify by filing his or her written acceptance with the Secretary or an Assistant Secretary and by fulfilling any prerequisite to qualification that may be set forth in the Certificate of Incorporation of the Corporation.

SECTION 3. Annual Meetings. The annual meeting of the Board of Directors shall be held immediately after the adjournment of each annual meeting of the stockholders and in the event a quorum is not present, said meeting shall be held within ten (10) days after adjournment upon proper notice by the Chairman of the Board of Directors, the President or a Vice President.

SECTION 4. Special Meetings. Special meetings of the Board of Directors may be called at any time or place by the Chairman of the Board or by the President, and in the absence or inability of either of them to act, by any Vice President, and may also be called by any two members of the Board of Directors. By unanimous consent of the Directors, special meetings of the Board may be held without notice, at any time and place.

SECTION 5. Notice; Telephonic Attendance; Unanimous Consent. Notice of all regular and special meetings of the Board of Directors or the Executive Committee or any committee established pursuant to this ARTICLE IV (an "Other Committee") shall be sent to each Director or member of such committee, as the case may be, by the Secretary or any Assistant Secretary, by a means reasonably calculated to be received at least seven (7) days prior to the time fixed for such meeting, or notice of special meetings of the Board of Directors or the Executive Committee or any Other Committee may be given by telephone, telegraph, telefax or telex to each Director or member of such committee, as the case may be, at least twenty-four (24) hours prior to the time fixed for such meeting, or on such shorter notice as the person or persons calling the meeting may reasonably deem necessary or appropriate in the circumstances. To the extent provided in the notice of the meeting or as otherwise determined by the Chairman of the Board or the Board of Directors, Directors may participate in any regular or special meeting by means

of conference telephone, videoconference or similar communications equipment which allows all persons participating in such meeting to hear each other, and participation in such meeting by means of such a device shall constitute presence in person at such meeting. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

If all the directors shall severally or collectively consent in writing to any action to be taken by the directors, such consents shall have the same force and effect as a unanimous vote of the directors at a meeting duly held. The Secretary shall file such consents with the minutes of the meetings of the Board of Directors.

SECTION 6. Quorum; Adjournment. Except as otherwise provided in the Certificate of Incorporation of the Corporation, a quorum for the transaction of business at any meeting of the directors shall consist of a majority of the members of the Board, but the directors present, although less than a quorum, shall have the power to adjourn the meeting from time to time or to some future date.

SECTION 7. Election of Officers. The directors shall elect the officers of the Corporation and fix their salaries and other compensation. Such election shall be made at the Directors' meeting following each annual stockholders' meeting.

SECTION 8. Advisers to the Board of Directors. The Board of Directors from time to time, as they may deem proper, shall have authority to appoint a general manager, counsel or attorneys and other employees for such length of time and upon such terms and conditions and at such salaries and other compensation as they may deem necessary and/or advisable.

SECTION 9. Compensation; Reimbursement of Expenses. The members of the Board of Directors shall receive compensation for their services in such amount as may be reasonable and proper and consistent with the time and service rendered. The members of the Board of Directors shall receive the reasonable expenses necessarily incurred in the attendance of meetings and in the transaction of business for the Corporation.

SECTION 10. Indemnification; Insurance.

(a) Indemnification.

(1) Actions Other than Those by or in the Right of the Corporation. To the extent permitted by Delaware law from time to time in effect and subject to the provisions of paragraph (c) of this Section 10, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with

such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation (or such other corporation or organization), and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

(2) Action by or in the Right of the Corporation. To the extent permitted by Delaware law from time to time in effect and subject to the provisions of paragraph (c) of this Section 10, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation (or such other corporation or organization) and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation (or such other corporation or organization) unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(3) Successful Defense of Action. Notwithstanding, and without limitation of, any other provision of this Section 10, to the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in sub-paragraph (1) or (2) of this paragraph (a), or in defense of any claim, issue or matter therein, such director, officer, employee or agent shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(4) Determination Required. Any indemnification under sub-paragraph (1) or (2) of this paragraph (a) (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such director, officer, employee or agent has met the applicable standard of conduct set forth in said sub-paragraph. Such determination shall be made: (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the particular action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if

obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

(b) Insurance. The Corporation may, when authorized by the Board of Directors, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Section 10. The risks insured under any insurance policies purchased and maintained on behalf of any person as aforesaid or on behalf of the Corporation shall not be limited in any way by the terms of this Section 10 and to the extent compatible with the provisions of such policies, the risks insured shall extend to the fullest extent permitted by law, common or statutory.

(c) Advancement of Expenses; Nonexclusivity; Duration. Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such officer or director to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Section 10. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid by the Corporation upon such terms and conditions, if any, as the Board of Directors deems appropriate. The indemnifications, advancement of expenses and rights provided by, or granted pursuant to, this Section 10 shall not be deemed exclusive of any other indemnifications, advancement of expenses, rights or limitations of liability to which any person seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors, or otherwise, either as to action in such person's official capacity or as to action in another capacity while holding office, and they shall continue although such person has ceased to be a director, officer, employee or agent and shall inure to the benefit of such person's heirs, executors and administrators. The authorization to purchase and maintain insurance set forth in paragraph (b) shall likewise not be deemed exclusive.

SECTION 11. Committees.

(a) The Board of Directors may, by resolution or resolutions adopted by a majority of the whole Board, designate two or more directors of the Corporation to constitute one or more committees in addition to those committees required by SECTIONS 12, 13 and 14 of this ARTICLE IV. Each such committee, to the extent provided in such resolution or resolutions, shall have and may exercise all of the authority of the Board in the management of the Corporation; provided, however, that the designation of each such committee and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility imposed upon it or such member by law.

(b) Notwithstanding any other provision of these Bylaws, no committee of the Board of Directors shall have the power or authority of the Board with respect to (i) amending the Certificate of Incorporation, (ii) approving or recommending to stockholders any type or form of

"business combination" (as defined in Section 203 of the General Corporation Law of Delaware as in effect on January 1, 1996), (iii) approving or recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, (iv) amending these Bylaws, (v) declaring a dividend or making any other distribution to the stockholders, (vi) authorizing the issuance of stock otherwise than pursuant to the grant or exercise of a stock option under employee stock options of the Corporation or in connection with a public offering of securities registered under the Securities Act of 1933, as amended, or (vii) appointing any member of any committee of the Board.

(c) Each such committee shall keep regular minutes of its proceedings, which minutes shall be recorded in the minute book of the Corporation. The Secretary or an Assistant Secretary of the Corporation may act as Secretary for each such committee if the committee so requests.

SECTION 12. Executive Committee. The Chief Executive Officer of the Corporation, together with no more than five additional Directors selected by the Board shall constitute an Executive Committee of the Board of Directors. The Executive Committee between regular meetings of the Board of Directors shall manage the business and property of the Corporation and shall have the same power and authority as the Board of Directors; provided, however, the Executive Committee shall not act (other than to make a recommendation) in those cases where it is provided by law or by the Certificate of Incorporation of the Corporation that any vote or action in order to bind the Corporation shall be taken by the Directors. Members of the Executive Committee may participate in any meeting of the Executive Committee by means of conference telephone or videoconference or similar communications equipment which allows all persons participating in the meeting to hear each other, and participation in a meeting by means of such a device shall constitute presence in person at such meeting.

The Executive Committee shall keep a record of its proceedings and may hold meetings upon one (1) day's written notice or upon waiver of notice signed by the members either before or after said Executive Committee meeting.

A majority of the Executive Committee shall constitute a quorum for the transaction of business at any meeting for which notice has been given to all members in accordance with ARTICLE IV, Section 5 hereof or for which notice has been waived by all members.

The Executive Committee or any Other Committee may act by unanimous written consent as provided in ARTICLE IV, SECTION 5.

SECTION 13. Audit Committee. The Board of Directors at the annual or any regular or special meeting of the directors shall, by resolution adopted by a majority of the whole Board, designate two or more directors to constitute an Audit Committee and appoint one of the directors so designated as the chairman of the Audit Committee. Membership on the Audit Committee shall be restricted to those directors who are independent of the management of the Corporation and are free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a member of the committee. Vacancies in the committee may be filled by the Board at any meeting thereof. Each member of the committee shall hold office until such committee member's successor has been duly elected and qualified, or

until such committee member's resignation or removal from the Audit Committee by the Board, or until such committee member otherwise ceases to be a director. Any member of the Audit Committee may be removed from the committee by resolution adopted by a majority of the whole Board. The compensation, if any, of members of the committee shall be established by resolution of the Board.

The Audit Committee shall be responsible for: recommending to the Board the appointment or discharge of independent auditors; reviewing with the management and the independent auditors the terms of engagement of independent auditors, including the fees, scope and timing of the audit and any other services rendered by the independent auditors; reviewing with the independent auditors and management the Corporation's policies and procedures with respect to internal auditing, accounting and financial controls; reviewing with the management the independent statements, audit results and reports and the recommendations made by any of the auditors with respect to changes in accounting procedures and internal controls; reviewing the results of studies of the Corporation's system of internal accounting controls; and performing any other duties or functions deemed appropriate by the Board. The Audit Committee shall have the powers and rights necessary or desirable to fulfill these responsibilities, including the power and right to consult with legal counsel and to rely upon the opinion of legal counsel. The Audit Committee is authorized to communicate directly with the Corporation's financial officers and employees, internal auditors and independent auditors as it deems desirable and to have the internal auditors or independent auditors perform any additional procedures as it deems appropriate.

All actions of the Audit Committee shall be reported to the Board at the next meeting of the Board. The minute books of the Audit Committee shall at all times be open to the inspection of any director.

The Audit Committee shall meet at the call of its chairman or of any two members of the Audit Committee (or if there shall be only one other member, then at the call of that member). A majority of the Audit Committee shall constitute a quorum for the transaction of business (or if there shall only be two members, then both must be present), and the act of a majority of those present at any meeting at which a quorum is present (or if there shall be only two members, then they must act unanimously) shall constitute the act of the Audit Committee.

SECTION 14. Compensation Committee. The Board of Directors at the annual
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or any regular or special meeting shall, by resolution adopted by a majority of the whole Board, designate two or more directors to constitute a Compensation Committee. Membership on the Compensation Committee shall be restricted to disinterested persons which for this purpose shall mean any director who, during the time such director is a member of the Compensation Committee is not eligible, and has not at any time within one year prior thereto been eligible, for selection to participate (other than in a manner as to which the Compensation Committee has no discretion) in any of the compensation plans administered by the Compensation Committee. Vacancies in the committee may be filled by the Board at any meeting. Each member of the committee shall hold office until such committee member's successor has been duly elected and qualified, or until such committee member's resignation or removal from the Compensation Committee by the Board, or until such committee member otherwise ceases to be a director or a disinterested person. Any member of the Compensation Committee may be removed by

resolution adopted by a majority of the whole Board. The compensation, if any, of the members of the Compensation Committee shall be established by resolution of the Board.

The Compensation Committee shall, from time to time, recommend to the Board the compensation and benefits of the executive officers of the Corporation. The Compensation Committee shall have the power and authority vested in the Board by any benefit plan of the Corporation. The Compensation Committee shall also make recommendations to the Board with regard to the compensation of the Board and its committees, with the exception of the Compensation Committee.

All actions of the Compensation Committee shall be reported to the Board at the next meeting of the Board. The minute books of the Compensation Committee shall at all times be open to the inspection of any director.

The Compensation Committee shall meet at the call of the chairman of the Compensation Committee or of any two members of the Compensation Committee (or if there shall be only one other member, then at the call of that member). A majority of the Compensation Committee shall constitute a quorum for the transaction of business (or if there shall be only two members, then both must be present), and the act of a majority of those present at any meeting at which a quorum is present (or if there shall be only two members, then they must act unanimously) shall be the act of the Compensation Committee.

SECTION 15. Alternate Committee Members. The Board of Directors, by resolution adopted by a majority of the whole Board, may designate one or more additional directors as alternate members of any committee to replace any absent or disqualified member at any meeting of that committee, and at any time may change the membership of any committee or amend or rescind the resolution designating the committee. In the absence or disqualification of a member or alternate member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not the member or members constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member, provided that the director so appointed meets any qualifications stated in these Bylaws or the resolution designating the committee or any amendment thereto.

SECTION 16. Committee Procedures. Unless otherwise provided in these Bylaws or in the resolution designating any committee, any committee may fix its rules or procedures, fix the time and place of its meetings and specify what notice of meetings, if any, shall be given.

ARTICLE V
Officers

SECTION 1. Designations. The officers of this Corporation shall be a Chairman of the Board of Directors, a President, as many Vice Presidents as the Board of Directors may from time to time deem advisable and one or more of which may be designated Executive Vice President or Senior Vice President, a Secretary, a Treasurer, and such Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time deem advisable, and such other officers as the Board of Directors may from time to time deem advisable and designate. The Chairman of the Board of Directors shall be a member of and be elected by the Board of

Directors. All other officers shall be elected by the Board of Directors. All officers shall hold office until their respective successors are elected and shall have qualified. Any two offices may be held by one person except the office of President and Vice President.

SECTION 2. Chairman of the Board. The Chairman of the Board of Directors shall preside at all meetings of the Directors and stockholders at which he or she is present and shall have such other duties, power and authority as may be prescribed by the Board of Directors from time to time or elsewhere in these Bylaws. The Board of Directors may designate the Chairman of the Board as the Chief Executive Officer of the Corporation with all of the powers otherwise conferred upon the President of the Corporation under these Bylaws, or it may, from time to time, divide the responsibilities, duties and authority for the general control and management of the Corporation's business and affairs between the Chairman of the Board and the President.

SECTION 3. President and Chief Executive Officer. Unless the Board of Directors otherwise provides, the President shall be the Chief Executive Officer of the Corporation with such general executive powers and duties of supervision and management as are usually vested in such office and shall perform such other duties as are authorized by the Board of Directors. The Chairman of the Board or the President shall sign contracts, certificates and other instruments of the Corporation as authorized by the Board of Directors. If the Chairman of the Board is designated as the Chief Executive Officer of the Corporation, the President shall perform such duties as may be delegated to him or her by the Board of Directors and as are conferred by law exclusively upon such office. Unless the Board of Directors otherwise provides, the President, or any person designated in writing by the President, shall have full power and authority on behalf of the Corporation to: (i) attend and to vote or take action at any meeting of the holders of securities of corporations in which the Corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to being a holder of such securities, and (ii) execute and deliver waivers of notice and proxies for and in the name of this Corporation with respect to securities of any such corporation held by this Corporation.

SECTION 4. Vice Presidents. A Vice President shall have the right and power to perform all duties and exercise all authority of the President, in case of the absence of the President or upon vacancy in the office of President or delegation by the Board of Directors, until the Board of Directors otherwise provides, and shall have all power and authority usually enjoyed by a person holding the office of Vice President.

SECTION 5. Secretary and Assistant Secretaries. The Secretary shall issue notices of all directors' and stockholders' meetings, and shall attend and keep the minutes of the same; shall have charge of all corporate books, records and papers; shall be custodian of the corporate seal; shall attest with his or her signature, which may be a facsimile signature if authorized by the Board of Directors, and impress with the corporate seal, all stock certificates and written contracts of the Corporation; and shall perform all other duties as are incident to his or her office. Any Assistant Secretary, in the absence or inability of the Secretary, shall perform all duties of the Secretary and such other duties as may be required.

SECTION 6. Treasurer and Assistant Treasurers. The Treasurer shall have custody of all money and securities of the Corporation and shall give bond in such sum and with such

sureties as the directors may specify, conditioned upon the faithful performance of the duties of his or her office. He or she shall keep regular books of account and shall submit them, together with all of his or her records and other papers, to the directors for their examination and approval annually; and quarterly or as and when directed by the Board of Directors, he or she shall submit to each director a statement of the condition of the business and accounts of the Corporation; and shall perform all such other duties as are incident to his or her office. An Assistant Treasurer, in the absence or inability of the Treasurer, shall perform all the duties of the Treasurer and such other duties as may be required.

SECTION 7. Bonding. Any officer or employee of the Corporation shall give such bond for the faithful performance of his or her duties in such sum, as and when the Board of Directors may direct.

ARTICLE VI
Dividends

SECTION 1. Dividends shall be paid out of the net income or earned surplus of the Corporation, determined after making proper provision for required sinking fund deposits for debt obligations and proper provisions for working capital and such reserves as may be required by good and generally accepted accounting practice, when declared from time to time by resolution of the Board of Directors. No such dividends shall be declared or paid which will impair the capital of the Corporation.

ARTICLE VII
Amendments

SECTION 1. Except as otherwise provided in the Certificate of Incorporation of the Corporation, these Bylaws may be amended, altered or repealed by the affirmative vote of a majority of the Board of Directors, subject to the power of stockholders to amend, alter or repeal the Bylaws, or as otherwise may from time to time be authorized by the laws of the State of Delaware.

ARTICLE VIII
Corporate Seal

SECTION 1. The corporate seal of this Corporation shall have inscribed thereon the name of the Corporation and its state of incorporation.

/s/ Andrew S. Goldstein

Andrew S. Goldstein, Secretary

EXHIBIT 23.1

Consent of Independent Accountants

We hereby consent to the incorporation by reference in this Registration Statement on Form S-4 of Orasure Technologies, Inc. of our report dated November 12, 1999 relating to the Epitope Inc. financial statements, which appear in Epitope Inc.'s Annual Report on Form 10-K for the year ended September 30, 1999. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Portland, Oregon
June 12, 2000

EXHIBIT 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To STC Technologies, Inc.:

As independent public accountants, we hereby consent to the use in this S-4 registration statement of our report dated January 26, 2000 included herein and to all our references to our Firm included in this registration statement.

/s/ Arthur Andersen LLP
ARTHUR ANDERSEN LLP

Philadelphia, PA
June 12, 2000

EXHIBIT 99.1

[LETTERHEAD OF DEUTSCHE BANK SECURITIES INC.]

June 13, 2000

The Board of Directors
Epitope, Inc.
8505 SW Creekside Place
Beaverton, Oregon 97008-7108

Members of the Board:

We hereby consent to the inclusion of our opinion letter to the Board of Directors of Epitope, Inc. ("Epitope") as Annex B to the Joint Proxy Statement/Prospectus of Orasure Technologies, Inc. ("Orasure") relating to the proposed merger transaction involving Epitope and STC Technologies, Inc. In giving such consent, we do not admit that we come within the category of persons whose consent is required under, and we do not admit that we are "experts" for purposes of, the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

/s/ Deutsche Bank Securities Inc.

By: _____
DEUTSCHE BANK SECURITIES INC.

Exhibit 99.2

FORM OF CONSENT OF FLEETBOSTON ROBERTSON STEPHENS INC.

We hereby consent to the inclusion of and reference to our opinion dated May 9, 2000 to the Board of Directors of STC Technologies, Inc. ("STC") in the Registration Statement on Form S-4 (the "Registration Statement") of OraSure Technologies, Inc. ("OraSure"), covering common stock of OraSure to be issued in connection with the proposed business combination involving STC, OraSure and Epitope, Inc. In giving the foregoing consent, we do not admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended (the "Securities Act"), or the rules and regulations promulgated thereunder, nor do we admit that we are experts with respect to any part of the Registration Statement within the meaning of the term "experts" as used in the Securities Act or the rules and regulations promulgated thereunder.

FleetBoston Robertson Stephens Inc.
San Francisco, California
[date]

Exhibit 99.3

EPITOPE, INC.

SPECIAL MEETING OF STOCKHOLDERS

, 2000

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned stockholder(s) of Epitope, Inc., an Oregon corporation (the "Company"), hereby acknowledges receipt of the Notice of Special Meeting of Stockholders and the Proxy Statement for the Special Meeting of Stockholders of the Company to be held at a.m. local time on , , 2000 at , and hereby appoints and , and each of them, as proxies with power of substitution, to vote all of the stock of Epitope, Inc. which the undersigned has the power to vote at the Company's Special Meeting or at any adjournment thereof, as specified on the reverse side.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER SPECIFIED BELOW. IF YOU SIGN THIS PROXY WITHOUT MARKING ANY BOXES, THIS PROXY SHALL BE VOTED FOR ADOPTION OF THE AGREEMENT AND PLAN OF MERGER AND IN THE PROXIES' DISCRETION ON ANY OTHER MATTERS PROPERLY COMING BEFORE THE MEETING.

[_] Check here for address change.

New Address:

EPITOPE, INC.

PLEASE MARK VOTE IN BOX USING DARK INK ONLY.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" PROPOSAL 1.

1. Adoption of the Agreement and Plan of Merger, dated as of May 6, 2000, among Epitope, Inc., STC Technologies, Inc. and OraSure Technologies, Inc.

[_] FOR [_] AGAINST [_] ABSTAIN

2. In their discretion, the proxies authorized to vote upon such other business as may properly come before the meeting or any adjournments, postponements, continuations or reschedulings thereof. However, no proxy that is voted against Proposal 1 will be voted in favor of adjournment, postponement, continuation or rescheduling of the meeting for the purpose of allowing additional time to solicit additional votes or proxies in favor of adoption of the Agreement and Plan of Merger.

Check here if you plan to attend the meeting. [_]

Signature

Signature

PLEASE SIGN EXACTLY AS YOUR NAME APPEARS HEREON. IF SHARES ARE REGISTERED IN MORE THAN ONE NAME, THE SIGNATURE OF ALL SUCH PERSONS ARE REQUIRED. A CORPORATION SHOULD SIGN IN ITS FULL CORPORATE NAME BY A DULY AUTHORIZED OFFICER, STATING HIS OR HER TITLE. TRUSTEES, GUARDIANS, EXECUTORS AND ADMINISTRATORS SHOULD SIGN IN THEIR OFFICIAL CAPACITY, GIVING THEIR FULL TITLE AS SUCH. IF A PARTNERSHIP, PLEASE SIGN IN THE PARTNERSHIP NAME BY AN AUTHORIZED PERSON.

Dated: , 2000

PLEASE VOTE, SIGN, DATE, AND RETURN THIS PROXY CARD PROMPTLY TO USING THE ENCLOSED ENVELOPE.

Exhibit 99.4

STC TECHNOLOGIES, INC.

SPECIAL MEETING OF STOCKHOLDERS

, 2000

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned stockholder(s) of STC Technologies, Inc., a Delaware corporation (the "Company"), hereby acknowledges receipt of the Notice of Special Meeting of Stockholders and the Proxy Statement for the Special Meeting of Stockholders of the Company to be held at a.m. local time on , , 2000 at , and hereby appoints and , and each of them, as proxies with power of substitution, to vote all of the stock of STC Technologies, Inc. which the undersigned has the power to vote at the Company's Special Meeting or at any adjournment thereof, as specified on the reverse side.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER SPECIFIED BELOW. IF YOU SIGN THIS PROXY WITHOUT MARKING ANY BOXES, THIS PROXY SHALL BE VOTED FOR ADOPTION OF THE AGREEMENT AND PLAN OF MERGER AND IN THE PROXIES' DISCRETION ON ANY OTHER MATTERS PROPERLY COMING BEFORE THE MEETING.

[_] Check here for address change.

New Address:

STC TECHNOLOGIES, INC.

PLEASE MARK VOTE IN BOX USING DARK INK ONLY.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" PROPOSAL 1.

1. Adoption of the Agreement and Plan of Merger, dated as of May 6, 2000, among STC Technologies, Inc., Epitope, Inc. and OraSure Technologies, Inc.

[_] FOR [_] AGAINST [_] ABSTAIN

2. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting or any adjournments, postponements, continuations or reschedulings thereof. However, no proxy that is voted against Proposal 1 will be voted in favor of adjournment, postponement, continuation or rescheduling of the meeting for the purpose of allowing additional time to solicit additional votes or proxies in favor of adoption of the Agreement and Plan of Merger.

Check here if you plan to attend the meeting [_]

Signature

Signature

PLEASE SIGN EXACTLY AS YOUR NAME APPEARS HEREON. IF SHARES ARE REGISTERED IN MORE THAN ONE NAME, THE SIGNATURE OF ALL SUCH PERSONS ARE REQUIRED. A CORPORATION SHOULD SIGN IN ITS FULL CORPORATE NAME BY A DULY AUTHORIZED OFFICER, STATING HIS OR HER TITLE. TRUSTEES, GUARDIANS, EXECUTORS AND ADMINISTRATORS SHOULD SIGN IN THEIR OFFICIAL CAPACITY, GIVING THEIR FULL TITLE AS SUCH. IF A PARTNERSHIP, PLEASE SIGN IN THE PARTNERSHIP NAME BY AN AUTHORIZED PERSON.

Dated: , 2000

PLEASE VOTE, SIGN, DATE, AND RETURN THIS PROXY CARD PROMPTLY TO USING THE ENCLOSED ENVELOPE.