



Document split into multiple parts

IN THE DISTRICT COURT OF CLEVELAND COUNTY
STATE OF OKLAHOMA

PART C
STATE OF OKLAHOMA } S.S.
CLEVELAND COUNTY }

FILED

MAY 23 2019

In the office of the
Court Clerk MARILYN WILLIAMS

STATE OF OKLAHOMA, ex rel.,
MIKE HUNTER,
ATTORNEY GENERAL OF OKLAHOMA,

Plaintiff,

vs.

- (1) PURDUE PHARMA L.P.;
- (2) PURDUE PHARMA, INC.;
- (3) THE PURDUE FREDERICK COMPANY,
- (4) TEVA PHARMACEUTICALS USA, INC.;
- (5) CEPHALON, INC.;
- (6) JOHNSON & JOHNSON;
- (7) JANSSEN PHARMACEUTICALS, INC,
- (8) ORTHO-MCNEIL-JANSSEN
PHARMACEUTICALS, INC., n/k/a
JANSSEN PHARMACEUTICALS;
- (9) JANSSEN PHARMACEUTICA, INC.,
n/k/a JANSSEN PHARMACEUTICALS, INC.;
- (10) ALLERGAN, PLC, f/k/a ACTAVIS PLC,
f/k/a ACTAVIS, INC., f/k/a WATSON
PHARMACEUTICALS, INC.;
- (11) WATSON LABORATORIES, INC.;
- (12) ACTAVIS LLC; and
- (13) ACTAVIS PHARMA, INC.,
f/k/a WATSON PHARMA, INC.,

Defendants.

Case No. CJ-2017-816
Honorable Thad Balkman

William C. Hetherington
Special Discovery Master

CONFIDENTIAL
FILED UNDER SEAL PURSUANT
TO PROTECTIVE ORDER DATED
APRIL 16, 2018

**DEFENDANTS TEVA PHARMACEUTICALS USA, INC., CEPHALON, INC., WATSON
LABORATORIES, INC., ACTAVIS LLC, AND ACTAVIS PHARMA, INC., f/k/a
WATSON PHARMA, INC.'S MOTION FOR PROTECTIVE ORDER AND TO
MAINTAIN CONFIDENTIALITY OF CERTAIN DOCUMENTS AT TRIAL**

DOCUMENTS SEALED PER COURT ORDER
DATED APRIL 16, 2018

CONFIDENTIAL—TO BE FILED UNDER SEAL

EXHIBIT 6

MANUFACTURING AND SUPPLY AGREEMENT

THIS MANUFACTURING AND SUPPLY AGREEMENT (the "Agreement"), entered into as of this eighth (8th) day of February, 2010 (the "Effective Date"), by and between SIEGFRIED (USA), INC. ("SIEGFRIED"), a corporation organized under the laws of New Jersey with a place of business at 33 Industrial Park Road, Pennsville, NJ, 08070 and PLANTEX USA, INC. ("TAPI"), a corporation organized under the laws of New Jersey with a place of business at 2 University Plaza, Suite 305, Hackensack, NJ 07601.

WITNESSETH:

WHEREAS, SIEGFRIED desires to manufacture and supply to TAPI or its Affiliate Products, as defined below; and

WHEREAS, SIEGFRIED is willing to sell to TAPI, and TAPI is willing to purchase from SIEGFRIED, Products manufactured by SIEGFRIED in accordance with the terms set forth herein,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.01 As used in this Agreement, the following terms shall have the meanings set forth below:

- (a) "Act" shall mean the United States Food, Drug, and Cosmetic Act, 21 U.S.C. §§301-397, as amended, and rules and regulations promulgated there under.
- (b) "Affiliate" shall mean in respect of either Party any corporation or business entity controlled by, controlling, or under common control with SIEGFRIED or TAPI

respectively. For this purpose "control" shall mean the direct or indirect beneficial ownership of more than fifty percent (50%) of the voting stock of, or more than fifty percent (50%) interest in the income of, such corporation or other business entity, or such other relationship as, in fact, constitutes actual control.

- (c) "ANDA" shall mean Abbreviated New Drug Application.
- (d) "Available Requirements" shall have the meaning set forth in Section 2.02.
- (e) "Certificate of Analysis" shall mean the certificate for each batch of Product manufactured by SIEGFRIED and delivered to TAPI or its Affiliate hereunder.
- (f) "cGMP" shall mean current Good Manufacturing Practices regulations applicable to the manufacture processing, packing and holding of active pharmaceutical ingredients intended for clinical trial or commercial use in the Territory promulgated by the FDA (e.g., 21 C.F.R. §§210 and 211), including all amendments and supplements thereto during the term of this Agreement.
- (g) "Change in Control" shall mean: (i) the liquidation or dissolution of a Party or the sale or other transfer by a Party (excluding transfers to Affiliates) of all or substantially all of its assets; or (ii) the occurrence of a tender offer, stock purchase, other stock acquisition, merger, consolidation, recapitalization, reverse split, sale or transfer of assets or other transaction, as a result of which any person, entity or group other than an Affiliate of a Party (a) becomes the beneficial owner, directly or indirectly, of securities of a Party representing at least fifty percent (50%) of the ordinary shares of a Party or representing at least fifty percent (50%) of the combined voting power with respect to the election of directors (or members of any other governing body) of a Party's then outstanding securities, (b) obtains the ability to appoint a majority of the Board of Directors (or other

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governing body) of a Party or (c) obtains the ability to direct the operations or management of a Party or any successor to a Party's business.

- (h) "Confidential Information" shall mean information that is proprietary to a Party or is not generally known to the public, which is disclosed hereunder by one Party to the other Party, in tangible or intangible form, including, without limitation, any scientific, clinical, regulatory, marketing, financial or commercial information or data relating to a Product or its use, or relating to the business or affairs of a Party. Confidential Information shall also include, without limitation, information relating to any Product, the Specifications, manufacturing processes for any Product and associated documentation such as batch records, analytical methods and formulations, as well as each Party's marketing and sales plans, forecasts, financial information, costs and pricing information, business plans, strategies, operations, policies, procedures, accounts and personnel.
- (i) "CSA" shall mean the Controlled Substances Act, 21 U.S.C. §801, et seq.
- (j) "DEA" shall mean the United States Drug Enforcement Administration or any successor entity having jurisdiction over the transactions contemplated by this Agreement.
- (k) "DMF" shall mean for each respective Product the drug master file covering the analysis and manufacture of such Product, including analytical methods, stability and pharmaceutical data, impurities and manufacturing processes with respect thereto.
- (l) "Facility" means (a) the manufacturing facility or facilities of SIEGFRIED for each Product, located at 33 Industrial Park Road, Pennsville, NJ, 08070, and (b) any other manufacturing facility operated by SIEGFRIED or its Affiliate that the Parties have

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agreed upon in advance in writing, such agreement not unreasonably to be withheld by TAPI.

- (m) "FDA" shall mean the United States Food and Drug Administration, or any successor entity having jurisdiction over the transactions contemplated by this Agreement.
- (n) "Finished Dosage Form" shall mean the final form of a drug product containing any Product which is manufactured by TAPI, its Affiliates, or any other entity in a business relationship with them.
- (o) "Forecast" shall have the meaning given in Section 4.02.
- (p) "Inspection" shall mean any activity other than testing to determine the condition of the Product, including without limitation, visual inspection of the packaging condition, visual inspection of the label, visual inspection of Product condition, and review of Product documentation, and "Inspect" shall mean to conduct an Inspection.
- (q) "Latent Defects" shall have the meaning given in Section 2.05.
- (r) "Materials" shall mean all starting ingredients used in the manufacture of each Product and any intermediates, impurities or reference standards, developed or manufactured for TAPI by or on behalf of SIEGFRIED in performance of its obligations under this Agreement.
- (s) "Party" shall mean SIEGFRIED or TAPI, and "Parties" shall mean both of them collectively.
- (t) "Products" shall mean the active pharmaceutical ingredients (API) set forth in Exhibit A attached hereto and "Product" shall refer to any one of such Products.
- (u) "Quality Agreement" shall mean the agreement between TAPI and SIEGFRIED which defines the responsibilities of each Party with respect to the procedures to be followed to

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ensure Product quality and compliance under cGMP, such agreement being set forth and attached hereto as Exhibit D, as the same may be amended from time to time by written agreement between the Parties.

(v) "Regulatory Authorities" shall mean any federal, state and/or local government authority (including public, quasi-public and private bodies contracted, certified or authorized by such governmental bodies) in the Territory with authority to regulate, approve, license, inspect, test, review or otherwise control or supervise the manufacture, sale, labeling, use, marketing, distribution, import, export, price or reimbursement for the Products or Finished Dosage Form, including but not limited to the FDA and DEA.

(w) "Specifications" shall mean the specifications and quality control procedures for the Products as agreed upon in writing by the Parties, which may be amended from time to time upon the written agreement of the Parties.

(x) "Territory" means the United States of America each of its territories, districts and possessions, the commonwealth of Puerto Rico.

ARTICLE II

MANUFACTURE AND SUPPLY

2.01 Supply. During the term of this Agreement and subject to the terms and conditions set forth herein, SIEGFRIED shall manufacture and supply to TAPI and TAPI shall purchase from SIEGFRIED each calendar year, at least Eighty-Five Percent (85%) of TAPI's and its Affiliates' annual Available Requirements in the Territory for each of the Products as long as:

- (a) TAPI or its Affiliates have all necessary Regulatory Authority approvals related to use of SIEGFRIED's Products; and
- (b) SIEGFRIED is able to supply TAPI with the quantities of the Product ordered by TAPI as provided in this Agreement.

2.02 "Available Requirements" for each Product shall be TAPI's and its Affiliates' annual requirements for such Product in the Territory less the minimum quantities of such Product which TAPI or its Affiliates are required to purchase from other suppliers, but the reduction for quantities from other suppliers shall only be made as long as on the Effective Date, TAPI or such Affiliate has in place a binding, written obligation with another supplier to purchase a certain amount of TAPI's or its Affiliates' annual requirements in the Territory for such Product and the obligation for such Product is specified on Exhibit A.

Upon SIEGFRIED's request, TAPI shall provide SIEGFRIED with a statement signed by an officer of TAPI confirming and verifying the accuracy of the determination or calculation of Eighty-Five Percent (85%) of TAPI's and its Affiliates' Available Requirements in the Territory for each of the Products.

2.03 No Resale. To the extent permissible under any applicable law, except with respect to the manufacture, distribution, sale and other commercialization of a Finished Dosage Form by TAPI, neither TAPI nor any Affiliate shall, during the Initial Term or any Renewal Term sell, supply, or export any Product purchased from SIEGFRIED hereunder to any third party.

2.04 Quality of Product and Compliance.

- (a) SIEGFRIED shall manufacture each Product:
 - (i) in accordance with its Specifications;
 - (ii) in compliance with cGMPs; and

- (iii) in compliance with all applicable laws, rules and regulations of all Regulatory Authorities relating to the manufacture of each Product and the Quality Agreement, attached hereto as Exhibit D. The Products shall not knowingly be adulterated or misbranded, and shall be sold free and clear of any liens, claims or encumbrances.
- (b) SIEGFRIED shall at all times during the term of this Agreement maintain its Facility in compliance with all applicable laws, rules and regulations, including, without limitation, cGMPs and any applicable environmental, health and safety laws. SIEGFRIED shall be responsible for all costs and expenses related to the compliance of such facilities with such laws, rules and regulations.
- (c) Except as otherwise expressly set forth herein, SIEGFRIED shall be responsible for obtaining and maintaining any permits, quotas, and/or approvals from Regulatory Authorities which are required in connection with the performance of its obligations hereunder. SIEGFRIED shall be responsible for all process, analytical method and equipment validation and shall use commercially reasonable efforts to pass inspection by the FDA and other Regulatory Authorities.
- (d) SIEGFRIED shall permit authorized personnel of TAPI, its Affiliate, or their respective designee (upon reasonable prior notice and on mutually agreed-upon dates) or any Regulatory Authorities to inspect or audit the manufacturer as set forth in the Quality Agreement, attached hereto as Exhibit D. Any of SIEGFRIED's Confidential Information to which TAPI or its Affiliate is provided access during any such audit process shall be maintained as confidential in accordance with the provisions of Article VI.

(e) TAPI or its Affiliate shall deliver to SIEGFRIED written notice of any required changes to the Specifications, and SIEGFRIED will make commercially reasonable efforts to accommodate such Specification changes. In the event that the FDA notifies SIEGFRIED that a change or changes is/are required to a SIEGFRIED DMF to permit approval of an ANDA that references that DMF, then SIEGFRIED will make commercially reasonable efforts to accommodate such changes. If any Specification change requested by TAPI or its Affiliate materially affects SIEGFRIED's costs of producing the Product or the production schedule, the Parties will negotiate, in good faith, an adjustment to the pricing set forth in Section 4.01 and the production schedule. Notwithstanding the foregoing, if TAPI or its Affiliate revises the Specifications for the purpose of complying with cGMPs or applicable ANDAs or other health registrations, SIEGFRIED shall be given a reasonable period of time to respond to the proposed changes and shall use its commercially reasonable efforts to implement the agreed-upon changes as quickly as possible. Any changes to the Specifications shall be incorporated in this Agreement as a written amendment, but shall not be effective for any open purchase orders or work in progress for which the relevant manufacturing step has occurred which will be affected by the change to the Specifications unless specifically agreed by SIEGFRIED and TAPI or its Affiliate.

2.05 Product Testing. TAPI will or will cause one of its Affiliates at its expense, to inspect and test each shipment of the Product delivered by SIEGFRIED under this Agreement. For a period of ninety (90) days after receipt of each shipment of Product hereunder, TAPI shall have the right to return such shipment to SIEGFRIED if TAPI determines that the Product does not conform to the Specifications, or the Quality Agreement. Any claim a Product does not conform with the

applicable Specification the Quality Agreement, or any other provision of this Agreement must be asserted, if at all, by the date ninety (90) days after receipt of each shipment of Product except for in the case of Latent Defects as defined and provided below. In such event, TAPI shall provide written notice to SIEGFRIED prior to the expiration of the ninety (90) day period that commences upon receipt of the shipment, setting forth the details of such non-conformity. Any non-conforming Product returned to SIEGFRIED shall be at SIEGFRIED's expense. SIEGFRIED shall, at its expense, replace the batch of non-conforming Product within ninety (90) days after SIEGFRIED receives the above mentioned written notice. If SIEGFRIED is unable to replace such batch of non-conforming Product within such ninety (90) day period, then SIEGFRIED shall credit the pro-rata portion of the amount due SIEGFRIED under Section 4.01 within such ninety (90) day period. Any non-conformity in Product not detectable by means of Inspection or testing ("Latent Defects") shall be notified by TAPI to SIEGFRIED promptly after discovery thereof. TAPI's notice of a Latent Defect shall set forth the details of the non-conformity. The return to SIEGFRIED of any Product with a Latent Defect shall be at SIEGFRIED's expense. SIEGFRIED shall, at its expense, replace the batch of non-conforming Product within ninety (90) days after SIEGFRIED receives the above mentioned written notice. If SIEGFRIED is unable to replace such batch of non-conforming Product within such ninety (90) day period, then SIEGFRIED shall credit the pro-rata portion of the amount due SIEGFRIED under Section 4.01 within such ninety (90) day period. Disputes between the Parties as to whether all or any part of a shipment rejected by TAPI conforms to the Specifications shall be resolved by a mutually acceptable third party testing laboratory to which the dispute shall be referred within thirty (30) days of the Parties acknowledging the dispute. SIEGFRIED shall pay all expenses of third-party testing if Product does not conform to the Specifications according to the third-party testing laboratory and TAPI shall pay all expenses of

third-party testing if Product does conform to the Specifications according to the third-party testing laboratory. Notwithstanding the foregoing, if an independent cGMP laboratory in the United States reasonably acceptable to the Parties determines that the Product can be recovered by SIEGFRIED's reprocessing of the Product, or both Parties agree that the Product can be recovered by such reprocess, SIEGFRIED shall be given the opportunity to reprocess the Product at SIEGFRIED's expense; provided, however, that such reprocessing is in compliance with the DMF, the Specifications, the Quality Agreement, and this Agreement. If such reprocessing is not successful, such non-conforming Product shall be replaced or a refund or a credit shall be issued as aforesaid. If such reprocessing is successful, TAPI shall pay SIEGFRIED for the reprocessed Product no later than forty-five (45) days after its delivery (provided TAPI has not already paid for the original delivery of such Product).

2.06 Recall. In the event either Party believes it may be necessary to conduct a recall or other similar action with respect to the Product or any Finished Dosage Form (a "Recall"), the Parties shall consult with each other about how best to proceed; provided, however, that TAPI does not need to obtain the consent of SIEGFRIED prior to conducting a Recall. If SIEGFRIED requests a Recall and TAPI determines not to conduct a Recall, SIEGFRIED shall not be liable for any consequences or damages thereafter. Under no circumstances shall SIEGFRIED be prohibited hereunder from taking any action that it is required to take by applicable law.

2.07 Regulatory Approvals.

- (a) During and after the term of this Agreement, SIEGFRIED shall reasonably assist TAPI and/or its Affiliates free of charge (except for required quantities of Products), in preparing and updating any ANDAs or other regulatory submissions in the Territory relating to the Products and all other documents required by the FDA, DEA or other

U.S. regulatory agencies in connection with any application for approval to market and sell the Products and/or any Finished Dosage Forms. Such assistance shall include, upon request, providing TAPI or its Affiliate with such other data and information relating to the batches of Product and other Materials prepared by SIEGFRIED hereunder as may be necessary to support any of TAPI's or its Affiliates' regulatory submissions relating to the Products.

- (b) TAPI and its Affiliates hereby agree to exercise commercially reasonable efforts to qualify the Products provided by SIEGFRIED (and for which SIEGFRIED has submitted a DMF) in TAPI's or its Affiliates' applicable ANDAs as quickly as possible and to file all applicable registrations required by the FDA in the Territory.
- (c) SIEGFRIED hereby agrees to submit and maintain with the FDA valid DMFs for each Product, which is in full compliance with applicable requirements enforced by the FDA. TAPI or its Affiliate shall have the right to reference the applicable DMF in any application it makes for regulatory approval of a Finished Dosage Form and to access the open part of the DMF.

2.08 Failure to Deliver. SIEGFRIED shall promptly advise TAPI if, for any reason (including, without limitation, force majeure as defined in Section 9.01 hereof), it believes it will be unable to supply TAPI with the requisite quantity of Product by the date of delivery specified by TAPI in any firm purchase order or otherwise confirmed by SIEGFRIED. If SIEGFRIED is unable to supply TAPI with any requisite quantity of Product that is the subject of a firm purchase order by the date fourteen (14) days after the delivery date established pursuant to Section 4.04, then TAPI or its Affiliate may, in addition to any other remedies it may have under contract or law, purchase the difference between SIEGFRIED's actual deliverable quantity of such Product hereunder and TAPI's

and its Affiliates' requirements of Product from another supplier of Product, and such quantity shall be credited against TAPI's and its Affiliates' purchase requirements for the subject Product as specified in Section 2.01.

2.09 Shortages. TAPI agrees and acknowledges that nothing in this Agreement shall prevent SIEGFRIED from manufacturing and supplying the Products to third parties. In the event of any shortage of Products, (whether due to an actual shortage of Product, raw materials failure to obtain and/or maintain necessary sufficient procurement quotas from DEA, Force Majeure or otherwise), SIEGFRIED warrants that TAPI shall be considered and treated as a preferred customer over any other customer of the same Product, except where SIEGFRIED as of the Effective Date has in place a binding, written obligation with another customer to supply a certain amount of the customer's annual requirements in the Territory of a Product and the obligation for such Product is specified on Exhibit B. In such event, supply to TAPI and such customer shall be on a pro rata basis for the Product available for such period of shortage, (i.e., based on a ratio of the total amount of purchases over the twenty-four (24) month period immediately preceding the shortage).

ARTICLE III

TERM

3.01 Term. The term of this Agreement shall commence on the Effective Date and shall expire five (5) years from the date of receipt of the last approval required to market and sell all of the Finished Dosage Forms using the Products listed on Exhibit A in the Territory (the "Initial Term"), and is not subject to cancellation prior to the end of the Initial Term or any Renewal Term (defined below) by either Party except as otherwise specifically provided herein. If by the date three (3)

years and six (6) months after the Effective Date TAPI or its Affiliate is unable to obtain approval for any Finished Dosage Form, TAPI shall have the option to terminate this Agreement with respect to the applicable Product as it solely relates to such Finished Dosage Form.

If after a further six (6) months TAPI or its Affiliate is unable to obtain approval for any Finished Dosage Form, SIEGFRIED shall have the option to terminate this Agreement with respect to the applicable Product as it solely relates to such Finished Dosage Form.

3.02 Renewal Term. This Agreement shall automatically renew after the Initial Term and continue in effect for successive two-year periods (each such period being a "Renewal Term"), unless either Party gives notice to the other pursuant to Section 3.03, below.

3.03 Cancellation. Should TAPI or SIEGFRIED desire to cancel this Agreement at the end of the Initial Term or at the end of any Renewal Term, then TAPI or SIEGFRIED must provide written notice of cancellation at least nine (9) months prior to the expiration date of the Initial Term or the relevant Renewal Term, as the case may be.

ARTICLE IV

PRICE, ORDERS, AND TERMS OF PAYMENT

4.01 Price. The prices of the Product are based on a cost plus twenty percent (20%) as set forth in Exhibit C to this Agreement, where "cost" is calculated as the sum of (i) standard manufacturing cost, plus (ii) 20% for sales, general and administration cost. The prices will be subject to adjustment in the manner set forth in Exhibit C to this Agreement. Upon TAPI's request, SIEGFRIED shall provide TAPI with a statement signed by an officer of SIEGFRIED confirming and verifying the accuracy of the determination or calculation of its "cost".

4.02 Forecast. At least thirty (30) days prior to the first day of each calendar quarter, TAPI shall issue at quarterly intervals a rolling twelve (12) month forecast estimating its or its Affiliates' total requirements of each Product from SIEGFRIED (the "Forecast"). The first six (6) months of the Forecast will be binding (the "Binding Forecasted Period"). TAPI will be obligated to purchase the quantities of each of the Products specified in the Binding Forecasted Period and the remaining six (6) months are non-binding.

4.03 Forecast accuracy.

- (a) If at any time TAPI finds that a Forecast is inaccurate, TAPI shall inform SIEGFRIED without delay and submit a modified Forecast for the period in question. A modified Forecast shall not reduce TAPI's obligation to purchase the quantities of Products that were contained in the binding portion of any earlier Forecast. SIEGFRIED shall promptly notify TAPI in writing of any anticipated delay or of any circumstance(s) rendering it unable to manufacture and/or supply increased quantities of any Product and the estimated duration of such delay/circumstance(s).
- (b) If at any time TAPI or its Affiliate finds an unexpected opportunity to sell more Finished Dosage Form and this causes TAPI to require more of a Product than was specified in a Forecast (the "Opportunity"), TAPI shall provide evidence of the specific changed circumstances that resulted in the Opportunity, and TAPI shall give SIEGFRIED the right of first refusal to supply the additional Product required. To the extent that SIEGFRIED cannot supply a Product required in amounts that exceed the Forecast, and the requirements actually arise from changed circumstances and not a failure by TAPI to develop an accurate Forecast, then TAPI or its Affiliate is permitted to purchase the Product SIEGFRIED cannot supply from an alternate supplier. In such

an event where TAPI or its Affiliate purchases the Product SIEGFRIED cannot supply from an alternate supplier ("Alternate Product"), the Parties shall discuss in good faith catch up purchases to compensate SIEGFRIED for TAPI's or its Affiliate's purchase of the applicable Alternate Product.

4.04 Purchase Orders. At quarterly intervals TAPI shall submit to SIEGFRIED at its address designated in Section 9.05 non-cancelable purchase orders covering the Binding Forecasted Period. Each purchase order issued hereunder shall be governed by the terms of this Agreement, and none of the terms or conditions of TAPI's or SIEGFRIED's forms shall be applicable, except for those specifying quantity ordered and delivery dates, to the extent consistent with this Agreement, and special supply, packing and invoice instructions. Such purchase orders shall set forth the delivery dates and shipping instructions and place of delivery, shall allow at least thirty (30) days for delivery, and shall specify the quantities of each Product to be purchased. Subject to available TAPI and SIEGFRIED quota, SIEGFRIED hereby agrees to fulfill Orders of up to one hundred ten percent (110%) of the Forecast quantity. Orders in excess of one hundred ten percent (110%) of the Forecast quantity shall be discussed by the Parties, but are only binding upon written confirmation by SIEGFRIED. SIEGFRIED is only committed to deliver the Product at the confirmed date of delivery if all necessary elements, such as DEA Form 222, required for shipping to be supplied by TAPI, are made available by TAPI to SIEGFRIED at least ten (10) business days prior to the confirmed delivery date.

4.05 Payment Terms. TAPI shall make payment net forty-five (45) days from the date of SIEGFRIED's invoice by wire transfer in accordance with SIEGFRIED's written instructions. All payments hereunder shall be made in U.S. Dollars. All invoices shall be paid by TAPI in full

without any set-off, lien or counterclaim of any nature, other than for rejected or returned Product for which SIEGFRIED has issued a credit acknowledgement.

4.06 Terms of Delivery. The Product shall be shipped EXWORKS (Incoterms 2000) from the Facility to a destination designated by TAPI using a common carrier to be specified by TAPI and reasonably acceptable to SIEGFRIED. Title and risk of loss shall pass to TAPI at the time of delivery to the carrier.

ARTICLE V

WARRANTIES, INDEMNITIES AND INSURANCE

5.01 Warranties by SIEGFRIED. SIEGFRIED represents, warrants and covenants to TAPI that:

- (a) all Product delivered to TAPI or its designated Affiliates pursuant to this Agreement shall conform with the applicable then current Specifications and that such Product shall be manufactured in accordance with Section 2.04 hereof;
- (b) it shall have good and marketable title with the exceptions described in 5.01f free and clear of any liability, pledge, lien, restriction, claim, charge, security interest or other encumbrance, to all Product manufactured and delivered to the designated carrier pursuant to Section 4.06;
- (c) it will not use in any capacity, in connection with the services to be performed under this Agreement, any person who has been debarred pursuant to the Act;
- (d) it is understood and agreed that SIEGFRIED has no control over the ultimate use of the Product or Finished Dosage Form, and SIEGFRIED shall have no liability in connection with any such use, except to the extent the Product fails to comply with the

Specifications, the Quality Agreement, and/or the requirements of this Agreement in which case SIEGFRIED's liability is limited by Section 5.07;

- (e) SIEGFRIED's manufacture of the Products will not infringe on the patent rights of any third party in the Territory; and
- (f) SIEGFRIED MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCT. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED BY SIEGFRIED.

5.02 Warranties by Each Party. Each of TAPI and SIEGFRIED hereby represents, warrants and covenants to the other Party as follows:

- (a) it is a corporation duly organized and validly existing under the laws of the state or other jurisdiction in which it is incorporated;
- (b) the execution, delivery and performance of this Agreement by such Party has been duly authorized by all requisite corporate action;
- (c) it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder;
- (d) the execution, delivery and performance by such Party of this Agreement and its compliance with the terms hereof does not and will not conflict with or result in a breach of any term of, or constitute a default under (i) any agreement or instrument binding or affecting it or its property; (ii) its charter documents or bylaws; or (iii) any order, writ, injunction or decree of any court or governmental authority entered against it or by which any of its property is bound;

- (e) subject to quota limitations applicable to controlled substances, it has obtained any consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental or Regulatory Authorities required for the execution, delivery and performance of this Agreement by such Party, and the execution, delivery and performance of this Agreement will not violate any law, rule or regulation applicable to such Party;
- (f) this Agreement has been duly executed and delivered and constitutes such Party's legal, valid and binding obligation enforceable against it in accordance with its terms subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to the availability of particular remedies under general equity principles; and
- (g) it shall comply with all applicable material laws, rules and regulations relating to its activities under this Agreement, including, without limitation, the CSA.

5.03 Indemnification by TAPI. TAPI shall indemnify and hold harmless SIEGFRIED from and against any and all claims, demands, actions, suits, causes of action, damages and expenses, including, without limitation, reasonable attorneys' fees incurred in connection therewith ("Losses") caused by, arising out of, or resulting from, the use, distribution or sale of the Finished Dosage Form, except to the extent such claims, demands, actions, suits, causes of action, damages or expenses are caused by SIEGFRIED's gross negligence, willful misconduct, or breach of its representations, warranties or covenants contained in this Agreement; provided, however that the foregoing exception will not apply if SIEGFRIED's liability for such gross negligence, willful misconduct, or breach is limited by Section 5.07.

5.04 Indemnification by SIEGFRIED. SIEGFRIED will indemnify and hold TAPI, its Affiliates and their respective officers, directors, employees and agents harmless from, and against any and all Losses to the extent caused by, arising out of, or resulting from (i) SIEGFRIED's gross negligence, willful misconduct, a breach of its representations, warranties or covenants contained in this Agreement unless SIEGFRIED's liability for such gross negligence, willful misconduct, or breach is limited by Section 5.07, or (ii) the manufacture for or sale to TAPI of any Product in violation of any agreement between SIEGFRIED and a third party.

5.05 Patent Indemnification. TAPI shall indemnify and hold SIEGFRIED and its employees, officers, directors and agents harmless from and against any and all claims, demands, actions, suits, losses, damages, costs, expenses (including reasonable attorneys' fees), and liabilities which SIEGFRIED may incur, suffer or be required to pay by reason of any patent infringement suit brought against SIEGFRIED because of TAPI's or any of TAPI's Affiliates' marketing, distribution or sale of Product and/or any Finished Dosage Form. SIEGFRIED shall indemnify and hold TAPI, its Affiliates and their respective employees, officers, directors and agents harmless from and against any and all claims, demands, actions, suits, losses, damages, costs, expenses (including reasonable attorneys' fees), and liabilities which TAPI or its Affiliates may incur, suffer or be required to pay by reason of any patent infringement suit brought against TAPI or its Affiliates because of SIEGFRIED's manufacture of Product.

5.06 Conditions to Indemnification. The indemnified Party shall give the indemnifying Party prompt written notice of any claim or the institution of any suit against the indemnified Party for which it may seek indemnification under this Article V. The failure to give such notice shall not relieve the indemnifying Party from any liability that it may have to the indemnified Party under this Article V, except to the extent that the indemnifying Party's ability to defend such claim or suit is

materially prejudiced by such failure to give notice. The indemnifying Party shall be entitled to participate in the defense of such claim or suit and to assume the control of such defense; provided, however, that the indemnified Party may elect to participate in, but not control, the defense of such claim or suit and to be represented by counsel, at its own expense, in connection therewith. The indemnifying Party shall not enter into any settlement agreement, which would materially adversely affect the rights or obligations of the indemnified Party under this Agreement without the indemnified Party's prior written consent.

5.07 Limitation of Liability. The liability of SIEGFRIED under this Agreement, in tort, or based on any other legal theory or cause of action, is limited as follows:

- (a) In the event that any Product supplied by SIEGFRIED does not comply with the applicable Specification, SIEGFRIED's liability is limited to replacement of the non-conforming Product at SIEGFRIED's expense within a ninety (90) day period or, if SIEGFRIED is unable to replace the non-conforming Product within a ninety (90) day period, SIEGFRIED's liability is limited to issuing a credit to TAPI for the cost of such Product, all as more specifically provided in Section 2.05.
- (b) In the event that any Product supplied by SIEGFRIED does not comply with any requirement of this Agreement, and such non-compliance is detected by TAPI or any of its Affiliates at any point in the production of the Finished Dosage Form, SIEGFRIED's liability is limited to TAPI's reasonable out of pocket costs and expenses associated with such non-compliance, which costs and expenses shall not exceed five hundred thousand US dollars per year (\$500,000/year) and replacement of the non-conforming Product at SIEGFRIED's expense within a ninety (90) day period or, if SIEGFRIED is unable to replace the non-conforming Product within a ninety (90) day period,

SIEGFRIED's liability is limited to issuing a credit to TAPI for the cost of such Product, all as more specifically provided in Section 2.05.

- (c) If TAPI or an Affiliate of TAPI detects that any Product supplied by SIEGFRIED does not comply with the Specifications or any other requirements of this Agreement, and TAPI or an Affiliate of TAPI nevertheless chooses to use a Product or distribute a Finished Dosage Form, then SIEGFRIED shall have no liability to TAPI, TAPI's Affiliate or to any third party, whether for replacement of the Product, credit, or otherwise, and TAPI shall defend, indemnify and hold SIEGFRIED harmless from and against any and all Losses that occur in connection with the use of the Product or the distribution of a Finished Dosage Form, regardless of any assertion regarding SIEGFRIED's gross negligence, willful misconduct, or breach of its representations, warranties or covenants contained in this Agreement.
- (d) If TAPI or an Affiliate of TAPI fails to test or Inspect Product supplied by SIEGFRIED which does not comply with any requirements of this Agreement, or fails to test or Inspect the Finished Dosage Form, then SIEGFRIED shall have no liability to TAPI, TAPI's Affiliate or to any third party, whether for replacement of the Product, credit, or otherwise, and TAPI shall defend, indemnify and hold SIEGFRIED harmless from and against any and all Losses that occur in connection with the use of the Product or the distribution of a Finished Dosage Form, regardless of any assertion regarding SIEGFRIED's gross negligence, willful misconduct, or breach of its representations, warranties or covenants contained in this Agreement.
- (e) If a defect is not detectable by testing against mutually agreed Specifications or Inspection of the Product, or by testing or Inspection at any point in the production of

the Finished Dosage Form, the limitations of Siegfried's liability shall not be construed to prevent or limit TAPI or its Affiliate from recovering actual damages to the extent incurred in connection with a third party claim and owing to such third party, and shall not apply in respect of any liability that cannot by law be so excluded.

5.08 EXCEPT WITH RESPECT TO AMOUNTS PAYABLE TO THIRD PARTIES, NEITHER PARTY SHALL BE RESPONSIBLE TO THE OTHER PARTY FOR SUCH OTHER PARTY'S LOST PROFITS OR INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OR DAMAGE TO GOODWILL OR REPUTATION..

5.09 Debarment Certification. In accordance with the requirements of the Act, SIEGFRIED certifies that, to the best of its knowledge, SIEGFRIED is not and will not be using any person presently under investigation by the FDA for debarment action, or debarred under 21 U.S.C § 335a, in any capacity, in connection with the manufacture of Product. SIEGFRIED also certifies that, to the best of its knowledge, SIEGFRIED is not and will not be using any person or Affiliate for whom convictions subject to debarment have occurred in the last five (5) years in any capacity in connection with the manufacture of Product. If, at any time after execution of this Agreement, SIEGFRIED becomes aware that SIEGFRIED is using any person or any Affiliate that has been or is in the process of being debarred, SIEGFRIED hereby certifies that it will promptly notify TAPI of such.

5.10 Insurance. Without limiting their obligations hereunder, both Parties shall maintain at their individual sole expense, commencing with the Effective Date and continuing throughout the term and any renewals thereof, sufficient insurance coverage to satisfy their obligations hereunder. Without derogating from the foregoing, this shall include, at minimum, the following insurance:
(i) commercial general liability insurance, including broad form contractual liability and personal/advertising injury coverage, with limits of not less than US \$5,000,000 per occurrence and US

\$5,000,000 annual aggregate; (ii) product liability insurance with a coverage limit of not less than US \$5,000,000 per occurrence and US \$ 10,000,000 annual aggregate (iii) workers compensation insurance with not less than minimum coverage limit as required by law; employers liability insurance of not less than \$1,000,000 per accident/injury. The required limits for general liability and product liability may be satisfied through a combination of primary and umbrella coverage.

Both Parties agree to provide written notice to the other, within ten business days, upon becoming aware of any cancellation, material change in, or non-renewal, of required insurance. Prior to the performance of any activities under this Agreement, each Party shall provide the other with a certificate of insurance evidencing its respective insurance coverage. Required insurance shall be placed with carriers having a minimum A.M. Best rating of A- or better. If any required insurance is written on a claims-made basis, the policy holder/named insured shall be responsible for ensuring continuity of cover for claims which may be presented following policy expiry or cancellation.

ARTICLE VI

CONFIDENTIALITY

6.01 Confidential Information. Each Party and its Affiliates shall use any Confidential Information disclosed to it by or on behalf of the other Party only for the purposes contemplated by this Agreement and shall not disclose such Confidential Information to any third party without the prior written consent of the other Party. The foregoing obligations shall survive the expiration or termination of this Agreement for a period of ten (10) years. These obligations shall not apply to Confidential Information that:

- (a) is known by the receiving Party at the time of its receipt, and not through a prior disclosure by the disclosing Party, as documented by business records;
- (b) is at the time of disclosure, or thereafter becomes, published or otherwise part of the public domain without breach of this Agreement by the receiving Party;
- (c) is subsequently disclosed to the receiving Party by a third party that has the right to make such disclosure;
- (d) is independently developed by the receiving Party or its Affiliates without the aid, application or use of the disclosing Party's Confidential Information, and such independent development can be documented by the receiving Party;
- (e) is disclosed to any institutional review board of any entity conducting clinical trials involving the Product or to any governmental or other regulatory agencies in order to obtain patents or to gain approval to conduct clinical trials or to market the Product and Finished Dosage Form, provided that such disclosure may be made only to the extent reasonably necessary to obtain such patents or authorizations; or
- (f) is required to be disclosed by law, regulation, rule, act or order of any governmental authority or agency to be disclosed, provided that notice is promptly delivered to the other Party in order to provide an opportunity to seek a protective order or other similar order with respect to such Confidential Information and thereafter the receiving Party discloses to the requesting entity only the minimum information required to be disclosed in order to comply with the request, whether or not a protective order or other similar order is obtained by the other Party.

6.02 No Publicity. A Party may not use the name of the other Party in any publicity or advertising and may not issue a press release or otherwise publicize or disclose any information related to the

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existence of this Agreement or the terms or conditions hereof, except on the advice of its counsel as required by law (e.g., Securities and Exchange Commission filings and disclosures) and provided that the Party who will be disclosing such information shall use good faith efforts to consult with the other Party prior to such disclosure and, where applicable, shall request confidential treatment to the extent available.

ARTICLE VII

INTELLECTUAL PROPERTY RIGHTS

7.01 Rights to Product and Material. Each Party shall continue to have sole ownership of and the right to exploit its own know-how, trade secrets and other intellectual property rights. This Article VII survives the termination or expiration of this Agreement.

ARTICLE VIII

TERMINATION FOR CAUSE

8.01 Fundamental Changes. Either Party may terminate the Agreement immediately by providing written notice to the other Party upon the cessation of all or substantially all of the other Party's business operations to the extent the other Party is unable to meet the commitments of this Agreement.

8.02 Insolvency and Bankruptcy. This Agreement is terminated without any further notice in case of the commencement of insolvency procedures of the other Party, or the commencement against the other Party of any case or proceeding under any bankruptcy, insolvency or moratorium law, or

any other law or laws for the relief of debtors, or the appointment of any receiver, trustee or assignee to take possession of the properties of the other Party.

8.03 Material Breach. If a Party breaches a material term or condition of this Agreement, the non-breaching Party shall have the right to terminate this Agreement after sixty (60) days prior written notice to the other Party unless any such default or breach is cured within said sixty (60) days. Termination shall be in addition to all other rights and remedies available to the non-breaching Party at law or in equity.

8.04 Intellectual Property Infringement. If either Party is of the good faith opinion (supported by an opinion of an independent patent counsel) that the supply of the Product or sales of the Product or use of the Product in a Finished Dosage Form, as the case may be, would result in a significant risk of damages for infringement of third party patent or other intellectual property rights, and that Party, and its Affiliates, fully ceases to sell, offer for sale or import the Product in the Territory, that Party shall have the right to terminate the Product from this Agreement.

8.05 Change in Control. If SIEGFRIED undergoes a Change in Control, TAPI shall have the right to immediately terminate this Agreement upon giving written notice to such third party successor or SIEGFRIED, as applicable.

8.06 Effect of Termination. The expiration or early termination of this Agreement shall not relieve the Parties of any obligation accruing prior to such expiration or termination, and the provisions of Section 2.06 and Articles V, VI, VII and IX hereof shall survive the expiration or early termination of this Agreement indefinitely; provided, however, that provisions of Sections 5.03, 5.04, 5.05 and 5.09 shall survive only for a period of three (3) years after the expiration or early termination of this Agreement.

ARTICLE IX

GENERAL PROVISIONS

9.01 Force Majeure. Failure of any Party to perform its obligations under this Agreement shall not subject such Party to any liability or place them in breach of any term or condition of this Agreement to the other Party if such failure is due to any cause beyond the reasonable control of such non-performing Party ("force majeure"), unless conclusive evidence to the contrary is provided. Causes of non-performance constituting force majeure shall include, without limitation, acts of God, fire, explosion, flood, drought, war, riot, sabotage, embargo, strikes or other labor trouble, failure in whole or in part of suppliers to deliver on schedule materials, equipment or machinery, interruption of or delay in transportation or energy supplies, a national health emergency, act of any governmental authority, or compliance with any order or regulation of any government entity acting with color of right including, without limitation, DEA quota limitations. The Party affected shall promptly notify the other Party of the condition constituting force majeure as defined herein and shall exert reasonable efforts to eliminate, cure and overcome any such causes and to resume performance of its obligations with all possible speed; provided that nothing herein shall obligate a Party to settle on terms unsatisfactory to such Party any strike, lockout or other labor difficulty, any investigation or other proceeding by any public authority or any litigation by any third party. If a condition constituting force majeure as defined herein exists for more than ninety (90) consecutive days, the Parties shall meet to negotiate a mutually satisfactory resolution to the problem, if practicable.

9.02 Assignment. Neither this Agreement nor any or all of the rights and obligations of a party hereunder shall be assigned, delegated, sold, transferred, sublicensed (except as otherwise provided

herein) or otherwise disposed of, by operation of law or otherwise, to any third party without the prior written consent of the other Party, and any attempted assignment, delegation, sale, transfer, sublicense or other disposition, by operation of law or otherwise, of this Agreement or of any rights or obligations hereunder contrary to this Section 9.02 shall be a material breach of this Agreement by the attempting Party, and shall be void and without force or effect. This Agreement shall be binding upon, and inure to the benefit of, each Party, its Affiliates, and its permitted successors and assigns. Each Party shall be responsible for the compliance by its Affiliates with the terms and conditions of this Agreement.

9.03 Entire Agreement. This Agreement shall constitute the entire Agreement between the parties hereto and shall supersede any other agreements, whether oral or written, express or implied, as they pertain to the Product. This Agreement may not be changed or modified except by written instrument signed by both Parties.

9.04 Independent Relationship. Nothing herein contained shall be deemed to create an employment, agency, joint venture or partnership relationship between the Parties hereto or any of their agents or employees, or any other legal arrangement that would impose liability upon one Party for the act or failure to act of the other Party. Neither Party shall have any power to enter into any contracts or commitments or to incur any liabilities in the name of, or on behalf of, the other Party, or to bind the other Party in any respect whatsoever.

9.05 Notice. All notices required hereunder shall be deemed received (i) within three (3) business days after being sent by registered or certified mail, postage prepaid, return receipt requested; (ii) the next business day after being sent by a nationally recognized overnight carrier; or (iii) the same business day when delivered personally or when sent by confirmed facsimile transmission to the

following addresses (unless a Party has provided notice of a change of address in accordance herewith):

If to SIEGFRIED: SIEGFRIED (USA), Inc.
33 Industrial Park Road
Pennsville, NJ 08070
Attention: Director Sales & Marketing
(fax: 856 678 8570)

with a copy to: SIEGFRIED Ltd.
Untere Bruhlstrasse 4
4800 Zofingen
Switzerland
Attention: President SIEGFRIED Actives
(fax: 011 41 62 746 15 05)

If to TAPI: Plantex USA, Inc.
2 University Plaza
Suite 305, Hackensack, NJ 07601
Attention: Chief Financial Officer
(fax: 201-343-3833)

with a copy to: Teva North America
425 Privet Road
Horsham, PA 19044
Attention: General Counsel
(fax: 215-293-6499)

or to such other address as one Party may notify the other as provided herein.

9.06 Waiver. Any delay or failure in enforcing a Party's rights under this Agreement or any waiver as to a particular default or other matter shall not constitute a waiver of such Party's rights to the future enforcement of its rights under this Agreement, nor operate to bar the exercise or enforcement thereof at any time or times thereafter, excepting only as to an express written and signed waiver as to a particular matter for a particular period of time.

9.07 Hardship.

- (a) If during the term of this Agreement circumstances beyond the reasonable control of the Parties, including without limitation, undue risk of actions of Regulatory Authorities, render the terms of this Agreement excessively onerous to one of the Parties or otherwise adversely affect the economic viability of this Agreement, the adversely affected Party may claim hardship. The Party claiming hardship has the obligation to provide notice to the other Party of such hardship and, if requested, pay a neutral independent mutually-accepted arbiter to verify the existence and causes of the hardship. Following notification and verification of a qualifying hardship by the independent arbiter, or the acceptance by the other Party of hardship, the Parties shall meet and endeavor in good faith to reach a mutually acceptable and equitable solution to the hardship.
- (b) Should the Parties fail to reach a mutually acceptable solution within one hundred eighty (180) days, or, in the case of a risk of action of Regulatory Authorities, within ninety (90) days, the Party claiming the verified economic viability or action of Regulatory Authorities hardship shall have the right to suspend the Agreement (in the case of economic viability hardship), or contract term (in the case of action of Regulatory Authorities), by giving the other Party not less than one hundred eighty (180) days written notice of suspension or, in the case of legal liability, not less than ninety (90) days written notice of suspension. While such notice period is running, all terms and conditions set forth in this Agreement and applying prior to the notification of hardship shall continue to apply and the commencement of any such suspension period shall not relieve any Party of any of its obligations hereunder which shall have accrued before such commencement of such suspension.

- (c) Notwithstanding paragraphs (a) and (b) above, if the period of suspension is not terminated as a result of the elimination of the hardship within twelve (12) months of the commencement of the suspension, either Party may terminate this Agreement by giving six (6) months written notice of termination to the other Party.
- (d) The Parties agree to revert back to the existing terms and conditions of this Agreement in its entirety upon a good faith showing of hardship elimination.

9.08 Formal Dispute Resolution. This Agreement shall be governed by the laws of the State of New Jersey and the United States, and disputes shall be settled amicably. Only if a dispute cannot be settled after *bona fide* attempts have been made by the Parties to find an amicable solution, either Party may submit the dispute to arbitration to be conducted under the rules of arbitration of the American Arbitration Association (the "Rules") to the exclusion of all and any courts. The arbitration as aforesaid shall be conducted in New Jersey, USA, unless otherwise agreed upon by the Parties in writing, before a single arbitrator to be agreed between the Parties. In the event that the Parties are unable to agree on an arbitrator, each of them shall nominate their own arbitrator and both of the arbitrators shall in turn appoint a third arbitrator, such third arbitrator to be the sole arbitrator to determine the dispute, and after the third arbitrator accepts the appointment, the two arbitrators nominated by the respective Parties shall no longer serve in any capacity. The arbitration shall be conducted in the English language and the substantive law to be applied by the arbitrator in considering and resolving the dispute shall be the governing law specified in Section 9.10. Arbitration award shall be in writing, reasoned, final and binding upon the Parties, to any court in any country.

9.09 Heading. Section headings contained in this Agreement are included for convenience only and form no part of the agreement between the Parties.

9.10 Governing Law. This Agreement is to be governed by and construed in accordance with the laws of the State of New Jersey, without giving effect to conflict of law principles. The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

9.11 Severability. If any provision of this Agreement or the application of any of such provision to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provisions hereof. The Parties shall consult and use good faith efforts to agree upon a valid and enforceable provision, which shall be a reasonable substitute for such invalid provision in light of the intent of this Agreement.


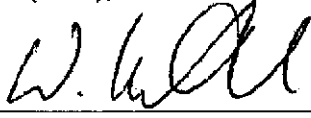
9.12 Conflict with other documents: In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions set forth in any standard or other purchase order documentation or any document evidencing acceptance thereof or setting out terms of delivery and/or payment, the terms and conditions of this Agreement shall prevail unless such other document records expressly state that it prevails over this Agreement and is signed by duly authorized representatives of both Parties.

[The remainder of the page left intentionally blank.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first above written.

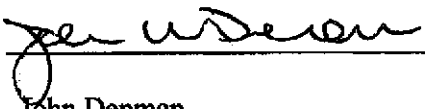

Agreed and Accepted by:

SIEGFRIED (USA), INC.

By:		By:	
Name:	<u>Craig Douglas</u>	Name:	<u>Walter Kittl</u>
Title:	<u>Director, Sales & Marketing</u>	Title:	<u>General Manager</u>
Date:	<u>Feb 8th 2010</u>	Date:	<u>02/08/10</u>

Agreed and Accepted by:

PLANTEX USA, INC.

By:		By:	
Name:	<u>John Denman</u>	Name:	<u>Allen Lefkowitz</u>
Title:	<u>President</u>	Title:	<u>Chief Financial Officer</u>
Date:	<u>2/19/2010</u>	Date:	<u>2/16/10</u>

LEGAL AFFAIRS
BC

EXHIBIT A

PRODUCTS

<u>Product</u>	<u>CAS No.</u>
Codeine Phosphate	41444-62-6
Dexmethylphenidate	19262-68-1
Hydrocodone Bitartrate	34195-34-1
Hydromorphone Hydrochloride	71-68-1
Methylphenidate Hydrochloride	298-59-9
Morphine Sulfate	6211-15-0
Oxycodone Hydrochloride	124-90-3
Oxymorphone Hydrochloride	357-07-3
Propoxyphene Hydrochloride	1639-60-7
Propoxyphene Napsylate	26570-10-5

The above Product list can be extended on mutual agreement.

TAPI or its Affiliate represents it is bound by a written contract to purchase more than 15% of its annual requirements for the Product listed below in the Territory, and as such, cannot give SIEGFRIED 85% of its annual requirements until this contract expires:

<u>Product</u>	<u>Term</u>
Codeine w/APAP	12/2011
Hydrocodone w/Ibu	12/2011
Methylphenidate ER (Metadate CD)	3/2011
Oxycodone w/APAP	12/2011
Oxycodone w/Ibu	12/2011
Oxycodone ER (Oxycontin)	5 years from launch
Propoxyphene Napsylate	6/2010

EXHIBIT B

SIEGFRIED'S THIRD PARTY COMMITMENTS

SIEGFRIED represents that in the event of shortages it is bound by written contracts to provide the Products listed below in the Territory, and as such, cannot give TAPI preferred customer status until these contracts expire:

<u>Product</u>	<u>Term</u>
Propoxyphene Napsylate	4/2013
Hydrocodone Bitartrate	2 years from approval

EXHIBIT C

PRODUCT PRICES

The initial prices of the Products for commercial quantities based on SIEGFRIED'S current specifications appear below. The Specifications ultimately utilized for the Products may differ, which may have an impact on these prices.

<u>Product</u>	<u>CAS No.</u>	<u>Price – USD/kg</u>
Codeine Phosphate	41444-62-6	735
Dexmethylphenidate	19262-68-1	3950
Hydrocodone Bitartrate	34195-34-1	1250
Hydromorphone Hydrochloride	71-68-1	6340
Methylphenidate Hydrochloride	298-59-9	1430
Morphine Sulfate	6211-15-0	800
Oxycodone Hydrochloride	124-90-3	1740
Oxymorphone Hydrochloride	357-07-3	7470
Propoxyphene Hydrochloride	1639-60-7	200
Propoxyphene Napsylate	26570-10-5	95

Price Review:

SIEGFRIED shall sell the Products at a price based on cost plus 20%, where "cost" is calculated as the sum of (i) standard manufacturing cost, plus (ii) 20% for sales, general and administration cost. The initial price listed above shall be reviewed annually. If either Party wishes to adjust such prices, a proposal for the adjustment will be made prior to the end of September of each calendar year, and the Parties will have until the end of November to determine whether any changes in the prices will be made. If TAPI or its Affiliate receives a bona fide written proposal to supply to TAPI or its Affiliate any Product that is equivalent in terms of quality, regulatory status, and quantity under terms and conditions similar to those set forth in this Agreement, and at a price that, as of the date of such written proposal, is at least ten percent (10%) lower than the purchase price under this Agreement, then TAPI or its Affiliate shall have the right, upon providing a redacted copy of this offer to SIEGFRIED, to request a renegotiation of the purchase price under this Agreement. If the Parties fail to reach an agreement on a new purchase price, TAPI or its Affiliate will be free to source the Product or its equivalent. Unless otherwise restricted pursuant to existing obligations to third-parties, in consideration of the amount to be purchased under Article 2, SIEGFRIED agrees that TAPI's purchase price for all quantities of Products to be supplied by SIEGFRIED shall not be higher than the lowest charged by SIEGFRIED to any other parties for similar quantities and for similar quality of Products sold in the Territory.

EXHIBIT D

QUALITY AGREEMENT

EXHIBIT 6

EXHIBIT 7

EXECUTION VERSION

August 2, 2016

TEVA PHARMACEUTICAL INDUSTRIES LTD

and

ALLERGAN PLC

SUPPLY AGREEMENT

(Teva to Allergan)

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CONTENTS

Clause	Page
1. DEFINITIONS	1
2. MASTER AGREEMENT; PRODUCTION/PACKAGING ARRANGEMENT	10
2.1 STRUCTURE OF AGREEMENT, GENERAL TERMS.....	10
2.2 SCOPE OF WORK.....	11
2.3 LOT NUMBERING/EXPIRATION DATES	11
2.4 SUB-CONTRACTING	11
2.5 CHANGES TO MASTER BATCH RECORD OR MASTER PACKAGING RECORD OR SPECIFICATIONS.....	11
2.6 CHANGES AND MODIFICATIONS TO FACILITY BY TEVA; CHANGES TO PROCESS.....	15
2.7 EXCLUSIVITY	16
2.8 TEVA REPORT	16
2.9 QUALIFICATION OF NEW MANUFACTURING SITE BY ALLERGAN	16
2.10 SHORTAGES.....	17
3. RAW MATERIALS, COMPONENTS, CONTAINERS AND LABELING	17
3.1 MATERIALS.....	17
3.2 LABELING.....	18
4. FORECASTS AND ORDERS	19
4.1 FORECASTS.....	19
4.2 "PURCHASE ORDERS"	19
4.3 INABILITY TO FILL ORDER.....	20
4.4 PRESCRIBED VENDOR CONTRACTS.....	20
5. DELIVERY AND PAYMENT TERMS.....	21
5.1 SHIPPING	21
5.2 FREIGHT COSTS	21
5.3 SHIPPING DOCUMENTATION.....	21
5.4 TRANSPORT VERIFICATION	21
5.5 DELIVERY AMOUNT.....	21
5.6 ON TIME DELIVERY	22
5.7 INVOICES.....	22
5.8 SALES AND USE TAXES; WITHHOLDING TAXES	22
5.9 SHELF LIFE AT DELIVERY	23
6. BASE PRICE AND SUPPLY PRICE	23
6.1 ESTABLISHMENT OF BASE PRICE.....	23
6.2 SUPPLY PRICE.....	25
6.3 DISTRESSED INVENTORY.....	25

7.	QUALITY ASSURANCE.....	25
7.1	QUALITY AGREEMENTS.....	25
7.2	REMEDATION.....	25
8.	SAFETY, DATA EXCHANGE AND PHARMACOVIGILANCE.....	26
8.1	SAFETY AGREEMENTS.....	26
9.	TESTING AND INSPECTION OF THE PRODUCT.....	26
9.1	PRODUCT REJECTION.....	26
9.2	INSPECTION.....	26
9.3	NON-CONFORMING PRODUCTS.....	26
9.4	INDEPENDENT TESTING.....	27
9.5	LATENT DEFECTS.....	28
9.6	NON-CONFORMING PRODUCT ARISING FROM THIRD PARTY PRESCRIBED VENDOR OBLIGATIONS.....	28
9.7	LONG TERM STABILITY STUDIES.....	28
9.8	RETAINED SAMPLES.....	29
10.	REGULATORY COMPLIANCE AND RELATED MATTERS.....	29
10.1	PRODUCT REGULATORY APPROVALS.....	29
10.2	REGULATORY COMMUNICATIONS.....	29
10.3	SUBMISSIONS TO REGULATORY AUTHORITIES.....	29
10.4	RESPONSIBILITY FOR COMPLIANCE.....	29
10.5	INSPECTIONS.....	30
11.	RECALLS.....	30
11.1	RECALLS.....	30
11.2	RECALLS EXPENSES.....	30
11.3	CONFIDENTIALITY OF RECALL COMMUNICATIONS.....	30
12.	TERM AND TERMINATION.....	31
12.1	TERM.....	31
12.2	EXTENSION.....	31
12.3	SHARED REGULATORY REGISTRATION PRODUCT RENEGOTIATION.....	31
12.4	TERMINATION RIGHTS.....	32
12.5	EFFECT OF TERMINATION.....	33
12.6	OUTSTANDING ORDERS IN THE EVENT OF TERMINATION.....	33
12.7	MATERIALS IN TERMINATION OR EXPIRATION.....	33
12.8	DEDICATED EQUIPMENT IN TERMINATION OR EXPIRATION.....	33
13.	REPRESENTATIONS AND WARRANTIES.....	33
13.1	GENERAL REPRESENTATIONS AND WARRANTIES.....	33
13.2	ADDITIONAL TEVA WARRANTIES.....	34
13.3	ADDITIONAL ALLERGAN WARRANTIES.....	34

13.4	DISCLAIMER.....	34
14.	INDEMNIFICATION.....	34
14.1	INDEMNIFICATION BY ALLERGAN.....	34
14.2	INDEMNIFICATION BY TEVA.....	35
14.3	INDEMNIFICATION PROCEDURES.....	35
14.4	LIMITATION OF LIABILITY.....	35
15.	INSURANCE REQUIREMENTS.....	36
15.1	TEVA'S INSURANCE REQUIREMENTS.....	36
16.	FORCE MAJEURE.....	36
16.1	EXCUSING PERFORMANCE.....	36
16.2	NOTICE.....	36
16.3	RESUMPTION.....	36
17.	CONFIDENTIALITY.....	36
17.1	USE OF CONFIDENTIAL INFORMATION AND TERM.....	36
17.2	EXCEPTIONS TO CONFIDENTIAL INFORMATION.....	37
18.	INTELLECTUAL PROPERTY.....	37
18.1	ALLERGAN MANUFACTURING IP.....	37
18.2	TEVA IP.....	37
18.3	IMPROVEMENTS.....	37
18.4	ALLERGAN OWNED IMPROVEMENTS AND TEVA OWNED IMPROVEMENTS.....	38
18.5	COOPERATION.....	38
19.	DATA PROTECTION.....	38
19.1	DATA PROTECTION.....	38
20.	SCHEDULES.....	38
20.1	SCHEDULES.....	38
21.	ADDITIONAL TERMS AND PROVISIONS.....	38
21.1	INDEPENDENT CONTRACTORS.....	38
21.2	PUBLIC STATEMENTS.....	39
21.3	ASSIGNMENT.....	39
21.4	GOVERNING LAW.....	40
21.5	JURISDICTION.....	40
21.6	SPECIFIC PERFORMANCE.....	40
21.7	REPRESENTATION BY COUNSEL.....	40
21.8	DISPUTE RESOLUTION.....	41
21.9	HEADINGS.....	41
21.10	COUNTERPARTS; SIGNATURE PAGES.....	41
21.11	NOTICES.....	41

21.12	ENTIRE AGREEMENT	42
21.13	SEVERABILITY.....	42
21.14	AMENDMENTS: NO WAIVER	42
21.15	CURRENCY	43
21.16	VALIDITY.....	43
21.17	FURTHER ASSURANCE.....	43
21.18	HEADINGS	43
21.19	INTERPRETATION	43
SCHEDULE 1.....		46
	PRODUCT LIST.....	46
SCHEDULE 2.....		47
	PRODUCTION FEES	47
SCHEDULE 3.....		48
	QUALITY AGREEMENT REQUIREMENTS	48
SCHEDULE 4.....		49
	SAFETY AGREEMENT REQUIREMENTS.....	49
SCHEDULE 5.....		50
	TEVA INSURANCE REQUIREMENTS	50
SCHEDULE 6.....		51
	PRO FORMA PRODUCT ADDENDUM.....	51
APPENDIX 1.....		54
	PRODUCT ADDENDUM DETAILS.....	54

SUPPLY AGREEMENT

(Teva to Allergan)

This Supply Agreement (the “Agreement”) is entered into, dated as of August 2, 2016 (the “Effective Date”), by and between Allergan plc, a public company limited by shares organized under the laws of Ireland (“Allergan”) and Teva Pharmaceutical Industries Ltd (“Teva”). Allergan and Teva are sometimes referred to in this Agreement collectively as the “Parties” and individually as a “Party”.

WHEREAS, Allergan and Teva, are party to that certain Master Purchase Agreement, dated as of July 26, 2015 (the “Purchase Agreement”), pursuant to which, among other things, Teva acquired the Business from Allergan;

WHEREAS, Allergan develops, markets and sells the pharmaceutical Products identified in Schedule 1 (as defined below) as each is more particularly described in its particular Product Addendum, and had, prior to Closing (as defined in the Purchase Agreement), manufactured the Products;

WHEREAS, Allergan desires to engage Teva to provide certain manufacturing and other services to Allergan with respect to the Products, and Teva desires to provide such services to Allergan, on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the above and of the promises and mutual covenants, agreements, guarantees and representations contained herein and intending to be legally bound, the Parties agree as follows:

1. DEFINITIONS

Capitalized terms which are not defined herein shall have the meaning given in the Purchase Agreement. The following terms shall, unless the context otherwise requires, have the following meanings, respectively:

“Additional Service” shall mean any service in addition to the Processing and/or Packaging and/or Release of a Product, as such services are identified in a particular Product Addenda, or such other service as may be requested by Allergan from time to time.

“Additional Service Fee” shall mean the fee, cost and/or expense to be paid by Allergan to Teva for the performance of Additional Services, which fee will be based on Teva’s actual cost of providing the Additional Service, including, when a Teva employee is performing the Additional Service, using the FTE rate card for such Facility as has been agreed in writing by the parties prior to the Effective Date, or when a Third Party is performing the Additional Service, passing through the actual cost to Teva of using such Third Party, and such other reasonable and documented costs and expenses incurred by Teva to provide the Additional Service, plus the then-applicable Production Fee; provided that in all cases such rate card and reimburseable costs and expenses shall exclude overhead.

“Affiliate” shall mean, with respect to any Person, any other Person which, at the time of determination, directly or indirectly controls, is controlled by, or is under common control with, such Person. For such purpose, the term “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by Contract or otherwise.

“**Agreement**” shall have the meaning set forth in the preamble.

“**Allergan**” shall have the meaning set forth in the preamble.

“**Allergan Discretionary Change**” shall have the meaning set forth in Section 2.5(a).

“**Allergan Freight Costs**” shall mean the aggregate Freight Costs incurred by Allergan under the Allergan Supply Agreement across all products supplied to Teva within a Contract Year.

“**Allergan Manufacturing IP**” shall mean any Intellectual Property owned or controlled by Allergan as of the date hereof, or during the Term that is necessary for the performance of Teva’s obligations under this Agreement.

“**Allergan Owned Improvements**” shall have the meaning set forth in Section 18.4.

“**Allergan Supply Agreement**” shall mean that certain supply agreement between Allergan and Teva dated on the same date as this Agreement pursuant to which Allergan will perform certain manufacturing services on behalf of Teva and/or its Affiliates.

“**API**” shall, for each Product, mean the active pharmaceutical ingredient set forth for that Product on Schedule 1.

“**Applicable Law**” shall mean the United States Federal Food, Drug and Cosmetic Act and the regulations and guidelines promulgated thereunder and all other laws, regulations, rules and guidelines of any Regulatory Authority in any country Allergan sells a Product, and the jurisdiction where a Product is manufactured (whether federal, state, municipal or other) pertaining to the Processing, Packaging, Release, storage, import, export, delivery, sale and/or intended use of the Product.

“**Aptalis France Products**” shall mean the pharmaceutical products Izinova/Eziclen, Panzytrat and Pylera, which are to be supplied under the Allergan Supply Agreement;

“**Authorized Generic**” shall mean a pharmaceutical product which is Packaged, marketed and sold as a generic pharmaceutical product and sold under the NDA for the Originator version of such product.

“**Base Price**” shall have the meaning set forth in Section 6.1(a).

“**Batch**” shall mean one (1) production lot of a Product.

“**Batch Record**” shall mean, with respect to any Batch of a Product, the document created as and after such Batch is Processed and Packaged that reflects and incorporates all aspects of the Master Batch Record and Master Packaging Record, the Certificates of Manufacture and any Manufacturing Investigation or Deviation Reports issued, with respect to such Batch.

“**Bulk-Only Product**” shall mean a Product which is to be delivered to Allergan as Bulk Product as opposed to Finished Product, as identified in the applicable Product Addendum.

“**Bulk Product**” shall mean a Product in the form of bulk capsules, tablets, caplets or blister packs, as applicable, for the relevant Product before final Packaging.

“Business Day” shall mean any day, other than Saturday or Sunday, on which commercial banks in New York City, New York, USA, Dublin, Ireland and Tel Aviv, Israel are generally open for business.

“Certificates of Manufacture” shall mean the certificate of analysis, compliance or manufacture (or equivalent documents) each as issued by Teva in accordance with the Quality Agreement stating that a Batch has been Processed and Packaged in accordance with Specifications and in conformity with applicable GMPs, the Master Batch Record and Master Packaging Record, if applicable, and stating the final release results.

“Competing Business” shall have the meaning set forth in Section 2.7.

“Components” shall mean the materials used for Processing, Packaging and/or Release of a Product, as identified in the Master Batch Record or Master Packaging Record.

“Confidential Information” shall mean, with respect to any Party, such Party’s technology, data, know-how, or information whether written or oral, technical or non-technical, including financial statements, reports, pricing, trade secrets, secret processes, formulae, samples, customer data (including customer lists), the composition, method of use or formulation of pharmaceutical dosage forms and compounds, manufacturing procedures, manufacturing processes, manufacturing equipment, manufacturing batch records, plant layouts, product volumes, quality control procedures, and quality control standards and the like, that is disclosed to the other Party pursuant to this Agreement.

“Consent Order” shall mean any FTC decision and order or equivalent order, ruling, agreement with, or requirement of any other relevant Governmental Authority or Regulatory Authority and/or any settlement agreement entered into with the FTC or any other relevant Governmental Authority or Regulatory Authority.

“Containers” shall mean packaging boxes and shipping containers.

“Contract Year” shall mean, unless expressly specified otherwise herein, (a) the period beginning on the Effective Date and ending on December 31, 2016, and (b) thereafter each twelve (12) month period commencing on January 1, 2017 (and each anniversary thereof), except that if this Agreement expires or is earlier terminated prior to expiration of any such twelve (12) month period, such period of time commencing on January 1 and ending on the date of expiration or earlier termination, as applicable.

“Cost of Goods” or **“COGs”** shall mean, in respect of each Product, the fully allocated costs of Processing and/or Packaging and/or Release of such Product, including the costs of API, Raw Materials, Components, Containers, Labeling any other direct materials, labor, direct production, packaging, analytical and stability testing, quality control and quality assurance, reasonable scrap and material variance, reasonable yield variance, reasonable investigations, serialisation as required by Applicable Law and other costs ordinarily included as a cost of goods sold under generally accepted accounting principles and fees paid to Regulatory Authorities in connection with the submission of filings for or approval of pharmaceutical products or manufacturing facilities therefor, and any overhead in relation to such Product, as well as the acquisition cost of any Bulk Product or Finished Product acquired from Third Parties and supplied to Allergan in accordance with the terms of this Agreement and the cost of all API, Raw Materials, Components, Containers, Labeling and other materials acquired from Third Parties for the Processing and/or Packaging and/or Release of Products. For clarity, where Teva acquires any of

the foregoing from any of its Affiliates, the COGs shall include the fully allocated cost of such Affiliate and not the purchase price applied between companies.

“**Distressed Inventory**” shall have the meaning set forth in Section 6.3.

“**Effective Date**” shall have the meaning set forth in the preamble.

“**Equipment**” shall mean any and all of the equipment used by Teva in the Processing, Packaging and Release of a Product.

“**Exceptional Item**” shall mean, with respect to a Product, any increase or decrease in the cost of API, Raw Materials, Components, Containers, and Labeling or proposed increase or decrease, which changes the Cost of Goods of such Product by more than five percent (5%).

“**Excess Amount**” shall have the meaning set forth in Section 4.2(c).

“**Expert**” shall have the meaning set forth in Section 9.4(a).

“**Facility**” shall mean, with respect to a given Product, the relevant facility identified on the applicable Product Addendum for the Processing, Packaging and/or Release of such Product, as may be updated from time to time in accordance with the terms of this Agreement.

“**Failed Batch**” shall mean a Batch which contains Non-Conforming Product and “**Fail**” in relation to a Batch shall mean that such Batch contains Non-Conforming Product and “**Failure**” shall be construed accordingly.

“**FCA Collection Site**” shall mean the relevant FCA (Incoterms 2010) collection site for each Product as set forth in the applicable Product Addendum or otherwise agreed between the Parties in writing.

“**FDA**” shall mean the United States Food and Drug Administration and all agencies under its control, or any successor thereto.

“**Finished Product**” shall mean Product which has been finally Packaged with the appropriate Labeling attached to such Product in accordance with the Specifications and the terms of this Agreement.

“**Firm Period**” shall have the meaning set forth in Section 4.1(a).

“**Force Majeure Event**” shall have the meaning set forth in Section 16.1.

“**Freight Costs**” shall mean the cost of shipping Product which has been Processed and Packaged in accordance with this Agreement or the Allergan Supply Agreement (as applicable) from the relevant Processing Facility to the relevant Packaging Facility (if applicable) and from the relevant Packaging Facility to the relevant FCA Collection Site for such Product.

“**Freight Cost Differential**” shall have the meaning set forth in Section 5.2.

“**FTE**” shall mean full time equivalent.

“**GMPs**” shall mean the good manufacturing practices in effect from time to time applicable to the manufacture of pharmaceutical products for human use and promulgated by Regulatory Authorities in each jurisdiction in which API or Products are Processed, Packaged, marketed,

distributed, used or sold, including the requirements set forth in U.S. C.F.R. (Title 21, Parts 210-211) and as further defined by FDA guidance documents, and in European Commission Directive 91/356/EEC, as amended by Directives 2003/94/EC and 91/412/EEC respectively (as supplemented by Volume 4 of EUR-Lex published by the European Commission).

"Improvement" shall mean an invention, modification, discovery, or improvement that is conceived, made or developed by or on behalf of either Party alone, or the Parties jointly, in connection with this Agreement.

"indemnitee" shall have the meaning set forth in Section 14.3.

"indemnitor" shall have the meaning set forth in Section 14.3.

"Initial Term" shall have the meaning set forth in Section 12.1.

"Inspection Period" shall have the meaning set forth in Section 9.2.

"Inventory" shall have the meaning set forth in Section 12.7.

"Labeling" shall mean all printed labeling, including labels, package inserts and cartons, for a Product.

"Latent Defect" shall mean any defect in a Product rendering the Product Non-Conforming Product, which defect is not reasonably discoverable through normal incoming goods inspection verification methods and procedures, such methods and procedures to be in accordance with the relevant Quality Agreement.

"Lead Time" shall have the meaning set forth in Section 4.2(a).

"LIBOR" shall have the meaning given to it in Section 5.7(c).

"Losses" shall have the meaning set forth in Section 14.1.

"Lot Number" shall mean the unique number applied to a Batch by Allergan and/or Teva.

"Manufacturing Investigation or Deviation Report" shall mean a report, prepared, approved and signed by Teva (and, with respect to a Pass-Through Product, prepared, approved and signed by the manufacturer of such Pass-Through Product), issued after full investigation indicating any identified deviation from the Processing and Packaging procedures set forth in the Master Batch Record and Master Packaging Record and any corrective actions and steps taken or to be taken to prevent future occurrence.

"Master Batch Record" shall mean the document containing the formula (listing API and Raw Materials), procedures for the Processing, quality control and assurance of a Product, and in-process and Product Specifications, which are set forth in the applicable Regulatory Registration for such Product.

"Master Packaging Record" shall mean the document containing a Product description (listing Components, Containers and Labeling), procedures for the Packaging, quality control and assurance for such Product, and in-process and Product Specifications for such Product, which are set forth in the applicable Regulatory Registration for such Product.

“Minimum Order Quantity” shall mean the minimum order quantity for a Product as set out on the applicable Product Addendum.

“NDA” shall mean a New Drug Application pursuant to Section 505 of the Act (21 U.S.C. Section 355), or the applicable regulations (21 CFR Part 314), including any supplements, amendments or modifications submitted to or required by the FDA or any successor application or procedure for approval to market a pharmaceutical product.

“New Affiliate” shall have the meaning set forth in Section 2.7.

“New Site Qualification” shall have the meaning set forth in Section 2.9(a).

“Non-Conforming Product” shall have the meaning set forth in Section 9.2.

“Non-Raw Materials Base Price” shall mean those elements of the Base Price which are not related to raw material prices, as set forth on the applicable Product Addendum.

“Originator” shall mean a product which is Packaged, marketed and sold as a branded product and sold under an NDA.

“Package”, “Packaging” and similar terms shall mean the act of inspecting, filling a Product into Components, placing the Labeling on and with such Product, and final packing of such Product into Containers in accordance with Specifications and the Master Packaging Record.

“Parties” or **“Party”** shall have the meaning set forth in the preamble.

“Pass-Through Conversion Price” shall mean, for the Pass-Through Products, those elements of the Base Price which relate to Teva’s internal costs.

“Pass-Through Price” shall mean, for the Pass-Through Products, those elements of the Base Price which relate to Third Party costs.

“Pass-Through Product” shall mean a Product which is to be purchased from the relevant Third Party Prescribed Vendor as Finished Product and delivered to Allergan on a pass-through basis as identified in the applicable Product Addendum.

“Person” shall mean an individual, a corporation, a general or limited partnership, a limited liability company, an association, a trust, other legal entity or organization or Governmental Authority.

“Prescribed Vendor” shall mean a vendor from whom Teva is required to acquire (a) API, Raw Materials, Components, Containers, Labeling, and/or Bulk Product, as indicated in the applicable Specification or (b) in the case of the Pass-Through Products, the Finished Product, as set out on the applicable Product Addendum.

“Prescribed Vendor Contract” shall mean a contract with a Prescribed Vendor for (a) the supply of API, Raw Materials, Components, Containers and/or Labeling in respect of a particular Product, as indicated in the applicable Specification or (b) in the case of the Pass-Through Products, the Finished Product, as set out on the applicable Product Addendum.

“Process”, “Processing” and similar terms shall mean, as the context requires, (a) all operations for the manufacture, production and/or process of a Product (other than Packaging), including the pharmaceutical manufacturing procedures, or any part thereof, used in manufacturing a Product

from the relevant API and Raw Materials in accordance with Specifications and the Master Batch Record for the applicable Product or (b) the performance of the same.

"Product" shall mean a pharmaceutical product or substance listed in Schedule 1 and as described more particularly in the relevant Product Addendum. The relevant Product Addendum shall identify whether such product or substance shall be supplied hereunder as Bulk Product or Finished Product, and whether such Product is a Pass-Through Product. For clarity, unless the context otherwise requires, references to "Product" in this Agreement shall be construed to refer to each given Product hereunder (and thus understood to mean a given Product on a "Product-by-Product" basis); provided, that to the extent the term "Product" is used more than one time in a given provision herein, the first such reference shall be understood to mean "a given Product" and each successive reference shall be understood to mean "such Product".

"Product Addendum" shall have the meaning set forth in Section 2.1(a).

"Product Addendum Party" shall mean a Party or an Affiliate of a Party which is a party to a particular Product Addendum.

"Product Warranty" shall have the meaning set forth in Section 13.2(a).

"Production Fee" shall mean, with respect to a Product or Additional Service, as applicable, the amount to be added to the then-current Base Price or Teva's actual costs of providing the applicable Additional Service to arrive at the Supply Price or Additional Service Fee, as such percentage amount is set forth in Schedule 2.

"Purchase Agreement" shall have the meaning set forth in the recitals.

"Purchase Order" shall mean a firm, written order for Processing, Packaging and/or Release of one or more Products submitted by Allergan to Teva that complies with the terms and conditions of this Agreement.

"Quality Agreement" shall mean the "Teva Supply Quality Agreement" between Allergan and Teva executed simultaneously herewith which outlines the operational responsibilities of each Party with respect to quality assurance and quality control of a Product, as described on Schedule 3.

"Raw Materials" shall mean the excipients, other than the API, necessary for Processing a particular Product, as listed in the Master Batch Record for such Product.

"Raw Materials Base Price" shall mean those elements of the Base Price which are related to raw materials prices, as set forth on the applicable Product Addendum.

"Recall" shall have the meaning set forth in Section 11.1.

"Regulatory Authorities" shall mean the international, federal, state and/or local governmental regulatory bodies, agencies, departments, bureaus, courts or other entities that are responsible for (a) the regulation of any aspect (including pricing) of pharmaceutical or medicinal products intended for human use or (b) health, safety or environmental matters generally, including the FDA, Health Canada and the European Medicines Agency.

"Regulatory Registrations" shall mean the premarket notifications or premarket approvals issued by the FDA, European Union Conformity Marking (CE marks) issued by a European

Union Notified Body, and all other technical, medical, scientific, Labeling and similar licenses, registrations, authorizations, permits, certifications, franchises, variances, exemptions, orders, approvals, amendments and renewals of the Products (including marketing authorizations and Labeling approvals) issued by the Regulatory Authorities of any country and held or pending (including any applications) as of the Closing Date by Sellers or any of their Controlled Affiliates or third-party distributors (under rights of reservation of such Seller) that are required for the manufacture, commercialization, Labeling, distribution, use, storage, import, export, transport, marketing or sale of the Products within any country.

“Rejection Notice” shall have the meaning set forth in Section 9.1.

“Release” shall mean such Batch certification as Teva is responsible for under the applicable Quality Agreement.

“Remediation” shall mean any and all actions required or voluntarily undertaken to address any nonconformance, deviation or violation of, or to bring into compliance with, GMP or any other Applicable Law with respect to the Processing Packaging, Release, storage, handling, labeling, distribution or supply of any Product, API, Raw Materials, Components or Labeling.

“Renegotiation Period” shall have the meaning set forth in Section 12.3(a).

“Required Change” shall have the meaning set forth in Section 2.5(c)(i).

“Rolling Forecast” shall have the meaning set forth in Section 4.1(a).

“Safety Agreement” shall mean, as applicable, each of the agreements between Allergan and Teva executed simultaneously herewith outlining the operational responsibilities of each Party with respect to safety, data exchange and pharmacovigilance relating to a Product, as described on Schedule 4.

“Safety Stock” shall mean, on a Product-by-Product basis such quantities of API, Raw Materials, Components, Containers, and Labeling required for Processing, Packaging and/or Release of the applicable Product in accordance with the Specifications as is reasonably required to be held by Teva to enable Teva to Process, Package and/or Release quantities of Product forecast for the Firm Period and non-binding periods of the Rolling Forecast.

“Schedules” shall mean the Schedules attached hereto and incorporated herein by this reference.

“Shared Formulation Product” shall mean (a) a Transferred Brand Product in respect of which Teva and Allergan each own rights to such Product in different territories, as indicated on Schedule 1, or (b) a Shared Regulatory Registration Product.

“Shared Regulatory Registration Product” shall have the meaning set forth in Section 12.3(a).

“Shared Regulatory Registration Product Transfer” shall mean the transfer of the Processing, Packaging and/or Release for the relevant Shared Regulatory Registration Product to Allergan, an Affiliate of Allergan or a Third Party.

“Specifications” shall mean, with respect to a given Product, the API, Raw Material, Components, Labeling, Packaging and Containers specifications and the in-process and Product specifications for testing, release and stability for such Product, which are set forth in the applicable Regulatory Registration for such Product.

“Supply Price” shall have the meaning set forth in Section 6.2(a).

“Term” shall mean the Initial Term as may be extended in accordance with Section 12.2.

“Term Sheet” shall mean the term sheet for manufacturing and supply agreement included as Exhibit B to the Purchase Agreement.

“Territory” shall mean, with respect to a particular Product, all countries in the world where such Product is sold.

“Teva” shall have the meaning set forth in the preamble.

“Teva Discretionary Change” shall have the meaning set forth in Section 2.5(b)(i).

“Teva Error” shall mean Teva’s and/or its Affiliates’ failure to perform the Processing, Packaging and/or Release in accordance with the Master Batch Record, Master Packaging Record, the Quality Agreement and the terms of this Agreement, including without limitation Section 2.2. For clarity, a Teva Error shall not include (i) the acts or omissions of any Prescribed Vendor, unless such Prescribed Vendor noncompliance went undetected due to Teva’s failure to follow GMPs or (ii) during the twelve (12) month period immediately following the Closing, Product not being Manufactured in accordance with GMPs to the extent Allergan or any of its Affiliates failed to follow GMPs prior to Closing, provided Teva uses commercially reasonable efforts to remediate such noncompliance.

“Teva Freight Costs” shall mean the aggregate Freight Costs incurred by Teva under this Agreement across all Products supplied to Allergan within a Contract Year

“Teva IP” shall mean all Intellectual Property (a) owned or controlled by Teva as of the date hereof (including Transferred Intellectual Property), or during the Term, whether or not developed in connection with this Agreement and (b) used by Teva to perform or exercise its rights and obligations under this Agreement.

“Teva Owned Improvements” shall have the meaning set forth in Section 18.4.

“Teva Transfer Costs” shall mean Teva’s pro rata share (based on the volume of each Shared Regulatory Registration Product manufactured (as determined by the date of the applicable Certificate of Manufacture) during the three (3) months prior to such costs actually being incurred) of the total costs incurred by both Parties and/or their respective Affiliates of the relevant Shared Regulatory Registration Product Transfer (including costs relating to preparing and filing any regulatory submissions, tech transfer, the qualification of the new facility and the costs of any associated regulatory audits associated with such qualification).

“Third Party” shall mean any Person other than Allergan, Teva or their respective Affiliates.

“Transfer Taxes” shall have the meaning set forth in Section 5.8.

“Validation” shall mean all applicable installation qualification (IQ), operational qualification (OQ), performance under load qualification (PQ), cleaning validation, and method validation procedures for the Facility, Equipment, Processing and Packaging processes, and analytical testing methods for quality control and cleaning that may affect a Product.

2. MASTER AGREEMENT; PRODUCTION/PACKAGING ARRANGEMENT

- 2.1 Structure of Agreement, General Terms. This Agreement establishes the general terms and conditions applicable to Teva's Processing, Packaging, supply and Release of each of the Products hereunder and the performance of activities under this Agreement with respect to each of the Products hereunder.
- (a) Product Addendum. Pursuant to the terms of this Agreement, the Parties have on the date hereof (acting through their Affiliates where applicable) entered into a product addendum for the Processing and/or Packaging and Release of each Product set forth on Schedule 1 in the form attached hereto as Schedule 6 (each, a "Product Addendum"). Each Product Addendum shall become part of and incorporated into this Agreement and each Product Addendum shall be subject to all of the terms and conditions of this Agreement, in addition to the specific details set forth in such Product Addendum.
 - (b) Variation of Product Addendum. Any changes to a Product Addendum shall be agreed to in writing by the Parties prior to any such changes being effective.
 - (c) Product Addendum Rules of Construction. To the extent there are any inconsistencies or conflicts between this Agreement and a given Product Addendum, this Agreement shall take precedence unless otherwise expressly agreed to in writing by the Parties or otherwise expressly set forth in the applicable Product Addendum as a "Special Term" (and for clarity, if any exceptions to, or differences from, this Agreement are set forth in a given Product Addendum, such exceptions or differences shall only apply for the applicable Product Addendum and the Product under such Product Addendum).
 - (d) Product Addendum Parties. The Parties agree that an Affiliate of a Party may be the Product Addendum Party for a particular Product, provided that such Affiliate being a party to a particular Product Addendum does not increase the amount of taxes that would otherwise be payable by the other Party if Teva and Allergan were the only parties to such Product Addendum. Each such Affiliate that enters into a Product Addendum shall be bound by the terms of this Agreement with respect to the Product which is the subject of the applicable Product Addendum executed by such Affiliate and shall have all of the rights and obligations of the Party to whom it is an Affiliate under this Agreement with respect to such Product. The execution of a Product Addendum hereunder by such Affiliate shall be evidence of its consent to be so bound by the terms of this Agreement.
 - (e) Parent Guarantee. Each of Allergan and Teva (each a "parent Party" for the purposes of this Section 2.1(e)) agree that as a parent Party it hereby irrevocably and unconditionally guarantees the performance, including financial performance, by its Affiliates under this Agreement, including any Product Addenda to which such Affiliate is a party. Each parent Party's performance guarantee obligation is absolute, unconditional and irrevocable irrespective of any circumstances which might otherwise constitute, by operation of law or otherwise, a discharge of a guarantor and it shall not be necessary for a Party to institute or exhaust any remedies or causes of action against the Affiliate of the other parent Party as a condition to the enforcement by such Party directly against such parent Party. Each parent Party hereby irrevocably waives any right to receive a formal notification or to request that any other formalities or protest be accomplished and expressly undertakes not to exercise, and waives to the fullest extent lawful, any rights that it may have under applicable law in each case, with respect to its performance guarantee obligations pursuant to this Section 2.1(e).

- 2.2 Scope of Work. Subject to the terms and conditions of this Agreement, Teva shall Process, Package, supply and/or Release Product and perform the Additional Services, in accordance with the applicable Specifications, Master Batch Record, Master Packaging Record, this Agreement, all Applicable Law, all applicable GMPs and the applicable Quality Agreement at the Facility listed in the Product Addendum for such Product (or such new Facility for such Product as the Parties may agree in writing or as otherwise allowed pursuant to the terms of this Agreement in accordance with Section 2.6) and shall ship all Products in accordance with terms and conditions of this Agreement. Teva shall Process, Package, supply and/or Release Products in exchange for the Supply Prices and to the extent not already included in the Supply Price, as set out on the applicable Product Addendum, shall perform the Additional Services for the Additional Service Fees.
- 2.3 Lot Numbering/Expiration Dates. On a country-by-country basis to the extent required by Applicable Law in such country, Teva shall make arrangements for and implement the imprinting of Lot Numbers and expiration dates on the packaging of each Product shipped. Where such imprinting is not included in the Base Price for Contract Year 2016, such service shall be provided as an Additional Service and the Additional Service Fees for such Additional Service shall be established and agreed to by the Parties on a country-by-country and Product-by-Product basis. Such Lot Numbers and expiration dates shall be affixed on the Product packaging and on the shipping carton of each Product as is required by applicable GMPs and other Applicable Laws in such country. If Teva places an internal Lot Number on a Product package or shipping carton that is different from the Allergan Lot Number referenced in the Purchase Order for that Batch, Teva shall provide a cross-reference for the Allergan Lot Number on all documents associated with the Batch.
- 2.4 Sub-contracting. In the event that Teva desires to sub-contract all or any part of its responsibilities or obligations under this Agreement to any Third Party, it shall provide prior notice of such desire to Allergan in writing; and Teva shall be permitted to sub-contract all or any part of its responsibilities or obligations under this Agreement to any Third Party unless Allergan can reasonably demonstrate to Teva, within thirty (30) days after receiving Teva's notice, that Teva's use of such subcontractor is reasonably likely to result in quality or supply concerns or delays to any Regulatory Registrations which are reasonably likely to impact the relevant Product or if such sub-contracting would increase the Cost of Goods for the relevant Product or any Taxes payable by Allergan. Any costs incurred in connection with qualifying any agreed upon subcontractor shall be borne by Teva, including any cost or expense reasonably incurred by Allergan in connection with any filing or variation of any approval issued by any Regulatory Authority or Governmental Authority. Notwithstanding the foregoing, Teva shall be permitted to use any subcontractors used by Allergan and in the manner used by Allergan in relation to the Processing, Packaging or Release of the Products immediately prior to the Effective Date. To the extent any subcontractor relationship agreement has been assigned to Teva or such subcontractor relationship is subject to a Shared Business Contract to which Teva has rights, and such subcontractor fails to perform or terminates its relationship with Teva (other than as a result of a breach by Teva of such subcontractor agreement) and Teva is unable to obtain similar services from an alternative subcontractor, and as a result thereof is unable to fulfil a Purchase Order, Teva shall not be in breach of its obligations hereunder provided that Teva has used commercially reasonable efforts to continue to fulfil the relevant Purchase Order and to find a replacement subcontractor reasonably satisfactory to Allergan as soon as reasonably practicable.
- 2.5 Changes to Master Batch Record or Master Packaging Record or Specifications. Any changes to a Master Batch Record, Master Packaging Record or Specifications for a Product may be made only in accordance with this Section 2.5.

- (a) Allergan Discretionary Changes. Allergan may propose a reasonable number of changes which are not Required Changes to the Master Batch Record, Master Packaging Record or Specifications or to add a reasonable number of new pack sizes of existing Products (“Allergan Discretionary Change”) in a Contract Year by delivering a written notice to Teva of such proposed change. To the extent Teva has the capacity and technical capability to implement an Allergan Discretionary Change, Teva will consider in good faith whether it will implement such Allergan Discretionary Change.
- (i) In the event that Teva determines that it will implement the Allergan Discretionary Change, Teva shall, within twenty (20) Business Days of receipt of notice of an Allergan Discretionary Change, notify Allergan in writing of the costs to implement such Allergan Discretionary Change, including any required capital expenditure and/or the extent (if any) to which the then-current Base Price for the relevant Product would increase or decrease as a result of such Allergan Discretionary Change.
- (ii) If Allergan agrees to the relevant implementation costs to implement such Allergan Discretionary Change, including any required capital expenditure and/or change to the then-current Base Price, then (A) Teva shall use commercially reasonable efforts to implement such Allergan Discretionary Change as promptly as practicable; (B) if applicable, Allergan shall pay Teva’s reasonably incurred costs to implement such change within forty-five (45) days of Allergan’s receipt of an invoice therefor, provided that to the extent such Product constitutes a Shared Formulation Product, the Parties shall split such costs pro rata based on the volume of each Product of the Shared Formulation Product manufactured (as determined by the date of the applicable Certificate of Manufacture) during the three (3) months prior to such costs actually being incurred; and (C) the then-current Base Price shall increase or decrease for the relevant Product to the extent implementation of the Allergan Discretionary Change reasonably results in an increase or decrease in the applicable Base Price in line with such increase or decrease (as applicable), such increase or decrease to take effect on the date the relevant Allergan Discretionary Change is implemented.
- (iii) Allergan may notify Teva prior to any commencement of work to effect the Allergan Discretionary Change that it does not wish to implement such Allergan Discretionary Change, provided that Allergan shall reimburse Teva for any and all costs reasonably incurred by Teva in preparation of such Allergan Discretionary Change prior to such notice of withdrawal.
- (b) Teva Discretionary Changes.
- (i) Teva may propose a reasonable number of changes which are not Required Changes to the Master Batch Record (including the ingredients or materials therein), Master Packaging Record or Specifications (“Teva Discretionary Change”) each Contract Year by delivering a written notice to Allergan of such proposed change indicating the extent (if any) to which the Base Price for the relevant Product would increase or decrease as a result of such change and the extent (if any) to which the appearance of the Product may be impacted by such change.
- (ii) Teva shall make available to Allergan documentation, and shall provide Allergan with reasonable access to Teva’s books, records, personnel and other

representatives, to support Teva's determination with respect to the effect on the Base Price. Allergan shall, within twenty (20) Business Days of receipt of Teva's notice, notify Teva in writing whether Allergan accepts or rejects the Teva Discretionary Change, such consent not to be unreasonably withheld, conditioned or delayed.

- (iii) If Allergan consents to such Teva Discretionary Change, Teva shall bear the cost of implementing such Teva Discretionary Change, provided that to the extent such Product constitutes a Shared Formulation Product, the Parties shall split such costs pro rata based on the volume of each Product of such Shared Formulation Product manufactured (as determined by the date of the applicable Certificate of Manufacture) during the three (3) months prior to such costs actually being incurred, and to the extent that the implementation involves an increase or decrease in the Base Price and the calculation of the applicable then-current Base Price in connection with any Teva Discretionary Change, the then-current Base Price shall be increased or decreased, accordingly; provided, however, that in the event the Base Price will be decreased as a result of such change, Teva shall be permitted to recoup its costs to implement such change prior to the decrease in Base Price becoming effective.

(c) Required Changes.

- (i) To the extent that Allergan proposes a change that is: (A) required in connection with the quality and/or safety of a Product, (B) reasonably required to keep the Product on the market because the then-current Supply Price for such Product is one hundred percent (100%) or more of Allergan's then-current average selling price in the United States or Canada (as applicable) for such Product, as evidenced by documentation provided by Allergan to Teva, and Allergan can reasonably demonstrate that such change would reduce the then-current Base Price by thirty percent (30%) or more, or (C) required by Applicable Law or any applicable Regulatory Authority or Governmental Authority, (each a "Required Change"), then: (X) Teva shall implement such change as promptly as practicable following receipt of notice from Allergan of such proposed change and in any event within any deadline for implementation required by Applicable Law or the relevant Regulatory Authority or Governmental Authority, (Y) if applicable, Allergan shall pay Teva's reasonably incurred costs to implement such Required Change, provided that to the extent such Product constitutes a Shared Formulation Product, the Parties shall split such costs pro rata based on the volume of each Product of such Shared Formulation Product manufactured (as determined by the date of the applicable Certificate of Manufacture) during the three (3) months prior to such costs actually being incurred and (Z) the then-current Base Price shall increase or decrease for the relevant Product to the extent implementation of the Required Change reasonably results in an increase or decrease in the applicable Base Price in line with such increase or decrease, such increase or decrease to take effect on the date the relevant Required Change is implemented. If either Party receives notice, or is otherwise informed of, any change to the Master Batch Record, Master Packaging Record or Specifications that is required by Applicable Law or that is otherwise required by any applicable Regulatory Authority, such Party shall deliver notice thereof to the other Party as promptly as practicable.

- (ii) If Teva is technically unable to comply with a Required Change at the applicable Facility without additional capital expenditure in the timeframe required by Allergan, Applicable Law or the relevant Regulatory Authority and/or Governmental Authority and Allergan is unwilling to pay for its share of such capital expenditure then, in Teva's discretion, Teva shall have the right to transfer the Processing, Packaging and/or Releasing of the applicable Product to an alternate facility of Teva (or an Affiliate of Teva) that is capable of Processing and/or Packaging and Releasing such Product in accordance with this Agreement. If Teva does not elect to implement such a transfer, Allergan, in its sole discretion, shall be entitled to source all or any portion of Allergan's requirement of the relevant Product from a Third Party until such time as Teva has implemented such Required Change, provided that, following any subsequent implementation by Teva of such Required Change, Allergan shall, as promptly as reasonable practicable thereafter, resume (if applicable) purchasing under this Agreement, provided further that, nothing herein shall require Allergan to breach any agreement with the Third Party supplier in existence at such time or to pay any amount under any such agreement in order to give effect to the foregoing. Notwithstanding anything to the contrary contained in this Agreement, if as a result of a Required Change, Teva is unable to Process and/or Package and Release a Product to Allergan, (A) Teva shall not be in breach of this Agreement and Allergan's sole remedy with respect to such Product shall be to elect to source such Product from a Third Party in accordance with this Section 2.5(c) (which election shall be notified by Allergan to Teva in writing, in respect of Shared Regulatory Registration Products only, within six (6) months after being informed by Teva that it is unable to comply with the Required Change), and Teva shall be relieved of its Processing and/or Packaging and Release obligations with respect to such Product; and, (B) if such Product constitutes a Shared Regulatory Registration Product for which Teva supplies itself, or is supplied, the Authorized Generic, Allergan will supply, or cause to be supplied, such Authorized Generic, with such Required Change implemented, to Teva as a "Pass-Through Product" under the Allergan Supply Agreement for the remainder of the relevant Term for such Product if Teva agrees in writing to pay the Teva Transfer Costs.
- (iii) If the Parties are unable to agree on the cost to effect such Required Change and/or the extent to which the Supply Price for the relevant Product would increase or decrease (as applicable) as a result of such Required Change within ten (10) Business Days following receipt of Teva's notice, the Parties will engage a Third Party independent expert within ten (10) Business Days or sooner if necessary for the required timing of the Required Change (such expert to be chosen by Allergan if the Parties, acting reasonably, cannot agree on an expert in such ten (10) Business Day period) to make a binding decision regarding the appropriate amount in dispute, such amount to be deemed agreed upon by the Parties when determined by the Third Party independent expert. To the extent implementing such change constitutes an Exceptional Item, the provisions of Section 6.1(c) shall apply, provided that if such Required Change would increase COGs for the relevant Product, and Allergan is unwilling to bear such cost, then (i) Allergan shall be entitled to source such Product from a Third Party in accordance with Section 2.5(c)(ii); (ii) if Allergan notifies Teva in writing of its election to source such Product (which election shall be made by Allergan, in respect of Shared Regulatory Registration Products only, within six (6) months

after being informed by Teva in writing of such increased COGs) in accordance with the foregoing clause (i), Teva shall be relieved of its Processing and/or Packaging and Release obligations with respect to such Product; and (iii) if such Product constitutes a Shared Regulatory Registration Product, Allergan will supply, or cause to be supplied, such Authorized Generic, with such Required Change implemented, to Teva as a "Pass-Through Product" under the Allergan Supply Agreement for the remainder of the relevant Term for such Product if Teva agrees in writing to pay the Teva Transfer Costs.

- (iv) If Allergan notifies Teva in writing of its election to effect a Shared Regulatory Registration Product Transfer under this Section 2.5 and, if either (A) Teva desires to continue manufacturing such Shared Regulatory Registration Product or sourcing such Shared Regulatory Registration itself or from the current or different supplier for the remainder of the relevant Term and/or thereafter; or (B) Teva is unable to obtain long term supply from Allergan or Allergan's alternative supplier, Allergan shall (at Teva's cost) (1) update and/or maintain the relevant Regulatory Registration for the relevant Shared Regulatory Registration Product to reflect that the Shared Regulatory Registration Product will be manufactured at two (2) facilities; and (2) keep Teva informed of any changes to the Process, Labeling and/or Packaging in respect of which Teva might reasonably be required to make corresponding changes to the relevant Shared Regulatory Registration Product until such time as Teva takes responsibility for maintaining the applicable NDA or takes ownership of such NDA in accordance with Section 2.3.4 of the IP Licensing Agreement.

2.6 Changes and Modifications to Facility by Teva; Changes to Process.

- (a) Location. Subject to Sections 2.6(c) and 2.6(d), Teva shall Process and Package each Product at the Facility set out for such Product in the relevant Product Addendum.
- (b) Modifications of Facility. Subject to Sections 2.6(c) and 2.6(d), except with Allergan's prior written consent (not to be unreasonably withheld, delayed or conditioned), Teva shall not modify any part of any Facility or change the physical location within the Facility for Processing, Packaging and/or Release any Products if such change would reasonably be expected to (i) impact the regulatory approval for one or more of the Products; (ii) require additional Validation or re-Validation; (iii) require a change to the Specifications; (iv) result in changing or modifying the Master Batch Record or Master Packaging Record; or (v) adversely affect Teva's ability to timely Process, Package, supply and/or Release any Product in accordance with this Agreement. If any such modification is proposed by Teva and agreed to by Allergan, Teva shall pay for any expenses or increased Taxes payable by Allergan associated with such modification, including with respect to Product Validation or re-Validation.
- (c) Sale of Facility. In the event that Teva desires to sell or assign a Facility to any Third Party or an Affiliate, the provisions of Section 21.3 shall apply.
- (d) Transfer to Another Facility. In the event that Teva desires to transfer the Processing, Packaging and/or Release of a Product to another facility, Teva may do so without Allergan's prior written consent provided that Teva provides not less than one hundred eighty (180) days' prior written notice to Allergan of such planned transfer and provided further that such transfer does not reduce expected manufacturing capacity needed by Allergan based on its most recent Rolling Forecast in comparison to the existing Facility

or the amount of Taxes payable by Allergan. Notwithstanding the foregoing, Teva shall remain obligated to supply Product at the then-current Facility and will not supply Product to Allergan from a new facility unless and until Teva can perform the Processing, Packaging and/or Release and supply Product from such new Facility in accordance with the terms of this Agreement and any modifications to the regulatory filings, Master Batch Records and/or Master Packaging Records for such Product are approved by the relevant Regulatory Authorities. Teva shall bear all costs incurred in connection with transfer of the Processing, Packaging and/or Release of a Product to a new facility pursuant to this Section 2.6(d), including any costs associated with changes to the regulatory filings and any increased Taxes payable by Allergan. Once such new facility is able to Process and/or Package in accordance with the terms of this Agreement and all Required Changes have been approved, such new facility shall be the Facility for purposes of such Product under this Agreement.

(e) No Increase to Base Price. Notwithstanding Sections 2.6(b) to 2.6(d), Teva shall not be permitted to increase the Base Price for any affected Product on or following any modification, change, sale or transfer of a Facility in accordance with Sections 2.6(b) to 2.6(d), to the extent such increase is related to or arising therefrom.

2.7 Exclusivity. During the Term applicable to the manufacture of the relevant Product, neither Teva nor any of its Affiliates shall manufacture or supply or sell, or have manufactured or supplied or sold, to any Third Party, or assist any Third Party in the manufacture or supply or sale of, any product (whether branded or generic) that contains the same API (no more, no less) and has the same dosage as such Product, provided that nothing herein shall restrict the operations of Teva's Active Pharmaceutical Ingredient Business and nothing herein shall restrict Teva from manufacturing, supplying or selling to any Third Party any product (including any such product that is under development, as indicated by written evidence, as of the date hereof) that is being or has been developed, commercialized, manufactured, sold, promoted or distributed by Teva or any of its Controlled Affiliates (as defined in the Purchase Agreement) at any time prior to the Closing (as defined in the Purchase Agreement) or any Product (as such term is defined in the Purchase Agreement). The covenants set forth in the immediately preceding sentence shall not apply with respect to any Affiliate of Teva acquired by Teva following the date hereof (a "New Affiliate") so long as the business of that New Affiliate which would otherwise violate the foregoing covenants (the "Competing Business"), represents less than ten percent (10%) of the revenues of such New Affiliate. In all cases, Teva may not use any Specifications, Master Batch Records, Master Packaging Records, Allergan Manufacturing IP or Confidential Information of Allergan in connection with the Competing Business.

2.8 Teva Report. For an Additional Service Fee to be agreed upon by the Parties, Teva shall provide a report to Allergan by September 1 of each Contract Year of this Agreement of all Products manufactured or Processed for Allergan in the previous Contract Year. Such report will include a summary of the actual Batches produced for Allergan, Teva's performance with respect to "on time delivery" (measured in accordance with Section 5.6), information on the yield of each Batch, quality rate and a summary of material process changes made by Teva in the previous Contract Year, and such other information as may be agreed upon in writing between Allergan and Teva.

2.9 Qualification of New Manufacturing Site by Allergan.

(a) Within twelve (12) months following the Effective Date, Allergan shall develop a written plan to identify, select and qualify (including obtaining Regulatory Authority approval, to

the extent applicable) a new manufacturing site(s) (whether such site is owned by Allergan (or its Affiliate) or a Third Party) for the manufacture of each Product (each, a "New Site Qualification") for each Product and shall provide Teva with a copy of such plan.

- (b) Teva and Allergan shall reasonably cooperate to effect an orderly and efficient transfer of all technology relating to the Products to an alternate supplier in connection with any implementation of a New Site Qualification or Shared Regulatory Registration Product Transfer. Teva will be reimbursed for all employee time dedicated to such transfer on an FTE basis, and all out of pocket costs and expenses reasonably incurred by Teva in connection with such transfer shall be charged to Allergan on a pass-through basis unless otherwise set out in this Agreement.
- 2.10 Shortages. Without limiting any other rights or remedies available to Allergan, in the event of any shortage in the supply of any API, Raw Materials, Components, Containers, Labeling, Bulk Product and/or Finished Product, due to a Force Majeure Event or otherwise, Teva agrees that Allergan shall receive at least its pro rata share of Teva's supply of the same prior to use for other customers of Teva, or Teva's own products, based upon the most recent Rolling Forecast submitted to Teva.

3. RAW MATERIALS, COMPONENTS, CONTAINERS AND LABELING

3.1 Materials.

- (a) Except with respect to Pass-Through Products or except as otherwise set forth in a Product Addendum, Teva shall be responsible for acquiring and testing all quantities of API, Raw Materials, Components, Containers, and Labeling required for Processing, Packaging and/or Release of the applicable Product in accordance with the Specifications in order to fill Purchase Orders. To the extent the Specifications or a given Product Addendum indicates that a particular API, Raw Material, Component, Container, or Labeling must be acquired from a Prescribed Vendor, then Teva shall obtain such API, Raw Material, Component, Container, and Labeling from such Prescribed Vendor. Teva shall place orders for API, Raw Materials, Components, Containers, and Labeling based on the quantities of Product forecast for the Firm Period and non-binding periods of the Rolling Forecast, taking into account (i) historical reliability of suppliers, lead times and minimum order quantities; and (ii) Teva's internal testing and release times such that Teva maintains a commercially reasonable level of Safety Stock consistent with the practice at the Facility prior to the Effective Date, provided that in no case will Teva hold more than six (6) months of Safety Stock unless the minimum order quantity for such is greater than six (6) months or a particular item has a long lead time, in which case Teva may hold a commercially reasonable amount in excess of six (6) months.
- (b) Allergan will reimburse Teva for all amounts paid by Teva for Safety Stock purchased in accordance with Section 3.1(a) if such Safety Stock becomes obsolete or otherwise unusable due to Allergan's failure to order such quantities of Product and Teva is unable to use such Safety Stock for the manufacture of other products after using commercially reasonable efforts to do so.
- (c) Notwithstanding anything to the contrary contained in this Agreement, in the event that a Third Party Prescribed Vendor fails to supply API, Raw Materials, Components, Containers, and Labeling meeting the specifications therefor and as a result Teva is unable to fulfil a Purchase Order, Teva shall not be in breach of its obligations hereunder

provided that Teva has made commercially reasonable efforts to enforce the agreement against the relevant Third Party Prescribed Vendor and to obtain sufficient quantities of such API, Raw Material, Component, Container, and/or Labeling from an alternative source.

- (d) To the extent that a particular API, Raw Material, Component, Container or Labeling is required to be obtained from a Prescribed Vendor and Teva desires to obtain such particular API, Raw Material, Component, Container or Labeling from a Third Party other than a Prescribed Vendor, Teva may (i) do so with the prior written consent of Allergan, such consent not to be unreasonably withheld, delayed or conditioned; or (ii) without the prior consent of Allergan if the use of such new vendor (A) will not require a change in the regulatory approval for such Product; (B) will not result in an increase in the then-current Base Price; and (C) is not reasonably likely to result in any supply or quality concerns relating to Teva's ability to comply with its obligations under this Agreement. Teva shall bear all costs connected with the implementation of such change, including any costs associated with changes to the regulatory filings, and Teva shall not be permitted to increase the Base Price for any affected Product on or following any such change, to the extent such increase is related to or arising therefrom.
- (e) Teva shall notify Allergan (i) within ten (10) Business Days after Teva becomes aware that any materials fail to conform to the Specifications for such materials and (ii) within five (5) Business Days after Teva becomes aware of any failure of any Prescribed Vendor to supply materials to Teva on the required delivery date set forth in a purchase order for such materials, in each case where such failure could reasonably be expected to cause a delay to the delivery date for the relevant Products or where Allergan may be required to take steps to address the issue in accordance with this Section 3.1(e). Teva will address the issue with the Prescribed Vendor, provided that with respect to the Carafate Suspension Product and the Rapaflo Product only, if Teva has no enforcement right against the Prescribed Vendor, Allergan will address the issue with such Prescribed Vendor and Teva shall provide reasonable support to Allergan in relation thereto.

3.2 Labeling. Allergan shall be responsible for supplying Teva with copy for Labeling. Teva shall be responsible for ordering, at its expense, sufficient quantities of Labeling as forecasted to be required, based upon the Rolling Forecast. Upon its receipt of Labeling, Teva shall provide proofs of the Labeling to Allergan for its review and approval. Allergan's review time shall not exceed thirty (30) days after its receipt of the proofs from Teva. In the event that Allergan requests any changes to the Labeling, Teva shall implement such changes as promptly as possible and return such Labeling to Allergan for its final review and approval, which it shall complete with fifteen (15) days after its receipt of the changed Labeling. Teva shall store the Labeling as required by any Applicable Laws and shall place the Labeling on a Product as set forth in the Specifications or the Master Packaging Record therefor, as applicable. After its final approval of the Labeling, Allergan may, in its sole discretion and at its sole cost and expense (including the cost and expense of any obsolete Labeling), make changes to the Labeling for a Product, which changes shall be submitted by Allergan to all applicable Regulatory Authorities responsible for the approval of the Product, if required. Allergan will be responsible for ensuring that all Labeling conforms to all Applicable Law and Teva shall have no liability therefore, except to the extent of its negligence or willful misconduct.

4. FORECASTS AND ORDERS

4.1 Forecasts.

- (a) Within five (5) days after the Effective Date and thereafter prior to the fourth (4th) day of each calendar month thereafter, Allergan shall provide Teva with its initial written rolling forecast, on a Product-by-Product basis, of the units of Product that Allergan reasonably anticipates will be required to be Processed, Packaged and delivered to Allergan during the succeeding twenty-four (24)-month period (each, a "Rolling Forecast"). Subject to this Section 4.1, the calendar months of each Rolling Forecast within the applicable Lead Time for a given Product (as such Lead Time is established pursuant to Section 4.2(a)) shall be non-cancelable legally binding commitments on the part of Teva to supply and on the part of Allergan to purchase the quantity of the applicable Product as set forth in the Rolling Forecast (each such time period, a "Firm Period").
- (b) The quantity of Product specified in a given Rolling Forecast in a given month for the months following the Firm Period through and including the twelfth (12th) month of such Rolling Forecast shall not vary by more than one hundred twenty-five percent (125%) of the quantity forecasted for such month from the previous Rolling Forecast provided by Allergan and the quantity of Product specified in the remaining twelve (12) months of such Rolling Forecast (i.e., months thirteen (13) through and including month twenty-four (24)) shall be non-binding, but shall represent Allergan's good faith estimate, as of the date of its submission of the Rolling Forecast, of its forecasted requirements of the Product during such period. Teva shall maintain at all times the manufacturing capacity at the relevant Facility to manufacture one hundred twenty-five percent (125%) of quantities of Product set forth in the Rolling Forecast; provided that in no event shall Teva be required to meet capacity requirements that are in excess of the total capacity at such Facility on the Effective Date. Notwithstanding the foregoing, the Parties agree that in respect of the Fajardo Facility, the aggregate amounts of Products ordered by Allergan at such Facility over the Term shall not exceed one hundred fifty percent (150%) of the amounts of such Products ordered during the twelve (12) months immediately prior to the Effective Date, provided that the Parties will discuss in good faith an aggregate amount that may be ordered by Allergan of Products which are newly released to market by Allergan following the Effective Date and further provided that Teva shall make commercially reasonable efforts to supply such quantities of Products that are ordered in excess of the one hundred fifty percent (150%) aggregate cap.
- (c) With respect to Products to be Processed and/or Packaged and Released during the initial Lead Time that are then scheduled for production at the applicable Facility, Allergan will submit Purchase Orders to Teva for such Products as soon as reasonably practicable following the Effective Date, Teva will accept such Purchase Orders to the extent consistent with such production schedule and Teva shall supply such Products in accordance with the then-current production schedule at the applicable Facility but shall not ship Product until the relevant Purchase Order is received reasonably in advance of the delivery date set forth in such Purchase Order. If Allergan wishes to order amounts in excess of the amounts set out in such production schedule, Teva shall use commercially reasonable efforts to supply such additional amounts.

4.2 "Purchase Orders"

- (a) Together with its delivery of a Rolling Forecast, Allergan will submit Purchase Orders to Teva for the first (1st) calendar month of the Firm Period of such Rolling Forecast for

Product specifying delivery dates no earlier than four (4) months after the date upon which Teva receives such Purchase Order, unless a different lead time is specified for the relevant Product in the applicable Product Addendum ("Lead Time"). Each Purchase Order shall specify (i) the Allergan purchase order number; (ii) the quantity of each Product to be Processed and Packaged; and (iii) the requested delivery date of such Products.

- (b) All Purchase Orders shall comply with the Minimum Order Quantities for such Product set out in the relevant Product Addendum provided that (i) Allergan shall be permitted to split Batches across SKUs to the extent set out on the applicable Product Addenda, and (ii) Teva shall consider in good faith any request to supply Allergan with less than the applicable Minimum Order Quantity provided that Allergan will bear any costs incurred in relation thereto, as may be agreed in writing in advance between the Parties. Teva shall Process and Package Products in accordance with each applicable Purchase Order. Within ten (10) Business Days after receiving any Purchase Order Teva shall provide Allergan with a manufacturing schedule and delivery date for the Products subject to such Purchase Order(s). Within ten (10) Business Days after its receipt of a Purchase Order, Teva will accept each Purchase Order in writing provided it complies with the terms of this Agreement and the aggregate quantity of Product ordered for delivery in such Purchase Order is not more than one hundred twenty-five percent (125%) of the quantity set forth for such month in the Firm Period for such month.
 - (c) If Teva fails to respond to any Purchase Order that is consistent with the Firm Period within ten (10) Business Days after receiving it, Teva shall be deemed to have accepted such Purchase Order. If a Purchase Order contains quantities of Products in excess of the quantity of such Product forecasted for such month for the Firm Period ("Excess Amount"), Teva will accept the Purchase Order up to, but not including the Excess Amount. Should Allergan place a Purchase Order to procure a given Product in a given month which is in excess of or less than the volume set forth in the Firm Period of the Rolling Forecast, Teva shall use commercially reasonable efforts to meet Allergan's request; provided, however, that Allergan shall be solely responsible for, and shall reimburse Teva for, any and all additional costs incurred by or on behalf of Teva (or any of its Affiliates) in connection therewith as agreed in writing between the Parties in advance, which reimbursement shall be made within forty-five (45) days after receipt of an invoice therefor; provided further, however, that Teva shall not be in breach of this Agreement for any failure to supply the requested volume.
 - (d) If there is a conflict between this Agreement and any Purchase Order, this Agreement shall govern.
- 4.3 Inability to Fill Order. In the event that Teva has reason to believe that it will be unable to deliver to Allergan the full quantity of Product which is ordered by Allergan by the delivery date set forth in the applicable Purchase Order, Teva shall promptly notify Allergan of the particular circumstances, and at the request of Allergan, the Parties shall meet to resolve how to thereafter supply Product in a timely manner.
- 4.4 Prescribed Vendor Contracts. To the extent that any Prescribed Vendor Contract for Pass-Through Product has ordering and forecasting provisions which are different from those set forth herein and would result in Teva being unable to comply with any such ordering or forecasting provision, then the provisions of such Prescribed Vendor Contract shall apply as such ordering and forecasting provisions are identified on the applicable Product Addenda. The Parties agree

that to the extent a Party acquires actual knowledge that a Prescribed Vendor for Pass-Through Product contains ordering or forecasting provisions which are different from those set forth herein, the Parties agree that such provisions shall apply and to execute an amendment to the relevant Product Addenda to reflect such provisions.

5. DELIVERY AND PAYMENT TERMS

- 5.1 **Shipping.** Teva shall ship only Products that have been Processed and Packaged in accordance with the Specifications therefor unless the Product is a Bulk-Only Product. Unless agreed in advance by the Parties in writing, Teva shall not ship (or permit such Third Party packager to ship) any Products prior to approval by Teva's "quality assurance" in accordance with the applicable Quality Agreement and Applicable Law. Products shall be delivered FCA at the FCA Collection Site for that Product (Incoterms 2010). Teva shall notify (or cause such Third Party packager to notify) Allergan at least ten (10) Business Days prior to any shipment of Products. Title to the Products shall transfer to Allergan upon delivery by Teva of Product to the FCA Collection Site.
- 5.2 **Freight Costs.** The Parties acknowledge that Freight Costs are not fully accounted for in COGs and that they have agreed not to include a mechanism for reimbursement of the Freight Costs to the extent not accounted for in COGs on the basis that the Parties believe the net difference in value between the Allergan Freight Costs and the Teva Freight Costs to be less than USD two hundred thousand (\$200,000) per Contract Year (the "Freight Cost Differential"). However the Parties agree that a Party may notify the other Party in writing if it reasonably believes that the Freight Cost Differential exceeds or will exceed USD two hundred thousand (\$200,000) in a Contract Year. Each Party will provide reasonable evidence of such Party's Freight Costs for the relevant Contract Year to the other Party within thirty (30) days following receipt of such notice, and the Parties will meet within a further thirty (30) day period to discuss in good faith a means of reimbursement going forwards for such Freight Costs to the extent not already included within COGs for the relevant Products.
- 5.3 **Shipping Documentation.** The shipping labels for each shipment shall contain any such information as reasonably requested in writing by Allergan prior to such shipment. In addition, each shipment shall include a copy of each of the Certificates of Manufacture for each Batch included in such shipment. Notwithstanding the foregoing or anything to the contrary contained herein, Allergan will assume full responsibility of all Allergan-related packaging and labeling images (including package inserts) (e.g. trademarks, trade dress and other artwork) provided to Teva by Allergan and for ensuring that all such Allergan-related packaging and labeling images are compliant with Applicable Laws (including GMPs) and Specifications, and Allergan shall be solely responsible for ensuring such compliance.
- 5.4 **Transport Verification.** Upon arrival of the transport vehicle at the FCA Collection Site, Teva shall verify that the transport vehicle meets the relevant Product storage conditions (which shall be notified in writing by Allergan to Teva) in accordance with the FCA Collection Site's then-existing standard procedures for verification prior to the loading of the Products onto the transport vehicle; provided that Teva shall not be liable in the event of any failure to satisfy such storage conditions once Product is loaded onto the relevant transport vehicle or for a failure to timely deliver Product as a result of any such storage conditions.
- 5.5 **Delivery Amount.** Teva shall deliver Product within \pm ten percent (10%) of the amount set out on the relevant Purchase Order. To the extent that a Batch yields in excess of one hundred ten percent (110%) of the amount set out on the relevant Purchase Order, subject to Section 9, Allergan shall accept such excess Product provided that if Allergan accepts such excess, Allergan

shall be entitled, where commercially reasonable for Allergan, to vary the delivery date agreed between the Parties in accordance with Section 4.2 for the immediately following shipment(s) of the applicable Product to the extent reasonably required due to the acceptance of such excess.

5.6 On Time Delivery. Teva's performance with respect to "on time delivery" will be measured as delivery to the FCA Collection Site seven (7) days before or after the delivery date agreed between the Parties in accordance with Section 4.2; provided that Teva shall be deemed to have made a delivery during the "on time delivery" window if the delay in delivery to the FCA Collection Site is due to (a) Allergan's failure to comply with its obligations under this Agreement (including in connection with Allergan's review of the Batch Records); (b) any failure of a Third Party Prescribed Vendor to comply with the terms of a Third Party Prescribed Vendor Contract; or (c) any Batch Failure, to the extent not caused by a Teva Error, if Teva fails to deliver Product within thirty (30) days after the delivery date therefor, then the Supply Price for such product shall be reduced by the then-applicable Production Fee for such Product, such reduction to be reflected in the invoice therefor.

5.7 Invoices.

- (a) Except as otherwise provided in this Agreement, the relevant Teva Product Addendum Party shall charge the relevant Allergan Product Addendum Party only for the Products that are shipped to Allergan pursuant to Section 5.1. On or after the delivery of the Product to the FCA Collection Site, the relevant Teva Product Addendum Party shall invoice the relevant Allergan Product Addendum Party for the applicable Supply Price for such Product and any applicable Additional Services Fees relating thereto, in accordance with this Agreement (including Schedule 2). Each such invoice shall, to the extent applicable, identify the Purchase Order number, Product quantity and Lot Number, and the total amount, to be remitted by the relevant Allergan Product Addendum Party including with respect to any Transfer Taxes (defined below).
- (b) Subject to Section 5.7(c), the relevant Allergan Product Addendum Party shall pay the amounts set forth in such invoice within forty-five (45) days of the relevant Allergan Product Addendum Party's receipt thereof in the local currency of the applicable FCA Collection Site by bank transfer.
- (c) The relevant Allergan Product Addendum Party will pay interest on any payment owing and not received by Teva by the forty-fifth (45th) day after the relevant Allergan Product Addendum Party's receipt of such invoice at a rate of two percent (2%) per annum above the then-current London Interbank Offered Rate ("LIBOR") of the outstanding amount due; provided that the relevant Allergan Product Addendum Party shall not owe any such interest for invoiced amounts disputed by Allergan or the relevant Allergan Product Addendum Party in good faith pursuant to this Section 5.7(c) during the pendency of the dispute. Failure to bill for interest due will not be a waiver of the relevant Teva Product Addendum Party's right to charge interest. If Allergan or the relevant Allergan Product Addendum Party disputes all or any portion of an invoice in good faith, it shall be required to pay only the amount not in dispute, and in such event Allergan or the relevant Allergan Product Addendum Party shall notify the relevant Teva Product Addendum Party of the amount and nature of the dispute. The Parties will use good faith efforts to resolve any dispute regarding payments owed by the relevant Allergan Product Addendum Party as soon as reasonably practicable.

5.8 Sales and Use Taxes; Withholding Taxes. Each Party is responsible for its own taxes, duties, levies, imposts, assessments, deductions, fees, withholdings or similar charges imposed on or

measured by net income or overall gross income (including branch profits), gross receipts, capital, ability or right to do business, property, and franchise or similar taxes pursuant to applicable laws. Allergan shall be responsible for the payment of any sales, use, VAT or similar taxes (for the avoidance of doubt, not including income taxes or taxes in lieu of income taxes) ("Transfer Taxes") on the Products delivered by Teva to Allergan, to the extent such Transfer Taxes are itemized and included on a valid invoice and required to be collected from Allergan under Applicable Law. Teva and Allergan shall cooperate to eliminate or minimize the amount of any such Transfer Taxes imposed on the transactions contemplated in this Agreement. If Allergan provides Teva with a valid and applicable resale exemption certificate, or other equivalent valid documentation exempting Allergan from any such Transfer Taxes, then Teva shall to the extent permitted under Applicable Law not charge Allergan for such exempted Transfer Taxes. Teva shall provide to Allergan a reasonable opportunity to furnish forms, certificates or other items that would reduce or eliminate such Transfer Taxes, as applicable. Allergan is not responsible for any penalties or interest related to the failure of Teva to collect (if not included on a valid invoice) or remit such sales, use, VAT or similar taxes. If Teva receives a refund of any Transfer Taxes collected from Allergan, whether in the form of cash, credit or other similar offset, Teva shall credit or refund the amount to Allergan within a reasonable period of time. Where required by law, Allergan shall have the right to withhold applicable taxes from any payments to be made by Allergan to Teva pursuant to this Agreement. Allergan shall provide Teva with receipts from the appropriate taxing authority for all payments of taxes withheld and paid by Allergan to such authorities on behalf of Teva. If any taxes are required to be withheld by Allergan by law, Allergan will provide reasonable timely prior written notice to Teva of the intention to deduct or withhold an amount from any payment (and the amounts subject to such deduction or withholding) to allow Teva a reasonable opportunity to furnish forms, certificates or other items that would reduce or eliminated such deduction or withholding. Each Party agrees to reasonably assist and cooperate with the other Party in lawfully claiming exemptions from and/or minimizing such deductions or withholdings under applicable laws. Teva is not responsible for any penalties or interest due to the failure of Allergan to properly remit any withholding or deductions to the proper tax authorities. If Allergan receives a refund of any such withheld taxes, in whole or in part, and whether in the form of cash, credit or other similar offset, Allergan shall refund such amount to Teva within a reasonable period of time.

- 5.9 Shelf Life at Delivery. Unless otherwise indicated in the relevant Product Addendum, Teva shall deliver (a) Finished Products to Allergan with a minimum remaining shelf life on receipt by Allergan that is no less than seventy-five percent (75%) of the approved shelf life; and (b) Bulk-Only Products with a minimum remaining shelf life on receipt by Allergan that is no less than eighty percent (80%) of the approved shelf life.

6. BASE PRICE AND SUPPLY PRICE

6.1 Establishment of Base Price.

- (a) On a Product-by-Product basis, the initial base price ("Base Price") for such Product will be established based on Allergan's standard COGs to Process and/or Package and Release such Product in calendar year 2016. The Base Price for a Product will be set forth in the applicable Product Addendum, split between (i) the Raw Materials Base Price; and (ii) the Non-Raw Materials Base Price (or (iii), in the case of the Pass-Through Products, (A) the Pass-Through Conversion Price; and (B) the Pass-Through Price). To the extent that Allergan has not budgeted COGs to Process and/or Package and Release such Product in calendar year 2016, the Base Price for such Product shall be agreed between the Parties,

provided that such Base Price shall cover all relevant COGs to Process and/or Package and Release such Product at the relevant Facility.

- (b) In September of each Contract Year, on a Product-by-Product basis, the then-current Base Price will be adjusted based on (i) in respect of the Non-Raw Materials Base Price (or the Pass-Through Conversion Price, in the case of the Pass-Through Products), the annual change in the Producer Price Index for Pharmaceutical Preparations as reported by (A) the United States Department of Labor's Bureau of Labor Statistics for Facilities, for the pertinent period; (ii) for the Raw Materials Base Price, any actual changes in the actual cost to Teva of API, Raw Materials, Components, Containers, Labeling or other materials used in the Processing, Packaging and/or Release of such Product (or any changes to the Pass-Through Price, in the case of the Pass-Through Products); and (iii) for Pass-Through Products, any actual changes in the costs payable to the relevant Prescribed Vendor for the Processing, Packaging and/or Release of such Product. Such adjusted Base Price will be the then-current Base Price for the immediately following Contract Year beginning January 1 and shall apply for the whole Contract Year, provided that the then-current Base Price may be adjusted during the then-current Contract Year in accordance with Sections 2.5, 6.1(c) and/or 6.1(d).
- (c) In advance of the occurrence of an Exceptional Item (giving as much notice as is reasonable in the circumstances), Teva shall provide Allergan with written evidence of the proposed relevant underlying Raw Material cost change(s) and the Parties shall discuss in good faith reasonable ways to reduce or avoid any increase in Cost of Goods. Allergan shall have sole discretion to determine whether to accept any increase in COGs, provided that if Allergan declines to accept such increase, Teva shall be relieved of its Processing and/or Packaging, supply and Release obligations with respect to such Product and shall not be in breach of this Agreement thereby, and Allergan shall be permitted to terminate this Agreement with respect to such Product.
- (d) If, during the first four (4) months following the Effective Date Teva determines that the actual Cost of Goods to Process and/or Package and Release the Products is materially different from the initial Base Price for such Products pursuant to Section 6.1(a), the Parties shall discuss in good faith and agree an appropriate adjustment to the applicable Base Price. For the purposes of this Section 6.1(d) only, "material" is taken to mean that the aggregate Cost of Goods for Processing and/or Packaging and Releasing such Products as is forecast during such four (4) month period is greater than the applicable Base Price for such Products by no less than USD one million (\$1,000,000) in the aggregate. If the Parties are unable to agree an appropriate adjustment to the Base Price of any Product, the Parties will engage a Third Party independent expert within ten (10) Business Days (such expert to be chosen by Allergan if the Parties cannot agree on an expert in such ten (10) Business Day period) to make a binding decision regarding an appropriate amount, such amount to be deemed agreed upon by the Parties when determined by the Third Party independent expert. Adjustments to the Base Price of any Product pursuant to this Section 6.1(d) shall be retroactively applied as of the Closing Date or, with respect to newly released Products after the Effective Date, as of the date of release, as the case may be.
- (e) On an annual basis until the termination of this Agreement, Teva shall designate one or more members of its manufacturing and supply team to meet with a similar team from Allergan in order to discuss ways to decrease the cost of API, Raw Materials,

Components, Containers, Labeling or other materials used in the Processing, Packaging and or Release of Products.

- (f) To aid the Parties' analysis of the actual cost of the API, Raw Materials, Components, Containers, Labeling or other materials used in the Processing, Packaging and/or Release of Products, Teva shall provide Allergan and its representatives with sufficient information and access (upon reasonable advance notice and during normal business hours) to Teva's personnel, representatives, books and records to the extent reasonably necessary to determine the actual the cost of such API, Raw Materials, Components, Containers, Labeling or other materials used in the Processing, Packaging and/or Release of Products. If Allergan reasonably disputes the actual cost of the API, Raw Materials, Components, Containers, Labeling or other materials used in the Processing, Packaging and/or Release of Products, Allergan may refer the dispute to an independent Third Party for resolution.

6.2 Supply Price.

- (a) The supply price for a given Product for a given Contract Year shall be calculated by adding the then-current Base Price for such Product and the Production Fee for such Product for the applicable Contract Year ("Supply Price").
- (b) In September of each Contract Year, on a Product-by-Product basis, the Supply Price will be set at the time the Base Price is established pursuant to Section 6.1(b) and will be the Supply Price for the immediately following Contract Year beginning January 1 and shall apply for the whole Contract Year; provided that the Supply Price for such Contract Year will be adjusted if the then-current Base Price for such Contract Year for such Product is adjusted pursuant to Section 2.5, Section 6.1(c) and/or Section 6.1(d).

- 6.3 Distressed Inventory. To the extent that a Batch Fails and such Failure is not due to a Teva Error and is not included within the historical yield variance element of the COGs for such Product, such Failed Batch shall be deemed to be "Distressed Inventory" and Teva shall destroy such Product. Allergan shall pay the COGs incurred in the Processing and Packaging of such Distressed Inventory and for the destruction thereof, provided that to the extent such Product constitutes a Shared Formulation Product, the Parties shall split such costs pro rata based on the volume of each Product of such Shared Formulation Product manufactured (as determined by the date of the applicable Certificate of Manufacture) during the three (3) months prior to such costs actually being incurred.

7. QUALITY ASSURANCE

- 7.1 Quality Agreements. The Parties shall comply with all of their respective agreements, covenants and other obligations set forth in each Quality Agreement. If there is a conflict between this Agreement and a Quality Agreement, the Quality Agreement shall govern in relation to technical quality issues only.
- 7.2 Remediation. If, during the first six (6) months following the Effective Date, Teva reasonably considers that it is required to undertake a Remediation in respect of a Prescribed Vendor which would result in Teva incurring any costs (in addition to any costs incurred by the Prescribed Vendor) in connection with such Remediation (including any monitoring or oversight costs Teva incurs in connection with the Remediation), Teva shall promptly notify Allergan and describe in reasonable detail the proposed Remediation and the costs it proposes to incur in connection therewith. Thereafter, the Parties shall discuss in good faith whether the proposed Remediation

and costs therefor is reasonable and appropriate (provided that no such discussions shall be required with respect to the first \$50,000 of total Remediation expenses to be incurred by Teva in the aggregate under this Section 7.2). Teva shall not incur any Remediation costs in excess of \$50,000 in the aggregate without the prior written consent of Allergan; provided that, if such Remediation is necessary to bring such Prescribed Vendor into compliance with GMP or any other Applicable Law and Allergan has not consented to such Remediation, the Parties shall use Commercially Reasonable efforts to mutually agree on an alternative to the proposed Remediation, including replacing such Prescribed Vendor. For clarity, if Teva is unable to fulfil a Purchase Order due to a nonconformance, deviation or violation by a Prescribed Vendor of GMP or any other Applicable Law, Teva shall not be in breach of its obligations provided it has complied with this Section 7.2. Any Remediation costs properly incurred by Teva under this Section 7.2 shall be reimbursed by Allergan and Teva will invoice Allergan such costs on a monthly basis as Teva incurs such costs; provided that to the extent such Remediation involves API, Raw Materials, Components, Containers and/or Labeling utilized by both Parties, the Parties shall split such costs pro rata based on the volume of such API, Raw Materials, Components, Containers and/or Labeling used in the Processing or Packaging of the Products during the three (3) months prior to such costs actually being incurred. Allergan will pay each invoice issued under this Section 7.2 within sixty (60) days after Allergan's receipt thereof.

8. SAFETY, DATA EXCHANGE AND PHARMACOVIGILANCE

- 8.1 Safety Agreements. The Parties shall comply with all of their respective agreements, covenants and other obligations set forth in each Safety Agreement. If there is a conflict between this Agreement and a Safety Agreement, the Safety Agreement shall govern in relation to technical safety issues only.

9. TESTING AND INSPECTION OF THE PRODUCT

- 9.1 Product Rejection. Allergan shall inspect, or cause to have inspected by a Third Party designated by Allergan, each shipment of Products for any damage, defect or shortage pursuant to Section 9.2, and give Teva written notice of rejection ("Rejection Notice") of any shipment that, in whole or part, contains Non-Conforming Product, in each case at the time of delivery pursuant to Section 5.1.
- 9.2 Inspection. Allergan shall have a period of thirty (30) days from the date of Allergan's receipt of the relevant Product at the location specified on the relevant Purchase Order (the "Inspection Period") to inspect any shipment of Products to determine whether such shipment meets the Master Batch Record, Master Packaging Record, Specifications and / or the Product Warranty. If Allergan determines that a Product does not meet the Master Batch Record, Master Packaging Record, Specifications and/or the Product Warranty ("Non-Conforming Product") at the time of delivery pursuant to Section 5.1, it shall notify Teva in writing within the following thirty (30) day period. Allergan's failure to timely deliver a Rejection Notice shall be deemed its acceptance of the Products in such shipment, unless a Latent Defect of such Products exists, which shall be subject to Section 9.5. Allergan shall accompany any Rejection Notice with reasonable supporting evidence in its possession that shows that the Products delivered to Allergan by Teva were Non-Conforming Products at the time of delivery pursuant to Section 5.1.
- 9.3 Non-Conforming Products.
- (a) If, without resorting to the independent testing described in Section 9.4, the Parties agree that any Products are Non-Conforming Products at the date of delivery to the FCA Collection Site and that such non-conformance is due to a Teva Error, Teva shall, without

limiting Allergan's other rights and remedies under this Agreement, (i) reimburse Allergan for any Supply Price previously paid by Allergan for such Non-Conforming Products; (ii) dispose of the Non-Conforming Products, at Teva's expense, in accordance with Applicable Law and Allergan's instructions; and (iii) Process and Package replacement Products conforming to Specifications as soon as reasonably practicable following the date of delivery.

- (b) If, without resorting to the independent testing described in Section 9.4, the Parties agree that any Products are Non-Conforming Products at the date of delivery to the FCA Collection Site and that such non-conformance is not due to a Teva Error, Teva shall, without limiting Allergan's other rights and remedies under this Agreement, (i) dispose of the Non-Conforming Products, at Allergan's expense, in accordance with Applicable Law and Allergan's instructions; and (ii) Process and Package replacement Products conforming to Specifications as soon as reasonably practicable following the date of delivery (for which replacement Product Allergan shall be required to pay to Teva the Supply Price in accordance with the terms of this Agreement).
- (c) In the case where such non-conformance is not due to a Teva Error, (i) Teva shall (A) dispose of the Non-Conforming Product, at Allergan's expense, in accordance with Allergan's instructions to the extent compliant with Applicable Laws; and (B) Process and Package replacement Product conforming to Specifications as soon as reasonably practicable (for which replacement Product Allergan shall be required to pay to Teva the Supply Price in accordance with the terms of this Agreement); and (ii) Allergan shall pay Teva any Supply Price not previously paid by Allergan for such Product.

9.4 Independent Testing

- (a) If Allergan delivers a Rejection Notice to Teva in respect of all or any part of a shipment of one or more Products and believes that the Product is Non-Conforming Product and that such non-conformance is due to the actions or omissions of Teva under this Agreement and Teva disputes Allergan's claim, then the Parties shall have thirty (30) days from the date of Teva's receipt of such Rejection Notice to resolve any dispute regarding whether all or any part of such shipment of Products was Non-Conforming Product at the time of delivery to the FCA Collection Site and the extent of Teva's liability therefor. Either Party may request, in writing, at any time within such thirty (30)-day period that an independent expert (an "Expert") be used to determine whether the Product was Non-Conforming Product at the time of delivery to the FCA Collection Site and the extent of a Party's liability therefor. Such Expert must be mutually acceptable to both Parties. The determination of the Expert shall be binding upon the Parties.
- (b) If the Expert determines that the relevant Product(s) is a Non-Conforming Product and that such non-conformance is due to a Teva Error, then Teva shall (i) reimburse Allergan for the Supply Price previously paid by Allergan for such Non-Conforming Product; (ii) pay to the Expert the amount of the fees charged by the Expert for such testing; (iii) dispose of the Non-Conforming Products, at Teva's expense, in accordance with Applicable Law and Allergan's instructions, and (iv) re-initiate Processing, Packaging and/or Release of replacement Products conforming to relevant Specifications as soon as reasonably practicable (for which replacement Product Allergan shall be required to pay to Teva the Supply Price in accordance with the terms of this Agreement). In addition, Teva shall have the right to suspend Processing, Packaging and/or Release of any

in-process Products if Teva reasonably believes that such in-process Products will not meet relevant Specifications. If the Expert determines that the shipment did not contain Non-Conforming Product, Allergan shall (A) pay Teva any Supply Price not previously paid by Allergan for such Product; and (B) pay to the Expert the amount of the fees charged by the Expert for such testing.

9.5 Latent Defects.

- (a) As soon as either Party becomes aware of a Latent Defect in any Batch, such Party shall immediately notify the other Party thereof, and, subject to agreement of the Parties that such Latent Defect was a Non-Conforming Product or confirmation of such Non-Conforming Product by the Expert pursuant to Section 9.4, at Allergan's election, the applicable Batch shall be deemed rejected as of the date of delivery of such notice.
- (b) In such case, where such non-conformance is due to a Teva Error, Teva shall, without limiting Allergan's other rights and remedies under this Agreement, (i) reimburse Allergan for any Supply Price previously paid by Allergan for such Non-Conforming Product; (ii) dispose of the Non-Conforming Product, at Teva's expense, in accordance with Allergan's instructions to the extent compliant with Applicable Laws; (iii) Process and Package replacement Product conforming to Specifications as soon as reasonably practicable (for which replacement Product Allergan shall be required to pay to Teva the Supply Price in accordance with the terms of this Agreement); and (iv) reimburse Allergan for any reasonable out-of-pocket costs incurred by Allergan relating to the acceptance of returns from Allergan's customers resulting from such non-conforming Batch.
- (c) In such case, where such non-conformance is not due to a Teva Error, (i) Teva shall (A) dispose of the Non-Conforming Product, at Allergan's expense, in accordance with Allergan's instructions to the extent compliant with Applicable Laws; and (B) Process and Package replacement Product conforming to Specifications as soon as reasonably practicable (for which replacement Product Allergan shall be required to pay to Teva the Supply Price in accordance with the terms of this Agreement); and (ii) Allergan shall pay Teva any Supply Price not previously paid by Allergan for such Product.

9.6 Non-Conforming Product arising from Third Party Prescribed Vendor Obligations.

Notwithstanding the provisions of Sections 9.3 and 9.5, to the extent that Non-Conforming Product is not due to a Teva Error and Teva determines that such non-conformance is due to the failure of a Third Party Prescribed Vendor to supply conforming API, Raw Materials, Components, Containers, and Labeling or, in the case of Pass-Through Products, Finished Product, under an underlying Prescribed Vendor Contract, Teva shall use commercially reasonable efforts to (a) provide all reasonable assistance to Allergan in any action it may wish to take against such Third Party, at Allergan's cost, including bringing such action on Allergan's behalf and in accordance with Allergan's instructions, as the contracting party to the relevant Prescribed Vendor Contract; and (b) to Process and Package replacement Products conforming to Specifications as soon as reasonably practicable following the date of delivery (for which replacement Product Allergan shall be required to pay to Teva the Supply Price in accordance with the terms of this Agreement). Where a Non-Conforming Product is a Shared Formulation Product, Teva and Allergan shall split pro rata the liability for such Non-Conforming Product, in proportion to such Party's interest in the relevant product formulation.

- 9.7 Long Term Stability Studies. Teva shall perform annual follow-up stability testing and annual product review in accordance with its standard operating procedures and consistent with all

Applicable Laws for each Batch. To the extent that stability testing in addition to that included in the Base Price for Contract Year 2016 is required, such additional stability testing shall be provided as an Additional Service, for an agreed Additional Service Fee.

- 9.8 Retained Samples. Teva shall retain samples of all Raw Materials and API used to Process each Batch, plus samples of Finished Product and Bulk Product (as applicable) in accordance with GMPs. To the extent that additional samples to those included in the Base Price for Contract Year 2016 is required, such additional samples shall be provided as an Additional Service, for an agreed Additional Service Fee.

10. REGULATORY COMPLIANCE AND RELATED MATTERS

- 10.1 Product Regulatory Approvals. Allergan shall be responsible for obtaining all regulatory approvals relating to registration of the Products, shall pay any applicable user fees for such, and shall own the regulatory filing. All regulatory filings shall be the sole property of Allergan.
- 10.2 Regulatory Communications. Each Party agrees to promptly notify the other Party in the event that it receives any material communication or notice from any Regulatory Authority with respect to the Processing, Packaging and/or Release or storage of any Product. Teva shall not initiate any material communications with any Regulatory Authority regarding such Products without Allergan's prior written consent, except to the extent Teva (a) is required to do so by Applicable Law, in which case Teva shall notify Allergan promptly (and in no event later than two (2) Business Days) following such communication (to the extent permissible by Applicable Law); or (b) is responding to a material communication from the FDA or other Regulatory Authority, in which case Teva shall notify Allergan of its intent to initiate such communication and, to the extent reasonably possible, provide Allergan with sufficient opportunity to review and comment on the content and presentation of any such communication and use its good faith efforts to take into account any such comments or changes to the communication proposed by Allergan.
- 10.3 Submissions to Regulatory Authorities. If Allergan is required to submit to the Regulatory Authorities any information concerning the Processing, Packaging, Release and/or marketing of any Product, Teva will provide Allergan copies of such documentation, data and other information, including providing samples (including full scale production batches if required), reference standards data, quality assurance and quality control information with respect to the Processing, Packaging and/or Release and the Facility as shall be reasonably requested for such submission to the Regulatory Authorities. To the extent Allergan needs Teva to develop additional data or perform additional studies concerning such Product as may be required by a Regulatory Authority or otherwise, such additional development may be done as an Additional Service with the Additional Service Fees to be agreed upon by the Parties. If required by the Regulatory Authorities, Teva shall also provide to such Regulatory Authorities, information concerning its Processing, Packaging, Release and quality control procedures with respect to such Product. If reasonably practicable, Teva shall provide Allergan all documentation, data and information referred to in this Section 10.3 reasonably in advance of Teva's required submission to allow for Allergan's review and comments and Teva shall endeavor in good faith to satisfactorily resolve all material Allergan comments prior to Teva's submission.
- 10.4 Responsibility for Compliance.
- (a) Allergan shall be responsible for and shall ensure the compliance of the Master Batch Record and Master Packaging Record, including Specifications, with the requirements of applicable Regulatory Authorities.

- (b) Teva shall maintain in effect all governmental permits, licenses, orders, applications and approvals required for Teva to Process and Package the API and Products and to use the Facility to Process and Package the Products, and Teva shall Process and Package and store the Products in accordance with all such permits, licenses, applications and approvals.

10.5 Inspections. Teva shall promptly notify Allergan in writing within one (1) Business Day if any Regulatory Authority or Governmental Authority notifies Teva that it intends to visit or if any Regulatory Authority does visit the Facility for purposes of reviewing the Processing, Packaging and/or Release of the Products. If Teva receives advance notice of any visit by any Regulatory Authority or Governmental Authority, Teva shall permit, to the extent permitted by Applicable Law, up to two (2) Allergan representatives to be present during such visit, at Allergan's expense. Upon Allergan's request, Teva shall provide Allergan with a copy of any report issued by such Regulatory Authority or Governmental Authority received by Teva following such visit, redacted as appropriate to reflect any confidential information of Teva and its other customers.

11. RECALLS

11.1 Recalls. Allergan shall have the exclusive right to institute any recall, withdrawal or corrective action (whether voluntary or mandatory) (any such recall, withdrawal or corrective action, a "Recall") and shall be responsible for effecting any such Recall and managing communications with customers and Regulatory Authorities. In the event that Teva believes that a Recall may be necessary and/or appropriate, Teva shall immediately notify Allergan and the Parties shall collaborate in determining the necessity and nature of the action to be taken. Teva shall cooperate with Allergan in connection with any such Recall. Notwithstanding the foregoing, if Teva (a) notifies Allergan of a Product which is Non-Conforming Product; (b) provides reasonable documentation supporting such claim; (c) acknowledges that Teva would be responsible for the costs as set forth in Section 9.3; and (d) recommends in writing to Allergan that Allergan should recall such Product as a result of such Product being Non-Conforming Product, then to the extent that Allergan determines not to recall such Product, (A) Teva shall not be responsible for the costs under Section 11.2 with respect to the applicable units of such Product; (B) Teva shall not have any obligations to indemnify Allergan under Section 14.2 for any Losses that first arise after the date of such written recommendation as a result of such Non-Conforming Product to the extent that the recommended Recall would have avoided such Losses; and (C) Allergan shall protect, defend, indemnify, and hold harmless Teva from and against any and all Losses occurring, growing out of, incident to, or resulting directly or indirectly from such Non-Conforming Product that first arise after the date of such written recommendation to the extent that the recommended recall would have avoided such Losses.

11.2 Recalls Expenses. Teva shall be liable for the reasonable out-of-pocket costs and expenses actually incurred by Allergan as a result of any voluntary or mandatory Recall (including the Supply Price paid by Allergan in respect of the recalled Products and in any in-process Products that cannot be shipped due to the Recall) arising from Non-Conforming Product due to a Teva Error; otherwise all costs and expenses of such Recall, including the costs and expenses incurred by Teva, will be borne by Allergan and Allergan will reimburse Teva for such costs and expenses within thirty (30) days after Teva's written notice to Allergan thereof.

11.3 Confidentiality of Recall Communications. To the extent permitted by Applicable Law, all communications relating to a Recall, other than its existence, shall be held in confidence and shall be subject to the terms of Section 17.

12. TERM AND TERMINATION

- 12.1 **Term.** This Agreement shall become effective on the Effective Date. Subject to any extension pursuant to Section 12.2, shall expire on a Facility-by-Facility (based on the Facility of manufacture as set out on the relevant Product Addendum as at the Effective Date) basis five (5) years from the Effective Date in respect of each Product manufactured at the Goa, Salt Lake City, Florida, Fajardo, Edison, Manati, Lame, Zagreb and Elizabeth Facilities (each as set out on the relevant Product Addendum as at the Effective Date), and five (5) years from the first delivery of Actonel Products in respect of the Dupnitsa Facility, unless terminated by one of the Parties as provided herein (such period, the "Initial Term"). Notwithstanding the foregoing, if a given Product Addendum has an express term for such Product Addendum (as set forth in the applicable Product Addendum) which is prior to the last day of the Initial Term for such Facility, then such Product Addendum shall terminate as of such express date of expiration unless by one of the Parties as provided herein (provided that, for clarity, this Agreement shall remain in full force and effect with respect to all other Product Addenda).
- 12.2 **Extension.** This Agreement shall continue after the Initial Term solely upon the good faith discussion and mutual written agreement of the Parties, provided that to the extent Allergan reasonably expects (based on correspondence received from or discussions with a Regulatory Authority (and notified to Teva) with respect to an anticipated Consent Order) to be required to divest a Product in anticipation of or under the terms of a Consent Order, this Agreement shall remain in effect solely in respect of such Product until the earlier of (i) the date contemplated to be required to enable Allergan to comply with such Consent Order; and (ii) the second anniversary of the expiration of the Initial Term; provided that the Production Fee for the relevant Product during any such extension shall be double the Production Fee for such Product during the final Contract Year of the Initial Term. For the avoidance of doubt, an extension of the Initial Term for a particular Product will not extend the Initial Term for any other Product even if such other Product is manufactured at the same Facility as the Product for which the Initial Term is extended.
- 12.3 **Shared Regulatory Registration Product Renegotiation.**
- (a) The Parties acknowledge that it may be commercially reasonable to continue to have Product which is manufactured, commercialized, marketed or sold under the same Regulatory Registration as a "Product" (as such term is defined under the Purchase Agreement), as indicated on Schedule 1, (each being a "Shared Regulatory Registration Product") manufactured at the same facility and by the same manufacturer following the Term. The Parties therefore agree to enter into a period of good faith negotiations during the Term to agree on the terms (including relevant supplier, supply price and supply term) for the supply of the Shared Regulatory Registration Products to a Party or a Party's Affiliate by the other Party, the other Party's Affiliate or a Third Party following the Term ("Renegotiation Period"). The Renegotiation Period for all Shared Regulatory Registration Products will commence on the first (1st) anniversary of the Effective Date and expire on the first to occur of (i) the second (2nd) anniversary of the Effective Date; and (ii) the date upon which the Parties enter into a written agreement in respect of the continued supply of the Shared Regulatory Registration Products.
- (b) If the Parties are unable to agree on the terms of supply for the relevant Shared Regulatory Registration Product before the end of the Renegotiation Period after undertaking good faith negotiations to achieve the same, (i) neither Party will have an obligation to supply or cause the supply of a Shared Regulatory Registration Product to

the other Party following the expiry of the Term; (ii) Allergan or its Affiliate may notify Teva in writing of its election to effect a Shared Regulatory Registration Product Transfer prior to the expiry of the Term; and (iii) Allergan shall (at Teva's cost) (A) update and/or maintain the relevant Regulatory Registration for the relevant Shared Regulatory Registration Product to reflect that the Shared Regulatory Registration Product will be manufactured at two (2) facilities; and (B) keep Teva informed of any changes to the Process, Labeling and/or Packaging following the Term in respect of which Teva might reasonably be required to make corresponding changes to the relevant Shared Regulatory Registration Product until such time as Teva takes responsibility for maintaining the applicable NDA or takes ownership of such NDA in accordance with Section 2.3.4 of the IP Licensing Agreement.

12.4 Termination Rights.

- (a) The Parties may mutually agree in writing to terminate this Agreement.
- (b) In the event that either Party breaches any of its material obligations under this Agreement or the applicable Quality Agreement, excluding Allergan's obligation to pay undisputed invoiced amounts under Section 5.7(b), the other Party may deliver written notice of such breach to the breaching Party. If the breaching Party fails to cure such breach (other than a breach for failure to pay any amounts due and owing hereunder) within sixty (60) days following its receipt of such notice (provided that if such breach is not capable of being cured within such sixty (60) day cure period, such cure period shall be extended for so long as the breaching Party continues to use good faith efforts reasonably likely to cure such breach), then this Agreement may be terminated by the other Party with respect to the Product for which such breach occurred at the end of such cure period by providing written notice to the breaching Party of such termination.
- (c) In the event that (i) either Party is declared insolvent or bankrupt by a court of competent jurisdiction; (ii) either Party files a voluntary petition of bankruptcy in any court of competent jurisdiction; or (iii) this Agreement is assigned by either Party for the benefit of creditors, then the other Party may terminate this Agreement by delivering written notice of termination, effective immediately.
- (d) In the event that any Regulatory Authority takes any action that prevents Allergan from importing, exporting, purchasing or selling a Product in any country in the Territory and either (i) such action is irrevocable; or (ii) the condition that caused such action is still present and the action is not lifted after one hundred and eighty (180) days of its enactment, either Party may terminate this Agreement with respect to such Product in such country upon thirty (30) days' written notice thereof to the other Party.
- (e) If this Agreement has not otherwise previously expired or terminated, the Product Addendum for a given Product shall automatically terminate one hundred and eighty (180) days (unless such other number of days is agreed to in writing by Teva and Allergan with respect to a given Product) after the first occurrence of a New Site Qualification or Shared Regulatory Registration Product Transfer for such Product; provided, however, that for clarity, the provisions of this Section 12.4(e) shall not have the effect of extending this Agreement or the applicable Product Addendum beyond the Term.
- (f) Subject to its obligations set forth in Sections 2.5 and 12.3, Allergan may terminate this Agreement in its entirety or on a Product-by-Product basis at will, upon prior written

notice to Teva, provided that such prior written notice shall be provided no less than the calendar months of each Rolling Forecast within the applicable Lead Time for the relevant Product(s).

- 12.5 **Effect of Termination.** Any expiration or termination of this Agreement shall not affect any claims that have accrued or outstanding obligations or payments due hereunder prior to such termination, nor shall it prejudice any other remedies that the Parties may have under this Agreement. In addition, (a) this Section 12.5; (b) Sections 2.1(e), 2.5(c)(iv), 2.9(b), 5.8, 11, 12.2, 12.3(b), 12.6, 12.7, 12.8, 13.4, 14, 17, 18, 19, 20 and 21; (c) any other rights or obligations of the Parties that by their terms shall survive the termination of this Agreement; and (d) all related definitions of defined terms used in the foregoing provisions shall survive the expiration or termination of this Agreement.
- 12.6 **Outstanding Orders in the Event of Termination.** In the event that this Agreement is terminated, then unless otherwise agreed to by the Parties, Teva shall have the obligation to fill all outstanding Purchase Orders, and in such case, all such Purchase Orders shall be completed by Teva in accordance with the terms of this Agreement and Allergan shall pay the Supply Price for the quantities of Product supplied thereunder (provided that such Product complies with the Product Warranty). In the event that only a given Product Addendum is terminated, then the foregoing provisions of this Section 12.6 shall only apply to such Product Addendum and the Product thereunder.
- 12.7 **Materials in Termination or Expiration.** In the event that this Agreement expires or is terminated with respect to one or more Products, Allergan shall purchase from Teva all work-in-process and all remaining inventory of Product, API, Raw Materials, Components, Containers, and Labeling relating to such Product that were ordered by Teva based on the applicable Rolling Forecast to Process and/or Package Product hereunder (together, "Inventory"); provided that such Inventory cannot be reasonably allocated by Teva to manufacture other product(s)). Allergan shall purchase the Inventory at the applicable COGs. Teva shall provide Allergan with an invoice therefor, and Allergan shall pay such invoice within forty-five (45) days following receipt of such invoice and such Inventory.
- 12.8 **Dedicated Equipment in Termination or Expiration.** Upon the expiration or termination of this Agreement, Teva shall have right, but not the obligation, to offer for sale to Allergan any dedicated Equipment that was used in the Processing, Packaging and/or Release of Product and if so offered, Allergan shall have the right, but not the obligation to purchase such Equipment. In the event that only a given Product Addendum is terminated, then the provisions of this Section 12.8 shall only apply to such Product Addendum and the Product thereunder.

13. REPRESENTATIONS AND WARRANTIES

- 13.1 **General Representations and Warranties.** Each of Allergan and Teva represents, warrants, covenants and agrees that, at all times during the Term, it (a) is a corporation duly organized and validly existing and in good standing under the laws of its jurisdiction of organization; (b) is qualified or licensed to do business and in good standing in every jurisdiction where such qualification or licensing is required; (c) has the corporate power and authority to execute, deliver and perform its obligations under this Agreement, and the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate action; (d) this Agreement has been duly executed and delivered by it; and (e) this Agreement constitutes the valid and binding obligations of it, enforceable against it in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditor's rights generally, or general principles of equity.

13.2 Additional Teva Warranties. Teva represents, warrants and covenants to Allergan as follows:

- (a) each Product shall, at the time of delivery at the FCA Collection Site, (i) have been Processed and Packaged in accordance with all Applicable Law, including applicable GMPs, the applicable Quality Agreement and the regulatory approvals relating to registration of the Products; (ii) will be free from all liens, charges, encumbrances and security interests (except for payments that may be owed by Teva to any material supplier); (iii) will not be adulterated or misbranded within the meaning of the FDCA; and (iv) will not be Released other than in accordance with the applicable Quality Agreement (“Product Warranty”); and
- (b) Teva does not, at any time from and after the Effective Date, retain or use the services of (i) any person debarred or suspended under 21 U.S.C. § 335a; or (ii) any person who has been convicted of a felony under the laws of the United States for conduct relating to the regulation of any drug product under the U.S. Food, Drug, and Cosmetic Act, in each case in any capacity associated with or related to the Processing, Packaging and/or Release of the Products.

13.3 Additional Allergan Warranties.

- (a) Allergan represents, warrants and covenants to Teva that so far as it is aware any method of Processing, Packaging and/or Release of the Product used hereunder by or on behalf of Teva that was acquired by Teva pursuant to the Purchase Agreement or included in the Allergan Manufacturing IP licensed to Teva hereunder does not infringe the Intellectual Property of any Third Party or breach any confidentiality or non-use obligations owed to a Third Party.
- (b) Allergan shall not enter into a non-compete that would limit, or otherwise take any action that would derogate from, Teva’s right to obtain supply of a Shared Regulatory Registration Product from a Third Party.

13.4 DISCLAIMER. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT (INCLUDING THE SCHEDULES HERETO) OR ANY QUALITY AGREEMENT, ALLERGAN AND TEVA MAKE NO REPRESENTATIONS AND EXTEND NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH REGARD TO THE PRODUCTS, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

14. INDEMNIFICATION

- 14.1 Indemnification by Allergan. Allergan agrees to defend, indemnify and hold harmless Teva, its Affiliates, and its and their respective officers, employees and agents, against, and shall pay and reimburse them for, any and all losses, damages, fines, costs, claims, demands, judgments and liability (collectively, “Losses”) to, from or in favor of Third Parties to the extent resulting from or arising out of (a) any material breach by Allergan of its representations, warranties or agreements contained in this Agreement; (b) the sale, distribution or marketing of any Product (including claims of product liability or claims of Intellectual Property infringement (including as a result of the manufacture thereof)); (c) any negligent, reckless or willful actions or omissions by Allergan; (d) failure by Allergan to obtain and maintain any regulatory approvals relating to registration of any Product and required to be obtained and maintained by Allergan under Applicable Law; and (e) failure by Allergan to comply with any Applicable Law; *provided, however,* that, in each case, Allergan shall not be required to indemnify pursuant to this Section

14.1 with respect to any Losses to the extent of Teva's indemnification obligations set forth below.

14.2 Indemnification by Teva. Teva agrees to defend, indemnify and hold harmless Allergan, its Affiliates, and its and their respective officers, employees and agents, against, and shall pay and reimburse them for, any and all Losses, from and in favor of Third Parties to the extent resulting from or arising out of (a) any material breach by Teva of its representations, warranties or agreements contained in this Agreement, (b) any negligent, reckless or willful actions or omissions by Teva, (c) failure by Teva to comply with its obligations under Section 10.4(b), (d) failure by Teva to comply with any Applicable Law or (e) any Release by Teva of Product other than in accordance with the Quality Agreement, other than due to a Latent Defect or otherwise not caused by a Teva Error; *provided, however*, that, in each case, Teva shall not be required to indemnify pursuant to this Section 14.2 with respect to any Losses to the extent arising from or related to Allergan's indemnification obligations set forth in Section 14.1(a), (c), (d) or (e).

14.3 Indemnification Procedures. Either Party (the "indemnitee") intending to claim indemnification under this Section 14 shall notify the other Party (the "indemnitor") promptly in writing of any action, claim or liability in respect of which the indemnitee believes it is entitled to claim indemnification, provided that the failure to give timely notice to the indemnitor shall not release the indemnitor from any liability to the indemnitee except to the extent the indemnitor is actually and materially prejudiced thereby. The indemnitor shall have the right, by notice to the indemnitee, to assume the defense of any such action or claim within the thirty (30) day period after the indemnitor's receipt of notice of any action or claim with counsel of the indemnitor's choice and at the sole cost of the indemnitor. If the indemnitor so assumes such defense, the indemnitee may participate therein through counsel of its choice, but at the sole cost of the indemnitee. The Party not assuming the defense of any such claim shall render all reasonable assistance to the Party assuming such defense, and all reasonable out-of-pocket costs of such assistance shall be for the account of the indemnitor. No such claim shall be settled other than by the Party conducting the defense thereof, and then only with the consent of the other Party (not to be unreasonably withheld, delayed or conditioned); provided that the Indemnitee shall have no obligation to consent to any settlement of any such action or claim which imposes on the indemnitee any liability or obligation that cannot be assumed and performed in full by the indemnitor, and the indemnitee shall have no right to withhold its consent to any settlement of any such action or claim if the settlement involves only the payment of money by the indemnitor or its insurer and includes a full release of claims with respect to the indemnitee.

14.4 LIMITATION OF LIABILITY.

(a) EXCEPT TO PROVIDE INDEMNIFICATION UNDER SECTION 14.1 OR 14.2, AS THE CASE MAY BE, WITH RESPECT TO THIRD PARTY CLAIMS, AND EXCEPT IN CASES OF FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY A PARTY OR ITS AFFILIATES OR BREACH OF SECTION 17.1, IN NO EVENT SHALL EITHER PARTY OR THE AFFILIATES OF SUCH PARTY BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS OR REVENUES) ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR AS A RESULT OF ANY ACTIVITIES HEREUNDER, REGARDLESS OF WHETHER ARISING FROM BREACH OF CONTRACT, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE, EVEN IF SUCH PARTY IS ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE OR IF SUCH LOSS OR DAMAGE COULD HAVE BEEN REASONABLY FORESEEN.

- (b) EXCEPT TO PROVIDE INDEMNIFICATION UNDER SECTION 14.1 OR 14.2 WITH RESPECT TO THIRD PARTY CLAIMS, AND EXCEPT IN CASES OF FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR BREACH OF SECTION 17.1, BY A PARTY OR ITS AFFILIATES, IN NO EVENT SHALL A PARTY'S AND ITS AFFILIATES' TOTAL AGGREGATE LIABILITY UNDER THIS AGREEMENT DURING ANY GIVEN CONTRACT YEAR OF THE TERM EXCEED (i) FOR THE FIRST (1ST) CONTRACT YEAR OF THE TERM, \$70 MILLION, AND (ii) FOR EACH OTHER CONTRACT YEAR OF THE TERM, THE TOTAL SUM OF PAYMENTS RECEIVED OR PROPERLY INVOICED (AND NOT DISPUTED BY ALLERGAN) UNDER THIS AGREEMENT BY TEVA AND ITS AFFILIATES FROM ALLERGAN AND ITS AFFILIATES IN THE PRIOR CONTRACT YEAR.

15. INSURANCE REQUIREMENTS

15.1 Teva's Insurance Requirements.

- (a) During the Term, Teva shall maintain, at a minimum, the insurance coverage set forth on Schedule 5. It is understood that such insurance shall not be construed to create a limit of either Party's liability with respect to its indemnification obligations under this contract.
- (b) Certificates of insurance for the insurance required under this Section 15.1 must be filed with Allergan at least five (5) days before Teva commences performance of its services under this Agreement. Teva shall use commercially reasonable efforts to ensure that (i) the Contractual Liability Insurance required under this Section 15.1 shall, by appropriate endorsement or otherwise, specifically insure the terms and conditions described in Schedule 5; and (ii) that all insurance policies, except Worker's Compensation, shall identify Allergan as an "additional insured", as required by contract. It is agreed that such "additional insured" status shall be limited to claims for which Teva has an indemnification obligation pursuant to the terms of this Agreement. It is further agreed that Teva may fulfil its insurance obligations through the purchase of commercial insurance, through self-insurance, or through both approaches.

16. FORCE MAJEURE

- 16.1 Excusing Performance. Neither Party shall be liable for the failure to perform its obligations under this Agreement to the extent such failure is due to any cause beyond such Party's reasonable control, including wars, fires, floods, storms or other natural disasters, and failure of public utilities or common carriers (a "Force Majeure Event").
- 16.2 Notice. A Party claiming a right to be excused from performance under Section 16.1 shall immediately notify the other Party in writing of the extent of its inability to perform, which notice shall specify the Force Majeure Event.
- 16.3 Resumption. A non-performing Party as a result of a Force Majeure Event shall use all reasonable efforts, at its own expense, to eliminate the Force Majeure Event and to resume performance as soon as practicable.

17. CONFIDENTIALITY

- 17.1 Use of Confidential Information and Term. Each of the Parties acknowledges and agrees that it may receive Confidential Information of the other Party in connection with the performance of this Agreement. During the Term and for a period of ten (10) years following the end of the Term

and, in respect of trade secrets, for such period as the relevant Confidential Information remains secret, each Party agrees that it shall (a) use the Confidential Information of the other Party only in connection with such Party's performance of its obligations under, or exercise of its rights in accordance with, this Agreement; (b) treat the Confidential Information of the other Party as it would its own proprietary or Confidential Information; and (c) not disclose the Confidential Information of the other Party to any Person (except to its employees, representatives, licensees, licensors, subcontractors and other contractors who reasonably require such Confidential Information in connection with the performance of obligations under, exercise of rights in accordance with, or enforcement of this Agreement or in connection with any controversies, claims or disputes hereunder), in each case without the prior written consent of the Party to which such Confidential Information belongs.

17.2 Exceptions to Confidential Information. The confidentiality obligations set forth in Section 17.1 shall not apply to a Party to the extent the Confidential Information of the other Party (a) at or following disclosure to such Party, was generally available to the public through no fault attributable to such Party; or (b) is received by such Party, with no obligation of confidentiality, from a Third Party who was entitled to receive and transfer such information. To the extent a receiving Party is required to disclose the Confidential Information of the other Party by Applicable Law or a court or other tribunal of competent jurisdiction or to a Regulatory Authority or Governmental Authority or any stock exchange, such receiving Party may do so provided that the Party required to disclose such information shall notify the other Party of such obligation and shall reasonably cooperate with such other Party to protect the confidentiality of the Confidential Information.

18. INTELLECTUAL PROPERTY

18.1 Allergan Manufacturing IP. Allergan is, shall remain, and will be the exclusive owner of all Specifications, Master Batch Records, Master Packaging Records, Allergan Manufacturing IP, Intellectual Property relating to a Shared Formulation Product which is not a Transferred Brand Product and Confidential Information of Allergan, and no rights therein are granted to Teva under this Agreement, except that Allergan hereby grants to Teva a non-exclusive, non-transferable, non-sublicenseable (other than as set forth in this Section 18.1), royalty-free license during the Term, which will terminate on a Product-by-Product basis in connection with any termination of this Agreement with respect to such Product, to use the Specifications, Master Batch Records, Master Packaging Records, Allergan Manufacturing IP, and Confidential Information of Allergan solely to the extent necessary to perform Teva's obligations under this Agreement. Teva shall not grant a sublicense under this license without Allergan's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned; provided that Teva may grant a sublicense to an Affiliate and to a permitted subcontractor to the extent necessary to Process and/or Package and supply Products in accordance with this Agreement and provided that its permitted subcontractor has agreed to customary confidentiality obligations with respect to Specifications, Master Batch Records, Master Packaging Records, Allergan Manufacturing IP and Confidential Information of Allergan.

18.2 Teva IP. Teva is, shall remain and will be the exclusive owner of all Teva IP and Confidential Information of Teva, and no rights therein are granted to Allergan under this Agreement.

18.3 Improvements. Subject to Section 18.4, (a) each Party shall own solely all Improvements that that are conceived, made or developed solely by or on behalf of such Party; and (b) the Parties shall jointly own all Improvements that are conceived, made or developed jointly by, on the one hand, Allergan, its Affiliates, employees, agents or independent contractors and, on the other

hand, Teva, its Affiliates, employees, agents or independent contractors. Subject to the confidentiality restrictions set forth herein, each Party shall be free to exploit such jointly owned Improvements, either itself or through the grant of licenses to Third Parties throughout the world, without restriction, without the need to obtain further consent from or provide notice to the other Party, and without any duty to account or otherwise make any payment of any compensation to the other Party. Inventorship shall be determined in accordance with United States patent laws; provided, that neither Party shall file any patent application with respect to any jointly owned Improvement without consulting with the other Party; and provided, further that the Parties shall mutually agree on responsibility for preparation, filing, prosecution and maintenance of any patent application or patent claiming any jointly owned Improvement.

18.4 Allergan Owned Improvements and Teva Owned Improvements. Notwithstanding Section 18.3, regardless of which Party conceives, makes or develops such Improvement (a) Allergan shall own and control solely all rights in Improvements (and the Intellectual Property therein) that relate solely to (i) Allergan Manufacturing IP; (ii) the Allergan Retained Business; and/or (iii) a Product; which is not a Transferred Brand Product, (“Allergan Owned Improvements”); and (b) Teva shall own and control solely all rights in Improvements (and all Intellectual Property therein) to the (i) Teva IP and/or (ii) Business (“Teva Owned Improvements”). Each Party agrees to assign, and hereby does assign, to the other Party such Party’s right, title and interest in and to the Allergan Owned Improvements or Teva Owned Improvements, as applicable, to which such other Party is entitled to own pursuant to this Section 18.4 and shall execute and deliver to such other Party, such documents of transfer as may be reasonably requested by such other Party to fully-vest in such other Party the ownership rights in said Allergan Owned Improvements or Teva Owned Improvements, as applicable.

18.5 Cooperation. The Parties shall cooperate to achieve the allocation of rights to Improvements set out in Section 18.4 and the allocation of enforcement obligations with respect thereto and each Party shall be solely responsible for costs associated with the prosecution and protection of its own Intellectual Property.

19. DATA PROTECTION

19.1 Data Protection. Notwithstanding any other provision of this Agreement, in exercising its rights and performing its obligations under this Agreement the Parties shall, to the extent necessary, at all times comply with all applicable data protection and privacy laws and regulations, as may be amended and updated from time to time, and shall not do or omit to do anything which has the effect of placing the other Party in breach of any such laws or regulations.

20. SCHEDULES

20.1 Schedules. The Schedules, and when issued, any updates or revisions thereto are attached hereto and are incorporated in and deemed to be integral parts of this Agreement.

21. ADDITIONAL TERMS AND PROVISIONS

21.1 Independent Contractors. The Parties shall be deemed to be independent contractors, and this Agreement shall not be construed to create between Allergan and Teva any other relationship, whether employer-employee, principal-agent, joint-venturer, co-partners or otherwise. Neither Party shall have authority to act for or bind the other Party in any manner, whatsoever. Any contracts and agreements entered into by one Party (but not the other) shall be for that Party’s sole account and risk, and such contracts and agreements shall not bind the other Party in any respect.

21.2 Public Statements. Neither Party shall disclose this Agreement or the terms hereof or use or refer to, without the other Party's prior written consent, the name of such other Party in any public statements, whether oral or written, including shareholders reports, communications with stock market analysts, press releases or other communications with the media, or prospectuses; provided that each Party may disclose the existence and subject matter of this Agreement to the extent such Party is required to disclose such information by Applicable Law.

21.3 Assignment.

- (a) Allergan may not assign this Agreement, in whole or in part, without the prior written consent of Teva. Notwithstanding the foregoing, Allergan may assign this Agreement without Teva's prior written consent (a) in whole or on a Product-by-Product or Product-by-Country basis to any of its controlled Affiliates; (b) in whole to a purchaser of all or substantially all of its and its Affiliates' assets (whether by merger, stock sale, asset sale or otherwise); or (c) on a Product-by-Product or Product-by-Country basis to a successor to or purchaser of all or substantially all of Allergan's assets relating to such Product (whether by merger, stock sale, asset sale or otherwise) on a global or country-by-country basis.
- (b) Teva may not assign this Agreement, in whole or in part, without the prior written consent of Allergan. Notwithstanding the foregoing, Teva may assign this Agreement without Allergan's prior written consent (a) in whole or on a Facility-by-Facility basis to any of its controlled Affiliates; (b) in whole to a purchaser of all or substantially all of its and its Affiliates' assets (whether by merger, stock sale, asset sale or otherwise); or (c) on a Facility-by-Facility basis to a successor to or purchaser of all or substantially all of Teva's assets relating to such Facility (whether by merger, stock sale, asset sale or otherwise) unless any such assignment of a Facility would increase the Cost of Goods for any Products Processed or Packaged at such Facility, in which case (i) Teva shall make Allergan whole for any increase in the Supply Price for any Product and/or other amounts owed under this Agreement to the extent resulting from such assignment, for the remainder of the Term; and (ii) Teva shall not be entitled to claim an Exceptional Item in connection with any such reduction of capacity or increase in the Cost of Goods.
- (c) In the event that a Party assigns its obligations hereunder as permitted by this Section, (i) the assignee shall agree in writing to be bound to all of the assigning Party's obligations hereunder; and (ii) (A) to the extent that any assignment by Allergan pursuant to Section 21.3(b) in and of itself (1) results in any additional withholding or deduction of Taxes from any payments made to Teva under this Agreement that would not have been required absent such assignment, then Allergan shall increase the amount of any payments to which such additional withholding or deduction applies so that after such withholding has been made (including such withholdings and deductions applicable to additional sums applicable under this Section 21.3) Teva receives an amount equal to the payment it would have received had no such additional withholding or deduction been made; and/or (2) increases the amount of taxes payable by Teva over what it would have had to pay in the absence of such assignment, then Allergan shall indemnify and hold harmless Teva for the amount of any such increase; and (B) to the extent that any assignment by Teva pursuant to Section 21.3(b) in and of itself (1) results in any additional withholding or deduction of Taxes from any payments made to Teva under this Agreement that would not have been required absent such assignment, then Allergan shall reduce the amount of any payments to which such additional withholding or deduction applies so that after such withholding has been made (including such withholdings and

deductions applicable to additional sums applicable under this Section 21.3) Allergan can pay such Taxes; and/or (2) increases the amount of taxes payable by Teva over what it would have had to pay in the absence of such assignment, then Teva shall pay such taxes and shall indemnify and hold harmless Allergan for the amount of any such increase. At the request of the assigning Party, the non-assigning Party shall consider in good faith any proposals by the assigning Party to mitigate the impact of any additional withholding or tax increase resulting from such assignment.

- 21.4 **Governing Law.** This Agreement (and any Claim or controversy arising out of or relating to this Agreement) shall be governed by and construed in accordance with the laws of the State of New York without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the State of New York. Neither this Agreement nor any right or obligation of any of the Parties under this Agreement shall be governed by the U.N. Convention on Contracts for the International Sale of Goods, and the Parties expressly waive or disclaim, as the case may be, any right or obligation they may have under this Agreement pursuant to the U.N. Convention on Contracts for the International Sale of Goods.
- 21.5 **Jurisdiction.** Each Party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of any New York State court, or Federal court of the United States of America, sitting in New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each Party hereto hereby irrevocably and unconditionally (a) agrees not to commence any such action or proceeding except in such courts; (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by applicable Law, in such Federal court; (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in any such New York State or Federal court and (d) waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such New York State or Federal court. Each Party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law. Each Party hereto irrevocably consents to service of process in the manner provided for notices in Section 21.11. Nothing in this Agreement will affect the right of any Party hereto to serve process in any other manner permitted by Applicable Law.
- 21.6 **Specific Performance.** The Parties acknowledge that, in view of the uniqueness of the Acquired Assets and the transactions contemplated by this Agreement, no Party would have an adequate remedy at law for money damages in the event that this Agreement has not been performed in accordance with its terms, and therefore each Party agrees that the other Parties shall be entitled to specific enforcement of the terms hereof, in addition to any other remedy to which they may be entitled (in accordance with Section 21.5), at law or in equity.
- 21.7 **Representation by Counsel.** Each Party hereto represents and agrees with each other that it has been represented by or had the opportunity to be represented by, independent counsel of its own choosing, and that it has had the full right and opportunity to consult with its respective attorney(s), that to the extent, if any, that it desired, it availed itself of this right and opportunity, that it or its authorized officers (as the case may be) have carefully read and fully understand this Agreement and the Ancillary Agreements in their entirety and have had them fully explained to

them by such Party's respective counsel, that each is fully aware of the contents thereof and their meaning, intent and legal effect, and that it or its authorized officer (as the case may be) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence.

- 21.8 Dispute Resolution. Allergan and Teva (the "parent Parties" for the purposes of this Section 21.8) agree that any dispute under this Agreement involving any Affiliate of either Party shall be escalated to the relevant parent Party and such parent Party shall have the sole right to bring an enforcement action in respect of any claims hereunder on behalf of itself or its Affiliates.
- 21.9 Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof.
- 21.10 Counterparts; Signature Pages. The Parties may execute this Agreement in one or more counterparts, each of which will be deemed an original and all of which, when taken together, will be deemed to constitute one and the same agreement. Any signature page hereto delivered by facsimile machine or by e-mail (including in portable document format (pdf), as a joint photographic experts group (jpg) file, or otherwise) shall be binding to the same extent as an original signature page, with regard to any agreement subject to the terms hereof or any amendment thereto and may be used in lieu of the original signatures for all purposes. Any Party that delivers such a signature page agrees to later deliver an original counterpart to any Party that requests it.
- 21.11 Notices. All notices, requests, Claims, demands or other communications required or permitted to be given hereunder shall be in writing and may be delivered by hand, by air mail, by nationally recognized private courier (for delivery in no fewer than two (2) Business Days with return receipt requested), or by facsimile. Except as provided otherwise herein, notices delivered by hand shall be deemed given upon receipt; notices delivered by air mail shall be deemed given ten (10) days after being deposited in the mail system, postage prepaid with return receipt requested; notices delivered by nationally recognized private courier shall be deemed given upon receipt; and notices delivered by facsimile shall be deemed given twenty-four hours (24) after the sender's receipt of confirmation of successful transmission. If a notice deemed given upon receipt is given after 5:00 p.m. in the place of receipt (the Parties understand and agree that the foregoing applies only to notice and not to copies), such notice will be deemed given on the next succeeding Business Day. All notices shall be addressed as follows:

If to Allergan:

Allergan PLC
Clonshaugh Business and Technology Park
Coolock
Dublin
D17 E400
Ireland
Attention: Chief Legal Officer and Secretary
Facsimile: +1 (862) 261-8043

with copies to (which shall not constitute notice):

Latham & Watkins LLP
885 Third Avenue
New York, NY 10022-4834
Attn: Charles K. Ruck
R. Scott Shean
Facsimile: +1 (212) 751-4864

If to Teva:

Teva Pharmaceutical Industries Ltd.
5 Basel Street
Petach Tikva 4951033
Israel
Attention: Chief Legal Officer
Facsimile: +11 972 3 926-7896

with a copy (which shall not constitute notice) to:

Morgan, Lewis & Bockius LLP
502 Carnegie Center
Princeton, NJ 08540
Attn: Randall B. Sunberg
David G. Glazer
Facsimile: +1 (609) 919-6701

or to such other addresses provided to the other Party in accordance with the terms of this Section.

- 21.12 Entire Agreement. Without limiting the rights and obligations of the Parties under the Purchase Agreement and the other Ancillary Agreements, this Agreement (together with the Quality Agreements, Safety Agreements and the Product Addenda) and all Schedules hereto, constitutes the full, complete, final and integrated agreement between the Parties hereto relating to the subject matter hereof and supersedes all previous written or oral negotiations, commitments, agreements, transactions, or understandings with respect to the subject matter hereof, including the Term Sheet. In the event of any inconsistency in respect of any non-technical terms between this Agreement and any Quality Agreement, Safety Agreement or the Purchase Agreement, the terms of this Agreement shall prevail.
- 21.13 Severability. In the event that any provision of this Agreement or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties. Further, the Parties agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.
- 21.14 Amendments: No Waiver. No provision of this Agreement (including any Product Addenda) may be amended, revoked or waived except in an instrument signed and delivered by a duly authorized officer of each Party. No failure or delay on the part of either Party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise

of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be deemed a waiver of any other right hereunder.

- 21.15 Currency. Unless otherwise indicated, all dollar amounts in this Agreement (including in the Schedules) are in the lawful currency of the United States of America.
- 21.16 Validity. Should any part or provision of this Agreement be held unenforceable or invalid, the invalid or unenforceable provision shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such provision in a valid and enforceable manner, and the remainder of this Agreement shall remain binding upon the Parties.
- 21.17 Further Assurance. Each Party shall and shall procure that each of its Affiliates shall, at its own cost, promptly execute and deliver all such documents, and do all such things, as the other Party may from time to time reasonably require for the purpose of giving full effect to the provisions of this Agreement and to secure for the other Party the full benefit of the rights, powers and remedies conferred upon it under this Agreement.
- 21.18 Headings. The descriptive headings in this Agreement are inserted for the convenience of reference only and are not intended to be part of or affect the meaning of or interpretation of this Agreement.
- 21.19 Interpretation. Except where the context expressly requires otherwise, (a) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (b) the word "will" shall be construed to have the same meaning and effect as the word "shall"; (c) any reference herein to any Person shall be construed to include the Person's successors and permitted assigns; (d) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof; (e) all references herein to Sections, Exhibits or Schedules shall be construed to refer to Sections, Exhibits or Schedules of this Agreement, and references to this Agreement include all Exhibits and Schedules hereto; (f) the word "notice" means notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement; (g) provisions that require that a Party, the Parties or any committee hereunder "agree," "consent" or "approve" or the like shall require that such agreement, consent or approval be specific and in writing; (h) references to any specific law, rule or regulation, or article, section or other division thereof, shall be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof; (i) the term "or" shall be interpreted in the inclusive sense commonly associated with the term "and/or"; (j) references herein to this "Agreement" shall be deemed to include any Product Addendum entered into pursuant hereto, subject to the preceding sentence; and (k) references herein to a Party shall mean, so far as the context requires, reference to such Party's Product Addendum Party for the applicable Product.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized officers as of the date first above written.

ALLERGAN PLC

By: 

Name: A. Robert D. Bailey

Title: Executive Vice President, Chief Legal Officer & Corporate Secretary

(Signature Page to Supply Agreement)

TEVA PHARMACEUTICAL INDUSTRIES, LTD

By: _____
Name: _____
Title: _____

By: _____
Name: *Leah Marvi Smit*
Title: *SVP, Corp. and Genl. Teva IMB*

LEGAL AFFAIRS
#8

[Signature Page to Supply Agreement]

SCHEDULE 1
PRODUCT LIST

	Proposed Brand Name	Proposed Generic Name	Proposed Strength	Proposed Dosage Form
1.	Actigall	Ursodiol	No	Yes
2.	Actonel	Risderonate sodium	Yes	No
3.	Alora	Estradiol	No	No
4.	Androderm	Testosterone	No	No
5.	Bezalip	Bezalip	Yes	No
6.	Carafate Suspension	Carafate	No	No
7.	Cordran Tape	Flurandrenolide	No	No
8.	Crinone Gel	Progesterone	No	No
9.	Estradiol Cream	Estradiol	No	No
10.	Estrostep FE	Norethindrone	No	Yes
11.	Femcon FE /Wymza FE	Norethindrone	No	No
12.	Femhrt	Norethindrone	No	Yes
13.	Femring	Estradiol Acetate	No	No
14.	Fiorinal	Fiorinal	No	Yes
15.	Fiorinal with Codeine	Fiorinal with Codeine	No	Yes
16.	Gelnique	Oxybutynin	No	No
17.	Generess	Generess	No	No
18.	Generess FE	Generess	No	Yes
19.	Kadian	Kadian Mser	No	Yes
20.	Linzess	Linacotide	No	No
21.	Lo Loestrin	Norethindrone	No	No
22.	Loestrin	Norethindrone	No	No
23.	Microzide	Microzide	No	Yes
24.	Minastrin	Norethindrone	No	No
25.	Norco	Hydrocodone	No	Yes
26.	Nor-QD	Nor-QD	No	Yes
27.	Oxytrol	Oxibutinine	Yes	No
28.	Rapaflo	Sildenafil	No	No
29.	Soriatane	Soriatane	Yes	No
30.	Sucralfate	Sucralfate	No	No

SCHEDULE 2
PRODUCTION FEES

1	8%
2	8%
3	8%
4	8%
5	10%

SCHEDULE 3

QUALITY AGREEMENT REQUIREMENTS

1. TEVA SUPPLY QUALITY AGREEMENT

1.1 This Quality Agreement covers:

- (a) the manufacture and supply by Teva of Products for which Allergan owns the applicable Regulatory Registration, where Allergan will commercially distribute such Products; and
- (b) the manufacture and supply by Teva for Teva of Authorized Generic products for which Allergan owns the applicable Regulatory Registration, where Teva will commercially distribute such products.

2. ALLERGAN SUPPLY QUALITY AGREEMENT

2.1 This Quality Agreement covers:

- (a) the manufacture and supply by Allergan of products for which Teva owns the applicable Regulatory Registration, where Teva will commercially distribute such products;
- (b) the manufacture and supply by Allergan for Teva of Authorized Generic products for which Allergan owns the applicable Regulatory Registration, where Teva will commercially distribute such products; and
- (c) the manufacture and supply by Allergan for Teva of the Aptalis France Products, for which Allergan owns or will own the applicable Regulatory Registration.

SCHEDULE 4

SAFETY AGREEMENT REQUIREMENTS

1. ONE-WAY REPORTING TO TEVA SAFETY AGREEMENT

- 1.1 This Safety Agreement covers the one-way reporting obligation to Teva and its Affiliates in respect of products in respect of which Teva or an Affiliate of Teva has acquired the applicable Regulatory Registration from Allergan or an Affiliate of Allergan pursuant to Teva's acquisition of the Business from Allergan, but in respect of which Allergan or an Affiliate of Allergan may inadvertently receive adverse event cases.

2. ONE-WAY REPORTING TO ALLERGAN SAFETY AGREEMENT

- 2.1 This Safety Agreement covers the one-way reporting obligation to Allergan and its Affiliates in respect of:
- (a) products for which Allergan or an Affiliate of Allergan owns the applicable Regulatory Registration, in respect of which Teva or an Affiliate of Teva may inadvertently receive adverse event cases;
 - (b) Authorized Generic products manufactured by Allergan or an Affiliate of Allergan for Teva or an Affiliate of Teva and for which Allergan or an Affiliate of Allergan owns the applicable Regulatory Registrations, where Teva or an Affiliate of Teva acts as distributor of such products;
 - (c) Authorized Generic products manufactured by Teva or an Affiliate of Teva for Teva or an Affiliate of Teva and for which Allergan or an Affiliate of Allergan owns the applicable Regulatory Registrations, where Teva or an Affiliate of Teva acts as distributor of such products; and
 - (d) Originator products for which the applicable Regulatory Registrations were owned by Transferred Entities pre-Closing but which Allergan will retain as part of the Retained Business, and for which the applicable Regulatory Registrations therefore have been transferred or will be transferred to a Retained Entity, and in respect of which Teva may inadvertently receive adverse event cases.

3. TRANSFERRED BRANDS TWO-WAY REPORTING SAFETY AGREEMENT

- 3.1 This Safety Agreement covers two-way reporting between Allergan and its Affiliates and Teva and its Affiliates in respect of the Transferred Brand Products.

SCHEDULE 5

TEVA INSURANCE REQUIREMENTS

1.1 Teva Insurance Requirements.

- (a) Worker Compensation, including Occupational Disease with statutory limits in accordance with all Applicable Laws;
- (b) Employer's Liability Insurance with minimum limits of 1,000,000 each accident and a 1,000,000 disease policy limit; and
- (c) Comprehensive General Liability Insurance with minimum limits of 10,000,000 per occurrence and 10,000,000 aggregate for bodily injury and property damage.

SCHEDULE 6

PRO FORMA PRODUCT ADDENDUM

This Product Addendum is entered into on the Effective Date, by and between [Allergan Party] ("Allergan Product Addendum Party") and [Teva Party] ("Teva Product Addendum Party").

WHEREAS, Allergan Product Addendum Party and Teva Product Addendum party are Affiliates of the Parties to that certain Supply Agreement, executed simultaneously herewith (the "Agreement"), pursuant to which Teva agrees to supply certain Products to Allergan.

1. DEFINITIONS

- 1.1 Capitalized terms which are not defined herein shall have the meaning given in the Agreement, and references herein to "Sections" shall be construed to refer to Sections of the Agreement.

2. INCORPORATION OF TERMS

- 2.1 This Product Addendum is entered into between Allergan Product Addendum Party and Teva Product Addendum Party pursuant to, and in accordance with, the terms of the Agreement, which is hereby incorporated by reference into this Product Addendum, amended only to the extent specified in Appendix 1¹ hereto as a "Special Term".

3. CONFLICT WITH THE AGREEMENT

- 3.1 To the extent there are any inconsistencies or conflicts between this Product Addendum and the Agreement, the Agreement shall control unless otherwise expressly agreed to in writing by the Parties or otherwise expressly set forth herein as a "Special Term".

4. SCOPE

- 4.1 Subject to the terms and conditions of the Agreement, Teva Product Addendum Party shall Process, Package and/or Release the Product(s) and perform the Additional Services, as set out in Appendix 1² hereto and in consideration therefor, Allergan Product Addendum Party shall pay Teva Product Addendum Party the applicable Supply Price and Additional Service Fee, if any, for the Product(s).

¹ Or the Appendices, as applicable.

² Or the Appendices, as applicable.

IN WITNESS WHEREOF, the parties have caused this Product Addendum to be executed by their respective duly authorized officers as of the date first above written.

[FULL LEGAL NAME OF ALLERGAN PRODUCT ADDENDUM PARTY SIGNING ENTITY]

By: _____

Name:

Title:

[FULL LEGAL NAME OF TEVA PRODUCT ADDENDUM PARTY SIGNING ENTITY]

By: _____

Name:

Title:

APPENDIX 1

PRODUCT ADDENDUM DETAILS

Product					
Description	SKU	Market	Raw Materials Base Price³ (EUR/USD)	Non-Raw Materials Base Price⁴ (EUR/USD)	Regulatory Registration No.
Type					
Deviation from Shelf Life Requirement set out on Section 5.8, if any					
Deviation from Lead Time set out on Section 4.2, if any					
Minimum Order Quantity, if any					
Manufacturing Facility					
Packaging Facility					
ECA Collection Site					
For Pass-Through Products only, Details of Relevant Third Party Contract					
For Pass-Through Products only, any Ordering and Forecasting exceptions from Third Party Contract, if any in accordance with Section 4.4					
Description of any Additional					

³ Or Pass-Through Price, as applicable.

⁴ Or Pass-Through Conversion Price, as applicable.

Service(s) to be provided, if any, details of whether such service is included in the Base Price or whether an Additional Service Fee is applicable

Any Special Terms

Any additional provisions

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