PART B

IN THE DISTRICT COURT OF CLEVELAND COUNTY
STATE OF OKLAHOMA

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 3

DISTRIBUTION AND SUPPLY AGREEMENT

BY AND BETWEEN

PURDUE PHARMA L.P.

AND

TEVA PHARMACEUTICALS USA, INC.

DATED AS OF

DECEMBER 12, 2014

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DISTRIBUTION AND SUPPLY AGREEMENT

THIS DISTRIBUTION AND SUPPLY AGREEMENT is dated as of December 12, 2014, by and between Purdue Pharma L.P., a Delaware limited partnership ("Purdue"), and Teva Pharmaceuticals, USA, Inc., a Delaware corporation (the "Distributor").

PRELIMINARY STATEMENTS

A. Purdue, directly or indirectly through its Affiliates, manufactures, distributes, markets and sells the Branded Products in the Territory.

B. Subject to the terms and conditions of this Agreement, Purdue desires to engage Distributor as an authorized, non-exclusive distributor to distribute, market and sell the Products in the Territory directly or through an Affiliate.

C. Subject to the terms and conditions of this Agreement, Distributor desires to obtain from Purdue the right to distribute, market and sell the Products in the Territory.

D. NOW, THEREFORE, in consideration of the foregoing and of the terms, conditions, agreements and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATIONS

1.1 Definitions. For purposes of this Agreement:

"Agreement" means this Distribution and Supply Agreement, together with all schedules attached hereto, as the same may be amended or supplemented from time to time, by written agreement of the Parties.

"ANDA" means an abbreviated new drug application seeking approval for a drug under Section 505(j) of the Federal Food, Drug and Cosmetic Act, and the rules, regulations and guidelines promulgated thereunder, and FDA's implementing regulations, including all amendments and supplements, filed pursuant to the requirements of the FDA, including all documents, data and other information concerning such drug submitted as part of the application or in amendments or supplements thereto that are necessary for FDA approval to market the drug in the Territory.

"API" means active pharmaceutical ingredient.

"Bankruptcy Code" has the meaning set forth in Section 10.2.2.

"Bottle" means a bottle of Product containing 100 tablets.

"Branded Product" means any of Purdue's branded products listed on Schedule 1.1A.

"Bundled Product" means a product offered or sold in combination with one or more of Distributor's other products.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in the City of New York are authorized or required by Law to close.

"Certificate of Analysis" means the certificate of analysis for each Product in the form attached hereto as Schedule 3.3.5A.

"Certificate of Compliance" means the certificate of compliance for each Product in the form attached hereto as Schedule 3.3.5B.

"Commercially Reasonable Efforts" means, with respect to a given goal, the efforts, consistent with the practice of comparable pharmaceutical companies with respect to a pharmaceutical product owned by it or to which it has rights of comparable market potential at a similar stage in its product life (taking into account the competitiveness of the marketplace, the proprietary position of the applicable active ingredient, the regulatory structure involved, and the profitability of the product), that a reasonable person in the position of the obligor would use so as to achieve that goal as expeditiously as possible.

"Confidential Information" means all secret, confidential or proprietary information or data, whether provided in written, oral, graphic, video, computer or other form, provided by one Party or its Affiliates or representatives (the "Disclosing Party") to the other Party or its Affiliates or representatives (the "Receiving Party") pursuant to this Agreement or generated pursuant to this Agreement, including any information or reports the Receiving Party may generate, the terms but not the fact of this Agreement and any other materials that have not been made available by the Disclosing Party to the general public. Notwithstanding the foregoing sentence, Confidential Information will not include any specific portion of any information or materials that:

(a) were already known to the Receiving Party (other than under an obligation of confidentiality) at the time of disclosure by the Disclosing Party to the extent such Receiving Party has documentary evidence to that effect;

(b) were generally available to the public at the time of their disclosure to the Receiving Party;

(c) became generally available to the public after their disclosure or development, as the case may be, other than through any act or omission of a Party in breach of such Party's confidentiality obligations under this Agreement;

(d) were disclosed to a Receiving Party, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to others; or

(e) are independently developed by employees, authorized agents or independent contractors of the Receiving Party without use of, reference to or reliance upon the

information furnished by the Disclosing Party, as evidenced by documentary evidence to that effect or other competent proof.

The above exceptions will not apply to (i) any individual parts of the Confidential Information merely because such parts are included in more general information, or (ii) any specific combination of the items found in the Confidential Information merely because such combination can be pieced together from multiple sources, none of which shows the whole combination.

"Convicted" means (i) when a judgment or conviction has been entered by a federal or state court in the Territory, regardless of whether there is an appeal pending; (ii) when a plea of guilty or nolo contendere has been accepted by a federal or state court in the Territory; or (iii) when a party has entered into participation in a first offender, deferred adjudication or other similar arrangement or program where a judgment of conviction in a federal or state court in the Territory has been withheld.

"Cost of Goods Payment" means the payment by Distributor of Purdue's cost of goods as set forth in Schedule 1.1C.

"CPA Firm" has the meaning set forth in Section 4.2.2.

"DEA" means the United States Drug Enforcement Administration, or any successor agency with responsibilities comparable to those of the United States Drug Enforcement Administration.

"Disclosing Party" has the meaning set forth in the definition of Confidential Information.

"Distribution Agreement Effective Date" means April 1, 2015.

"Distributor" has the meaning set forth in the first paragraph of this Agreement.

"Distributor's ANDA" means ANDA No. 202455 as may be supplemented or amended.

"FDA" means the United States Food and Drug Administration, or any successor agency with responsibilities comparable to those of the United States Food and Drug Administration.

"FDA Approval" means final and effective approval by the FDA of Distributor's ANDA to market certain generic versions of controlled-release oxycodone products as described therein in the Territory.

"Force Majeure Event" has the meaning set forth in Section 11.1.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"Good Manufacturing Practices" means current good manufacturing practices (i) requirements of the FDA, as set forth in 21 C.F.R. Parts 210 and 211, as amended from time

to time, and (ii) set forth in all other Laws applicable to the manufacture of the Products that are in effect at the time and place of manufacture of the Products.

"Governmental Authority" means within the Territory any (i) federal, state or local government; (ii) court, arbitral or other tribunal or governmental or quasi governmental authority of any nature (including any governmental agency, political subdivision, instrumentality, branch, department, official, or entity); or (iii) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature pertaining to government.

"Inventoried Remaining Product" has the meaning set forth in Section 4.5.1.

"Involuntary Recall" has the meaning set forth in Section 8.2.2.

"Label" means any label, labeling, package inserts and packaging designed for use with a Product.

"Laws" means all applicable laws, rules, regulations, judgments, orders, subpoenas, decrees, statutes, ordinances and other requirements of any Governmental Authority or instrumentality within the Territory.

"Losses" means any and all expenses (including reasonable attorneys' fees), demands, liabilities, damages or money judgments.

"Monthly Report" has the meaning set forth in Section 4.2.1.

"NDA 022272" means Purdue's New Drug Application No. 022272 including all amendments and supplements thereto.

"NDC" means National Drug Code number.

"Net Sales" means the aggregate gross sales amount received for Product by Distributor and its Affiliates on an arms-length basis from Third Parties in the Territory, less the following deductions, all determined, except for clause (v) below, in accordance with Distributor's standard practices for other pharmaceutical products and in accordance with GAAP, as reflected in Distributor's financial statements and as applied on a consistent basis and measured in United States Dollars:

(i) two percent (2%) of gross sales in the Territory to cover cash discounts given by Distributor (and its Affiliates);

(ii) reasonable estimates (to be adjusted to actual as available) for any adjustments on account of price adjustments, billing adjustments, shelf stock adjustments, promotional payments, or other similar allowances affecting the Product;

(iii) reasonable estimates (to be adjusted to actual as available) for chargebacks, rebates, administrative fee arrangements, reimbursements, and similar payments to wholesalers and other distributors, buying groups, health care insurance

carriers, pharmacy benefit management companies, health maintenance organizations, other institutions or health care organizations or other customers;

(iv) reasonable estimates (to be adjusted to actual as available) for amounts due to Third Parties on account of rebate payments, including Medicaid rebates, or other price reductions provided, based on sales by Distributor and its Affiliates to any governmental or regulatory authority in respect of state or federal Medicare, Medicaid or similar programs;

(v) any government mandated manufacturing tax, including, without limitation, the brand manufacturer's tax imposed pursuant to the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) (as amended or replaced);

(vi) reasonable estimates (to be adjusted to actual as available) for allowances and credits to third parties on account of rejected, damaged, returned or recalled Product; and

(vii) other specifically identifiable amounts that have been credited against or deducted from gross sales of the Product and which are substantially similar to those credits and deductions listed above.

"Net Profit" shall mean Net Sales less Cost of Goods Payment.

"oxycodone" means oxycodone, oxycodone base and any of its salts.

"Oxycodone Product" has the meaning set forth in the Settlement Agreement.

"Party" means Purdue or Distributor and, when used in the plural, means Purdue and Distributor.

"Patent License Agreement" means the Patent License Agreement among the Parties and the other signatories thereto, dated as of the date hereof.

"Person" means any individual, group, corporation, partnership, joint venture, limited liability company, trust, business association, organization, Governmental Authority, a division or operating group of any of the foregoing or other entity or organization, including any successors or assigns (by merger or otherwise) of any such entity.

"Product" means, except when used in "Branded Products", any of the authorized generic versions of the Branded Products listed on Schedule 1.1B. Each NDC (dosage strength) listed on Schedule 1.1B will constitute a separate Product.

"Product Integrity Program" means the activities and security controls that Purdue will require Distributor to follow as set forth on Schedule 1.1D, as may be amended by Purdue from time to time, in its sole discretion.

"Purdue" has the meaning set forth in the first paragraph of this Agreement.

"Purdue NDAs" means NDA 022272 and NDA 020553, including all amendments and supplements thereto.

"Quality Agreement" means the Quality Agreement to be mutually agreed between the Parties on or before the Distribution Agreement Effective Date.

"Quarterly Report" has the meaning set forth in Section 4.1.

"Receiving Party" has the meaning set forth in the definition of Confidential Information.

"Royalty Certificate" has the meaning set forth in Section 4.1.

"Royalty Payments" has the meaning set forth in Section 4.1.

"Selling Period" means the period beginning at 12:01 a.m., New York City time, on the Distribution Agreement Effective Date and ending on the Selling Termination Date.

"Selling Termination Date" means the earliest of (i) the date on which Distributor has sold the entire Supply Amount but in no event later than December 31, 2022, (ii) the Terminal Date (as defined in the Settlement Agreement), and (iii) the date on which this Agreement is terminated pursuant to Section 10.1 or 10.2 hereof.

"Settlement Agreement" means the Settlement Agreement, dated as of the date hereof, by and among Purdue, The P.F. Laboratories, Inc., a New Jersey corporation, Purdue Pharmaceuticals L.P., a Delaware limited partnership, Rhodes Technologies, a Delaware general partnership, and Distributor.

"Specifications" means, for a Product, such specifications (other than indicia and name) for such Product as set forth in NDA 022272, as the same may be amended from time to time after the date of this Agreement.

"Supply Amount" has the meaning set forth in Section 3.1.1.

"Supply Year" means each calendar year during the Selling Period.

"Term" has the meaning set forth in Section 10.1.

"Territory" means the United States of America, its territories and possessions.

"Third Party" means any Person who or which is neither a Party nor an Affiliate of a Party.

"Trade" means wholesalers, chains, distributors, retailers, pharmacies, mail order pharmacies or any other classes of trade that participate in the distribution or sale of pharmaceutical products.

"Voluntary Recall" has the meaning set forth in Section 8.2.1.

Capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings set forth in the Settlement Agreement or the Patent License Agreement, as applicable.

1.2 Interpretations.

1.2.1 In the event an ambiguity or a question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

1.2.2 The definitions of the terms herein apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation." Unless the context requires otherwise, (A) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (B) any reference to any Laws herein will be construed as referring to such Laws as from time to time enacted, repealed or amended, (C) any reference herein to any Person will be construed to include the Person's successors and assigns, (D) the words "herein", "hereof" and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (E) any reference herein to the words "mutually agree" or "mutual written agreement" will not impose any obligation on either Party to agree to any terms relating thereto or to engage in discussions relating to such terms except as such Party may determine in such Party's sole discretion, and (F) all references to Articles, Sections, Exhibits or Schedules herein without a reference to any other agreement, will be construed to refer to Articles, Sections, Exhibits and Schedules of this Agreement.

ARTICLE II

DISTRIBUTORSHIP/APPOINTMENT

2.1 Appointment/Authorization.

2.1.1 Subject to the terms and conditions set forth in this Agreement, upon and as of the Distribution Agreement Effective Date, Purdue appoints Distributor as an authorized non-exclusive distributor of the Products in the Territory not to exceed the Supply Amount during the Selling Period or to exceed the Maximum Supply Quantity specified for any Supply Year, and in connection with such appointment, grants to Distributor a limited non-exclusive, non-transferable license to market, distribute and sell the Products in the Territory, in amounts not to exceed the Supply Amount or to exceed the Maximum Supply Quantity specified for any Supply Year pursuant to the terms of this Agreement.

2.1.2 Subject to the terms and conditions set forth in this Agreement, Distributor accepts the appointment as an authorized distributor of the Products in the Territory from and after the Distribution Agreement Effective Date as provided in Section 2.1.1.

2.1.3 In consideration of the rights granted by Purdue to Distributor pursuant to this Section 2.1, Distributor will pay to Purdue each Cost of Goods Payment and Royalty Payment in accordance with, the terms of Article IV.

2.1.4 Purdue specifically reserves the right, at its sole discretion, either directly or through its Affiliates or Third Parties, to: (i) manufacture, distribute and sell the Products to Distributor pursuant to this Agreement; and (ii) develop, manufacture, market, distribute and sell any products (including the Products and the Branded Products) anywhere in the world, including in the Territory.

2.1.5 No rights, titles, interests, licenses, waivers, releases, authorizations or covenants (either express or implied) other than those expressly granted in this Section 2.1 have been or are granted (or should be construed to be granted) by or under this Agreement to Distributor in respect of the Purdue NDAs or any other intellectual property or drug applications owned or controlled by Purdue or any of its Affiliates or with respect to the Products or the Branded Products.

2.1.6 Purdue hereby covenants that neither it, nor any of its Affiliates, will sue, assert any claim or counterclaim against or otherwise participate in any action or proceeding in the United States against Distributor, its Affiliates or purchasers of Product claiming that the sale or offer for sale of the Product during the Selling Period solely pursuant to, and in accordance with, this Agreement infringes any patents owned, licensed or controlled by Purdue or its Affiliates now or in the future. This covenant not to sue shall be non-transferable (except as provided in Section 11.3 of this Agreement). Nothing in this Section 2.1.6 shall be interpreted to prohibit Purdue or its Affiliates from suing, asserting any claim or counterclaim against or otherwise participating in any action or proceeding against Distributor or its Affiliates not specifically precluded by this Section 2.1.6 including, without limitation, in order to enforce this Agreement, the Settlement Agreement or the Consent Judgments (as defined in the Settlement Agreement).

2.2 Limitation on Rights.

2.2.1 Distributor is, and will remain subject at all times prior to, during and following the Term, to the terms and conditions of the Settlement Agreement.

2.2.2 Distributor hereby acknowledges Purdue's ownership of the Purdue NDAs. Pursuant to the Settlement Agreement and the terms of this Agreement, neither Distributor nor its Affiliates will (i) directly or indirectly contest the validity of the Purdue NDAs or the right and title of Purdue therein and thereto, or (ii) claim or represent that under this Agreement Distributor has acquired any title in, ownership of, or right of reference to, the Purdue NDAs or any other Purdue intellectual property or new drug application.

2.2.3 Neither Distributor nor its Affiliates will use NDA 022272 in any way other than in accordance with this Agreement.

2.2.4 Except pursuant to the terms of the Settlement Agreement, the Patent License Agreement and this Agreement, Distributor will not, directly or indirectly through its Affiliates or Third Parties solicit offers for sale, offer to sell, sell, ship, or cause to be shipped into interstate commerce for commercial sale in the Territory, or make, have made, import, develop, acquire, license, distribute, promote or market in the Territory, any Oxycodone Products prior to the Terminal Date.

2.2.5 Except as provided in Section 11.3, without the prior written consent of Purdue, which may be withheld in Purdue's sole discretion, Distributor will not grant sub-licenses or otherwise assign or grant an interest in any of its rights or obligations under this Agreement, in whole or in part, to any Third Parties.

2.2.6 No determination that any patents or any other intellectual property rights of Purdue have been terminated or exhausted may be based on any activity by Distributor or its Affiliates under the Agreement.

2.3 Distributor Obligations.

2.3.1 Commencing on the Distribution Agreement Effective Date, Distributor will use Commercially Reasonable Efforts to market, sell and distribute and will be responsible for marketing, sales and distribution of, the Products to the Trade throughout the Territory, including all operations relating to any of the foregoing (including pricing, invoicing, collections, customer returns, contracting, and rebates, including Medicaid rebates), and Distributor will comply with all Laws relating to all of the foregoing.

2.3.2 Distributor will market, sell and distribute all Products with the approved Label pursuant to Section 3.1.5.

2.4 Meetings. The Parties will meet in person or by teleconference as needed, at such times and locations as are mutually acceptable to the Parties, to discuss each Party's obligations under this Agreement and any disputes relating to the performance by each Party of its obligations hereunder. In connection with the foregoing, each Party will be responsible for all travel and related costs and expenses for its attendees at all such meetings in accordance with this Section 2.4.

ARTICLE III

GENERAL TERMS OF SUPPLY

3.1 Sales and Supply of Product.

3.1.1 Subject to the terms and conditions of this Agreement, Distributor is authorized to sell 52,521 Bottles of 10 mg dosage strength Product, 56,309 Bottles of 20 mg dosage strength, 38,056 Bottles of 40 mg dosage strength Product and 25,314 Bottles of 80 mg dosage strength Product during the calendar year ending December 31, 2015. Thereafter, during each subsequent Supply Year of the Selling Period, Distributor shall be authorized to sell Product in an amount equal to the Maximum Supply Quantity (the aggregate amount of all

Product as provided in this Section 3.1.1, the "Supply Amount"), allocated among dosage strengths in accordance with the Market Mix.

The Maximum Supply Quantity Percentage for each calendar year during the Selling Period shall be as set forth below:

Year	Maximum Supply Quantity Percentage
2016	4.3%
2017	7.0%
2018	7.5%
2019	1.5%
2020	1.5%
2021	1.5%
2022	1.5%

Notwithstanding the foregoing, Distributor may vary any dosage strength from the Market Mix by up to 10% for any calendar year after 2015 during the Selling Period provided that the Maximum Supply Quantity is not increased for such calendar year. If Distributor does not sell all of the Bottles authorized to be sold by it in 2015, Distributor may sell such unsold Bottles in an amount not to exceed 10% of the 2015 authorized amount in 2016. After Supply Year 2015, Distributor may sell up to 10% of the Maximum Supply Quantity that remains unsold at the end of any Supply Year through 2018 in the next succeeding Supply Year. For Supply Years 2019 through 2022, Distributor may sell any of the Maximum Supply Quantity that remains unsold at the end of any Supply Year in the next succeeding Supply Year.

For purposes of this Section 3.1, "Market Mix" for each Supply Year other than 2015 means the allocation of prescriptions among the 10 mg, 20 mg, 40 mg and 80 mg dosage strengths in accordance with the representative percentages of prescriptions for each of the 10 mg, 20 mg, 40 mg, and 80 mg dosage strengths in the aggregate as reflected in the IMS Health National Prescription Audit Report ("NPA") showing prescriptions for the six-month period ending on June 30 of the calendar year immediately preceding the Supply Year for which such determination is being made and "Maximum Supply Quantity" for any Supply Year during the Selling Period other than 2015 means the number of Bottles determined by multiplying the Maximum Supply Quantity Percentage set forth in Section 3.1 for that calendar year by the cumulative amount (measured in kilograms) of all Oxycodone Product prescriptions either filled (i) by or for Purdue or (ii) under or pursuant to a license, covenant not to sue or supply agreement from or with Purdue or any of its Affiliates (as defined in the Settlement Agreement) based on an NPA report issued by IMS Health showing prescriptions for such products sold in the Territory during the twelve-month period ended on June 30 of the calendar year immediately preceding the Supply Year for which such determination is being made.

3.1.2 Simultaneously with the execution of this Agreement, Distributor is placing a written purchase order for calendar year 2015, a copy of which is attached as Schedule 3.1.2. Distributor will submit a written purchase order to Purdue by September 30 of each Supply Year not in excess of the Maximum Supply Quantity and in the Market Mix, as may be

adjusted pursuant to Section 3.1.1, requested for the following Supply Year. Purdue will ship to Distributor, subject to Distributor's compliance with Section 3.1.5 with respect to the selection of the indicia and Label, the Bottles requested in each purchase order for a Supply Year no later than the end of the first quarter of each Supply Year to which the applicable purchase order relates.

3.1.3 Distributor will sell the Products in accordance with the terms of this Agreement and immediately cease selling, marketing and distributing the Products at the conclusion of the Selling Period.

3.1.4 All Products supplied hereunder will be in finished dosage form, filled, packaged and Labeled for commercial sale in accordance with the terms and conditions of this Agreement, the Quality Agreement, the Specifications and applicable Laws. Purdue will be responsible for the purchase of all materials that are included in finished Products.

3.1.5 Distributor will use the indicia selected by Purdue and as further described in Schedule 3.1.5 and the Label that has been agreed upon by Purchaser and Distributor. For product to be sold in 2015, Distributor will provide packaging and Label specifications and related materials no later than December 12, 2014. Thereafter, Distributor shall no later than October 1 of each year beginning in 2015, provide Purdue with all necessary packaging and Label specifications and related materials. The Parties will finalize all packaging and labelling by January 9, 2015 for Product to be sold in 2015 and by November 1 for each subsequent Supply Year. Nothing contained herein will prevent Purdue from modifying the indicia or contents of the Labeling, so long as such changes conform to FDA requirements and NDA 022272 relating to the Products and do not materially affect the use or display of Distributor's artwork or graphics. In the event any proposed changes would have such an impact, the Parties will meet to reasonably decide how to effectuate the changes. Purdue will be responsible for all indicia and Label modification costs if Purdue initiates any modification or change in the indicia or Label, or if the FDA requires the indicia or Label to be modified or changed. Purdue will notify Distributor promptly following a final decision to make changes to the indicia or Label or, if FDA approval is required, to seek approval for such changes, but in no event will Distributor be given less than thirty (30) days' advance written notice of such modification, unless a shorter time is required to comply with FDA requirements.

3.1.6 Subject to Section 5.3 of this Agreement, Distributor shall be permitted to inform potential customers of the date on which Distributor would be permitted to sell the Products and to engage in non-binding and preliminary contracting activities with respect to the Products beginning on March 1, 2015; provided, that in no event shall Distributor or its Affiliates ship or distribute any Product prior to the Distribution Agreement Effective Date.

3.1.7 Failure to Deliver Product; Liquidated Damages.

(a) Purdue will use its Commercially Reasonable Efforts to allocate its supply and inventory of oxycodone API to fulfill Distributor's outstanding purchase orders based on a pro rata share of supply and inventory in proportion to the total orders for Product and Branded Product for such supply and inventory.

(b) If Purdue fails to deliver to Distributor within sixty (60) calendar days of the date on which such Product is due to be delivered under this Agreement the entire quantity (or any portion thereof) of Product specified under any Purchase Order, regardless of the reason, and Distributor has received FDA Approval of Distributor's ANDA, Distributor will be permitted to sell an amount of Bottles of Teva ANDA Product (as defined in the Patent License Agreement) equal to the undelivered quantity of Bottles of Product (the "Undelivered Bottle Amount"), to be sold under Distributor's ANDA on the terms and conditions set forth in the Patent License Agreement (which terms and conditions, including the license granted in Section 1(a) of the Patent License Agreement, are made effective and incorporated by reference herein solely to the extent required to effectuate the foregoing), except that the then-applicable Maximum Supply Quantity for the Supply Year in which such failure has occurred shall nonetheless be in effect with respect to such Teva ANDA Products to the extent that such products are able to be manufactured and sold in such Supply Year, and if not, then (x) regardless of the Maximum Supply Quantity for the following Supply Year, Distributor shall nonetheless have the right to sell in such following Supply Year that number of Bottles of such Teva ANDA Products, or, if Purdue is later able to supply again, Products, as is remaining to be sold of the Undelivered Bottle Amount, and (z) if the Supply Year in which such supply failure occurred is the last Supply Year of the Selling Period, the then-current Selling Termination Date shall be extended by one (1) calendar year to compensate for time lost due to Purdue's failure to deliver such Product.

(c) If Purdue fails to deliver to Distributor within sixty (60) calendar days of the date on which such Product is due to be delivered under this Agreement the entire quantity (or any portion thereof) of Product specified under any Purchase Order, and Distributor does not have final FDA Approval of Distributor's ANDA at such time, Purdue will pay damages in lieu of any obligations to supply Product to Distributor in an amount to be determined by multiplying, on a strength-by-strength basis, the unit quantity of Product Purdue failed to deliver to Distributor by the average Net Profit per unit for such strength earned by Distributor in the three (3) consecutive calendar-month period immediately preceding the calendar month in which such supply failure occurred.

(d) If Purdue fails to deliver Product to Distributor as described in clauses (b) or (c) above, Purdue will reimburse Distributor for all reasonable fines and penalties that Distributor or its Affiliates are required to pay to Third Party customers as a result of such failure upon presentation to Purdue of documentation showing evidence of such payments.

(e) The remedies set forth in this Section 3.1.7 are the sole remedies of Distributor with respect to a failure by Purdue to supply Product hereunder.

3.1.8 Except as provided in Section 3.1.7(b), Distributor shall not sell Product in any calendar year in which it has or will sell Teva ANDA Product (as defined in the Patent License Agreement).

3.2 Shipment. No terms and conditions contained in any preprinted form issued by either Party will be effective to the extent they are inconsistent with or modify the terms and conditions contained herein or in either the Quality Agreement or the Settlement Agreement.

3.3 Storage and Shipments

3.3.1 Purdue will store and transport the Products, and other Product materials and API according to the Specifications for the Products and applicable Good Manufacturing Practices.

3.3.2 Purdue will notify Distributor when the scheduled delivery amounts become available for shipment. Within two (2) Business Days after receiving such notice, Distributor will provide to Purdue a DEA Form 222 and mutually agree with Purdue on a shipment date for the scheduled delivery amounts subject to Section 3.1.2.

3.3.3 Within two (2) Business Days after the mutually agreed upon shipment date pursuant to Section 3.3.2, and Purdue's receipt of all required documentation, including DEA Form 222, Purdue will ship the Products to Distributor's designated distribution facility listed on Schedule 3.3.3 (which may be amended by written agreement of the Parties from time to time) on Purdue's customary carrier, C.I.P. (Incoterms 2000) customer destination, except that no shipments will be made on Friday, Saturday, Sunday, a legal holiday, or the day before a legal holiday in any week, and shipments due for those days will commence on the following Business Day.

3.3.4 Each Party will be responsible for its own DEA reporting, where applicable. Purdue will obtain and pay for freight insurance, custom clearance (if necessary), and any duties or taxes in connection with the shipment of any Product to Distributor's designated distribution facility. Only following approval and release from Purdue's quality assurance group will any Product be shipped to Distributor.

3.3.5 Purdue will package all Product for shipment in accordance with its customary practices. Purdue will include the following with its shipment of the scheduled delivery amounts: (a) the Purdue lot and batch numbers for the Products constituting such scheduled delivery amounts, (b) the quantity of the Products included, (c) the Certificate of Analysis, (d) the Certificate of Compliance, and (e) any other documentation as may be required under applicable law or by any Governmental Authority.

3.4 Product Rejection

3.4.1 Distributor will give written notice to Purdue of any claim that any Product does not conform with the requirements for Product set forth in this Agreement or the Quality Agreement promptly upon Distributor becoming aware of such non-compliance, but in no event later than seven (7) days after receipt of such Product by Distributor with respect to such non-compliance that is or could have been detected by a reasonable physical inspection of such Product at the time of delivery ("Detectable Defects"). In the event that Distributor fails to notify Purdue of any such claim within the applicable notice period specified in the preceding sentence, such Product will be deemed accepted by Distributor, provided, however, that in the event of any Product supplied by or on behalf of Purdue is non-compliant and is not a Detectable Defect, Distributor shall make all claims for such defects within seven (7) days after discovery of such defect (including any non-conformity relating to stability). Any such notice by Distributor pursuant to this Section 3.4.1 that any Product does not conform with the requirements set forth

in this Agreement or the Quality Agreement must be accompanied by a reasonably detailed statement of Distributor's reasons for rejection and a report of any pertinent analysis performed by Distributor on the allegedly non-conforming Product, together with the methods and procedures used. The Parties will cooperate in good faith to resolve any dispute arising under this Section 3.4.1. In the event that the Parties are unable to resolve such dispute within ten (10) Business Days from the date of Distributor's notice pursuant to this Section 3.4.1, and if such dispute can be resolved by analytical testing of the Product in dispute, the Parties will submit such dispute to a previously qualified and mutually agreed-to independent GMP laboratory in the United States. The laboratory will use the same analytical testing methods as required by the specifications. Both Parties agree to cooperate with the laboratory's reasonable requests for assistance in connection with its analysis hereunder. Absent manifest error, the determination by such laboratory will be final and binding and the laboratory's costs will be borne by the non-prevailing Party. Distributor will not dispose of any Product claimed by it not to conform with the terms and conditions hereof until resolution of any dispute with respect thereto is finalized by the Parties. Such resolution may include a mutually agreed upon method to replace or re-label the non-conforming Product. The provisions of this Section 3.4.1 shall not be deemed to abrogate in any way requirements for reporting product complaints or adverse events.

3.4.2 If Purdue acknowledges an alleged nonconformity (or if the laboratory provided for in Section 3.4.1 concludes that any Product was non-conforming), Purdue will promptly (and in any case within ten (10) Business Days thereafter) make arrangements for the return or disposal, at Purdue's option, of the non-conforming Product, if in fact, the non-conforming Product cannot be reworked. Non-conformance relating to physical labeling or packaging will be addressed first by reworking the Product into acceptable physical labeling and/or packaging. If Purdue instructs Distributor to dispose of such non-conforming Product, Purdue will give Distributor written instructions as to the process by which Distributor or its agent must dispose of such non-conforming Product, Distributor will dispose of such Product, and Distributor will provide Purdue with written certification of such destruction. Purdue will have the right to witness such destruction. Purdue will be under no obligation to accept a return of any Product except as provided in this Section 3.4.2.

3.4.3 If any Product was in fact non-conforming (whether pursuant to Section 3.4.1 or if Purdue so acknowledges in writing), then, Purdue will use Commercially Reasonable Efforts to provide replacement Product for such non-conforming Product if Distributor returns such Product to Purdue or destroys such Product as instructed by Purdue. If Product was in fact conforming, then Distributor will promptly return Product, if any, supplied in excess of the Supply Amount or the Maximum Supply Quantity for any Supply Year. Replacement shipments will also be subject to the Product rejection procedures contained in this Section 3.4.

3.5 Quality Control; Change in Specifications

3.5.1 The quality control obligations with respect to the manufacture, handling, storage and shipment of the Products are set forth in the Quality Agreement.

3.5.2 All changes to Specifications must be in accordance with Purdue's change control procedure set forth in the Quality Agreement.

ARTICLE IV

PAYMENTS AND REPORTS

4.1 Payment to Purdue. As consideration to Purdue for the rights granted to Distributor under this Agreement, Distributor will, in accordance with the terms of this Article IV, pay to Purdue the Cost of Goods Payments, calculated as set forth on Schedule 1.1C, within thirty (30) days after the date of each invoice provided by Purdue to Distributor from time to time. In addition to the Cost of Goods Payments, Distributor agrees to pay to Purdue a royalty (the "Royalty Payments") equal to one percent (1.0%) of Distributor's aggregate Net Sales from the sale of Products by Distributor or its Affiliates to Third Parties pursuant to this Agreement; provided, however, if an Affirming Appeal Result (as defined in the Settlement Agreement) has been rendered, the Royalty rate shall be reduced beginning in the following Selling Quarter to one-half of one percent (0.5%) for all sales after the date such Affirming Appeal Result is rendered. Distributor shall pay such Royalty Payments to Purdue (x) within thirty (30) days following the end of each calendar quarter during the Selling Period (each, a "Selling Quarter") with respect to Product sold during the immediately preceding Selling Quarter, and (y) in any event within thirty (30) days following the end of the calendar quarter following the Selling Termination Date with respect to any Product sales for which payment has not yet been made. For clarity, Selling Quarters shall mean the three (3) month periods ending on March 31, June 30, September 30 and December 31 during the Selling Period (or thereafter if the Selling Termination Date occurs prior to the end of such period). Each Royalty Payment by Distributor hereunder shall be accompanied by a certificate (a "Royalty Certificate") from the Chief Financial Officer of Distributor to the attention of: Executive Vice President, CFO of Purdue Pharma L.P., One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901-3431 certifying as to (A) the number of Bottles of Products in each dosage strength sold by Distributor during the Selling Quarter for which the Royalty Payment is being paid, (B) the Net Sales by dosage strength derived from the sale of such Bottles, (C) the Royalty rate applied and (D) the amount of the Royalty Payments payable with respect to such Net Sales. In addition, Distributor shall deliver a report to Purdue for each Selling Quarter that summarizes the following: (I) the total number of Bottles shipped, on a dosage strength by dosage strength basis, for such Selling Quarter; and (II) the total number of Bottles shipped, on a dosage strength by dosage strength basis, since the Distribution Agreement Effective Date (each a "Quarterly Report"). Distributor shall deliver each Quarterly Report to Purdue no later than thirty (30) days after the end of the Selling Quarter that such Quarterly Report covers, to the attention of: Executive Vice President, CFO of Purdue Pharma L.P., One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901-3431.

4.2 Additional Reporting Obligations; Audit Rights.

4.2.1 Distributor shall deliver a report to Purdue for each calendar month during the Term from the Chief Financial Officer of Distributor or other executive officer of Distributor that summarizes the following: (A) the total number of Bottles shipped, on a dosage strength by dosage strength basis, for such month; (B) the number of returns, on a dosage strength by dosage strength basis, during such month; (C) the differences between the number of Bottles shipped and returns for each month, on a dosage strength by dosage strength basis; (D) the total number of Bottles shipped, on a dosage strength by dosage strength basis, since the Distribution

Agreement Effective Date; (E) the number of returns, on a dosage strength by dosage strength basis since the Distribution Agreement Effective Date; and (F) the difference between (D) and (E), on a dosage strength by dosage strength basis (each a "Monthly Report"). Each Monthly Report shall be delivered to Purdue within fifteen (15) days after the end of the month to which such report applies to the attention of: Executive Vice President, Chief Financial Officer of Purdue, One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901-3431. In addition to providing Purdue with the information set forth above, Distributor will provide Purdue with such additional information as it may reasonably request from time to time.

4.2.2 Purdue shall have the right to engage any independent certified public accounting firm chosen by Purdue and reasonably acceptable to Distributor (a "CPA Firm"), to conduct an audit of Distributor for the purposes of confirming (i) compliance with this Agreement, including Distributor's compliance with the sales quantities and allocation requirements set forth in Section 3.1, (ii) the accuracy of any information contained in any Quarterly Report, Monthly Report, Royalty Certificate and/or any other certificate or report delivered to Purdue from Distributor pursuant to this Agreement and (iii) that no sales of any Oxycodone Products occurred after the date of signing this Agreement, other than pursuant to this Agreement during the Selling Period. Such right shall exist during the Term and for a period of two (2) years after the Term and shall be limited to no more than once per calendar year, unless the CPA Firm determines non-compliance with this Agreement in which event Purdue shall have the right to conduct additional audits of Distributor.

4.2.3 The CPA Firm shall be given access to and shall be permitted to examine and copy such books and records of Distributor as it shall request upon twenty (20) Business Days notice having been given by Purdue, during regular business hours, for the purpose of determining compliance with this Agreement, including the matters set forth in Section 4.2.2. Prior to any such examination taking place, the CPA Firm shall enter into a confidentiality agreement reasonably acceptable to Distributor with respect to the information to which it is given access.

4.2.4 Purdue and Distributor shall be entitled to receive a full written report of the CPA Firm with respect to its findings. Absent manifest error by the CPA Firm, the determination by the CPA Firm following such audit shall be final and binding on the Parties.

4.2.5 Upon completion of the CPA Firm's audit Distributor shall pay to Purdue any deficiency in the Royalty Payments determined by the CPA Firm or such arbitrator. If the report of the CPA Firm shows a discrepancy between the amount of the Royalty Payment to which Purdue is entitled and the Royalty Payment amount reflected by Distributor in the Royalty Certificate in Purdue's favor, then in addition to the payment of the Royalty Payment amount, Distributor shall be responsible for late payment interest in accordance with Section 4.7, and if such discrepancy exceeds five percent (5%) of the amount audited, then the fees and expenses of the CPA Firm in performing such audit shall also be paid by Distributor and if such discrepancy is five percent (5%) or lower, then such fees shall be paid by Purdue. If the report of the CPA Firm shows a discrepancy between the amount of the Royalty Payment to which Purdue is entitled and the Royalty Payment amount reflected by Distributor in the Royalty Certificate in favor of Distributor, then at Distributor's election, Purdue shall either remit such over-payment amount to Distributor or Distributor shall off-set such over-payment amount against any royalties

then owed Purdue. If the CPA Firm confirms that the Royalty Payment amount reflected by Distributor is correct, Purdue shall be responsible for the fees and expenses of the CPA Firm in performing such audit in connection therewith.

4.3 Mode of Payment. Distributor will make all payments required under this Agreement by electronic funds wire transfer in United States dollars to a bank account designated by Purdue from time to time. Distributor will give Purdue three (3) Business Day's written notice prior to making any such wire transfers.

4.4 Records Retention. Distributor will keep complete, true and accurate records pertaining to its activities under this Agreement, including records pertaining to the sales of Products in the Territory and covering all transactions from which sales are derived, in accordance with and for the time period required by Law, but in no event for a period of less than ten (10) calendar years after the year in which such sales occurred (as currently required by Law), and in sufficient detail to permit Purdue to confirm the accuracy of the number of Bottles sold and, to the extent required by applicable Law, the applicable "average manufacturer price" and/or the applicable "best price".

4.5 Certificates; Audit.

4.5.1 Within a reasonable period not to exceed five (5) days after the earlier of the Selling Termination Date and the termination of this Agreement, Distributor will give Purdue access to Distributor's facilities where the Products are stored, or such other places that any Product is stored, in order to inventory the remaining Product (the "Inventoried Remaining Product"). Following the earlier of the Selling Termination Date and the termination of this Agreement, Distributor will also deliver to Purdue certificates from the Chief Financial Officer or other executive officer of Distributor certifying (i) that Distributor ceased shipping any Product into interstate commerce for commercial sale in the Territory upon the earlier of the Selling Termination Date and the termination of this Agreement, (ii) the number of Bottles, allocated by dosage strength, sold by Distributor during the Selling Period on an annual basis, (iii) that all Inventoried Remaining Product has been destroyed or returned to Purdue at Distributor's sole cost and expense within five (5) Business Days following the Selling Termination Date and (iv) that no sales resulting in sales above the Supply Amount were made by Distributor prior to the conclusion of the Selling Period. The certifications referred to in clause (i) above will be delivered within two (2) days following the earlier of the Selling Termination Date and the termination of this Agreement, the certifications referred to in clauses (ii)-(iv) above will be delivered within ten (10) Business Days following the earlier of the Selling Termination Date and the termination of this Agreement.

4.6 Taxes. Any and all transfer, sales, use, registration and other taxes imposed upon or with respect to or measured by the shipment by Purdue to Distributor of any Product under this Agreement will be the responsibility of and for the account of Distributor. Notwithstanding the previous sentence, Distributor will have no obligation to pay any income tax imposed on Purdue or any of its Affiliates which may arise from the transactions contemplated by this Agreement.

4.7 Late Payments. In the event that any payment due by Distributor under this Agreement is not made when due, the payment will accrue interest from the date due at a rate equal to the lesser of (a) two percent (2.0%) above the prime rate reported in The Wall Street Journal (Eastern Edition) on the date such payment was due but not less than seven percent (7%) and (b) the maximum permissible rate under the law, with such interest to compound monthly. The payment of such interest will not limit Purdue from exercising any other rights it may have as a consequence of the lateness of any payment.

4.8 Notice of Destruction of Records. Notwithstanding any other provision of this Agreement to the contrary, neither Party will destroy any records created under this Agreement without first giving the other Party advance written notice so that such Party may request additional retention of such records for good cause.

ARTICLE V

COVENANTS

5.1 Mutual Covenants.

5.1.1 Compliance with Laws. Each Party will maintain in full force and effect all necessary licenses, permits and other authorizations required by Law to carry out its duties and obligations under this Agreement. Each Party will comply in all material respects with all Laws applicable to its activities under this Agreement and the Quality Agreement. Distributor and Purdue will handle and store the Products in compliance in all material respects with all applicable Laws. Each Party will keep all records and reports required to be kept by applicable Laws. The Parties will reasonably cooperate with one another with the goal of ensuring full compliance in all material respects with applicable Laws. Each Party will cooperate with the other to provide such letters, documentation and other information on a timely basis as the other Party may reasonably require to fulfill its reporting and other obligations under applicable Laws to applicable Governmental Authorities.

5.1.2 Reasonable Cooperation. Purdue and Distributor will each use Commercially Reasonable Efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary or proper to make effective the transactions contemplated by this Agreement, including such actions as may be reasonably necessary to obtain any approvals and consents of Governmental Authorities and other Persons; provided that no Party will be required to assume any other material obligation not otherwise required to be assumed by this Agreement, the Quality Agreement, or requirements under applicable Laws or incur any material change in the economics of the transactions.

5.2 Purdue Covenants.

(a) Purdue will comply in all material respects with all applicable Laws (including DEA and FDA regulations) relating to the manufacturing, packaging, Labeling, handling, storage and shipment of the Products, including filing with the FDA required notices, supplemental applications and annual or other reports, including adverse event reports, with

respect to NDA 022272, except to the extent such non-compliance would not have a material adverse effect on NDA 022272, the Branded Products or the Products.

(b) Purdue will perform all stability and other testing sufficient to maintain the Products in conformity with NDA 022272.

(c) The Products manufactured by Purdue and supplied to Distributor under this Agreement:

(i) will not be adulterated or misbranded under applicable Laws at the time they are tendered to Purdue's customary carrier for shipment to Distributor;

(ii) will meet the Specifications therefor at the time they are tendered to Purdue's customary carrier for shipment to Distributor; and

(iii) will be manufactured, packaged and Labeled in accordance with Good Manufacturing Practices.

(d) Labels of Products will not be misbranded under applicable Laws, will meet the Specifications, and will be Labeled in accordance with Good Manufacturing Practices at the time the Products are tendered to Purdue's customary carrier for shipment to Distributor.

(e) Purdue will review all marketing and sales materials, within fifteen (15) Business Days after receipt from Distributor for review and approval; provided, that Distributor's pricing information shall be expressly excluded from this provision.

(f) Purdue will immediately inform Distributor if Purdue or any of its Affiliates providing services to Distributor in connection with this Agreement are debarred, under Section 306(a) or 306(b) of the Generic Drug Enforcement Act of 1992 or under 42 U.S.C. Section 1320-7, or are sanctioned by, suspended, excluded or otherwise ineligible to participate in any federal health care program, including Medicare and Medicaid or in Federal procurement or non-procurement programs.

(g) Should Purdue receive a credit or refund request for the Products, the requestor will be referred to the following Distributor contacts:

In the case of customer credit requests:
[Telephone No. and Email Address];
In the case of patient refund requests:
[Telephone No. and Email Address]

(h) Purdue will timely provide Distributor with baseline "average manufacturers price" as defined by the Social Security Act and implementing regulations, as amended, within the first 45 days after the first shipment of Product to Distributor. All data and information provided under this Section 5.2(h) shall be deemed Confidential Information subject

to restrictions of disclosure solely to those whom have a "need to know" for government price reporting purposes and shall be used solely for those purposes.

(i) Purdue will not voluntarily request withdrawal of NDA 022272 prior to January 1, 2018. If Purdue requests withdrawal of NDA 022272, on or after January 1, 2018, it will provide Distributor with written notice at least sixty (60) days prior to submitting such request to withdraw such NDA, in which event (an "Acceleration Event") the Maximum Supply Quantity for all subsequent Supply Years shall be accelerated to the Supply Year in which NDA 022272 is withdrawn. The Maximum Supply Quantity shall be determined by adding all subsequent Maximum Supply Quantity Percentages and multiplying the resulting percentage by the same number previously used to determine the Maximum Supply Quantity for the Supply Year in which NDA 022272 is withdrawn (such amount referred to as the "Accelerated Product"). The Purdue Companies will also provide Distributor a written notice within two (2) Business Days if NDA 022272 is withdrawn by the FDA at its own initiative.

(j) So long as Product distributed hereunder remains within its labeled expiry period, Purdue will maintain the National Drug Code listing of the Product, except to the extent required by an order of a court or administrative agency, or in response to an adverse statement issued by a governmental or regulatory entity regarding the safety of the Product that requires or requests Purdue to take such action.

(k) If an Acceleration Event occurs, Purdue shall use its Commercially Reasonable Efforts to deliver such Accelerated Product as soon as reasonably possible after it first delivers its notice of withdrawal to Distributor. If Distributor is unable to sell all of the Product during the Supply Year in which it is delivered, Distributor shall be permitted to sell such unsold Product during the subsequent Supply Year.

5.3 Distributor Covenants.

(a) Distributor will sell and distribute the Products only in the Territory, or make or solicit offers to sell the Products in the Territory during the Selling Period and in no event will such sales of the Products exceed the Supply Amount or the Maximum Supply Quantity for any Supply Year set forth in Section 3.1.1.

(b) Distributor will comply in all material respects with all applicable Laws (including DEA and FDA regulations) relating to the handling, storage and disposal of the Products.

(c) Distributor will comply with all applicable Laws related to the marketing, distribution and sale of the Products.

(d) Prior to Distributor using any marketing and sales materials pursuant to this Agreement, Distributor will submit to Purdue for Purdue's written approval all such marketing and sales materials, excluding pricing information.

(e) Distributor will be responsible for all pricing decisions with respect to the Products in the Territory.

(f) In accordance with applicable Law, Distributor will register and sell the Products using only NDC numbers that reflect Distributor as the distributor of the Products.

(g) Distributor will be responsible for all price reporting under Distributor's own NDC for the Products to any and all Governmental Authorities, as well as to any Third Party pricing publications.

(h) Distributor will cause its employees responsible for the supply, distribution, sale or marketing of the Products in the Territory to act in accordance with the highest industry standards for Schedule II Narcotics and in a professional, ethical and lawful manner.

(i) Distributor acknowledges that nothing in this Agreement will grant to Distributor any rights, titles, interests, licenses, waivers, releases, authorizations or covenants to, or interest in, either express or implied, any intellectual property improvements, new formulations, indications, dosages, forms of administration, dosage strengths, or other presentations or uses of the Products at any time, whether past, present or future, derived or developed by or on behalf of Purdue or its Affiliates, or any other product, compound or molecule owned or controlled, in whole or in part, by Purdue or its Affiliates.

(j) Distributor will not market, distribute or sell the Products to any Third Party in the Territory for resale outside of the Territory.

(k) Distributor will be solely responsible for all federal, state and local government and private purchasing, pricing or reimbursement programs with respect to the Product sold by Distributor hereunder, including taking all necessary and proper steps to execute agreements and file other appropriate reports and other documents with governmental and private entities. Distributor will be solely responsible for payment and processing of all rebates, whether required by contract or local, state or federal law, for the Product sold by Distributor hereunder, including all rebates, price protection claims and payments to Medicaid, Medicare, PBMs (pharmacy benefit managers) and other payors under Distributor's NDC number, whether required by contract or Law, for the Products. Furthermore, for all rebates due under or calculated under 42 U.S.C. Section 1396r-8, Distributor acknowledges that it will treat the Products as innovator multiple source drugs, as defined in 42 U.S.C. Section 1396r-8(k)(7)(A)(ii).

(l) To the extent required for compliance with applicable Laws as may be in effect from time to time during the Term, Distributor will timely provide Purdue with government price reporting information, including but not limited to, Medicaid "best price" and "average manufacturers price" as defined in the Social Security Act, as amended, and implementing regulations on a 9 and 11 digit NDC basis for each of the Products.

(m) Distributor will process all customer returns of Product in the Territory.

(n) Distributor will credit customers or health care providers for Product returns or refund patients when applicable in accordance with Distributor's general

returns and/or refund policy that applies to all of Distributor's products, including the Product. Should Purdue receive a credit or refund request for the Product, the requestor will be referred to the Distributor contacts set forth in the Quality Agreement.

(o) Distributor will immediately inform Purdue if Distributor or any of its Affiliates providing services to Purdue in connection with this Agreement are debarred, under Section 306(a) or 306(b) of the Generic Drug Enforcement Act of 1992 or under 42 U.S.C. Section 1320-7, or are sanctioned by, suspended, excluded or otherwise ineligible to participate in any federal health care program, including Medicare and Medicaid or in Federal procurement or non-procurement programs.

(p) Distributor will comply with the Product Integrity Program. Upon Purdue amending the Product Integrity Program, Distributor will implement any additional risk management activities under such amended Product Integrity Program as soon as commercially reasonable.

(q) If Distributor or any of its Affiliates has manufactured or is in possession of any generic version of commercial or saleable quantities of Oxycodone Products, Distributor shall immediately segregate and quarantine any such products and may only use or sell such products thereafter if permitted under the Patent License Agreement or pursuant to Section 3.1.7(b).

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of Both Parties. Each of Purdue and Distributor represents and warrants to the other Party that:

6.1.1 Organization. Each Party is duly organized and validly existing under the laws of its state of formation.

6.1.2 Authority. Each Party has all the requisite power and authority to execute and deliver this Agreement and the Quality Agreement and to perform all of its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Quality Agreement and the performance by the Parties of their respective obligations hereunder and thereunder have been authorized by all requisite limited partnership or corporate action, as applicable, on their respective parts. This Agreement and the Quality Agreement have been validly executed and delivered by each Party, and, assuming that such agreements have been duly authorized, executed and delivered by the other Party, constitute a valid and binding obligation of such Party, enforceable against such Party in accordance with their terms. Each Party shall be liable for (i) any breach of the provisions of this Agreement by any of its Affiliates and (ii) any failure by such Party to cause its Affiliates to comply with this Agreement as if they were Parties.

6.1.3 Consents and Approvals; No Violations.

(a) Except as otherwise set forth in this Agreement or the Settlement Agreement, no material filing with, and no material permit, authorization, consent or approval of any Governmental Authority is necessary for the consummation by each Party of the transactions contemplated by this Agreement and the Quality Agreement, except for those filings, permits, authorizations, consents or approvals, the failure of which to be made or obtained would not materially impair such Party's ability to consummate the transactions contemplated hereby, or materially delay the consummation of the transactions contemplated hereby.

(b) Neither the execution and delivery of this Agreement or the Quality Agreement by either Party, nor the performance by such Party of its obligations hereunder or thereunder, will (i) violate the organizational documents of such Party; or (ii) violate or conflict in any material respect with any Law, rule, regulation, judgment, order or decree of any court or Governmental Authority applicable to such Party or any Product, except for breaches or defaults which would not have a material adverse effect on such Party's ability to consummate the transactions contemplated hereby.

6.2 Additional Purdue Representations and Warranties. Purdue represents and warrants to Distributor that:

(a) Purdue or one of its Affiliates owns and possesses all right, title and interest in, to and under NDA 022272.

(b) NDA 022272 has been approved by the FDA, and neither Purdue nor any of its Affiliates has received any notice in writing that has, or reasonably should have, led Purdue to believe that NDA 022272 is not currently effective or not currently in material compliance with all material Laws.

(c) Neither the execution and delivery of this Agreement or the Quality Agreement nor the performance of Purdue's obligations hereunder or thereunder will conflict in any material respect with or result in a material breach of, or constitute a material default under, any contract, agreement or instrument to which Purdue is bound.

(d) None of Purdue nor any of its Affiliates providing services to Distributor in connection with this Agreement have ever been:

(i) debarred, under Section 306(a) or 306(b) of the Generic Drug Enforcement Act of 1992, or under 42 U.S.C. Section 1320-7;

(ii) sanctioned by, suspended, excluded or otherwise ineligible to participate in any federal health care program, including Medicare and Medicaid or in Federal procurement or non-procurement programs; or

(iii) charged with or Convicted of any felony or misdemeanor under 42 U.S.C. Section 1320a-7(a) or 42 U.S.C. Section 1320a-7(b)(1)-(3), or otherwise proposed for exclusion.

6.3 Additional Distributor Representations and Warranties. Distributor represents and warrants to Purdue that:

(a) Distributor has utilized its own marketing and distribution expertise and experience to analyze and evaluate the commercial value of the Products and has solely relied on such analysis and evaluations in deciding to enter into this Agreement.

(b) Neither Distributor nor any of its Affiliates is a party to or otherwise bound by any oral or written contract or agreement that will result in any Person obtaining any interest in, or that would give to any Person any right to assert any claim in or with respect to, any of Distributor's rights under this Agreement.

(c) Neither the execution and delivery of this Agreement or the Quality Agreement nor the performance of its obligations hereunder or thereunder will conflict in any material respect with or result in a material breach of, or constitute a material default under, any contract, agreement or instrument to which Distributor is bound, or result in the creation or imposition of any lien upon any Product.

(d) None of Distributor nor any of its Affiliates providing services to Purdue in connection with this Agreement have ever been:

(i) debarred, under Section 306(a) or 306(b) of the Generic Drug Enforcement Act of 1992, or under 42 U.S.C. Section 1320-7;

(ii) sanctioned by, suspended, excluded or otherwise ineligible to participate in any federal health care program, including Medicare and Medicaid or in Federal procurement or non-procurement programs; or

(iii) charged with or Convicted of any felony or misdemeanor under 42 U.S.C. Section 1320a-7(a) or 42 U.S.C. Section 1320a-7(b)(1)-(3), or otherwise proposed for exclusion.

(e) None of Distributor or its Affiliates have made any offers for sales or customer solicitations for any Oxycodone Product prior to the date hereof.

6.4 No Reliance by Third Parties. The representations and warranties of each Party set forth in this Agreement are intended for the sole and exclusive benefit of the other Party hereto, and may not be relied upon by any Third Party.

6.5 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT, NEITHER PARTY NOR THEIR AFFILIATES MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, INCLUDING (1) FOR PURDUE WITH RESPECT TO PURDUE'S PATENTS, (2) ANY MATERIALS OR INFORMATION PROVIDED BY SUCH PARTY OR ANY OF ITS AFFILIATES UNDER THIS AGREEMENT OR THE SETTLEMENT AGREEMENT, OR (3) WITH RESPECT TO ANY PRODUCTS OR

SERVICES OF EITHER PARTY HERETO OR THEIR AFFILIATES. FURTHERMORE, UNLESS EXPRESSLY STATED IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT, NOTHING IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT SHALL BE CONSTRUED AS A WARRANTY THAT ANY OF PURDUE'S PATENTS, THE PRACTICE OF ANY INVENTION CLAIMED IN ANY OF PURDUE'S PATENTS OR OTHER PROPRIETARY RIGHTS INCLUDED IN ANY OF PURDUE'S PATENTS OR ANY RIGHTS GRANTED BY PURDUE DO NOT, OR THE MAKING, HAVING MADE, USING, SELLING, OFFERING FOR SALE OR IMPORTING OF DISTRIBUTOR'S PRODUCTS BY ANY PERSON DOES NOT, INFRINGE ANY PATENT RIGHTS OR OTHER INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY. IT IS HEREBY AGREED AND ACKNOWLEDGED BY DISTRIBUTOR THAT PURDUE IS GIVING NO GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED, TO DISTRIBUTOR IN RELATION TO THE SAFETY OR THERAPEUTIC EFFECTIVENESS OF THE DISTRIBUTOR'S PRODUCTS OR THE VALIDITY OR ENFORCEABILITY OF ANY INTELLECTUAL PROPERTY RIGHTS. FURTHER, DISTRIBUTOR WILL NOT GIVE ANY SUCH GUARANTEE OR WARRANTY TO ANY THIRD PARTIES ON BEHALF OF PURDUE.

ARTICLE VII

INTELLECTUAL PROPERTY

7.1 Limited Intellectual Property Rights. Distributor acknowledges that by entering into this Agreement, Distributor will not have, assert or acquire any right, title, license, interest, waiver, release, right of reference, authorization or covenant, express or implied, in or to any Purdue intellectual property or other proprietary rights of Purdue, except as may be necessary for Distributor to distribute the Products as explicitly provided for in this Agreement.

7.2 No Improvements. Distributor will not make any improvements or modifications to the Products.

7.3 Improvements. Any improvements to the Branded Products or the Products will be the sole and exclusive property of Purdue, and Purdue will have the exclusive right to file for intellectual property protection for such improvements.

ARTICLE VIII

INDEMNIFICATION; LIMITATIONS ON LIABILITY

8.1 Purdue Indemnity. Purdue will indemnify, defend, save, protect, and hold harmless Distributor from and against any and all Losses resulting or arising from any Third Party claims, suits, actions, proceedings or litigation ("Third Party Claims") arising from or in connection with any claim, action or proceeding by any Third Party arising out of the development, manufacturing or sale by Purdue or any other Purdue distributor of the Products or the Branded Products, or with respect to any information provided to Distributor by Purdue, including, without limitation, with respect to claims involving the labeling or warnings associated with the Products; provided, however, that in all cases referred to in this Section 8.1,

Purdue will not be liable to indemnify Distributor for any Losses of Distributor to the extent that such Losses of Distributor were caused by a Third Party Claim arising from: (i) the negligence or willful misconduct or wrongdoing of Distributor or (ii) any breach by Distributor of its representations, warranties, covenants or agreements under this Agreement.

8.2 Distributor Indemnity. Distributor will indemnify, defend, save, protect, and hold harmless Purdue from and against any and all Losses resulting or arising from any Third Party Claims arising from or in connection with any claim, action or proceeding by any Third Party arising out of any materials used by Distributor in connection with the marketing of the Products; provided, however, that in all cases referred to in this Section 8.2, Distributor will not be liable to indemnify Purdue for any Losses of Purdue to the extent that such Losses of Purdue were caused by a Third Party Claim arising from: (i) the negligence or willful misconduct or wrongdoing of Purdue or (ii) any breach by Purdue of its representations, warranties, covenants or agreements under this Agreement

8.3 Procedure for Indemnification.

8.3.1 Notice. In the case of a Third Party Claim as to which a Party (the "Indemnifying Party") may be obligated to provide indemnification pursuant to this Agreement, such Party seeking indemnification hereunder (the "Indemnitee") will notify the Indemnifying Party in writing of the Third Party Claim (and specifying in reasonable detail the factual basis for the Third Party Claim and, to the extent known, the amount of the Third Party Claim) promptly after becoming aware of such Third Party Claim; provided, however, that failure to give such notification will not affect the indemnification provided hereunder except to the extent the Indemnifying Party will have been actually prejudiced as a result of such failure.

8.3.2 Defense of Claim.

(a) If a Third Party Claim is made against an Indemnitee, the Indemnifying Party will be entitled to assume the defense of the Indemnitee by providing written notice to the Indemnitee of its intention to assume the defense of such Third Party Claim (at the expense of the Indemnifying Party) within thirty (30) calendar days after receipt of written notice from the Indemnitee of such Third Party Claim, with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnitee for so long as the Indemnifying Party is conducting a good faith and diligent defense.

(b) Should the Indemnifying Party so elect to assume the defense of the Indemnitee, the Indemnifying Party will not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with the defense thereof; provided, however, that if under applicable standards of professional conduct a conflict of interest exists between the Indemnifying Party and the Indemnitee in respect of such claim, such Indemnitee will have the right to employ separate counsel to represent such Indemnitee with respect to the matters as to which a conflict of interest exists, and in that event the reasonable fees and expenses of such separate counsel will be paid by such Indemnifying Party; and provided further that the Indemnifying Party will only be responsible for the reasonable fees and expenses of one separate counsel for such Indemnitee.

(c) If the Indemnifying Party assumes the defense of the Indemnitee, the Indemnitee will have the right to participate in such defense and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party.

(d) If the Indemnifying Party assumes the defense of the Indemnitee, the Indemnifying Party will promptly supply to the Indemnitee copies of all correspondence and documents relating to or in connection with such Third Party Claim and keep the Indemnitee informed of developments relating to or in connection with such Third Party Claim, as may be reasonably requested by the Indemnitee (including providing to the Indemnitee on reasonable request updates and summaries as to the status thereof).

(e) If the Indemnifying Party assumes the defense of the Indemnitee, the Indemnitee will, and will cause the Distributor or Purdue, as the case may be, to reasonably cooperate with the Indemnifying Party in the defense thereof (including making documents and records available for review and copying and making persons within its/his/her control available for pertinent testimony).

(f) If the Indemnifying Party does not elect to assume the defense of the Indemnitee or does not provide written acknowledgement of the defense of the Indemnitee within the 30-day period set forth in Section 8.3.2(a), or if a good faith and diligent defense is not being or ceases to be conducted by the Indemnifying Party, the Indemnitee will have the right, at the reasonable expense of the Indemnifying Party, after three (3) Business Days' notice to the Indemnifying Party of its intent to do so, to undertake the defense of the Indemnitee (at the reasonable expense of the Indemnifying Party) with counsel reasonably selected by the Indemnitee, and to compromise or settle such Third Party Claim, with the Indemnifying Party's reasonable consent (which consent will not be unreasonably withheld, delayed or conditioned).

8.3.3 Settlement of Claims. If the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnitee for a Third Party Claim, the Indemnitee will agree (which agreement will not be unreasonably withheld, delayed or conditioned) to a reasonable settlement, compromise or discharge of such Third Party Claim that the Indemnifying Party may recommend; provided, however, that the Indemnifying Party will not consent to any settlement, compromise or discharge (including the consent to entry of any judgment), and the Indemnitee may refuse to agree to any such settlement, compromise or discharge, that provides for injunctive or other non-monetary relief affecting the Indemnitee, including an admission or finding of liability by Indemnitee. If the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnitee for a Third Party Claim, the Indemnitee will not (unless required by law) admit any liability with respect to, or settle, compromise or discharge ("Indemnitee Settlement"), such Third Party Claim without the Indemnifying Party's prior written consent (which consent will not be unreasonably withheld, delayed or conditioned) and if such consent is not received, then the Indemnifying Party will have no obligation or liability under this Article VIII for any Indemnitee Settlement entered into without the Indemnifying Party's consent.

8.4 Limitations on Liability. Nothing in this Article VIII will act to negate any obligation under common law of either Party to mitigate damages with respect to any Third Party Claim for which such Party is seeking indemnification from the other Party hereunder.

ARTICLE IX

COMPLIANCE WITH GOVERNMENTAL AUTHORITY REGULATIONS

9.1 Governmental Authority Communications. Purdue will be responsible for all communications with any Governmental Authority relating to Purdue's manufacturing activities under this Agreement and will have the responsibility to communicate with any Governmental Authority concerning the marketing, distribution, or sale of the Products (except as otherwise required by applicable Law); provided, however, Distributor will have the responsibility (a) to communicate with any Governmental Authority concerning all obligations for federal or state governmental rebate reporting and payments required thereunder, (b) for all price reporting for the Products to any and all Governmental Authorities, as well as to any Third Party pricing publications, and (c) for all rebates, price protection claims and payments to Medicaid, Medicare, PBMs (pharmacy benefit managers) and other payors under Distributor's NDC number, whether required by contract or Law, for the Products, and Purdue will provide Distributor with copies of all correspondence from the FDA authorizing the marketing, distribution or sale of the Products. In addition to the foregoing, Purdue will be responsible for reviewing, processing, and responding to all regulatory communications relevant to Product quality, including communications relating to product defects, adverse event reports and medical inquiries relating to product complaints. Each Party promptly shall notify the other Party in the event it receives any communication or notice from FDA with respect to the Product in the Territory. Each party promptly shall provide a copy of such communication to the other Party. The Parties shall cooperate in good faith in responding to any such FDA inquiry or in making any report to FDA with respect to the Product. Notwithstanding the foregoing, Purdue will have final authority for regulatory decisions and responsibility for all communication with FDA concerning the Product.

9.2 Governmental and Regulatory Inspections. Each Party will notify the other Party of any written adverse findings it receives resulting from an inspection by any Governmental Authorities of the premises where the Product is being manufactured, tested or stored, to the extent such inspection relates to the manufacture, storage or distribution of the Products, within five (5) Business Days after receipt of such written adverse findings by such Party, and will provide to the other Party copies of all Forms 483 or other similar notifications of observations relating to the production, testing, storage, use or sale of the Products, redacted as necessary with respect to any portions of the Form 483 not pertaining to the Products, within five (5) Business Days after they are received by or on behalf of a Party from the FDA or any Governmental Authority. All notices sent to a Party pursuant to this Section 8.2 will be sent to such Party in accordance with the Quality Agreement.

9.2.1 Voluntary Recalls. Each Party will notify the other Party in the event that such Party determines that any Product already in interstate commerce in the Territory presents a risk of injury or gross deception or is otherwise defective and that recall of such Product is appropriate (a "Voluntary Recall"), and Purdue solely, after consultation with Distributor, will make the decision whether to initiate a Voluntary Recall and will control all recall activities and the Parties will follow the Product recall procedure set forth in the Quality Agreement.

(a) If Distributor requests a Voluntary Recall, Distributor will be responsible for all expenses incurred by Purdue in connection with its cooperation in facilitating

such Voluntary Recall, except to the extent that such Voluntary Recall is attributable to a breach by Purdue of its representations, warranties, covenants or agreements under this Agreement (in which case, to such extent, Purdue will be responsible for the expenses associated with any such Voluntary Recall, including any reasonable out of pocket expenses incurred by Distributor in connection with its cooperation in facilitating such Voluntary Recall). In the event of a Voluntary Recall attributable to a breach by Purdue of its representations, warranties, covenants or agreements under this Agreement or Purdue's negligence or willful conduct, Purdue shall provide to Distributor an amount of replacement Product equal to the amount of Product that is actually returned to Distributor and is the subject of the Voluntary Recall and shall extend the Selling Period if necessary for a period of time equal to ninety (90) days after Distributor receives 100% of the replacement Product from Purdue. Purdue shall use its best efforts to deliver such replacement Product as soon as practicable.

(b) If Purdue requests a Voluntary Recall, Purdue will be responsible for all expenses of such Voluntary Recall (including any reasonable out-of-pocket expenses incurred by Distributor in connection with its cooperation in facilitating such Voluntary Recall), except to the extent that such Voluntary Recall is attributable to a breach by Distributor of its representations, warranties, covenants or agreements under this Agreement (in which case, to such extent, Distributor will be responsible for the expenses associated with any such Voluntary Recall, including any reasonable out-of-pocket expenses incurred by Purdue in connection with its cooperation in facilitating such Voluntary Recall). In the event of a Voluntary Recall requested by Purdue, Purdue shall provide to Distributor an amount of replacement Product equal to the amount of Product that is actually returned to Distributor and is the subject of the Voluntary Recall and shall extend the Selling Period if necessary for a period of time equal to ninety (90) days after Distributor receives 100% of the replacement Product from Purdue. Purdue shall use its best efforts to deliver such replacement Product as soon as practicable.

9.2.2 Involuntary Recalls. In the event that any applicable Governmental Authority should issue a request, directive or order that a Product be recalled ("Involuntary Recall"), Purdue will control all recall activities and the Parties will follow the Product recall procedure set forth in the Quality Agreement.

(a) In the event of an Involuntary Recall of any Product inventory (e.g., batch recall), Purdue will be responsible for all expenses of such Involuntary Recall (including any reasonable out-of-pocket expenses incurred by Distributor in connection with its cooperation in facilitating such Involuntary Recall), except to the extent that such Involuntary Recall is attributable to a breach by Distributor of its representations, warranties, covenants or agreements under this Agreement (in which case to such extent Distributor will be responsible for the expenses associated with any such Involuntary Recall, including any reasonable out-of-pocket expenses incurred by Purdue in connection with its cooperation in facilitating such Involuntary Recall).

(b) In the event of an Involuntary Recall, Purdue shall provide to Distributor an amount of replacement Product equal to the amount of Product that is actually returned to Distributor and is the subject of the Involuntary Recall and shall extend the Selling Period if necessary for a period of time equal to ninety (90) days after Distributor receives 100%

of the replacement Product from Purdue. Purdue shall use its best efforts to deliver such replacement Product as soon as practicable.

9.2.3 Quality Agreement. On the Signing Date, the Parties shall duly execute and deliver a Quality Agreement and a pharmacovigilance agreement. Upon due execution and delivery by the Parties, the Quality Agreement and the pharmacovigilance agreement shall be incorporated herein by this reference.

ARTICLE X

CONFIDENTIALITY

10.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed to in writing, Distributor and Purdue each agree that, until the later of (i) the termination of this Agreement and (ii) ten (10) years after the date of disclosure, each of Distributor or Purdue, upon receiving or learning of any Confidential Information of the other Party, will keep such Confidential Information confidential and otherwise will not disclose or use such Confidential Information for any purpose other than as provided for in this Agreement. For the purposes of this Agreement, the terms of this Agreement and the Settlement Agreement shall be deemed Confidential Information. The Receiving Party will advise its Affiliates, directors, officers, employees, agents, consultants, lenders, insurers and professional advisors who might have access to the Disclosing Party's Confidential Information of the confidential nature thereof and agrees that its Affiliates, directors, officers, employees, agents and consultants, lenders, insurers and professional advisors will be bound by confidentiality restrictions at least as stringent as the terms of this Agreement. The Receiving Party will not disclose any Confidential Information of the Disclosing Party to any Affiliate, director, officer, employee, agent, consultant, lender, insurer or professional advisor who does not have a need to know such Confidential Information. Notwithstanding anything to the contrary above, (i) Purdue may disclose the terms of this Agreement to (a) present, former or future co-promoters of controlled-release oxycodone products who have a legitimate business reason to know such terms, subject to all such co-promoters keeping the terms of this Agreement confidential, and (b) licensors of any of the Purdue Patents (as defined in the Settlement Agreement).

10.2 Authorized Disclosure. The Receiving Party may disclose a Disclosing Party's Confidential Information to a Receiving Party's Affiliates, directors, officers, employees, agents and consultants, lenders, insurers and professional advisors who need to receive the Confidential Information in order to further the activities contemplated in this Agreement, and who are made aware of the confidential nature of the Confidential Information. The Receiving Party must (i) enforce the terms of this Article IX as to its respective Affiliates, directors, officers, employees, agents, consultants, lenders, insurers and professional advisors; (ii) take such action to the extent reasonably necessary to cause its Affiliates, directors, officers, employees, agents, consultants, lenders, insurers and professional advisors to comply with the terms and conditions of this Article IX; and (iii) be responsible and liable for any breach of the provisions of this Article IX by it or its Affiliates, directors, officers, employees, agents, consultants, lenders, insurers and professional advisors. Each Party will take reasonable precautions to safeguard the Confidential Information of the other Party. Each Party will also have the right to make disclosures of such portions of the other Party's Confidential Information to the DEA or to any

other Governmental Authorities where such disclosure is necessary for such Party to perform its obligations under this Agreement. In addition, the Receiving Party may disclose those portions of the Disclosing Party's Confidential Information required to be disclosed by legal process; provided, in each case the Receiving Party, to the extent it is lawfully able to do so, promptly informs the Disclosing Party, uses reasonable efforts to limit the disclosure and maintains the confidentiality to the extent possible and permits the Disclosing Party to attempt by appropriate legal means to limit such disclosure. Notwithstanding anything to the contrary in this Section 9.2, either Party may disclose to any Third Party, without restriction, the existence of this Agreement, the dosage strengths covered by this Agreement and the date this Agreement terminates.

10.3 Remedies. Each Party understands and agrees that the wrongful disclosure of the other Party's Confidential Information may result in serious and irreparable damage to the other Party hereto, that the remedy at law for any breach of this covenant may be inadequate, and that the Disclosing Party will be entitled to injunctive relief without the posting of any bond or other security, enjoining or restraining any Person from any breach or threatened breach of this Article X, without prejudice to any other rights and remedies to which it may be entitled.

10.4 Return of Confidential Information. Except as otherwise set forth in this Agreement, upon termination of this Agreement, the Receiving Party will promptly return all of the Disclosing Party's Confidential Information, including all reproductions and copies thereof in any medium, except that the Receiving Party may retain a reasonable number of archival copies as may be required by law or its standard procedures.

10.5 Unauthorized Use. If either Party becomes aware or has knowledge of any unauthorized use or disclosure of the other Party's Confidential Information, it will promptly notify the other Party of such unauthorized use or disclosure.

10.6 Exclusive Property. All Confidential Information is the sole and exclusive property of the Disclosing Party and the permitted use thereof by the Receiving Party for purposes of its performance hereunder will not be deemed a right, license or covenant, either express or implied, of the Receiving Party to use any such Confidential Information for any other purpose.

ARTICLE XI

TERM; TERMINATION

11.1 Term. This Agreement will become effective as of the date hereof and will expire upon the later of (i) Purdue's receipt of the final Cost of Goods Payment and Royalty Payment and (ii) delivery to Purdue of the last of the certificates required to be delivered pursuant to Sections 4.1, 4.2 and 4.5, in each case, unless this Agreement is terminated earlier pursuant to this Section 10.1 or Section 10.2 (the "Term"). This Agreement shall automatically terminate and shall be of no further force and effect if (a) except as provided in Section 3.1.7(b) hereof, Distributor or any of its Affiliates has made sales under the Patent License Agreement, (b) the Settlement Agreement is no longer in full force and effect, (c) Distributor or any party acting on its behalf or succeeding to its rights attempts to reject or disavow the Settlement Agreement or

any of the other Settlement Documents or (d) Distributor or any of its Affiliates breach any of the provisions of paragraphs [to be inserted] of the Settlement Agreement.

11.2 Termination. In addition to any termination rights of the Parties contained in Section 10.1, this Agreement may be terminated under any of the following circumstances:

11.2.1 Breach. Failure by either Party to comply in any material respect with any of its obligations contained in this Agreement with respect to any Product will entitle the other Party, if it is not in material default hereunder, to give to the Party in default written notice specifying the nature of the default and requiring it to cure such default, to the extent such default is curable. If such default is not cured within fifteen (15) days after the receipt of such notice, or at the time such notice is delivered if such default is not curable, the notifying Party will be entitled, without prejudice to any of its other rights conferred on it by this Agreement, and in addition to any other remedies available to it at law or in equity, to terminate this Agreement by giving written notice, to take effect immediately upon delivery of such notice. For purposes of this Section 10.2.1, a material breach of this Agreement which cannot be cured will include sales of any Oxycodone Product by Distributor, other than sales of Product solely in accordance with the terms and conditions of this Agreement, at any time prior to the Terminal Date.

11.2.2 Bankruptcy. This Agreement may be terminated, prior to the expiration of the Term, immediately by either Party upon written notice to the other Party in the event that the other Party hereto (a) applies for, consents to, becomes the subject of the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (b) makes a general assignment for the benefit of its creditors, (c) commences a voluntary case under the United States Bankruptcy Code, as now or hereafter in effect (the "Bankruptcy Code") or (d) becomes the subject of an involuntary case under the Bankruptcy Code or similar insolvency proceeding, which case or proceeding has not been dismissed or otherwise stayed within ninety (90) days.

11.2.3 Occurrence of Serious Safety Event. If there occurs a serious and unexpected event with respect to safety issues involving any Product, as a result of which NDA 022272 has been terminated or suspended in the Territory or any Governmental Authority has directed discontinuance of development, use or sale of the Product in the Territory, then either Party may terminate this Agreement by giving written notice, to take effect immediately upon delivery of such notice to the other Party.

11.2.4 Settlement Agreement. This Agreement shall automatically terminate if the Settlement Agreement has been terminated.

11.3 Effect of Termination.

11.3.1 In the event this Agreement is terminated pursuant to Section 10.2, the termination notice provisions of such Sections will apply. Upon delivery of such termination notice, Distributor will not solicit offers for sale, offer to sell, sell, ship, or cause to be shipped, any Product into interstate commerce for commercial sale in the Territory. At Purdue's option, Distributor will within five (5) Business Days after the related termination notice date (a) return

all remaining inventory to Purdue, or (b) destroy all remaining inventory, in each case at Distributor's sole cost and expense.

11.3.2 In the event of any termination, Distributor will be responsible to pay Purdue any Cost of Goods Payment and Royalty Payment payable during the Selling Period. Upon the earlier to occur of the (i) conclusion of the Selling Period and (ii) termination of this Agreement, Distributor will immediately stop marketing, selling and distributing the Products to the Trade.

11.3.3 Without limiting either Party's right to damages for any breach of this Agreement, neither Purdue nor Distributor will incur any liability to the other solely by reason of the termination of this Agreement as provided herein, whether for loss of goodwill, anticipated profits or otherwise.

11.3.4 Upon termination of this Agreement, the rights granted to Distributor pursuant to Section 2.1.1 with respect to the Products will immediately terminate and each Party and its respective Affiliates and agents will cease any and all use of Confidential Information of the other Party relating to the Products.

11.4 Accrued Rights; Surviving Obligations.

11.4.1 Termination or relinquishment of this Agreement for any reason will be without prejudice to any rights that will have accrued to the benefit of either Party prior to such termination or relinquishment, and such termination or relinquishment will not relieve either Party from obligations which are expressly indicated to survive termination of this Agreement.

11.4.2 All of the Parties' rights and obligations under Articles I (Definitions; Interpretations), IV (Payments and Reports) (as applicable), VII (Intellectual Property), VIII (Indemnification; Limitations on Liability), IX (Compliance with Governmental Authority Regulations), X (Confidentiality), and XII (Miscellaneous Provisions), and Sections 2.2 (Limitation on Rights), 3.1.7 (Failure to Deliver Product; Liquidated Damages), 5.3(g), (k), (l) and (n) (Distributor Covenants), 11.3 (Effect of Termination) (as applicable) and 11.4 (Accrued Rights; Surviving Obligations) will survive termination hereof.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Force Majeure. Each Party will be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by a Force Majeure Event and the non-performing Party promptly provides written notice to the other Party of such inability and of the period for which such inability is expected to continue. Such excused performance will be continued so long as the condition constituting a Force Majeure Event continues and the non-performing Party takes reasonable efforts to remove the condition. For purposes of this Agreement, a Force Majeure Event will include conditions caused by occurrences beyond the control of the Parties affected, including an act of God, an act, pronouncement, omission or delay in acting by any Governmental Authority (including the FDA and the DEA) or the other Party, war, an act of war, terrorism, insurrection, riot, civil

commotion, epidemic, failure or default of public utilities or common carriers, unavailability of one or more raw materials, labor strike, lockout, labor disturbance, embargo, fire, earthquake, flood, storm or like catastrophe (each a "Force Majeure Event"). Notwithstanding the foregoing, nothing in this Section 11.1 will excuse or suspend the obligation of either Party to make any payment due under this Agreement or to comply with the Quality Agreement in the manner and at the time provided.

12.2 Notice. Any notice required under this Agreement shall be in writing and shall be given (and shall be deemed to be duly given upon receipt) by delivery in person, by facsimile or by overnight express delivery service to the respective Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

For Purdue:

Purdue Pharma L.P.
One Stamford Forum
201 Tresser Boulevard
Stamford, CT 06901-3431
Attention: General Counsel
Fax: (203) 588-6272

with a copy to:

Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, NY 10112
Attention: Stuart D. Baker
Fax: (212) 541-5369

For Distributor:

Teva Pharmaceuticals USA, Inc.
425 Privet Road
P.O. Box 1005
Horsham, PA 19044-8005
Attention: General Counsel
Fax No.: (215) 293-6499

with a copy to:

_____
_____
_____
Attention: _____
Fax No.: _____

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(b) Notices delivered personally or by overnight express delivery service shall be deemed given as of actual receipt. Notices delivered by facsimile transmission shall be deemed given upon receipt by the sender of the transmission confirmation if transmitted before 5:00 p.m. (recipient's local time) on a Business Day, and otherwise on the following Business Day.

12.3 Assignment. This Agreement is binding upon and will inure to the benefit of each Party hereto, each Affiliate of such Parties and each of their respective successors and permitted assigns. Each Party may assign its rights and obligations under this Agreement and Distributor's ANDA only in accordance with Section 10 of the Settlement Agreement. Any assignment or attempted assignment of any of a Party's rights and obligations hereunder in contravention of the provisions of this Section 11.3 shall be void and have no force or effect.

12.4 No Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver will be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, will be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. Except as expressly set forth in this Agreement, all rights and remedies available to a Party, whether under this Agreement or afforded by Law or otherwise, will be cumulative and not in the alternative to any other rights or remedies that may be available to such Party.

12.5 Injunction. Distributor acknowledges and agrees that Distributor's or its Affiliate's breach of this Agreement, including by (i) making sales of any Oxycodone Product prior to the Terminal Date, (ii) making sales in excess of the Supply Amount, the Maximum Supply Quantity, set forth in Section 3.1.1 (for any given Supply Year), or after the conclusion of the Selling Period, (iii) any breach of the provisions of Sections 2.2, 3.1.1, 3.1.3, 5.3(a), (f) and (j), and (iv) any material breach by Distributor of any of its other obligations under this Agreement, would cause Purdue to suffer substantial damages and irreparable harm that could not adequately be remedied by an action at law, including causing Purdue to be in violation or breach of, or severely disadvantaged under, certain material agreements Purdue has entered into with Third Parties. Accordingly, Distributor agrees that Purdue will be entitled, without limitation, to specific performance or preliminary or permanent injunctive relief without the requirement of posting a bond in any action, hearing, litigation or suit for breach of this Agreement upon a showing of a likelihood of success of establishing that such breach has occurred, such rights and remedies being in addition to all other rights and remedies available to Purdue at law, in equity or otherwise, and Distributor will not assert in opposition to Purdue's request for any equitable relief that Purdue has an adequate remedy at law. Distributor agrees that jurisdiction and venue for any such action under this Section 11.5 exists in the United States District Court for the Southern District of New York, and waives any and all defenses based on personal jurisdiction, subject matter jurisdiction and venue, or to the extent any such waiver is not enforceable, Distributor agrees not to assert such defense.

12.6 Governing Law. This Agreement, including the interpretation, performance, enforcement, breach or termination thereof and any remedies relating thereto, will be governed by and interpreted in accordance with the laws of the State of New York, without regard to its conflicts of law rules.

12.7 Entirety of Agreement. This Agreement, the Quality Agreement, the Patent License Agreement and the Settlement Agreement, and all schedules and exhibits attached hereto and thereto, set forth the complete, final and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto and supersede and terminate all prior covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter of this Agreement. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties other than as are set forth herein and therein. No subsequent alteration, amendment, change or addition to this Agreement or the Quality Agreement will be binding upon the Parties unless reduced to writing and signed by an authorized officer of each Party.

12.8 Public Announcements. The form and content of any public announcement, including any press release, to be made by one Party regarding this Agreement, or the subject matter contained herein, will be subject to the prior written consent of the other Party, provided that this provision will not preclude a Party from making disclosures required by applicable Law (including disclosure requirements under federal or state securities laws, any stock exchange requirements, or otherwise), in which event the disclosing Party will give the other Party reasonable advance notice of at least two (2) Business Days to review and comment on such disclosure (for the avoidance of doubt, a Party's continuing to disclose publicly the information contained in such agreed announcement after the release of such an agreed public announcement will not require the prior written approval of the other Party). Notwithstanding the foregoing, after the execution of this Agreement either Party may announce that this Agreement has been entered into. The disclosing Party will use commercially reasonable efforts to obtain confidential treatment of such information that is required to be disclosed by Law and to use commercially reasonable efforts to have redacted such provisions of this Agreement as the Parties may agree from any copies filed pursuant to such Law. The Parties shall also consult with each other with respect to any disclosures required to be made to the FDA. If either Party determines that it will be required to file this Agreement as provided above, promptly after the giving of notice by such Party as contemplated above, the Parties will use commercially reasonable efforts to agree on those provisions of this Agreement that the Parties will seek to have redacted as provided above. Notwithstanding anything to the contrary above, (1) Purdue may disclose the terms of this Agreement to licensors of any of the Purdue Patents (as well as any successors or permitted assigns of such licensors), subject to confidentiality obligations at least as stringent as those contained herein, and (ii) each Party may disclose the terms of this Agreement to its respective Affiliates, insurers, lenders, attorneys and accountants, subject to such Affiliates, insurers, lenders, attorneys and accountants being bound by confidentiality obligations. Except to the extent (i) required by statute, ordinance or regulation, (ii) required pursuant to court or administrative order or compulsory legal or administrative process, or (iii) otherwise agreed to in writing by the Parties, no Party nor its Affiliates shall use the name of any other Party nor any of its Affiliates for advertising, promotion or other purposes without the prior written consent of such other Party.

12.9 Relationship of the Parties. Neither Party will have any responsibility for the hiring, termination or compensation of the other Party's employees or for any employee benefits of such employee. No employee or representative of a Party will have any authority to bind or obligate the other Party to this Agreement for any sum or in any manner whatsoever, or to create

or impose any contractual or other liability on the other Party without said Party's approval. For all purposes, and notwithstanding any other provision of this Agreement to the contrary, Distributor's legal relationship to Purdue under this Agreement will be that of independent contractor. This Agreement is not a partnership agreement and nothing in this Agreement will be construed to establish a relationship of partners or joint venturers between the Parties.

12.10 Non-Solicitation of Employees. During the Term of this Agreement, neither Party may, directly or indirectly, recruit or solicit any employee of the other Party who became known to the other Party through contact or interactions for the purposes of performing this Agreement, without the prior consent of the other Party, except pursuant to general solicitations not targeted at such employees.

12.11 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held to be invalid, illegal or unenforceable in any respect for any reason, the Parties will negotiate in good faith with a view to the substitution therefor of a suitable and equitable solution in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid provision; provided, however, that the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein will not be in any way impaired thereby, it being intended that all of the rights and privileges of the Parties hereto will be enforceable to the fullest extent permitted by Law.

12.12 Books and Records. Any books and records to be maintained under this Agreement by a Party or its Affiliates will be maintained in accordance with GAAP.

12.13 Expenses. Each of Purdue and Distributor will bear its own direct and indirect expenses incurred in connection with the negotiation and preparation of this Agreement and the Quality Agreement and, except as set forth in this Agreement or the Quality Agreement, the performance of the obligations contemplated hereby and thereby.

12.14 No Third Party Beneficiary. This Agreement will be binding upon and inure solely to the benefit of the Parties hereto, their successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or will confer upon any other Person or Persons any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

12.15 Further Actions. Each Party will execute, acknowledge and deliver such further instruments, and do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

12.16 Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, each of which counterparts, when so executed and delivered, will be deemed to be an original, and both of which counterparts, taken together, will constitute one and the same instrument even if both Parties have not executed the same counterpart. Signatures provided by facsimile transmission or via pdf copy bearing a signature on behalf of a Party hereto shall be legal and binding on such Party and will be deemed to be original signatures.

12.17 Headings. The headings for each Article and Section in this Agreement have been inserted for convenience of reference only and are not intended to limit or expand on the meaning of the language contained in the particular Article or Section, and will be of no force or effect in construing or interpreting any of the provisions of this Agreement.

[The next page is the signature page.]

Distribution and Supply Agreement Signature Page

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed in multiple counterparts by its duly authorized representative.

PURDUE PHARMA L.P.

By: Purdue Pharma Inc., its general partner

By: _____
Name:
Title:

TEVA PHARMACEUTICALS USA, INC.

By: _____
Name:
Title:

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Schedule 1.1A

BRANDED PRODUCTS

OxyContin® (oxycodone hydrochloride controlled-release) Tablets, under NDA number 022272, together with all amendments and supplements thereto, including all existing or future dosage strengths, all other existing or future formulations, all improvements thereon, and all other existing or future indications.

Schedule 1.1B

PRODUCTS

Product definition: Authorized generic versions of 10 mg, 20 mg, 40 mg and 80 mg OxyContin® (oxycodone hydrochloride controlled-release) Tablets, under NDA number 022272, together with all amendments and supplements thereto, but specifically excluding all other existing or future dosage strengths.

NDC	Description
*	10 mg 100 ct
*	20 mg 100 ct
*	40 mg 100 ct
*	80 mg 100 ct

* To Be Provided By Distributor.

Schedule 1.1C

COST OF GOODS

The following table sets forth the Cost of Goods per Bottle shipped by Purdue to Distributor in each dosage strength under the Agreement.

Dosage Strength	Per Bottle
10 mg	$8.00
20 mg	$16.00
40 mg	$32.00
80 mg	$64.00

Schedule 1.1D

PRODUCT INTEGRITY PROGRAM

Distributor must comply with the following product integrity and risk management measures prior to and at all times during all marketing, making arrangements for selling or distributing of the Products in the Territory:

(a) Distributor will provide to Purdue's Corporate Security Department (contact information below in clause (k)) a detailed report of any disruption to, loss from or imminent threat to supply chain integrity, from receipt of Product from Purdue to distribution of Product to the Trade, upon becoming aware of such event, including:

(i) Attempted or actual theft or loss of any controlled substance, or packaging materials, such as bottles, Labels, etc. relating to Product; and

(ii) Counterfeit Product or packaging for Product;

(b) Distributor will provide to Purdue's Controlled Substance Act Compliance Officer (contact information below in clause (k)):

(i) Reports of any variances to Distributor's standard operating procedures for Product handling or record keeping within facilities under Distributor's control; and

(ii) Results of DEA inspections of Distributor's facilities that contain Product (provided that Distributor will not be required to provide the results of any inspection that is unrelated, in whole or in part, to Product or any scheduled products and that could not reasonably be construed to affect Product in any manner whatsoever).

(c) Upon Purdue's request, Distributor will produce as soon as possible, but in no event later than three (3) Business Days after such request, a complete and accurate listing of all distribution facilities/entities to which Product has been shipped, including legible copies of the relevant DEA 222 forms.

(d) If Distributor telemarkets the Product directly to any pharmacy, Distributor will distribute to these pharmacies Purdue's written materials dealing with prevention of abuse and diversion, and materials for education on the proper management of pain.

(e) Distributor will only market or sell the Product to buying officers of wholesalers, pharmacy retailers and other distribution channels such as mail order pharmacies, long-term care facilities and closed provider pharmacies.

(f) Distributor will not market or sell the Product to health care professionals, hospitals or any patient setting that would be equivalent to a pharmaceutical sales representative detail call.

(g) Distributor will not market the Product to consumers, patients, or potential patients, directly or indirectly, or through any direct-to-consumer advertising.

(h) Distributor will make available to its customers for the Product the "Patient Package Insert" or "Medication Guide", whichever is applicable.

(i) Distributor will cooperate with Purdue in the timely adoption and implementation of security features for the Product as they are developed and implemented in Purdue's risk management program for its Branded Products.

(j) If Distributor becomes aware of any abuse or diversion of Product, Distributor will notify Purdue's Department of Risk Management & Health Policy (contact information below in clause (k)).

(k) Contact information:

(i) Purdue's Corporate Security Department
Vice President, Chief Security Officer

(ii) Purdue's Controlled Substance Act Compliance Officer
Executive Director, Controlled Substance Act Compliance

(iii) Purdue's Department of Risk Management & Health Policy
Vice President, Risk Management & Health Policy

or such other contact information as Purdue may provide Distributor from time to time.

Schedule 3.1.2

Purchase Order for 2015

[to be inserted]

Schedule 3.1.5

INDICIA

Each tablet will be marked "OP" on one side and the dosage strength (e.g., 10, 20, 40 or 80) on the other.

Schedule 3.3.3

SHIPPING LOCATION

[Note: Distributor to provide shipping location.]

Schedule 3.3.5A

FORM OF CERTIFICATE OF ANALYSIS

PURDUE

CERTIFICATE OF ANALYSIS

Finished Product: Oxycodone CR 40mg Tablets - ABG

Lot Size:	n,nnn,nnn	Lot Number: WXXXX	
Manufactured:	Month, Day, Year	Specification Number: QS301086 USV1	
Expiration Date:	mmm-yyyy		

Tested in accordance with Quality Standard Number: QS301086 USV1

Testing Performed:		Specifications:	Results
Identification, HPLC		Retention time of the active ingredient in the sample is within 0.5 min. of the standard and has an area greater than 5% of the standard solution.	
Assay, Oxycodone HCl		90.0 – 110.0 % Label Claim 36.0 – 44.0 mg / Tablet	
Content Uniformity		Meets USP <905> Requirements	
Dissolution	1st hour	35 – 55 % of Label Claim	
	4th hour	60 – 80 % of Label Claim	
	12th hour	Not < 85 % of Label Claim	
Description		Round, biconvex yellow film coated tablets with "40CR" on one side and "40" on the other side.	

Meets all requirements for Identity, Potency, Purity and Quality.

Data Reported By / Date: Data Approved By / Date:

name
Title, Quality Control

name
Title, Quality Control

Additionally the finished product was manufactured under cGMP conditions.

Data Approved By / Date:

name
Title, Quality Assurance

Purdue Pharmaceuticals L.P., 1701 Purdue Drive, Wilson, NC 27893 USA
Tel: +1 (252) 265-1900, Fax: +1 (252) 243-2533

Schedule 3.3.5B

FORM OF CERTIFICATE OF COMPLIANCE

FINISHED PRODUCT BATCH DISPOSITION

PURDUE PHARMACEUTICALS L.P.
CERTIFICATE OF COMPLIANCE

Batch Number: _____ Quantity: _____

Product Name: _____ Manufacturing Date: _____
Coating Date: _____
Expiration Date: _____ Packaging Date: _____

Product Batch Disposition Form Completed: _____
(Initial/Date)

	Reviewed By	Completed By
Packaging	_____ (Initial/Date)	_____ (Initial/Date)
Finished Product QC Testing Results	_____ (Initial/Date)	_____ (Initial/Date)

Quality Notifications/LIR (N/A section if not applicable)
Associated Number and completion date _____

RELEASE OF THIS LOT SIGNIFIES THAT THIS BATCH HAS BEEN MANUFACTURED AND PACKAGED IN ACCORDANCE WITH PURDUE PHARMACEUTICAL L. P., WILSON FACILITY'S STANDARD OPERATING PROCEDURES, REGULATORY REQUIREMENTS AND IN COMPLIANCE WITH CURRENT GOOD MANUFACTURING PRACTICES.

FINAL QA RELEASE BY: _____
(Signature/Date)

VERIFIED QA RELEASE BY: _____
(Signature/Date)

BATCH IS NONCONFORMING AND IS NOT TO BE RELEASED:

_____ Date: _____
(QA Management or Designee)

QA Disposition By: _____ Date: _____ Verified By: _____ Date: _____

Comments:

_____

CONFIDENTIAL WIL_FORM_QA_0002180 (version 6.0)
Print Date 10/3/2008 5:07 PM

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EXHIBIT 4

From: Michelle Osmian
To: Colleen McGinn
Sent: 12/10/2014 2:43:36 PM
Subject: FW: Purdue_Teva Distribution and Supply Agreement.DOCX
Attachments: Purdue_Teva Distribution and Supply Agreement.DOCX

Thanks,

Michelle

Michelle L. Osmian Sr. Director, Customer Operations
Tel: 215-591-3174 Cell: 610-442-4564
Michelle.Osmian@tevapharm.com www.tevapharm.com

From: Maureen Cavanaugh
Sent: Tuesday, December 09, 2014 5:22 PM
To: John Wodarczyk; Michelle Osmian
Cc: Christine Baeder
Subject: Purdue_Teva Distribution and Supply Agreement.DOCX

Attached is the potential AG supply agreement for Oxycodone ER with Purdue.

John,

Can you take a look at section 5.3 "Distributors Covenants" and see if you have any issues. I have already suggested additional language for 5.3.d which broadens what is excluded to include customer offers/contracts.

Michelle,

Please look at 5.3 (p) and Schedule 1.1D "Product Integrity Program" and let me know if you see any issues.

This is a sense of urgency here. We need to get all of this reviewed and place POs by the end of the week to comply with the agreement.

Thanks

maureen

EXHIBIT 5

DISTRIBUTION AND SUPPLY AGREEMENT

BY AND BETWEEN

PURDUE PHARMA L.P.

AND

TEVA PHARMACEUTICALS USA, INC.

DATED AS OF

DECEMBER 18, 2014

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SCHEDULES

Schedule 1.1A	Branded Product
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Schedule 3.4.5B	Form of Certificate of Compliance

DISTRIBUTION AND SUPPLY AGREEMENT

THIS DISTRIBUTION AND SUPPLY AGREEMENT is dated as of December 18, 2014 ("Signing Date"), by and between Purdue Pharma L.P., a Delaware limited partnership ("Purdue"), and Teva Pharmaceuticals USA, Inc., a Delaware corporation (the "Distributor").

PRELIMINARY STATEMENTS

A. Purdue, directly or indirectly through its Affiliates, manufactures, distributes, markets and sells the Branded Products in the Territory.

B. Subject to the terms and conditions of this Agreement and the Settlement Agreement, Purdue desires to engage Distributor as an authorized, non-exclusive distributor to distribute, market and sell the Products in the Territory directly or through an Affiliate.

C. Subject to the terms and conditions of this Agreement, Distributor desires to obtain from Purdue the right to distribute, market and sell the Products in the Territory.

D. NOW, THEREFORE, in consideration of the foregoing and of the terms, conditions, agreements and covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATIONS

1.1 Definitions. For purposes of this Agreement:

"Affiliates" has the meaning set forth in the Settlement Agreement.

"Affirming Appeal Result" has the meaning set forth in the Settlement Agreement.

"Agreement" means this Distribution and Supply Agreement, together with all schedules attached hereto, as the same may be amended or supplemented from time to time, by written agreement of the Parties.

"ANDA" means an abbreviated new drug application seeking approval for a drug under Section 505(j) of the Federal Food, Drug and Cosmetic Act, and the rules, regulations and guidelines promulgated thereunder, and FDA's implementing regulations, including all amendments and supplements, filed pursuant to the requirements of the FDA, including all documents, data and other information concerning such drug submitted as part of the application or in amendments or supplements thereto that are necessary for FDA approval to market the drug in the Territory.

"API" means active pharmaceutical ingredient.

"Authorized Generic Product" means any authorized generic version of the Branded Product, including the Product.

"Bankruptcy Code" has the meaning set forth in Section 11.2.2.

"Bottle" means a bottle of Product containing 100 tablets.

"Branded Product" means any of Purdue's branded products listed on Schedule 1.1A.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in the City of New York are authorized or required by Law to close.

"Certificate of Analysis" means the certificate of analysis for each Product in the form attached hereto as Schedule 3.4.5A.

"Certificate of Compliance" means the certificate of compliance for each Product in the form attached hereto as Schedule 3.4.5B.

"Commercially Reasonable Efforts" means, with respect to a given goal, the efforts, consistent with the practice of comparable pharmaceutical companies with respect to comparable quantities and dosage strengths of a comparable pharmaceutical product owned by it or to which it has rights of comparable market potential at a similar stage in its product life (taking into account the competitiveness of the marketplace, the proprietary position of the applicable active ingredient, the regulatory structure involved, the limited annual quantities of product authorized to be sold for the corresponding dosage strength and the profitability of the product), that a reasonable person in the position of the obligor would use so as to achieve that goal as expeditiously as possible.

"Confidential Information" means all secret, confidential or proprietary information or data, whether provided in written, oral, graphic, video, computer or other form, provided by one Party or its Affiliates or representatives (the "Disclosing Party") to the other Party or its Affiliates or representatives (the "Receiving Party") pursuant to this Agreement or generated pursuant to this Agreement, including any information or reports the Receiving Party may generate, the terms but not the fact of this Agreement and any other materials that have not been made available by the Disclosing Party to the general public. Notwithstanding the foregoing sentence, Confidential Information will not include any specific portion of any information or materials that:

(a) were already known to the Receiving Party (other than under an obligation of confidentiality) at the time of disclosure by the Disclosing Party to the extent such Receiving Party has documentary evidence to that effect;

(b) were generally available to the public at the time of their disclosure to the Receiving Party;

(c) became generally available to the public after their disclosure or development, as the case may be, other than through any act or omission of a Party in breach of such Party's confidentiality obligations under this Agreement;

(d) were disclosed to a Receiving Party, other than under an obligation of confidentiality, by a Third Party who had no obligation to the Disclosing Party not to disclose such information to others; or

(e) are independently developed by employees, authorized agents or independent contractors of the Receiving Party without use of, reference to or reliance upon the information furnished by the Disclosing Party, as evidenced by documentary evidence to that effect or other competent proof.

The above exceptions will not apply to (i) any individual parts of the Confidential Information merely because such parts are included in more general information, or (ii) any specific combination of the items found in the Confidential Information merely because such combination can be pieced together from multiple sources, none of which shows the whole combination.

"Convicted" means (i) when a judgment or conviction has been entered by a federal or state court in the Territory, regardless of whether there is an appeal pending; (ii) when a plea of guilty or nolo contendere has been accepted by a federal or state court in the Territory; or (iii) when a party has entered into participation in a first offender, deferred adjudication or other similar arrangement or program where a judgment of conviction in a federal or state court in the Territory has been withheld.

"Cost of Goods Payment" means the payment by Distributor of Purdue's cost of goods as set forth in Schedule 1.1C.

"CPA Firm" has the meaning set forth in Section 4.4.1.

"DEA" means the United States Drug Enforcement Administration, or any successor agency with responsibilities comparable to those of the United States Drug Enforcement Administration.

"Disclosing Party" has the meaning set forth in the definition of Confidential Information.

"Distribution Agreement Effective Date" means April 1, 2015.

"Distributor" has the meaning set forth in the first paragraph of this Agreement.

"Distributor's ANDA" means ANDA No. 202455 as may be supplemented or amended.

"FDA" means the United States Food and Drug Administration, or any successor agency with responsibilities comparable to those of the United States Food and Drug Administration.

"FDA Approval" means final and effective approval by the FDA of Distributor's ANDA to market certain generic versions of controlled-release oxycodone products as described therein in the Territory.

"Force Majeure Event" has the meaning set forth in Section 12.1.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"Good Manufacturing Practices" means current good manufacturing practices (i) requirements of the FDA, as set forth in 21 C.F.R. Parts 210 and 211, as amended from time to time, and (ii) set forth in all other Laws applicable to the manufacture of the Products that are in effect at the time and place of manufacture of the Products.

"Governmental Authority" means within the Territory any (i) federal, state or local government; (ii) court, arbitral or other tribunal or governmental or quasi governmental authority of any nature (including any governmental agency, political subdivision, instrumentality, branch, department, official, or entity); or (iii) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature pertaining to government.

"Inventoried Remaining Product" has the meaning set forth in Section 4.7.

"Involuntary Recall" has the meaning set forth in Section 9.2.2.

"Label" and "Labeling" means any label, labeling, package inserts and packaging designed for use with a Product.

"Laws" means all applicable laws, rules, regulations, judgments, orders, subpoenas, decrees, statutes, ordinances and other requirements of any Governmental Authority or instrumentality within the Territory.

"Losses" means any and all expenses (including reasonable attorneys' fees), demands, liabilities, damages or money judgments.

"Market Mix" has the meaning set forth in Section 3.1.1.

"Maximum Supply Bottles" has the meaning set forth in Section 3.1.1.

"Maximum Supply Quantity" has the meaning set forth in Section 3.1.1.

"Maximum Supply Quantity Percentage" has the meaning set forth in Section 3.1.1.

"NDA 022272" means Purdue's New Drug Application No. 022272 including all amendments and supplements thereto.

"NDC" means National Drug Code number.

"Net Profit" shall mean Net Sales less Cost of Goods Payment.

"Net Sales" means, with respect to Product sold by Distributor or its Affiliates in the Territory, the aggregate gross sales amount received for Product by Distributor and its Affiliates on an arms-length basis from Third Parties in the Territory, less the following deductions, all determined, except for clause (v) below, in accordance with Distributor's standard practices for

other pharmaceutical products, consistently applied, as reflected in Distributor's financial statements and measured in United States Dollars:

(i) two percent (2%) of gross sales in the Territory to cover cash discounts given by Distributor (and its Affiliates);

(ii) reasonable estimates for any adjustments on account of price adjustments, billing adjustments, shelf stock adjustments, promotional payments, or other similar allowances affecting the Product;

(iii) reasonable estimates for chargebacks, rebates, administrative fee arrangements, reimbursements, and similar payments to wholesalers and other distributors, buying groups, health care insurance carriers, pharmacy benefit management companies, health maintenance organizations, other institutions or health care organizations or other customers;

(iv) reasonable estimates for amounts due to Third Parties on account of rebate payments, including Medicaid rebates, or other price reductions provided, based on sales by Distributor and its Affiliates to any governmental or regulatory authority in respect of state or federal Medicare, Medicaid or similar programs;

(v) any government mandated manufacturing tax, including, without limitation, the brand manufacturer's tax imposed pursuant to the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) (as amended or replaced);

(vi) reasonable estimates for allowances and credits to third parties on account of rejected, damaged, returned or recalled Product; and

(vii) other specifically identifiable amounts that have been credited against or deducted from gross sales of the Product and which are substantially similar to those credits and deductions listed above.

"oxycodone" has the meaning set forth in the Settlement Agreement.

"Oxycodone Product" has the meaning set forth in the Settlement Agreement.

"Party" means Purdue or Distributor and, when used in the plural, means Purdue and Distributor.

"Patent License Agreement" means the Patent License Agreement among the Parties and the other signatories thereto, dated as of the date hereof.

"Person" means any individual, group, corporation, partnership, joint venture, limited liability company, trust, business association, organization, Governmental Authority, a division or operating group of any of the foregoing or other entity or organization, including any successors or assigns (by merger or otherwise) of any such entity.

"Product" means, except when used in "Branded Product", any of the authorized generic versions of the Branded Product listed on Schedule 1.1B and supplied by Purdue to Distributor under this Agreement. Each NDC (dosage strength) listed on Schedule 1.1B will constitute a separate Product.

"Product Integrity Program" means the activities and security controls that Purdue will require Distributor to follow as set forth on Schedule 1.1D, as may be amended by Purdue from time to time, in its sole discretion.

"Purdue" has the meaning set forth in the first paragraph of this Agreement.

"Purdue NDAs" means NDA 022272 and NDA 020553, including all amendments and supplements thereto.

"Quality Agreement" means the Quality Agreement to be mutually agreed between the Parties on or before the Distribution Agreement Effective Date.

"Receiving Party" has the meaning set forth in the definition of Confidential Information.

"Requirements" has the meaning set forth in Section 3.1.4.

"Royalty Certificate" has the meaning set forth in Section 4.1.

"Royalty Payments" has the meaning set forth in Section 4.1.

"Selling Period" means the period beginning at 12:01 a.m., New York City time, on the Distribution Agreement Effective Date and ending on the Selling Termination Date.

"Selling Quarters" has the meaning set forth in Section 4.1.

"Selling Termination Date" means the earliest of (i) the date on which Distributor has sold the entire Supply Amount but in no event later than December 31, 2022, (ii) the Terminal Date, and (iii) the date on which this Agreement is terminated pursuant to Section 11.1 or 11.2 hereof.

"Settlement Agreement" means the Settlement Agreement, dated as of the date hereof, by and among Purdue, The P.F. Laboratories, Inc., a New Jersey corporation, Purdue Pharmaceuticals L.P., a Delaware limited partnership, Rhodes Technologies, a Delaware general partnership, and Distributor.

"Specifications" means, for a Product, such specifications (other than indicia and name) for such Product as set forth in NDA 022272.

"Supply Amount" has the meaning set forth in Section 3.1.1.

"Supply Year" means each calendar year during the Selling Period.

"Term" has the meaning set forth in Section 11.1.

"Terminal Date" has the meaning set forth in the Settlement Agreement.

"Territory" means the United States of America, its districts, territories, possessions and commonwealths, including the Commonwealth of Puerto Rico.

"Third Party" means any Person who or which is neither a Party nor an Affiliate of a Party.

"Trade" means wholesalers, chains, distributors, retailers, pharmacies, mail order pharmacies or any other classes of trade that participate in the distribution or sale of pharmaceutical products.

"Voluntary Recall" has the meaning set forth in Section 9.2.1.

Capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings set forth in the Settlement Agreement or the Patent License Agreement, as applicable.

1.2 Interpretations.

1.2.1 In the event an ambiguity or a question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

1.2.2 The definitions of the terms herein apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation." Unless the context requires otherwise, (A) any definition of or reference to any agreement, instrument or other document herein will be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein), (B) any reference to any Laws herein will be construed as referring to such Laws as from time to time enacted, repealed or amended, (C) any reference herein to any Person will be construed to include the Person's successors and assigns, (D) the words "herein", "hereof" and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (E) any reference herein to the words "mutually agree" or "mutual written agreement" will not impose any obligation on either Party to agree to any terms relating thereto or to engage in discussions relating to such terms except as such Party may determine in such Party's sole discretion, and (F) all references to Articles, Sections, Exhibits or Schedules herein without a reference to any other agreement, will be construed to refer to Articles, Sections, Exhibits and Schedules of this Agreement.

ARTICLE II

DISTRIBUTORSHIP/APPOINTMENT

2.1 Appointment/Authorization.

2.1.1 Subject to the terms and conditions set forth in this Agreement, upon and as of the Distribution Agreement Effective Date, Purdue appoints Distributor as an authorized non-exclusive distributor of the Products in the Territory not to exceed the Supply Amount during the Selling Period, or to exceed the Maximum Supply Quantity or Maximum Supply Bottles specified for any Supply Year, and in connection with such appointment, grants to Distributor a limited non-exclusive, non-transferable license to market, distribute and sell the Products in the Territory, in amounts not to exceed the Supply Amount or to exceed the Maximum Supply Quantity or Maximum Supply Bottles specified for any Supply Year pursuant to the terms of this Agreement.

2.1.2 Subject to the terms and conditions set forth in this Agreement, Distributor accepts the appointment as an authorized distributor of the Products in the Territory from and after the Distribution Agreement Effective Date as provided in Section 2.1.1.

2.1.3 In consideration of the rights granted by Purdue to Distributor pursuant to this Section 2.1, Distributor will pay to Purdue each Cost of Goods Payment and Royalty Payment in accordance with the terms of Article IV.

2.1.4 Purdue specifically reserves the right, either directly or through its Affiliates or Third Parties, to: (i) manufacture, distribute and sell the Products to Distributor pursuant to this Agreement, subject to Section 3.7; and (ii) develop, manufacture, market, distribute and sell any products (including the Products and the Branded Products) anywhere in the world, including in the Territory.

2.1.5 No rights, titles, interests, licenses, waivers, releases, authorizations or covenants (either express or implied) other than those expressly granted in this Section 2.1 have been or are granted (or should be construed to be granted) by or under this Agreement to Distributor in respect of the Purdue NDAs or any other intellectual property or drug applications owned or controlled by Purdue or any of its Affiliates or with respect to the Products or the Branded Products.

2.1.6 Purdue hereby covenants that neither it, nor any of its Affiliates, will sue, assert any claim or counterclaim against or otherwise participate in any action or proceeding in the United States against Distributor, its Affiliates or purchasers of Product claiming that the sale or offer for sale of the Product during the Selling Period solely pursuant to, and in accordance with, this Agreement infringes any patents owned, licensed or controlled by Purdue or its Affiliates now or in the future. This covenant not to sue shall be non-transferable (except as provided in Section 12.3 of this Agreement). Nothing in this Section 2.1.6 shall be interpreted to prohibit Purdue or its Affiliates from suing, asserting any claim or counterclaim against or otherwise participating in any action or proceeding against Distributor or its Affiliates not specifically precluded by this Section 2.1.6 including, without limitation, for the specific purpose

of enforcing this Agreement, the Settlement Agreement or the Consent Judgments (as defined in the Settlement Agreement).

2.2 Limitation on Rights.

2.2.1 Distributor is, and will remain, subject, at all times prior to, during and following the Term, to the terms and conditions of the Settlement Agreement for so long as the Settlement Agreement or any applicable provision thereof remains in full force and effect.

2.2.2 Distributor hereby acknowledges Purdue's ownership of the Purdue NDAs. Pursuant to the Settlement Agreement and the terms of this Agreement, prior to the Terminal Date, neither Distributor nor its Affiliates will (i) directly or indirectly contest the validity of the Purdue NDAs or the right and title of Purdue therein and thereto, solely with respect to the Product or Oxycodone Product (including the Teva Product) in the Territory under this Agreement or (ii) claim or represent that under this Agreement Distributor has acquired any title in, ownership of, or right of reference to, the Purdue NDAs or any other Purdue intellectual property or new drug application with respect to any product other than with respect to Distributor's rights to distribute the Product in the Territory under this Agreement.

2.2.3 Neither Distributor nor its Affiliates will have any rights under the Purdue NDAs with respect to Products except in accordance with this Agreement.

2.2.4 Except pursuant to the terms of the Settlement Agreement, the Patent License Agreement and this Agreement, Distributor will not, directly or indirectly through its Affiliates or Third Parties solicit offers for sale, offer to sell, sell, ship, or cause to be shipped into interstate commerce for commercial sale in the Territory, or make, have made, import, develop, acquire, license, distribute, promote or market in the Territory, any Oxycodone Products prior to the Terminal Date.

2.2.5 Except as provided in Section 12.3, without the prior written consent of Purdue, which may be withheld in Purdue's sole discretion, Distributor will not grant sub-licenses or otherwise assign or grant an interest in any of its rights or obligations under this Agreement, in whole or in part, to any Third Parties.

2.2.6 No determination that any patents or any other intellectual property rights of Purdue have been terminated or exhausted may be based on any activity by Distributor or its Affiliates under this Agreement with respect to sales of Products other than in accordance with this Agreement and products other than Products in the Territory.

2.3 Distributor Obligations.

2.3.1 Commencing on the Distribution Agreement Effective Date, Distributor will use Commercially Reasonable Efforts to market, sell and distribute and will be responsible for marketing, sales and distribution of, the Products to the Trade throughout the Territory in accordance with the terms of this Agreement, including all operations relating to any of the foregoing (including pricing, invoicing, collections, customer returns, contracting, and rebates, including Medicaid rebates), and Distributor will comply in all material respects with all applicable Laws relating to all of the foregoing.

2.3.2 Distributor will market, sell and distribute all Products with the Label approved pursuant to Section 3.1.5.

2.4 Meetings. The Parties will meet in person or by teleconference as needed, at such times and locations as are mutually acceptable to the Parties, to discuss each Party's obligations under this Agreement and any disputes relating to the performance by each Party of its obligations hereunder. In connection with the foregoing, each Party will be responsible for all travel and related costs and expenses for its attendees at all such meetings in accordance with this Section 2.4.

ARTICLE III

GENERAL TERMS OF SUPPLY

3.1 Sales and Supply of Product.

3.1.1 Subject to the terms and conditions of this Agreement, Purdue will manufacture and deliver to Distributor, and as of the Distribution Agreement Effective Date, Distributor is hereby authorized to sell, as of and following the Distribution Agreement Effective Date, 52,521 Bottles of 10 mg dosage strength Product, 56,309 Bottles of 20 mg dosage strength, 38,056 Bottles of 40 mg dosage strength Product and 25,314 Bottles of 80 mg dosage strength Product during the calendar year ending December 31, 2015. Thereafter, during each subsequent Supply Year of the Selling Period, Distributor is hereby authorized to sell Product in an amount equal to the Maximum Supply Quantity (the cumulative, aggregate amount of all Product as provided in this Section 3.1.1 for all Supply Years during the Term, the "Supply Amount"), allocated among dosage strengths in accordance with the Market Mix.

The Maximum Supply Quantity Percentage for each calendar year during the Selling Period shall be as set forth below:

Year	Maximum Supply Quantity Percentage
2016	4.3%
2017	7.0%
2018	7.5%
2019	2.5%
2020	2.5%
2021	2.5%
2022	2.5%

Notwithstanding the foregoing, Distributor may vary any dosage strength from the Market Mix by up to 10% for any calendar year after 2015 during the Selling Period provided that the Maximum Supply Quantity is not exceeded for such calendar year. If Distributor does not sell all of the Bottles authorized to be sold by it in 2015, Distributor may sell such unsold Bottles in an amount not to exceed 10% of the 2015 authorized amount in 2016. After Supply Year 2015, Distributor may sell up to 10% of the Maximum Supply Quantity that remains unsold at the end of any Supply Year through 2018 in the next succeeding Supply Year. For Supply Years 2019

through 2022, Distributor may sell any of the Maximum Supply Quantity that remains unsold at the end of any Supply Year in the next succeeding Supply Year.

For purposes of this Section 3.1, "Market Mix" for each Supply Year other than 2015 means the allocation of prescriptions among the 10 mg, 20 mg, 40 mg and 80 mg dosage strengths in accordance with the representative percentages of prescriptions for each of the 10 mg, 20 mg, 40 mg, and 80 mg dosage strengths for all Oxycodone Product, Authorized Generic Product and Branded Product sold in the Territory during such Supply Year, in each case (i) by or for Purdue and (ii) under or pursuant to a license, covenant not to sue or supply agreement from or with Purdue or any of its Affiliates in the aggregate as reflected in the IMS Health National Prescription Audit Report ("NPA") showing prescriptions for the six-month period ending on June 30 of the calendar year immediately preceding the Supply Year for which such determination is being made and "Maximum Supply Quantity" for any Supply Year during the Selling Period other than 2015 means the number of kilograms determined by multiplying the Maximum Supply Quantity Percentage set forth in Section 3.1 for that calendar year by the cumulative amount (measured in kilograms) of all Oxycodone Product, Authorized Generic Product and Branded Product sold in the Territory, in each case (x) by or for Purdue and (y) under or pursuant to a license, covenant not to sue or supply agreement from or with Purdue or any of its Affiliates based on an NPA report issued by IMS Health showing prescription extended units for such products sold in the Territory during the twelve-month period ended on June 30 of the calendar year immediately preceding the Supply Year for which such determination is being made. The Market Mix shall be weighted by strength and multiplied by the Maximum Supply Quantity to determine the number of kilograms allocated to each of the 10 mg, 20 mg, 40 mg and 80 mg strengths which shall then be converted to Bottles to determine the number of Bottles constituting the Maximum Supply Quantity (the "Maximum Supply Bottles"). An example of the calculation of Maximum Supply Quantity, Market Mix and Maximum Supply Bottles based on a hypothetical NPA report is attached hereto as Schedule 3.1.1.

For each Supply Year during the Selling Period, beginning in 2016, the Distributor shall submit to Purdue, no later than September 1 of the preceding calendar year, a notice to Purdue showing calculations of the Maximum Supply Quantity, the Maximum Supply Bottles by dosage strength and the Market Mix, and such notice shall include the data supporting the calculations (the "Initial Calculations"). Such notice of Initial Calculations shall be sent to the attention of each of (x) Executive Vice President, CFO of Purdue Pharma L.P., One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901-3431 and (y) Vice President, General Counsel of Purdue Pharma L.P., One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901-3431. Purdue shall have a period of ten (10) Business Days following receipt of such notice to review such information and respond whether it agrees with the Initial Calculations. If Purdue disagrees with the Initial Calculations, the Parties shall meet and confer in an attempt to resolve such matter for a period of ten (10) Business Days, failing which, the Parties shall submit the Initial Calculations to an arbitrator mutually acceptable to both Parties for resolution by final and binding arbitration to be held in New York, New York, and administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules. If the Parties are unable to mutually agree on an arbitrator within ten (10) Business Days following the end of the ten (10) Business Day period referenced in the immediately preceding sentence, the Parties shall jointly submit a request to the President of the AAA to appoint an arbitrator who shall arbitrate

the dispute (the arbitrator, as either mutually agreed to by the Parties or so appointed, shall herein be referred to as the "Arbitrator"). The Parties agree that the Arbitrator shall consider only whether (x) the Initial Calculations as proposed by Distributor, or (y) alternative findings or findings that no adjustments are warranted to the Maximum Supply Quantity, the Maximum Supply Bottles or the Market Mix, in each case as proposed by Purdue (in each case, the "Purdue Findings"), are the accurate findings in accordance with the terms of this Agreement, and shall not have any right to average any such findings or propose any alternative findings. The Arbitrator will make separate findings on the Maximum Supply Quantity, the Maximum Supply Bottles and the Market Mix. If the Arbitrator determines that both of the Initial Calculations are accurate, then Distributor shall be considered the prevailing Party and if the Arbitrator determines that any of the Purdue Findings are accurate, then Purdue shall be considered the prevailing Party. The ruling of the Arbitrator shall be final and binding upon the Parties and the fees of the Arbitrator shall be borne by the non-prevailing Party as determined by the arbitration. The Parties shall bear their own expenses in connection with any such arbitration. If (A) Purdue agrees in writing with the Initial Calculations or (B) Purdue fails to respond in writing to such notice from Distributor within ten (10) Business Days, then the Maximum Supply Quantity, the Maximum Supply Bottles and the Market Mix will be as set forth in the Initial Calculations. Otherwise, the Maximum Supply Quantity, the Maximum Supply Bottles and Market Mix shall be determined by the Arbitrator.

3.1.2 Simultaneously with the execution of this Agreement, Distributor is placing written purchase orders, on a strength-by-strength basis, for calendar year 2015, copies of which are attached as Schedule 3.1.2. Distributor will submit written purchase orders, on a strength-by-strength basis, to Purdue by September 30 of each Supply Year not in excess of the Maximum Supply Quantity and in the Market Mix, as may be adjusted pursuant to Section 3.1.1, requested for the following Supply Year. Purdue will ship to Distributor, subject to Distributor's compliance with Section 3.1.5 with respect to the selection of the indicia and Label, the Bottles requested in each purchase order for a Supply Year no later than the end of the first quarter of each Supply Year to which the applicable purchase order relates.

3.1.3 Distributor will sell the Products in accordance with the terms of this Agreement and immediately cease selling, marketing and distributing the Products at the conclusion of the Selling Period.

3.1.4 All Products supplied hereunder will be in finished dosage form, filled, packaged and Labeled for commercial sale in accordance with the terms and conditions of this Agreement, the Quality Agreement, the Specifications, NDA 022272 and applicable Laws, including, without limitation, applicable Good Manufacturing Practices (the "Requirements"). Purdue will be responsible for the purchase of all materials that are included in finished Products.

3.1.5 Distributor will use the indicia selected by Purdue and as further described in Schedule 3.1.5 and the Label that has been agreed upon by Purdue and Distributor. For product to be sold in 2015, Distributor will provide packaging and Label specifications and related materials no later than the Signing Date. Thereafter, Distributor shall no later than October 1 of each year, beginning in 2015, provide Purdue with all necessary packaging and Label specifications and related materials. The Parties will finalize all packaging and Labeling by January 9, 2015 for Product to be sold in 2015 and by November 1 for each subsequent

Supply Year. Nothing contained herein will prevent Purdue from modifying the indicia or contents of the Labeling, so long as such changes conform to FDA requirements and NDA 022272 relating to the Products and do not materially affect the use or display of Distributor's artwork or graphics. In the event any proposed changes would have such an impact, the Parties will meet to reasonably decide how to effectuate the changes. Purdue will be responsible for all indicia and Label modification costs if Purdue initiates any modification or change in the indicia or Label, or if the FDA requires the indicia or Label to be modified or changed. Purdue will notify Distributor promptly following a final decision to make changes to the indicia or Label or, if FDA approval is required, to seek approval for such changes, but in no event will Distributor be given less than thirty (30) days' advance written notice of such modification, unless a shorter time is required to comply with FDA requirements. As further set forth in the Pharmacovigilance Agreement, Purdue is responsible for management of labeling activities and associated issues relating to Product and communicating labeling details via the annual reporting process to appropriate regulatory authorities.

3.1.6 Subject to Section 5.3 of this Agreement, beginning on March 1, 2015, Distributor shall be permitted (i) to inform potential customers of the date on which Distributor will be permitted to sell the Products and (ii) to engage in non-binding and preliminary contracting activities with respect to the Products, including making non-binding offers for sale; provided, that in no event shall Distributor or its Affiliates ship or distribute any Product prior to the Distribution Agreement Effective Date.

3.1.7 Failure to Deliver Product; Liquidated Damages.

(a) Purdue will use its Commercially Reasonable Efforts to purchase and maintain sufficient quantities of Oxycodone API to fulfill Distributor's outstanding purchase orders. In the event that Purdue has insufficient quantities of Oxycodone API to fulfill both Distributor's outstanding purchase orders for Product and Purdue's requirements of Branded Product, Purdue will allocate its supply and inventory of oxycodone API to fulfill Distributor's outstanding purchase orders based on a pro rata share of supply and inventory in proportion to the total orders for Product and Branded Product for such supply and inventory.

(b) If Purdue fails to deliver to Distributor, within forty-five (45) calendar days of the date on which such Product is due to be delivered under this Agreement, the entire quantity (or any portion thereof) of Product specified under any Purchase Order, regardless of the reason, and Distributor has received FDA Approval of Distributor's ANDA, Distributor will be permitted to sell an amount of Bottles of Teva Products (as defined in the Patent License Agreement) equal to the undelivered quantity of Bottles of Product (the "Undelivered Bottle Amount"), which shall be sold by Distributor under Distributor's ANDA pursuant to the terms and conditions set forth in the Patent License Agreement (which terms and conditions, including the license granted in Section 1(a) of the Patent License Agreement, are made effective and incorporated by reference herein solely to the extent required to effectuate the foregoing), except that the then-applicable Maximum Supply Quantity for the Supply Year in which such failure has occurred shall nonetheless be in effect with respect to such Teva Products to the extent that such products are able to be manufactured and sold during such Supply Year, and if not, then (x) regardless of the Maximum Supply Quantity for the following Supply Year, Distributor shall nonetheless have the right to sell during such following Supply Year that

number of Bottles of such Teva Products and/or Products (to the extent Purdue is later able to again supply Bottles of Products), of the Undelivered Bottle Amount that remains to be sold and (z) if the Supply Year in which such supply failure occurred is the last Supply Year of the Selling Period, the then-current Selling Termination Date shall be extended by one (1) calendar year to compensate for time lost due to Purdue's failure to deliver such Product.

(c) If Purdue fails to deliver to Distributor within forty-five (45) calendar days of the date on which such Product is due to be delivered under this Agreement the entire quantity (or any portion thereof) of Product specified under any Purchase Order, and Distributor does not have final FDA Approval of Distributor's ANDA at such time, Purdue will pay damages in lieu of any obligations to supply Product to Distributor in an amount to be determined by multiplying, on a strength-by-strength basis, the unit quantity of Product Purdue failed to deliver to Distributor by the average Net Profit per unit for such strength earned by Distributor in the three (3) consecutive calendar-month period immediately preceding the calendar month in which such supply failure occurred.

(d) If Purdue fails to deliver Product to Distributor as described in clauses (b) or (c) above, Purdue will reimburse Distributor for all reasonable fines and penalties that Distributor or its Affiliates are required to pay to Third Party customers as a result of such failure upon presentation to Purdue of documentation showing evidence of such payments.

(e) The remedies set forth in this Section 3.1.7 are the sole remedies of Distributor with respect to a failure by Purdue to supply Product hereunder.

3.1.8 Except as provided in Section 3.1.7(b), Distributor shall not sell Product in any calendar year in which it has or will sell Teva Products in the Territory.

3.2 Shelf Life. As of the time Purdue delivers Product to Distributor, such Product, shall have not less than eighteen (18) months of the approved shelf life remaining until the expiration date of such Product.

3.3 Shipping Documents. No terms and conditions contained in any preprinted form issued by either Party will be effective to the extent they are inconsistent with or modify the terms and conditions contained herein or in either the Quality Agreement or the Settlement Agreement.

3.4 Storage and Shipments.

3.4.1 Purdue will store and transport the Products, and other Product materials and API according to the Requirements.

3.4.2 Purdue will notify Distributor when the scheduled delivery amounts become available for shipment. Within two (2) Business Days after receiving such notice, Distributor will provide to Purdue a DEA Form 222 and mutually agree with Purdue on a shipment date for the scheduled delivery amounts subject to Section 3.1.2.

3.4.3 Within two (2) Business Days after the mutually agreed upon shipment date pursuant to Section 3.4.2, and Purdue's receipt of all required documentation, including

DEA Form 222, Purdue will ship the Products to Distributor's designated distribution facility listed on Schedule 3.4.3 (which may be amended by written notice from Distributor to Purdue) on Purdue's customary carrier, C.I.P. (Incoterms 2000) customer destination, except that no shipments will be made on Friday, Saturday, Sunday, a legal holiday, or the day before a legal holiday in any week, and shipments due for those days will commence on the following Business Day.

3.4.4 Each Party will be responsible for its own DEA reporting, where applicable. Purdue will obtain and pay for freight insurance, custom clearance (if necessary), and any duties or taxes in connection with the shipment of any Product to Distributor's designated distribution facility. Only following approval and release from Purdue's quality assurance group will any Product be shipped to Distributor.

3.4.5 Purdue will package all Product for shipment in accordance with its customary practices. Purdue will include the following with its shipment of the scheduled delivery amounts: (a) the Purdue lot and batch numbers for the Products constituting such scheduled delivery amounts, (b) the quantity of the Products included, (c) the Certificate of Analysis, (d) the Certificate of Compliance, and (e) any other documentation as may be required under applicable law or by any Governmental Authority.

3.5 Product Rejection.

3.5.1 Distributor will give written notice to Purdue of any claim that any Product does not conform with the Requirements promptly upon Distributor becoming aware of such non-compliance, but in no event later than seven (7) Business Days after receipt of such Product by Distributor with respect to such non-compliance that is or could have been detected by a reasonable physical inspection of such Product at the time of delivery ("Detectable Defects"). In the event that Distributor fails to notify Purdue of any such claim within the applicable notice period specified in the preceding sentence, such Product will be deemed accepted by Distributor, provided, however, that in the event of any Product supplied by or on behalf of Purdue is non-compliant and is not a Detectable Defect, Distributor shall make all claims for such defects within fifteen (15) Business Days after discovery of such defect (including any non-conformity relating to stability). Any such notice by Distributor pursuant to this Section 3.5.1 that any Product does not conform with the requirements set forth in this Agreement or the Quality Agreement must be accompanied by a reasonably detailed statement of Distributor's reasons for rejection and a report of any pertinent analysis performed by Distributor on the allegedly non-conforming Product, together with the methods and procedures used. The Parties will cooperate in good faith to resolve any dispute arising under this Section 3.5.1. In the event that the Parties are unable to resolve such dispute within ten (10) Business Days from the date of Distributor's notice pursuant to this Section 3.5.1, and if such dispute can be resolved by analytical testing of the Product in dispute, the Parties will submit such dispute to a previously qualified and mutually agreed-to independent GMP laboratory in the United States. The laboratory will use the same analytical testing methods as required by the Requirements. Both Parties agree to cooperate with the laboratory's reasonable requests for assistance in connection with its analysis hereunder. Absent manifest error, the determination by such laboratory will be final and binding and the laboratory's costs will be borne by the non-prevailing Party. Distributor will not dispose of any Product claimed by it not to conform with the Requirements

until resolution of any dispute with respect thereto is finalized by the Parties. Such resolution may include a mutually agreed upon method to replace or re-label the non-conforming Product. The provisions of this Section 3.5.1 shall not be deemed to abrogate in any way requirements for reporting product complaints or adverse events.

3.5.2 If Purdue acknowledges an alleged nonconformity (or if the laboratory provided for in Section 3.5.1 concludes that any Product was non-conforming), Purdue will promptly (and in any case within ten (10) Business Days after Distributor's notice of such nonconformity) make arrangements for the return or disposal, at Purdue's option, of the non-conforming Product, if in fact, the non-conforming Product cannot be reworked. Non-conformance relating to physical Labeling or packaging will be addressed first by reworking the Product into acceptable physical labeling and/or packaging. If Purdue instructs Distributor to dispose of such non-conforming Product, Purdue will give Distributor written instructions as to the process by which Distributor or its agent must dispose of such non-conforming Product, which instructions must comply with applicable Laws, Distributor will dispose of such Product, and Distributor will provide Purdue with written certification of such destruction. Purdue will be under no obligation to accept a return of any Product except as provided in this Section 3.5.2.

3.5.3 If any Product was in fact non-conforming (whether pursuant to Section 3.5.1 or if Purdue so acknowledges in writing), then, Purdue will promptly provide replacement Product for such non-conforming Product if Distributor returns such Product to Purdue or destroys such Product as instructed by Purdue and if Purdue does not provide such replacement Product within forty-five (45) calendar days after such Product being determined non-conforming (whether pursuant to Section 3.5.1 or if Purdue so acknowledges in writing) the Selling Period shall be extended for a period of time equal to ninety (90) calendar days after Distributor receives 100% of the replacement Product from Purdue. If Product was in fact conforming, then Distributor will promptly return Product, if any, supplied in excess of the Supply Amount or the Maximum Supply Quantity for any Supply Year. Replacement shipments will also be subject to the Product rejection procedures contained in this Section 3.5. In addition, and notwithstanding anything contained herein to the contrary, Purdue's failure to deliver conforming Product within thirty (30) calendar days of the date on which the Product is found to be non-conforming (whether pursuant to Section 3.5.1 or if Purdue so acknowledges in writing) shall be deemed a failure under Section 3.1.7 hereof such that Distributor shall have all rights and remedies available to it under Section 3.1.7 for Purdue's failure.

3.6 Quality Control; Change in Specifications.

3.6.1 The quality control obligations with respect to the manufacture, handling, storage and shipment of the Products are set forth in the Quality Agreement.

3.6.2 All changes to Specifications must be in accordance with Purdue's change control procedure set forth in the Quality Agreement.

3.7 Subcontracting Manufacturing Obligations. In the event that Purdue determines that it shall engage an Affiliate or a Third Party manufacturer to manufacture Product, it (i) will provide Distributor with advance notice of an engagement of a Third Party manufacturer, (ii) will remain responsible for ensuring that the Products meet the Requirements and (iii) will

remain responsible for ensuring that such Affiliate or Third Party manufacturer performs all of Purdue's applicable obligations under this Agreement. Purdue shall remain fully liable for any obligations contracted to a Third Party manufacturer hereunder.

ARTICLE IV

PAYMENTS AND REPORTS

4.1 Payment to Purdue. As consideration to Purdue for the rights granted to Distributor under this Agreement, Distributor will, in accordance with the terms of this Article IV, pay to Purdue the Cost of Goods Payments, calculated as set forth on Schedule 1.1C, within sixty (60) days after the date of each invoice provided by Purdue to Distributor, which invoice shall not be dated earlier than the date of the shipment of Product to which the invoice relates. In addition to the Cost of Goods Payments, Distributor agrees to pay to Purdue a royalty (the "Royalty Payments") equal to one percent (1.0%) of Distributor's aggregate Net Profit from the sale of Products in the Territory by Distributor or its Affiliates to Third Parties pursuant to this Agreement; provided, however, if an Affirming Appeal Result has been rendered, the Royalty rate shall be reduced beginning in the following Selling Quarter to one-half of one percent (0.5%) of Net Profit after the date such Affirming Appeal Result is rendered. Such decrease in rate, together with the decrease in rate and increase in Maximum License Quantity in the Patent License Agreement, represents the Parties' reasonable estimate of the value of the issues subject to the Appeal (as defined in the Settlement Agreement). If, during any Selling Quarter, Net Profits are negative, Purdue shall not be entitled to receive any Royalty Payment for such Selling Quarter and such negative amounts will be carried forward and applied against positive Net Profits in future Selling Quarters until such negative amounts equal zero. Distributor shall pay such Royalty Payments to Purdue (x) within sixty (60) days following the end of each Selling Quarter with respect to Product sold during the immediately preceding Selling Quarter, and (y) in any event within sixty (60) days following the end of the Selling Quarter following the Selling Termination Date with respect to any Net Profit of Product for which payment has not yet been made. For purposes hereof, "Selling Quarters" shall mean the three (3) month periods ending on March 31, June 30, September 30 and December 31 of each calendar year during the Selling Period (or thereafter if the Selling Termination Date occurs prior to the end of such period). Each Royalty Payment by Distributor hereunder shall be accompanied by a certificate (a "Royalty Certificate") from the Chief Financial Officer (or other financial officer or the Director of Finance) of Distributor to the attention of: Executive Vice President, CFO of Purdue Pharma L.P., One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901-3431 certifying as to (A) the number of Bottles of Products in each dosage strength sold by Distributor during the Selling Quarter for which the Royalty Payment is being paid; (B) the total number of Bottles shipped, on a dosage strength by dosage strength basis, for such Selling Quarter; (C) the number of returns, on a dosage strength by dosage strength basis, during such Selling Quarter; (D) the differences between the number of Bottles shipped and returns for such Selling Quarter, on a dosage strength by dosage strength basis; (E) the total number of Bottles shipped, on a dosage strength by dosage strength basis, since the Distribution Agreement Effective Date; (F) the number of returns, on a dosage strength by dosage strength basis since the Distribution Agreement Effective Date; (G) the difference between (E) and (F), on a dosage strength by dosage strength basis; (H) the Net Profit by dosage strength derived from the sale of

all Bottles during such Selling Quarter; (I) the Royalty rate applied; and (J) the amount of the Royalty Payments payable with respect to such Net Profit.

4.2 Withholding Taxes. Where required by law, Distributor shall have the right to withhold applicable taxes from any payments to be made by Distributor to Purdue pursuant to this Agreement. Distributor shall provide Purdue with receipts from the appropriate taxing authority for all payments of taxes withheld and paid by Distributor to such authorities on behalf of Purdue. Purdue shall have the right to appeal to the appropriate taxing authority any such withholding and payment of such taxes.

4.3 True-Up.

4.3.1 After the end of each calendar year during the Selling Period, Distributor shall perform a "true up" reconciliation (and shall provide Purdue with a written report of such reconciliation) of the deductions outlined in the definition of "Net Sales." The reconciliation shall be based on actual cash paid or credits issued plus an estimate for any remaining liabilities incurred related to the Product, but not yet paid at the end of the preceding calendar year. If the foregoing reconciliation report shows either an underpayment or an overpayment between the Parties, the Party owing payment to the other Party shall pay the amount of the difference to the other Party within thirty (30) days after the date of delivery of such report. The true up reconciliations provided for in this Section 4.3 shall be prepared in accordance with Distributor's standard practices for other pharmaceutical products, consistently applied, as reflected in Distributor's financial statements and measured in United States Dollars.

4.3.2 Within twenty (20) months after the expiration or earlier termination of this Agreement, Distributor shall perform a "true-up" reconciliation (and shall provide Purdue with a written report of such reconciliation) of the items comprising deductions from Net Sales. If the foregoing reconciliation report shows either an underpayment or an overpayment between the Parties, the Party owing payment to the other Party shall pay the amount of the difference to the other Party within thirty (30) days after the date of delivery of such report.

4.4 Audit Rights.

4.4.1 Purdue shall have the right to engage, at its own cost and expense subject to this Section 4.4 (not more than twenty-four (24) months after delivery of the report setting forth the computation to be audited), an internationally recognized independent certified public accounting firm chosen by Purdue and reasonably acceptable to Distributor (which accounting firm shall not be the external auditor of Purdue, shall not have been hired or paid on a contingency basis for this engagement and shall have experience auditing generic pharmaceutical companies) (a "CPA Firm"), to conduct an audit of Distributor for the purposes of confirming Distributor's compliance with Sections 2.2.4, 3.1, 4.1 and 4.3 of this Agreement. Such right shall exist during the Term and for a period of twenty-four (24) months after the Term and shall be limited to no more than once per calendar year, unless the CPA Firm determines (or in the event of a dispute, the Third CPA Firm determines (as defined below)) non-compliance with this Agreement in which event Purdue shall have the right to conduct additional audits of Distributor.

4.4.2 The CPA Firm shall be given access to and shall be permitted to examine and copy, unless such copying is not permitted under Distributor's agreements with Third Parties, such books and records of Distributor as it shall reasonably request upon twenty (20) Business Days' prior written notice having been given by Purdue, during regular business hours, for the purpose of determining compliance with this Agreement, including the matters set forth in Section 4.3.2. Prior to any such examination taking place, the CPA Firm (i) shall enter into a confidentiality agreement reasonably acceptable to Distributor with respect to the information to which it is given access and (ii) shall not contain in its report or otherwise disclose to Purdue or any Third Party any information labeled by Distributor as being confidential customer information regarding pricing or other competitively sensitive proprietary information.

4.4.3 Purdue and Distributor shall be entitled to receive a full written report of the CPA Firm with respect to its findings (which shall be provided to Distributor by Purdue if the CPA Firm does not provide it), or other summary of findings, prepared by such CPA Firm promptly following Purdue's receipt of same. In the event of any dispute between Purdue and Distributor regarding the findings of any such inspection or audit, the Parties shall initially attempt in good faith to resolve the dispute amicably between themselves, and if the Parties are unable to resolve such dispute within thirty (30) days after delivery to both Parties of the CPA Firm's report, or other summary of findings, each Party shall select an internationally recognized independent certified public accounting firm (other than the CPA Firm), and the two firms chosen by the Parties will choose a third internationally recognized independent certified public accounting firm (the "Third CPA Firm") which will resolve the dispute, and Third CPA Firm's determination shall be binding on both Parties, absent manifest error by Third CPA Firm.

4.4.4 Within forty-five (45) days after completion of the CPA Firm's audit, Distributor shall pay to Purdue any deficiency in the Royalty Payments determined by the CPA Firm (or the Third CPA Firm, as applicable). If the report of the CPA Firm shows a discrepancy between the amount of the Royalty Payment to which Purdue is entitled and the Royalty Payment amount reflected by Distributor in the Royalty Certificate in Purdue's favor, then in addition to the payment of the Royalty Payment amount, Distributor shall be responsible for late payment interest in accordance with Section 4.9, and if such discrepancy exceeds ten percent (10%) of the amount audited or if there are sales of Product after the earlier of the Selling Termination Date and the termination of this Agreement or in excess of the Maximum Supply Amount, Maximum Supply Bottles, or Maximum Supply Quantity, then the fees and expenses of the CPA Firm in performing such audit shall also be paid by Distributor. If the report of the CPA Firm shows a discrepancy between the amount of the Royalty Payment to which Purdue is entitled and the Royalty Payment amount reflected by Distributor in the Royalty Certificate in favor of Distributor, then at Distributor's election, Purdue shall either remit such over-payment amount to Distributor or Distributor shall off-set such over-payment amount against any royalties then owed Purdue.

4.5 Mode of Payment. Distributor will make all payments required under this Agreement by electronic funds wire transfer in United States dollars to a bank account designated by Purdue from time to time.

4.6 Records Retention. Distributor will keep complete, true and accurate records pertaining to its activities under this Agreement, including records pertaining to the sales of

Products in the Territory and covering all transactions from which sales are derived, in accordance with and for the time period required by Law, including as to government pricing, but in no event less than for a period of five (5) years after the year in which such sales occurred, and in sufficient detail to permit Purdue to confirm the accuracy of the number of Bottles sold and, to the extent required by applicable Law, the applicable "average manufacturer price" and/or the applicable "best price".

4.7 Certificates; Audit. Within a reasonable period not to exceed five (5) Business Days after the earlier of the Selling Termination Date and the termination of this Agreement, Distributor will give Purdue access to Distributor's facilities where the Products are stored, or such other places that any Product is stored, in order to inventory the remaining Product (the "Inventoried Remaining Product"). Following the earlier of the Selling Termination Date and the termination of this Agreement, Distributor will also deliver to Purdue certificates from the Chief Financial Officer (or other financial officer or the Director of Finance) of Distributor certifying (i) that Distributor ceased shipping any Product into interstate commerce for commercial sale in the Territory upon the earlier of the Selling Termination Date and the termination of this Agreement, (ii) the number of Bottles, allocated by dosage strength, sold by Distributor during the Selling Period on an annual basis, (iii) that all Inventoried Remaining Product has been destroyed or returned to Purdue at Distributor's sole cost and expense within five (5) Business Days following the Selling Termination Date and (iv) that no sales resulting in sales above the Supply Amount and if there are sales of Product after the earlier of the Selling Termination Date and the termination of this Agreement or in excess of the Maximum Supply Amount, Maximum Supply Bottles, or Maximum Supply Quantity were made by Distributor prior to the conclusion of the Selling Period. The certifications referred to in clause (i) above will be delivered within five (5) Business Days following the earlier of the Selling Termination Date and the termination of this Agreement, the certifications referred to in clauses (ii)-(iv) above will be delivered within ten (10) Business Days following the earlier of the Selling Termination Date and the termination of this Agreement.

4.8 Taxes. Any and all transfer, sales, use, registration and other taxes imposed upon or with respect to or measured by the shipment by Purdue to Distributor of any Product under this Agreement will be the responsibility of and for the account of Distributor. Notwithstanding the previous sentence, Distributor will have no obligation to pay any income tax imposed on Purdue or any of its Affiliates which may arise from the transactions contemplated by this Agreement.

4.9 Late Payments. In the event that any payment due by Distributor under this Agreement is not made when due, the payment will accrue interest from the date due at a rate equal to the lesser of (a) two percent (2.0%) above the prime rate reported in The Wall Street Journal (Eastern Edition) on the date such payment was due but not less than five percent (5%) and (b) the maximum permissible rate under the law, with such interest to compound monthly. The payment of such interest will not limit Purdue from exercising any other rights it may have as a consequence of the lateness of any payment.

4.10 Notice of Destruction of Records. Notwithstanding any other provision of this Agreement to the contrary, neither Party will destroy any records required for future government

price reporting created under this Agreement without first giving the other Party advance written notice so that such Party may request additional retention of such records for good cause.

ARTICLE V

COVENANTS

5.1 Mutual Covenants.

5.1.1 Compliance with Laws. Each Party will maintain in full force and effect all necessary licenses, permits and other authorizations required by Law to carry out its duties and obligations under this Agreement. Each Party will comply in all material respects with all Laws applicable to its activities under this Agreement and the Quality Agreement. Distributor and Purdue will handle and store the Products in compliance in all material respects with all applicable Laws. Subject to the terms of this Agreement, each Party will keep all records and reports required to be kept by applicable Laws. The Parties will reasonably cooperate with one another with the goal of ensuring full compliance in all material respects with applicable Laws. Each Party will cooperate with the other to provide such letters, documentation and other information on a timely basis as the other Party may reasonably require to fulfill its reporting and other obligations under applicable Laws to applicable Governmental Authorities.

5.1.2 Reasonable Cooperation. Purdue and Distributor will each use Commercially Reasonable Efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary or proper to make effective the transactions contemplated by this Agreement, including such actions as may be reasonably necessary to obtain any approvals and consents of Governmental Authorities and other Persons; provided that no Party will be required to assume any other material obligation not otherwise required to be assumed by this Agreement, the Quality Agreement, or requirements under applicable Laws or incur any material change in the economics of the transactions.

5.2 Purdue Covenants.

(a) Purdue will comply in all material respects with all applicable Laws (including DEA and FDA regulations) relating to the manufacturing, packaging, Labeling, handling, storage and shipment of the Products, including filing with the FDA required notices, supplemental applications and annual or other reports, including adverse event reports, with respect to NDA 022272, except to the extent such non-compliance would not have a material adverse effect on NDA 022272, the Branded Products or the Products.

(b) Purdue will perform all stability and other testing sufficient to maintain the Products in conformity with NDA 022272 and the other Requirements.

(c) The Products manufactured by Purdue and supplied to Distributor under this Agreement:

(i) will not be adulterated or misbranded under applicable Laws at the time they are tendered to Purdue's customary carrier for shipment to Distributor;

(ii) will be free from any liens or encumbrances;

(iii) will meet the Specifications therefor at the time they are tendered to Purdue's customary carrier for shipment to Distributor (including maintaining stability of the Product in accordance with the Quality Agreement); and

(iv) will be manufactured, packaged and Labeled in accordance with the Requirements and at facilities that are in compliance with Good Manufacturing Practices and applicable Laws.

(d) Labels of Products will not be misbranded under applicable Laws, will meet the Specifications, and will be Labeled in accordance with Good Manufacturing Practices at the time the Products are tendered to Purdue's customary carrier for shipment to Distributor.

(e) Purdue will review all marketing and sales materials, within fifteen (15) Business Days after receipt from Distributor for review and either notify Distributor of its approval of such materials or deficiencies therein; provided, that Distributor's pricing information shall be expressly excluded from this provision.

(f) Purdue will immediately inform Distributor if Purdue or any of its Affiliates providing services to Distributor in connection with this Agreement are debarred, under Section 306(a) or 306(b) of the Generic Drug Enforcement Act of 1992 or under 42 U.S.C. Section 1320-7, or are sanctioned by, suspended, excluded or otherwise ineligible to participate in any federal health care program, including Medicare and Medicaid or in Federal procurement or non-procurement programs.

(g) Should Purdue receive a credit or refund request for the Products, the requestor will be referred to the Distributor contact for Returns Processing, Sandy Mort at sandra.mort@tevapharm.com or 215-591-8776.

(h) Purdue will timely provide Distributor with (i) baseline "average manufacturers price" as defined by the Social Security Act and implementing regulations, as amended, (ii) baseline Consumer Price Index – Urban and (iii) FDA approval date for the Branded Product, within the first 45 days after the first shipment of Product to Distributor. All data and information provided under this Section 5.2(h) shall be deemed Confidential Information subject to restrictions of disclosure solely to those whom have a "need to know" for government price reporting purposes and shall be used solely for those purposes.

(i) Purdue will not voluntarily request withdrawal of NDA 022272 prior to January 1, 2018. If Purdue requests withdrawal of NDA 022272 on or after January 1, 2018, it will provide Distributor with written notice at least ninety (90) days prior to submitting such request to withdraw such NDA, in which event (an "Acceleration Event") the Maximum Supply Quantity for all subsequent Supply Years shall be accelerated to the Supply Year in which NDA 022272 is withdrawn. The Maximum Supply Quantity shall be determined by adding all subsequent Maximum Supply Quantity Percentages and multiplying the resulting percentage by the same number previously used to determine the Maximum Supply Quantity for the Supply Year in which NDA 022272 is withdrawn (such amount referred to as the

"Accelerated Product"). If the FDA withdraws the Purdue NDA at the FDA's own initiative, the Purdue Companies will provide Distributor a written notice within two (2) Business Days after the Purdue Companies become aware of the FDA's withdrawal.

(j) Notwithstanding the foregoing, Purdue will not request the deletion of any National Drug Code for the Branded Product or Product, except to the extent required by an order of a court or administrative agency of competent jurisdiction, or in response to an adverse statement issued by a governmental or regulatory entity regarding the safety of the Branded Product or Product that requires or requests Purdue to take any such action or as otherwise required by applicable Laws.

(k) If an Acceleration Event occurs, Purdue shall use its Commercially Reasonable Efforts to deliver such Accelerated Product as soon as reasonably possible after it first delivers its notice of withdrawal to Distributor. If Distributor is unable to sell all of the Product during the Supply Year in which it is delivered, Distributor shall be permitted to sell such unsold Product during the subsequent Supply Year.

5.3 Distributor Covenants.

(a) Distributor will sell and distribute the Products only in the Territory, or make or solicit offers to sell the Products in the Territory during the Selling Period and, except as set forth in this Agreement, in no event will such sales of the Products exceed the Supply Amount, the Maximum Supply Quantity or the Maximum Supply Bottles for any Supply Year set forth in Section 3.1.1 or be allocated among dosage strengths other than in accordance with the Market Mix, except as otherwise provided in Section 3.1.1.

(b) Distributor will comply in all material respects with all applicable Laws (including DEA and FDA regulations) relating to the handling, storage and disposal of the Products.

(c) Distributor will comply in all material respects with all applicable Laws related to the marketing, distribution and sale of the Products.

(d) Prior to Distributor using any marketing and sales materials pursuant to this Agreement, Distributor will submit to Purdue for Purdue's written approval all such marketing and sales materials, excluding pricing information and offers for sale to customers.

(e) Distributor will be responsible for all pricing decisions with respect to the Products in the Territory.

(f) In accordance with applicable Law, Distributor will register and sell the Products using only NDC numbers that reflect Distributor as the distributor of the Products.

(g) Distributor will be responsible for all price reporting under Distributor's own NDC for the Products to any and all Governmental Authorities, as well as to any Third Party pricing publications.

(h) Distributor will cause its employees responsible for the supply, distribution, sale or marketing of the Products in the Territory to act in accordance with the highest industry standards for Schedule II Narcotics and in a professional, ethical and lawful manner.

(i) Distributor acknowledges that nothing in this Agreement will grant to Distributor any rights, titles, interests, licenses, waivers, releases, authorizations or covenants to, or interest in, either express or implied, any intellectual property improvements, new formulations, indications, dosages, forms of administration, dosage strengths, or other presentations or uses of the Products at any time, whether past, present or future, derived or developed by or on behalf of Purdue or its Affiliates, or any other product, compound or molecule owned or controlled, in whole or in part, by Purdue or its Affiliates.

(j) Distributor will not market, distribute or sell the Products to any Third Party in the Territory for the purpose of being resold outside of the Territory.

(k) Distributor will be solely responsible for all federal, state and local government and private purchasing, pricing or reimbursement programs with respect to the Product sold by Distributor hereunder, including taking all necessary and proper steps to execute agreements and file other appropriate reports and other documents with governmental and private entities. Distributor will be solely responsible for payment and processing of all rebates, whether required by contract or local, state or federal law, for the Product sold by Distributor hereunder, including all rebates, price protection claims and payments to Medicaid, Medicare, PBMs (pharmacy benefit managers) and other payors under Distributor's NDC number, whether required by contract or Law, for the Products. Furthermore, for all rebates due under or calculated under 42 U.S.C. Section 1396r-8, Distributor acknowledges that it will treat the Products as innovator multiple source drugs, as defined in 42 U.S.C. Section 1396r-8(k)(7)(A)(ii).

(l) To the extent required for compliance with applicable Laws as may be in effect from time to time during the Term, Distributor will timely provide Purdue with government price reporting information, including but not limited to, Medicaid "best price" and "average manufacturers price" as defined in the Social Security Act, as amended, and implementing regulations on a 9 and 11 digit NDC basis for each of the Products.

(m) Distributor will process all customer returns and refunds of Product in the Territory.

(n) Distributor will credit customers or health care providers for Product returns or refund patients when applicable in accordance with Distributor's general returns and/or refund policy that applies to all of Distributor's products, including the Product. Should Purdue receive a credit or refund request for the Product, the requestor will be referred to the Distributor contact for Returns Processing, Sandy Mort at sandra.mort@tevapharm.com or 215-591-8776.

(o) Distributor will immediately inform Purdue if Distributor or any of its Affiliates providing services to Purdue in connection with this Agreement are debarred, under

Section 306(a) or 306(b) of the Generic Drug Enforcement Act of 1992 or under 42 U.S.C. Section 1320-7, or are sanctioned by, suspended, excluded or otherwise ineligible to participate in any federal health care program, including Medicare and Medicaid or in Federal procurement or non-procurement programs.

(p) Distributor will comply with the Product Integrity Program. Upon Purdue amending the Product Integrity Program, Distributor will implement any additional risk management activities under such amended Product Integrity Program as soon as commercially reasonable.

(q) If Distributor or any of its Affiliates has manufactured or is in possession of any generic version of commercial or saleable quantities of Oxycodone Products, Distributor shall immediately segregate and quarantine any such products and may only use or sell such products thereafter if permitted under the Patent License Agreement or pursuant to Section 3.1.7(b).

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of Both Parties. Each of Purdue and Distributor represents and warrants to the other Party that:

6.1.1 Organization. Each Party is duly organized and validly existing under the laws of its state of formation.

6.1.2 Authority. Each Party has all the requisite power and authority to execute and deliver this Agreement and the Quality Agreement and to perform all of its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Quality Agreement and the performance by the Parties of their respective obligations hereunder and thereunder have been authorized by all requisite limited partnership or corporate action, as applicable, on their respective parts. This Agreement and the Quality Agreement have been validly executed and delivered by each Party, and, assuming that such agreements have been duly authorized, executed and delivered by the other Party, constitute a valid and binding obligation of such Party, enforceable against such Party in accordance with their terms. Each Party shall be liable for (i) any breach of the provisions of this Agreement by any of its Affiliates and (ii) any failure by such Party to cause its Affiliates to comply with this Agreement as if they were Parties.

6.1.3 Consents and Approvals; No Violations.

(a) Except as otherwise set forth in this Agreement or the Settlement Agreement, no material filing with, and no material permit, authorization, consent or approval of any Governmental Authority is necessary for the consummation by each Party of the transactions contemplated by this Agreement and the Quality Agreement, except for those filings, permits, authorizations, consents or approvals, the failure of which to be made or obtained would not materially impair such Party's ability to consummate the transactions contemplated hereby, or materially delay the consummation of the transactions contemplated hereby.

(b) Neither the execution and delivery of this Agreement or the Quality Agreement by either Party, nor the performance by such Party of its obligations hereunder or thereunder, will (i) violate the organizational documents of such Party; or (ii) violate or conflict in any material respect with any Law, rule, regulation, judgment, order or decree of any court or Governmental Authority applicable to such Party or any Product, except for breaches or defaults which would not have a material adverse effect on such Party's ability to consummate the transactions contemplated hereby.

6.2 Additional Purdue Representations and Warranties. Purdue represents and warrants to Distributor that:

(a) Purdue or one of its Affiliates owns and possesses all right, title and interest in, to and under NDA 022272.

(b) NDA 022272 has been approved by the FDA, and neither Purdue nor any of its Affiliates has received any notice in writing that has, or reasonably should have, led Purdue to believe that NDA 022272 is not currently effective or not currently in material compliance with all material Laws.

(c) Neither the execution and delivery of this Agreement or the Quality Agreement nor the performance of Purdue's obligations hereunder or thereunder will conflict in any material respect with or result in a material breach of, or constitute a material default under, any contract, agreement or instrument to which Purdue is bound.

(d) None of Purdue or any of its Affiliates providing services to Distributor in connection with this Agreement has ever been:

(i) debarred, under Section 306(a) or 306(b) of the Generic Drug Enforcement Act of 1992, or under 42 U.S.C. Section 1320-7;

(ii) sanctioned by, suspended, excluded or otherwise ineligible to participate in any federal health care program, including Medicare and Medicaid or in Federal procurement or non-procurement programs; or

(iii) charged with or Convicted of any felony or misdemeanor under 42 U.S.C. Section 1320a-7(a) or 42 U.S.C. Section 1320a-7(b)(1)-(3), or otherwise proposed for exclusion.

6.3 Additional Distributor Representations and Warranties. Distributor represents and warrants to Purdue that:

(a) Distributor has utilized its own marketing and distribution expertise and experience to analyze and evaluate the commercial value of the Products and has solely relied on such analysis and evaluations in deciding to enter into this Agreement.

(b) Neither Distributor nor any of its Affiliates is a party to or otherwise bound by any oral or written contract or agreement that will result in any Person

obtaining any interest in, or that would give to any Person any right to assert any claim in or with respect to, any of Distributor's rights under this Agreement.

(c) Neither the execution and delivery of this Agreement or the Quality Agreement nor the performance of its obligations hereunder or thereunder will conflict in any material respect with or result in a material breach of, or constitute a material default under, any contract, agreement or instrument to which Distributor is bound, or result in the creation or imposition of any lien upon any Product.

(d) None of Distributor or any of its Affiliates providing services to Purdue in connection with this Agreement has ever been:

(i) debarred, under Section 306(a) or 306(b) of the Generic Drug Enforcement Act of 1992, or under 42 U.S.C. Section 1320-7;

(ii) sanctioned by, suspended, excluded or otherwise ineligible to participate in any federal health care program, including Medicare and Medicaid or in Federal procurement or non-procurement programs; or

(iii) charged with or Convicted of any felony or misdemeanor under 42 U.S.C. Section 1320a-7(a) or 42 U.S.C. Section 1320a-7(b)(1)-(3), or otherwise proposed for exclusion.

(e) None of Distributor or its Affiliates have made any offers for sales or customer solicitations for the Teva Products in the Territory prior to the date hereof.

6.4 No Reliance by Third Parties. The representations and warranties of each Party set forth in this Agreement are intended for the sole and exclusive benefit of the other Party hereto, and may not be relied upon by any Third Party.

6.5 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT, NEITHER PARTY NOR THEIR AFFILIATES MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, INCLUDING (1) FOR PURDUE WITH RESPECT TO PURDUE'S PATENTS, (2) ANY MATERIALS OR INFORMATION PROVIDED BY SUCH PARTY OR ANY OF ITS AFFILIATES UNDER THIS AGREEMENT OR THE SETTLEMENT AGREEMENT, OR (3) WITH RESPECT TO ANY PRODUCTS OR SERVICES OF EITHER PARTY HERETO OR THEIR AFFILIATES. FURTHERMORE, UNLESS EXPRESSLY STATED IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT, NOTHING IN THIS AGREEMENT OR THE SETTLEMENT AGREEMENT SHALL BE CONSTRUED AS A WARRANTY THAT ANY OF PURDUE'S PATENTS, THE PRACTICE OF ANY INVENTION CLAIMED IN ANY OF PURDUE'S PATENTS OR OTHER PROPRIETARY RIGHTS INCLUDED IN ANY OF PURDUE'S PATENTS OR ANY RIGHTS GRANTED BY PURDUE DO NOT, OR THE MAKING, HAVING MADE, USING, SELLING, OFFERING FOR SALE OR IMPORTING OF DISTRIBUTOR'S PRODUCTS BY ANY PERSON DOES NOT, INFRINGE ANY PATENT RIGHTS OR OTHER

INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY. IT IS HEREBY AGREED AND ACKNOWLEDGED BY DISTRIBUTOR THAT PURDUE IS GIVING NO GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED, TO DISTRIBUTOR IN RELATION TO THE SAFETY OR THERAPEUTIC EFFECTIVENESS OF THE DISTRIBUTOR'S PRODUCTS OR THE VALIDITY OR ENFORCEABILITY OF ANY INTELLECTUAL PROPERTY RIGHTS. FURTHER, DISTRIBUTOR WILL NOT GIVE ANY SUCH GUARANTEE OR WARRANTY TO ANY THIRD PARTIES ON BEHALF OF PURDUE.

ARTICLE VII

INTELLECTUAL PROPERTY

7.1 Limited Intellectual Property Rights. Distributor acknowledges that by entering into this Agreement, Distributor will not have, assert or acquire any right, title, license, interest, waiver, release, right of reference, authorization or covenant, express or implied, in or to any Purdue intellectual property or other proprietary rights of Purdue, except as may be necessary for Distributor to distribute the Products as explicitly provided for in this Agreement.

7.2 No Improvements. Distributor will not make any improvements or modifications to the Products.

7.3 Improvements. Any improvements to the Branded Products or the Products will be the sole and exclusive property of Purdue, and Purdue will have the exclusive right to file for intellectual property protection for such improvements.

ARTICLE VIII

INDEMNIFICATION; LIMITATIONS ON LIABILITY

8.1 Purdue Indemnity. Purdue will indemnify, defend, save, protect, and hold harmless Distributor and its Affiliates from and against any and all Losses resulting or arising from any Third Party claims, suits, actions, proceedings or litigation ("Third Party Claims") arising from or in connection with any claim, action or proceeding by any Third Party arising out of the development, manufacturing or sale by Purdue or any other Purdue distributor of the Products or the Branded Products, or with respect to any information provided to Distributor by Purdue, including, without limitation, with respect to claims involving the labeling or warnings associated with the Products; provided, however, that in all cases referred to in this Section 8.1, Purdue will not be liable to indemnify Distributor and its Affiliates for any Losses of Distributor and its Affiliates to the extent that such Losses of Distributor and its Affiliates were caused by a Third Party Claim arising from: (i) the negligence or willful misconduct or wrongdoing of Distributor or its Affiliates or (ii) any breach by Distributor or its Affiliates of Distributor's representations, warranties, covenants or agreements under this Agreement.

8.2 Distributor Indemnity. Distributor will indemnify, defend, save, protect, and hold harmless Purdue and its Affiliates from and against any and all Losses resulting or arising from any Third Party Claims arising from or in connection with any claim, action or proceeding by

any Third Party arising out of any materials used by Distributor in connection with the marketing of the Products; provided, however, that in all cases referred to in this Section 8.2, Distributor will not be liable to indemnify Purdue and its Affiliates for any Losses of Purdue and its Affiliates to the extent that such Losses of Purdue and its Affiliates were caused by a Third Party Claim arising from: (i) the negligence or willful misconduct or wrongdoing of Purdue or its Affiliates or (ii) any breach by Purdue or its Affiliates of Purdue's representations, warranties, covenants or agreements under this Agreement.

8.3 Procedure for Indemnification.

8.3.1 Notice. In the case of a Third Party Claim as to which a Party (the "Indemnifying Party") may be obligated to provide indemnification pursuant to this Agreement, such Party seeking indemnification hereunder (the "Indemnitee") will notify the Indemnifying Party in writing of the Third Party Claim (and specifying in reasonable detail the factual basis for the Third Party Claim and, to the extent known, the amount of the Third Party Claim) promptly after becoming aware of such Third Party Claim; provided, however, that failure to give such notification will not affect the indemnification provided hereunder except to the extent the Indemnifying Party will have been actually prejudiced as a result of such failure.

8.3.2 Defense of Claim.

(a) If a Third Party Claim is made against an Indemnitee, the Indemnifying Party will be entitled to assume the defense of the Indemnitee by providing written notice to the Indemnitee of its intention to assume the defense of such Third Party Claim (at the expense of the Indemnifying Party) within thirty (30) calendar days after receipt of written notice from the Indemnitee of such Third Party Claim, with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnitee for so long as the Indemnifying Party is conducting a good faith and diligent defense.

(b) Should the Indemnifying Party so elect to assume the defense of the Indemnitee, the Indemnifying Party will not be liable to the Indemnitee for any legal or other expenses subsequently incurred by the Indemnitee in connection with the defense thereof; provided, however, that if under applicable standards of professional conduct a conflict of interest exists between the Indemnifying Party and the Indemnitee in respect of such claim, such Indemnitee will have the right to employ separate counsel to represent such Indemnitee with respect to the matters as to which a conflict of interest exists, and in that event the reasonable fees and expenses of such separate counsel will be paid by such Indemnifying Party; and provided further that the Indemnifying Party will only be responsible for the reasonable fees and expenses of one separate counsel for such Indemnitee.

(c) If the Indemnifying Party assumes the defense of the Indemnitee, the Indemnitee will have the right to participate in such defense and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party.

(d) If the Indemnifying Party assumes the defense of the Indemnitee, the Indemnifying Party will promptly supply to the Indemnitee copies of all correspondence and documents relating to or in connection with such Third Party Claim and keep the Indemnitee

informed of developments relating to or in connection with such Third Party Claim, as may be reasonably requested by the Indemnitee (including providing to the Indemnitee on reasonable request updates and summaries as to the status thereof).

(e) If the Indemnifying Party assumes the defense of the Indemnitee, the Indemnitee will, and will cause the Distributor or Purdue, as the case may be, to reasonably cooperate with the Indemnifying Party in the defense thereof (including making documents and records available for review and copying and making persons within its/his/her control available for pertinent testimony).

(f) If the Indemnifying Party does not elect to assume the defense of the Indemnitee or does not provide written acknowledgement of the defense of the Indemnitee within the 30-day period set forth in Section 8.3.2(a), or if a good faith and diligent defense is not being or ceases to be conducted by the Indemnifying Party, the Indemnitee will have the right, at the reasonable expense of the Indemnifying Party, after three (3) Business Days' notice to the Indemnifying Party of its intent to do so, to undertake the defense of the Indemnitee (at the reasonable expense of the Indemnifying Party) with counsel reasonably selected by the Indemnitee, and to compromise or settle such Third Party Claim, with the Indemnifying Party's reasonable consent (which consent will not be unreasonably withheld, delayed or conditioned).

8.3.3 Settlement of Claims. If the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnitee for a Third Party Claim, the Indemnitee will agree (which agreement will not be unreasonably withheld, delayed or conditioned) to a reasonable settlement, compromise or discharge of such Third Party Claim that the Indemnifying Party may recommend; provided, however, that the Indemnifying Party will not consent to any settlement, compromise or discharge (including the consent to entry of any judgment), and the Indemnitee may refuse to agree to any such settlement, compromise or discharge, that provides for injunctive or other non-monetary relief affecting the Indemnitee, including an admission or finding of liability by Indemnitee. If the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnitee for a Third Party Claim, the Indemnitee will not (unless required by law) admit any liability with respect to, or settle, compromise or discharge ("Indemnitee Settlement"), such Third Party Claim without the Indemnifying Party's prior written consent (which consent will not be unreasonably withheld, delayed or conditioned) and if such consent is not received, then the Indemnifying Party will have no obligation or liability under this Article VIII for any Indemnitee Settlement entered into without the Indemnifying Party's consent.

8.4 Limitations on Liability. Nothing in this Article VIII will act to negate any obligation under common law of either Party to mitigate damages with respect to any Third Party Claim for which such Party is seeking indemnification from the other Party hereunder.

ARTICLE IX

COMPLIANCE WITH GOVERNMENTAL AUTHORITY REGULATIONS

9.1 Governmental Authority Communications. Purdue will be responsible for all communications with any Governmental Authority relating to Purdue's manufacturing activities

under this Agreement and will have the responsibility to communicate with any Governmental Authority concerning the marketing, distribution, or sale of the Products (except as otherwise required by applicable Law); provided, however, Distributor will have the responsibility (a) to communicate with any Governmental Authority concerning all obligations for federal or state governmental rebate reporting and payments required thereunder, (b) for all price reporting for the Products to any and all Governmental Authorities, as well as to any Third Party pricing publications, and (c) for all rebates, price protection claims and payments to Medicaid, Medicare, PBMs (pharmacy benefit managers) and other payors under Distributor's NDC number, whether required by contract or Law, for the Products, and Purdue will provide Distributor with copies of all correspondence from the FDA authorizing the marketing, distribution or sale of the Products. In addition to the foregoing, Purdue will be responsible for reviewing, processing, and responding to all regulatory communications relevant to Product quality, including communications relating to product defects, adverse event reports and medical inquiries relating to product complaints. Each Party promptly shall notify the other Party in the event it receives any communication or notice from FDA with respect to the Product in the Territory. Each party promptly shall provide a copy of such communication to the other Party. The Parties shall cooperate in good faith in responding to any such FDA inquiry or in making any report to FDA with respect to the Product. Notwithstanding the foregoing, Purdue will have final authority for regulatory decisions and responsibility for all communication with FDA concerning the Product.

9.2 Governmental and Regulatory Inspections. Each Party will notify the other Party of any written adverse findings it receives resulting from an inspection by any Governmental Authorities of the premises where the Product is being manufactured, tested or stored, to the extent such inspection relates to the manufacture, storage or distribution of the Products, within five (5) Business Days after receipt of such written adverse findings by such Party, and will provide to the other Party copies of all Forms 483 or other similar notifications of observations relating to the production, testing, storage, use or sale of the Products, redacted as necessary with respect to any portions of the Form 483 not pertaining to the Products, within five (5) Business Days after they are received by or on behalf of a Party from the FDA or any Governmental Authority. All notices sent to a Party pursuant to this Section 9.2 will be sent to such Party in accordance with the Quality Agreement.

9.2.1 Voluntary Recalls. Each Party will notify the other Party in the event that such Party determines that any Product already in interstate commerce in the Territory presents a risk of injury or gross deception or is otherwise defective and that recall of such Product is appropriate (a "Voluntary Recall"), and Purdue solely, after consultation with Distributor, will make the decision whether to initiate a Voluntary Recall and will control all recall activities and the Parties will follow the Product recall procedure set forth in the Quality Agreement.

(a) If Distributor requests a Voluntary Recall, Distributor will be responsible for all expenses incurred by Purdue in connection with its cooperation in facilitating such Voluntary Recall, except to the extent that such Voluntary Recall is attributable to a breach by Purdue of its representations, warranties, covenants or agreements under this Agreement (in which case, to such extent, Purdue will be responsible for the expenses associated with any such Voluntary Recall, including any reasonable out of pocket expenses incurred by Distributor in connection with its cooperation in facilitating such Voluntary Recall). In the event of a Voluntary Recall attributable to a breach by Purdue of its representations, warranties, covenants

or agreements under this Agreement or Purdue's negligence or willful conduct, Purdue shall provide to Distributor an amount of replacement Product equal to the amount of Product that is actually returned to Distributor and is the subject of the Voluntary Recall and shall extend the Selling Period if necessary for a period of time equal to ninety (90) days after Distributor receives 100% of the replacement Product from Purdue. Purdue shall use its best efforts to deliver such replacement Product as soon as practicable.

(b) If Purdue requests a Voluntary Recall, Purdue will be responsible for all expenses of such Voluntary Recall (including any reasonable out-of-pocket expenses incurred by Distributor in connection with its cooperation in facilitating such Voluntary Recall), except to the extent that such Voluntary Recall is attributable to a breach by Distributor of its representations, warranties, covenants or agreements under this Agreement (in which case, to such extent, Distributor will be responsible for the expenses associated with any such Voluntary Recall, including any reasonable out-of-pocket expenses incurred by Purdue in connection with its cooperation in facilitating such Voluntary Recall requested by Purdue). In the event of a Voluntary Recall, Purdue shall provide to Distributor an amount of replacement Product equal to the amount of Product that is actually returned to Distributor and is the subject of the Voluntary Recall and shall extend the Selling Period if necessary for a period of time equal to ninety (90) days after Distributor receives 100% of the replacement Product from Purdue. Purdue shall use its best efforts to deliver such replacement Product as soon as practicable.

(c) In addition, and notwithstanding anything contained herein to the contrary, Purdue's failure to deliver conforming Product under this Section 9.2.1 within forty-five (45) calendar days after the date on which Distributor determines to conduct a Voluntary Recall of Product attributable to a breach by Purdue of its representations, warranties, covenants or agreements under this Agreement, shall be deemed a failure under Section 3.1.7 hereof such that Distributor shall have all rights and remedies available to it under Section 3.1.7 for Purdue's failure.

9.2.2 Involuntary Recalls. In the event that any applicable Governmental Authority should issue a request, directive or order that a Product be recalled ("Involuntary Recall"), Purdue will control all recall activities and the Parties will follow the Product recall procedure set forth in the Quality Agreement.

(a) In the event of an Involuntary Recall of any Product inventory (e.g., batch recall), Purdue will be responsible for all expenses of such Involuntary Recall (including any reasonable out-of-pocket expenses incurred by Distributor in connection with its cooperation in facilitating such Involuntary Recall), except to the extent that such Involuntary Recall is attributable to a breach by Distributor of its representations, warranties, covenants or agreements under this Agreement (in which case to such extent Distributor will be responsible for the expenses associated with any such Involuntary Recall, including any reasonable out-of-pocket expenses incurred by Purdue in connection with its cooperation in facilitating such Involuntary Recall).

(b) In the event of an Involuntary Recall, Purdue shall provide to Distributor an amount of replacement Product equal to the amount of Product that is actually returned to Distributor and is the subject of the Involuntary Recall and shall extend the Selling

Period if necessary for a period of time equal to ninety (90) days after Distributor receives 100% of the replacement Product from Purdue. Purdue shall use its best efforts to deliver such replacement Product as soon as practicable.

(c) In addition, and notwithstanding anything contained herein to the contrary, Purdue's failure to deliver conforming Product under this Section 9.2.2 within forty-five (45) calendar days of the date on which an Involuntary Recall of Product commences shall be deemed a failure under Section 3.1.7 hereof (except to the extent that such Involuntary Recall is attributable to a breach by Distributor of its representations, warranties, covenants or agreements under this Agreement) such that Distributor shall have all rights and remedies available to it under Section 3.1.7 for Purdue's failure

9.2.3 Quality Agreement. On the Signing Date, the Parties shall duly execute and deliver a Quality Agreement and a Pharmacovigilance Agreement. Upon due execution and delivery by the Parties, the Quality Agreement and the Pharmacovigilance Agreement shall be incorporated herein by this reference.

ARTICLE X

CONFIDENTIALITY

10.1 Confidentiality. Except to the extent expressly authorized by this Agreement or otherwise agreed to in writing, Distributor and Purdue each agree that, until the later of (i) the termination of this Agreement and (ii) ten (10) years after the date of disclosure, each of Distributor or Purdue, upon receiving or learning of any Confidential Information of the other Party, will keep such Confidential Information confidential and otherwise will not disclose or use such Confidential Information for any purpose other than as provided for in this Agreement. For the purposes of this Agreement, the terms of this Agreement and the Settlement Agreement shall be deemed Confidential Information. The Receiving Party will advise its Affiliates, directors, officers, employees, agents, consultants, lenders, insurers and professional advisors who might have access to the Disclosing Party's Confidential Information of the confidential nature thereof and agrees that its Affiliates, directors, officers, employees, agents and consultants, lenders, insurers and professional advisors will be bound by confidentiality restrictions at least as stringent as the terms of this Agreement. The Receiving Party will not disclose any Confidential Information of the Disclosing Party to any Affiliate, director, officer, employee, agent, consultant, lender, insurer or professional advisor who does not have a need to know such Confidential Information. Notwithstanding anything to the contrary above, each Party may disclose the terms of this Agreement in accordance with Section 9 of the Settlement Agreement.

10.2 Authorized Disclosure. The Receiving Party may disclose a Disclosing Party's Confidential Information to a Receiving Party's Affiliates, directors, officers, employees, agents and consultants, lenders, insurers and professional advisors who need to receive the Confidential Information in order to further the activities contemplated in this Agreement, and who are made aware of the confidential nature of the Confidential Information. The Receiving Party must (i) enforce the terms of this Article IX as to its respective Affiliates, directors, officers, employees, agents, consultants, lenders, insurers and professional advisors; (ii) take such action to the extent reasonably necessary to cause its Affiliates, directors, officers, employees, agents,

consultants, lenders, insurers and professional advisors to comply with the terms and conditions of this Article IX; and (iii) be responsible and liable for any breach of the provisions of this Article IX by it or its Affiliates, directors, officers, employees, agents, consultants, lenders, insurers and professional advisors. Each Party will take reasonable precautions to safeguard the Confidential Information of the other Party. Each Party will also have the right to make disclosures of such portions of the other Party's Confidential Information to the DEA or to any other Governmental Authorities where such disclosure is necessary for such Party to perform its obligations under this Agreement. In addition, the Receiving Party may disclose those portions of the Disclosing Party's Confidential Information required to be disclosed by legal process; provided, in each case the Receiving Party, to the extent it is lawfully able to do so, promptly informs the Disclosing Party, uses reasonable efforts to limit the disclosure and maintains the confidentiality to the extent possible and permits the Disclosing Party to attempt by appropriate legal means to limit such disclosure. Notwithstanding anything to the contrary in this Section 10.2, or in any Settlement Document either Party may disclose to any Third Party, without restriction, the existence of this Agreement, the dosage strengths covered by this Agreement and the date this Agreement terminates.

10.3 Remedies. Each Party understands and agrees that the wrongful disclosure of the other Party's Confidential Information may result in serious and irreparable damage to the other Party hereto, that the remedy at law for any breach of this covenant may be inadequate, and that the Disclosing Party will be entitled to injunctive relief without the posting of any bond or other security, enjoining or restraining any Person from any breach or threatened breach of this Article X, without prejudice to any other rights and remedies to which it may be entitled.

10.4 Return of Confidential Information. Except as otherwise set forth in this Agreement, upon termination of this Agreement, the Receiving Party will promptly return all of the Disclosing Party's Confidential Information, including all reproductions and copies thereof in any medium, except that the Receiving Party may retain a reasonable number of archival copies as may be required by law or its standard procedures.

10.5 Unauthorized Use. If either Party becomes aware or has knowledge of any unauthorized use or disclosure of the other Party's Confidential Information, it will promptly notify the other Party of such unauthorized use or disclosure.

10.6 Exclusive Property. All Confidential Information is the sole and exclusive property of the Disclosing Party and the permitted use thereof by the Receiving Party for purposes of its performance hereunder will not be deemed a right, license or covenant, either express or implied, of the Receiving Party to use any such Confidential Information for any other purpose.

ARTICLE XI

TERM; TERMINATION

11.1 Term. This Agreement will become effective as of the Signing Date and will expire upon the later of (i) Purdue's receipt of the final Cost of Goods Payment and Royalty Payment that Distributor is obligated to make hereunder and (ii) delivery to Purdue of the last of

the certificates required to be delivered pursuant to Sections 4.1 and 4.7, in each case, unless this Agreement is terminated earlier pursuant to this Section 11.1 or Section 11.2 (the "Term"). This Agreement shall automatically terminate and shall be of no further force and effect if (a) except as provided in Section 3.1.7(b) hereof, Distributor or any of its Affiliates has made sales under the Patent License Agreement, (b) the Settlement Agreement is no longer in full force and effect, (c) Distributor or any of its Affiliates are in material breach of Sections 1(c), 4(a), the first sentence of 4(d), 5(a), 6(a) or 10 of the Settlement Agreement; provided that if such breach is capable of being cured and is not cured within fifteen (15) Business Days after the receipt of notice by Distributor from Purdue, (d) Distributor or any party acting on its behalf or succeeding to its rights attempts to reject or disavow the Settlement Agreement or any of the other Settlement Documents or (e) if Distributor or its Affiliates challenges the validity, enforceability or infringement of any of the Purdue Patents (including filing a paragraph IV certification with respect to any application referred to in paragraph 4(c) of the Settlement Agreement) or sells a product described in paragraph 4(c) of the Settlement Agreement.

11.2 Termination. In addition to any termination rights of the Parties contained in Section 11.1, this Agreement may be terminated under any of the following circumstances:

11.2.1 Breach. Failure by either Party to comply in any material respect with any of its obligations contained in this Agreement with respect to any Product will entitle the other Party, if it is not in material default hereunder, to give to the Party in default written notice specifying the nature of the default and requiring it to cure such default, to the extent such default is curable. If such default is not cured within fifteen (15) Business Days after the receipt of such notice, or at the time such notice is delivered if such default is not curable, the notifying Party will be entitled, without prejudice to any of its other rights conferred on it by this Agreement, and in addition to any other remedies available to it at law or in equity, to terminate this Agreement by giving written notice, to take effect immediately upon delivery of such notice. For purposes of this Section 11.2.1, a material breach of this Agreement which cannot be cured will include sales of any Oxycodone Product by Distributor or its Affiliates, in each case independently or in cooperation with any other Person, other than sales of Product solely in accordance with the terms and conditions of this Agreement, and other than sales of Teva Product solely in the circumstance permitted in Section 3.1.7 of this Agreement, at any time prior to the Terminal Date.

11.2.2 Bankruptcy. This Agreement may be terminated, prior to the expiration of the Term, immediately by either Party upon written notice to the other Party in the event that the other Party hereto (a) applies for, consents to, becomes the subject of the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (b) makes a general assignment for the benefit of its creditors, (c) commences a voluntary case under the United States Bankruptcy Code, as now or hereafter in effect (the "Bankruptcy Code") or (d) becomes the subject of an involuntary case under the Bankruptcy Code or similar insolvency proceeding, which case or proceeding has not been dismissed or otherwise stayed within ninety (90) days.

11.2.3 Occurrence of Serious Safety Event. If there occurs a serious and unexpected event with respect to safety issues involving any Product, as a result of which NDA 022272 has been terminated or suspended in the Territory or any Governmental Authority has

directed discontinuance of development, use or sale of the Product in the Territory, then either Party may terminate this Agreement by giving written notice, to take effect immediately upon delivery of such notice to the other Party.

11.2.4 Settlement Agreement. This Agreement shall automatically terminate if the Settlement Agreement has been terminated.

11.3 Effect of Termination.

11.3.1 In the event this Agreement is terminated pursuant to Section 11.2, the termination notice provisions of such Sections will apply. Upon delivery of such termination notice, Distributor will not solicit offers for sale, offer to sell, sell, ship, or cause to be shipped, any Product into interstate commerce for commercial sale in the Territory. At Purdue's option, Distributor will within five (5) Business Days after the related termination notice date (a) return all remaining inventory to Purdue, or (b) destroy all remaining inventory, in each case at Distributor's sole cost and expense.

11.3.2 In the event of any termination, Distributor will be responsible to pay Purdue any Cost of Goods Payment and Royalty Payment payable during the Selling Period. Upon the earlier to occur of the (i) conclusion of the Selling Period and (ii) termination of this Agreement, Distributor will immediately stop marketing, selling and distributing the Products to the Trade.

11.3.3 Without limiting either Party's right to damages for any breach of this Agreement, neither Purdue nor Distributor will incur any liability to the other solely by reason of the termination of this Agreement as provided herein, whether for loss of goodwill, anticipated profits or otherwise.

11.3.4 Upon termination of this Agreement, the rights granted to Distributor pursuant to Section 2.1.1 with respect to the Products will immediately terminate and each Party and its respective Affiliates and agents will cease any and all use of Confidential Information of the other Party relating to the Products.

11.4 Accrued Rights; Surviving Obligations.

11.4.1 Termination or relinquishment of this Agreement for any reason will be without prejudice to any rights that will have accrued to the benefit of either Party prior to such termination or relinquishment, and such termination or relinquishment will not relieve either Party from obligations which are expressly indicated to survive termination of this Agreement.

11.4.2 All of the Parties' rights and obligations under Articles I (Definitions; Interpretations), IV (Payments and Reports) (as applicable), VII (Intellectual Property), VIII (Indemnification; Limitations on Liability), IX (Compliance with Governmental Authority Regulations), X (Confidentiality), and XII (Miscellaneous Provisions), and Sections 2.2 (other than 2.2.4 in the event of the termination of this Agreement under Section 4(c) of the Settlement Agreement and subject to the provisions thereof) (Limitation on Rights), 3.1.7 (Failure to Deliver Product; Liquidated Damages), 5.3(g), (k), (l) (m) and (n) (Distributor Covenants), 11.3 (Effect

of Termination) (as applicable) and 11.4 (Accrued Rights; Surviving Obligations) will survive termination hereof.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Force Majeure. Each Party will be excused from the performance of its obligations under this Agreement to the extent that such performance is prevented by a Force Majeure Event and the non-performing Party promptly provides written notice to the other Party of such inability and of the period for which such inability is expected to continue. Such excused performance will be continued so long as the condition constituting a Force Majeure Event continues and the non-performing Party takes reasonable efforts to remove the condition, except in the case of a Governmental Authority pronouncement, omission or delay, in which event the non-performing Party shall use Commercially Reasonable Efforts to remove the condition. For purposes of this Agreement, a Force Majeure Event will include conditions caused by occurrences beyond the control of the Parties affected, including an act of God, an act, pronouncement, omission or delay in acting by any Governmental Authority (including the FDA and the DEA) or the other Party (except, with respect to a Governmental Authority or other Party pronouncement, omission or delay, such pronouncement, omission or delay was not caused by the negligent acts or omissions of the non-performing Party), war, an act of war, terrorism, insurrection, riot, civil commotion, epidemic, failure or default of public utilities or common carriers, unavailability of one or more raw materials, labor strike, lockout, labor disturbance, embargo, fire, earthquake, flood, storm or like catastrophe (each a "Force Majeure Event"). Notwithstanding the foregoing, nothing in this Section 12.1 will excuse or suspend the obligation of either Party to make any payment due under this Agreement or to comply with the Quality Agreement in the manner and at the time provided.

12.2 Notice. Any notice required under this Agreement shall be in writing and shall be given (and shall be deemed to be duly given upon receipt) by delivery in person, by facsimile or by overnight express delivery service to the respective Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

For Purdue:

Purdue Pharma L.P.
One Stamford Forum
201 Tresser Boulevard
Stamford, CT 06901-3431
Attention: General Counsel
Fax: (203) 588-6272

with a copy to:

Chadbourne & Parke LLP
1301 Avenue of the Americas
New York, NY 10019
Attention: Stuart D. Baker
Fax: (646) 710-5435

For Distributor:

Teva Pharmaceuticals USA, Inc.
425 Privet Road
P.O. Box 1005
Horsham, PA 19044-8005
Attention: General Counsel
Fax No.: (215) 293-6499

with a copy to:

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Attention: David M. Hashmall
Fax No.: (212) 355-3333

(b) Notices delivered personally or by overnight express delivery service shall be deemed given as of actual receipt. Notices delivered by facsimile transmission shall be deemed given upon receipt by the sender of the transmission confirmation if transmitted before 5:00 p.m. (recipient's local time) on a Business Day, and otherwise on the following Business Day.

12.3 Assignment. This Agreement is binding upon and will inure to the benefit of each Party hereto, each Affiliate of such Parties and each of their respective successors and permitted assigns. Each Party may assign its rights and obligations under this Agreement, the Purdue NDA, and Distributor's ANDA only in accordance with Section 10 of the Settlement Agreement. Any assignment or attempted assignment of any of a Party's rights and obligations hereunder in contravention of the provisions of this Section 12.3 shall be void and have no force or effect.

12.4 No Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver will be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, will be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. Except as expressly set forth in this Agreement, all rights and remedies available to a Party, whether under this Agreement or afforded by Law or otherwise, will be cumulative and not in the alternative to any other rights or remedies that may be available to such Party.

12.5 Injunction.

12.5.1 Distributor acknowledges and agrees that Distributor's or its Affiliate's breach of any of the provisions of paragraphs 1(c), 4(a), the first sentence of 4(d), 5(a), 6(a) or 10 of the Settlement Agreement, the provisions of Section 1(a) of the Patent License Agreement relating to the Sale of Oxycodone Product or Teva Product outside of the terms of the License, including exceeding the Maximum License Quantity, Maximum Bottle Quantity and non-compliance with the Market Mix provisions and conducting Pre-Manufacturing or Pre-Marketing activities outside the terms of the License, or Section 1(b), the first two (2) sentences of Section 2(a) or Section 2(b) of the Patent License Agreement or Sections 2.2, 3.1.1, 3.1.3, 5.3(a) or 5.3(j) of this Agreement, would cause Purdue to suffer substantial damages and irreparable harm that could not adequately be remedied by an action at law, including causing Purdue to be in violation or breach of, or severely disadvantaged under, certain material agreements Purdue has entered into with Third Parties. Accordingly, Distributor agrees that Purdue will be entitled, without limitation, to specific performance or preliminary or permanent injunctive relief without the requirement of posting a bond in any action, hearing, litigation or suit for breach of this Agreement upon a showing of a likelihood of success of establishing that such breach has occurred, such rights and remedies being in addition to all other rights and remedies available to Purdue at law, in equity or otherwise, and Distributor will not assert in opposition to Purdue's request for any equitable relief that Purdue has an adequate remedy at law. Distributor agrees that jurisdiction and venue for any such action under this Section 12.5 exists in the United States District Court for the Southern District of New York, and waives any and all defenses based on personal jurisdiction, subject matter jurisdiction and venue, or to the extent any such waiver is not enforceable, Distributor agrees not to assert such defense.

12.5.2 Purdue acknowledges and agrees that Purdue's or its Affiliate's breach of any of the provisions of the penultimate sentence of paragraph 4(a), the last sentence of paragraph 6(c), paragraph 6(d), the penultimate sentence of paragraph 7 or paragraph 10 of the Settlement Agreement, Sections 1(g) or 3(c)(ii)(x) of the Patent License Agreement or Sections 2.1.6, 3.1.7(c), 3.1.7(d), the first sentence of Section 5.2(i) or Section 5.2(j) of this Agreement, would cause Distributor to suffer substantial damages and irreparable harm that could not adequately be remedied by an action at law. Accordingly, Purdue agrees that Distributor will be entitled, without limitation, to specific performance or preliminary or permanent injunctive relief without the requirement of posting a bond in any action, hearing, litigation or suit for breach of this Agreement upon a showing of a likelihood of success of establishing that such breach has occurred, such rights and remedies being in addition to all other rights and remedies available to Distributor at law, in equity or otherwise, and Purdue will not assert in opposition to Distributor's request for any equitable relief that Distributor has an adequate remedy at law. Purdue agrees that jurisdiction and venue for any such action under this Section 12.5 exists in the United States District Court for the Southern District of New York, and waives any and all defenses based on personal jurisdiction, subject matter jurisdiction and venue, or to the extent any such waiver is not enforceable, Purdue agrees not to assert such defense.

12.6 Governing Law. This Agreement, including the interpretation, performance, enforcement, breach or termination thereof and any remedies relating thereto, will be governed by and interpreted in accordance with the laws of the State of New York, without regard to its conflicts of law rules.

12.7 Entirety of Agreement. This Agreement, the Quality Agreement, the Pharmacovigilance Agreement, the Patent License Agreement and the Settlement Agreement, and all schedules and exhibits attached hereto and thereto, set forth the complete, final and exclusive agreement and all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto and supersede and terminate all prior covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties with respect to the subject matter of this Agreement. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties other than as are set forth herein and therein. No subsequent alteration, amendment, change or addition to this Agreement or the Quality Agreement will be binding upon the Parties unless reduced to writing and signed by an authorized officer of each Party. In the event of any inconsistencies between any term or condition of this Agreement and the Settlement Agreement, the term or condition of the Settlement Agreement shall govern.

12.8 Public Announcements. The form and content of any public announcement, including any press release, to be made by one Party regarding this Agreement, or the subject matter contained herein, will be subject to the prior written consent of the other Party, provided that this provision will not preclude a Party from making disclosures permitted under the Settlement Documents or otherwise required by applicable Law (including disclosure requirements under federal or state securities laws, any stock exchange requirements, or otherwise), in which event the disclosing Party will give the other Party reasonable advance notice of at least two (2) Business Days to review and comment on such disclosure (for the avoidance of doubt, a Party's continuing to disclose publicly the information contained in such agreed announcement after the release of such an agreed public announcement will not require the prior written approval of the other Party). Notwithstanding the foregoing, after the execution of this Agreement either Party may announce that this Agreement has been entered into. The disclosing Party will use commercially reasonable efforts to obtain confidential treatment of such information that is required to be disclosed by Law and to use commercially reasonable efforts to have redacted such provisions of this Agreement as the Parties may agree from any copies filed pursuant to such Law. The Parties shall also consult with each other with respect to any disclosures required to be made to the FDA. If either Party determines that it will be required to file this Agreement as provided above, promptly after the giving of notice by such Party as contemplated above, the Parties will use commercially reasonable efforts to agree on those provisions of this Agreement that the Parties will seek to have redacted as provided above. Notwithstanding anything to the contrary above, (1) Purdue may disclose the terms of this Agreement to licensors of any of the Purdue Patents (as well as any successors or permitted assigns of such licensors), subject to confidentiality obligations at least as stringent as those contained herein, and (ii) each Party may disclose the terms of this Agreement to its respective Affiliates, insurers, lenders, attorneys and accountants, subject to such Affiliates, insurers, lenders, attorneys and accountants being bound by confidentiality obligations. Except to the extent (i) required by statute, ordinance or regulation, (ii) required pursuant to court or administrative order or compulsory legal or administrative process, or (iii) otherwise agreed to in writing by the Parties, no Party nor its Affiliates shall use the name of any other Party nor any of its Affiliates for advertising, promotion or other purposes without the prior written consent of such other Party.

12.9 Relationship of the Parties. Neither Party will have any responsibility for the hiring, termination or compensation of the other Party's employees or for any employee benefits of such employee. No employee or representative of a Party will have any authority to bind or obligate the other Party to this Agreement for any sum or in any manner whatsoever, or to create or impose any contractual or other liability on the other Party without said Party's approval. For all purposes, and notwithstanding any other provision of this Agreement to the contrary, Distributor's legal relationship to Purdue under this Agreement will be that of independent contractor. This Agreement is not a partnership agreement and nothing in this Agreement will be construed to establish a relationship of partners or joint venturers between the Parties.

12.10 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, is held to be invalid, illegal or unenforceable in any respect for any reason, the Parties will negotiate in good faith with a view to the substitution therefor of a suitable and equitable solution in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid provision; provided, however, that the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein will not be in any way impaired thereby, it being intended that all of the rights and privileges of the Parties hereto will be enforceable to the fullest extent permitted by Law.

12.11 Books and Records. Any books and records to be maintained under this Agreement by a Party or its Affiliates will be maintained in accordance with GAAP.

12.12 Expenses. Each of Purdue and Distributor will bear its own direct and indirect expenses incurred in connection with the negotiation and preparation of this Agreement and the Quality Agreement and, except as set forth in this Agreement or the Quality Agreement, the performance of the obligations contemplated hereby and thereby.

12.13 No Third Party Beneficiary. This Agreement will be binding upon and inure solely to the benefit of the Parties hereto, their successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or will confer upon any other Person or Persons any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

12.14 Further Actions. Each Party will execute, acknowledge and deliver such further instruments, and do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

12.15 Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, each of which counterparts, when so executed and delivered, will be deemed to be an original, and both of which counterparts, taken together, will constitute one and the same instrument even if both Parties have not executed the same counterpart. Signatures provided by facsimile transmission or via pdf copy bearing a signature on behalf of a Party hereto shall be legal and binding on such Party and will be deemed to be original signatures.

12.16 Headings. The headings for each Article and Section in this Agreement have been inserted for convenience of reference only and are not intended to limit or expand on the meaning of the language contained in the particular Article or Section, and will be of no force or effect in construing or interpreting any of the provisions of this Agreement.

[The next page is the signature page.]

Distribution and Supply Agreement Signature Page

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed in multiple counterparts by its duly authorized representative.

PURDUE PHARMA L.P.

By: Purdue Pharma Inc., its general partner

By: _____
Name: Edward B. Mahr
Title: EVP CFO

TEVA PHARMACEUTICALS USA, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Distribution and Supply Agreement Signature Page

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed in multiple counterparts by its duly authorized representative.

PURDUE PHARMA L.P.

By: Purdue Pharma Inc., its general partner

By: _____
Name:
Title:

TEVA PHARMACEUTICALS USA, INC.

By: Maureen M Cavanaugh
Name: Maureen Cavanaugh
Title: SVP, US Generics Sales & Mktg

LEGAL AFFAIRS KB

By: _____
Name: William McCahill
Title: Sr. Director, FP&O

Schedule 1.1A

BRANDED PRODUCTS

OxyContin® (oxycodone hydrochloride controlled-release) tablets, under NDA 022272, together with all amendments and supplements thereto, including all existing or future dosage strengths, all other existing or future formulations, all improvements thereon, and all other existing or future indications.

Schedule 1.1B

PRODUCT

Product definition: Authorized generic versions of 10 mg, 20 mg, 40 mg and 80 mg OxyContin® (oxycodone hydrochloride controlled-release) Tablets, under NDA number 022272, together with all amendments and supplements thereto, but specifically excluding all other existing or future dosage strengths.

NDC	Description
*	10 mg 100 ct
*	20 mg 100 ct
*	40 mg 100 ct
*	80 mg 100 ct

* To Be Provided By Distributor.

Schedule 1.1C

COST OF GOODS

The following table sets forth the Cost of Goods per Bottle shipped by Purdue to Distributor in each dosage strength under the Agreement.

Dosage Strength	Per Bottle
10 mg	$8.00
20 mg	$16.00
40 mg	$24.00
80 mg	$32.00

Schedule 1.1D

PRODUCT INTEGRITY PROGRAM

Distributor must comply with the following product integrity and risk management measures prior to and at all times during all marketing, making arrangements for selling or distributing of the Products in the Territory:

(a) Distributor will provide to Purdue's Corporate Security Department (contact information below in clause (k)) a detailed report of any disruption to, loss from or imminent threat to supply chain integrity, from receipt of Product from Purdue to distribution of Product to the Trade, upon becoming aware of such event, including:

(i) Attempted or actual theft or loss of any controlled substance, or packaging materials, such as bottles, Labels, etc. relating to Product; and

(ii) Counterfeit Product or packaging for Product;

(b) Distributor will provide to Purdue's Controlled Substance Act Compliance Officer (contact information below in clause (k)):

(i) Reports of any variances to Distributor's standard operating procedures for Product handling or record keeping within facilities under Distributor's control; that result in any Product damage or loss; and

(ii) Results of DEA inspections of Distributor's facilities that contain Product (provided that Distributor will not be required to provide the results of any inspection that is unrelated, in whole or in part, to Product or any scheduled products and that could not reasonably be construed to affect Product in any manner whatsoever).

(c) Upon Purdue's request, Distributor will produce as soon as possible, but in no event later than three (3) Business Days after such request, a complete and accurate listing of all distribution facilities/entities to which Product has been shipped, including legible copies of the relevant DEA 222 forms in either paper or electronic format.

(d) If Distributor telemarkets the Product directly to any pharmacy, Distributor will distribute to these pharmacies Purdue's written materials dealing with prevention of abuse and diversion, and materials for education on the proper management of pain.

(e) Distributor will only market or sell the Product to buying officers of wholesalers, pharmacy retailers and other distribution channels such as mail order pharmacies, long-term care facilities and any other pharmacies.

(f) Distributor will not market or sell the Product to health care professionals, hospitals or any patient setting that would be equivalent to a pharmaceutical sales representative detail call.

(g) Distributor will not market the Product to consumers, patients, or potential patients, directly or indirectly, or through any direct-to-consumer advertising.

(h) Distributor will make available to its customers for the Product the "Patient Package Insert" or "Medication Guide", whichever is applicable.

(i) Distributor will cooperate with Purdue in the timely adoption and implementation of security features for the Product as they are developed and implemented in ER/LA opioid REMS program for its Branded Products.

(j) If Distributor becomes aware of any abuse or diversion of Product, within Distributor's supply chain, Distributor will notify Purdue's Department of Risk Management & Health Policy (contact information below in clause (k)).

(k) Contact information:

(i) Purdue's Corporate Security Department
Vice President, Chief Security Officer

(ii) Purdue's Controlled Substance Act Compliance Officer
Executive Director, Controlled Substance Act Compliance

(iii) Purdue's Department of Risk Management & Health Policy
Vice President, Risk Management & Health Policy

or such other contact information as Purdue may provide Distributor from time to time.

Schedule 3.1.1

Calculation of Maximum Supply Quantity:

Source: IMS NPA TRx Extended Unit data

Qualified Molecule	Strength	Jul 2014 EUTRx	Aug 2014 EUTRx	Sep 2014 EUTRx	Oct 2014 EUTRx	Nov 2014 EUTRx	Dec 2014 EUTRx	Jan 2015 EUTRx	Feb 2015 EUTRx	Mar 2015 EUTRx	Apr 2015 EUTRx	May 2015 EUTRx	Jun 2015 EUTRx	12 month total [illegible] prescribed	MG / Tablet	12 month total MG prescribed	12 month total KGs prescribed
OXYCODONE	10MG Total	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	24,000,000	10	240,000,000	240
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OXYCODONE	20MG Total	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	24,000,000	20	480,000,000	480
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OXYCODONE	40MG Total	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	24,000,000	40	960,000,000	960
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OXYCODONE	80MG Total	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	24,000,000	80	1,920,000,000	1,920
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]

Initial Maximum Supply Quantity Percentage: 4.3%

Initial Maximum Supply Quantity (in KGs [rounded to nearest tenth]): 208.0

Calculation of Market Mix:

Source: IMS NPA TRx data

	[illegible] TRx	[illegible] TRx	[illegible] TRx	[illegible] TRx	[illegible] TRx	[illegible] TRx	6 month total TRx	Allocation of Market - 6 month total TRx	[illegible]	[illegible] (Adjusted for MG strength)	% of Total [illegible]
10MG	40,000	40,000	40,000	40,000	40,000	40,000	240,000	25.0%	10	2,400,000	6.67%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20MG	40,000	40,000	40,000	40,000	40,000	40,000	240,000	25.0%	20	4,800,000	13.33%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40MG	40,000	40,000	40,000	40,000	40,000	40,000	240,000	25.0%	40	9,600,000	26.67%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80MG	40,000	40,000	40,000	40,000	40,000	40,000	240,000	25.0%	80	19,200,000	53.33%
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]

Calculation of Maximum Supply Bottles:

Strength	Market Mix	Allocation of KGs (A)	Conversion from KG to MG (B)	Conversion to MG strength (C)	Conversion to bottles (D)	Authorized bottles [illegible] calculated as ((A * B) / C) / D	Allocation of market
10MG	6.67%	13.9	1,000,000	10	100	13,940	25.0%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20MG	13.33%	27.9	1,000,000	20	100	13,930	25.0%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
40MG	26.67%	55.7	1,000,000	40	100	13,935	25.0%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80MG	53.33%	111.5	1,000,000	80	100	13,932	25.0%
Total	[illegible]	[illegible]				[illegible]	[illegible]

Footnotes:

1 - IMS NPA EUTRx data represents the number of tablets prescribed per IMS data for all channels either filled (i) by or for the Purdue Companies or (ii) under or pursuant to a license, covenant not to sue or supply agreement from or with the Purdue Companies or any of their Affiliates (as defined in the Settlement Agreement).

2 - IMS NPA TRx data represents the number of prescriptions per IMS data for all channels either filled (i) by or for the Purdue Companies or (ii) under or pursuant to a license, covenant not to sue or supply agreement from or with the Purdue Companies or any of their Affiliates (as defined in the Settlement Agreement).

3 - Above figures are for illustration purposes only.

61920115

Schedule 3.1.2

Purchase Orders for 2015

To be provided with signatures.

12/18/14 08

BILL TO: c/o Teva
1090 Horsham Road
PO Box 1090
North Wales,PA 19454
United States

TEVA PHARMACEUTICALS USA

DEA # RT0386828

PURCHASE ORDER

PURCHASE ORDER NO. **42189152**

VENDOR
PURDUE PHARMA LP
ONE STAMFORD FORUM
201 TRESSER BOULEVARD
STAMFORD, CT 06901-3431
UNITED STATES

SHIP TO
TEVA PHARMACEUTICALS USA, INC. (SOLO)
111 NEW BRITAIN BLVD.
DEA# RT0386828
CHALFONT,PA 18914
UNITED STATES

PURCHASE ORDER NUMBER AND ANY TEVA PHARMACEUTICALS USA PART NUMBERS INDICATED MUST APPEAR ON INVOICES, CORRESPONDENCE, SHIPPING DOCUMENTS AND ALL PACKAGES DELIVERED.

SHIP THIS ORDER IN EXACT ACCORDANCE WITH SPECIFICATIONS INDICATED BELOW:

1. SEND INVOICE IN DUPLICATE TO THE ATTENTION OF ACCOUNTS PAYABLE.
2. PACKING LIST MUST ACCOMPANY EACH SHIPMENT.
3. WEIGHTS AND QUANTITIES MUST APPEAR ON ALL PACKAGES AND DOCUMENTS.
4. BILL OF LADING AND FREIGHT BILL MUST ACCOMPANY INVOICE IF FREIGHT CHARGE IS PREPAID AND ADD.

SHIP VIA	F.O.B.	TERMS
		NET 30

P.O.DATE	REVISON	REV.DATE	BUYER	REV.BUYER
18-DEC-14	0		Guevara, Elizabeth	

ITEM	TEVA USA PART #	DESCRIPTION	QUANTITY	U/M	UNIT PRICE	TOTAL	TAX	DUE DATE OUR DOCK
1	00093-5731-01	OXYCODONE HCL ER TABLET TRF 10MG 100 **SHIP TO:** Address at top of page	52,521	EA	8.00	420,168.00		18-DEC-14

TEVA PHARMACEUTICALS USA IS AN EQUAL OPPORTUNITY EMPLOYER
SEE ATTACHED TERMS & CONDITIONS

ADDITIONAL VENDOR NOTES
1. ORDERED MATERIAL SHALL NOT BE SHIPPED TO ARRIVE MORE THAN 5 DAYS PRIOR TO OUR "DUE DATE OUR DOCK."
2. DROP SHIPMENTS REQUIRED DUPLICATE PACKING LIST MAILED TO TEVA PHARMACEUTICALS USA PURCHASING.
3. ALL DRUG AND CHEMICAL MATERIALS WILL BE SUPPLIED ONE LOT PER DELIVERY AND ACCOMPANIED BY CERTIFICATES OF ANALYSIS AND MATERIAL SAFETY DATA SHEETS.
4. NO COMMITMENTS MADE BY PERSONNEL OTHER THAN TEVA PHARMACEUTICALS USA PURCHASING WILL BE CONSIDERED VALID.
5. TEVA PHARMACEUTICALS USA WILL NOT BE RESPONSIBLE FOR MATERIAL SUPPLIED WITHOUT AN APPROVED ORDER.

Total	**420,168.00 USD**
Tax Total	**0 USD**
PO STATUS:	**APPROVED**

THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS STATED HEREON AND ON ANY ATTACHMENTS HERETO.

TERMS AND CONDITIONS 42189152

1) Terms and Conditions: This order is expressly conditioned upon Seller's assent to all terms as set forth on the front and reverse side hereof. Any additional or different terms which are not specifically agreed to in writing, signed by an authorized representative of the Buyer, are hereby objected to. This order is not an acceptance of any other terms.

2) Entire Agreement: Except as expressly set forth in writing executed by the Buyer, the terms and conditions set forth in this order constitute the entire agreement between the parties regarding the subject matter hereof, and no modification or termination hereof shall be binding unless agreed to in writing and signed by a duly authorized officer or duly authorized representative of Buyer.

3) Packing and Shipping: All articles shall be suitably packed or otherwise prepared for shipment so as to secure the lowest transportation rates and to meet carrier's requirements. No charges will be allowed for packing, crating or cartage, unless stated in this order. Each container must be marked to show quantity, order number, any TEVA PHARMACEUTICALS USA part number, contents, and shipper's name. A packaging list showing this information shall be included in each package. Seller shall prepay all shipping charges, FOB destination, unless otherwise specified. Each invoice for shipping charges shall be accompanied by the original or a copy of the bill indicating that such charges have been paid and listed separately on the Seller's invoice.

4) Inspection and Rejection: Buyer reserves the right to return, at Seller's expense for transportation both ways, and any storage costs incurred, materials shipped in excess of this order or defective materials not meeting Buyer's specifications and standards whether paid for or not. No replacement or substitution shall be made unless so authorized by Buyer.

5) Price: If price is not stated on this order, the goods or services will be billed at the price last quoted, or paid by a customer of Seller, or the prevailing market price, whichever is lower. Seller warrants that prices charged against this order will conform to the provisions of the Robinson Patman Act and all other Government price regulations in effect during the period required to complete the transaction.

6) Delivery: Time is of the essence, and Buyer may reject goods and services not delivered or furnished on dates herein specified. No change in the scheduled delivery date or performance will be permitted without Buyer's prior written consent. No acceptance of goods or services after the scheduled delivery date will waive Buyer's rights with respect to such late delivery nor shall it be deemed a waiver of future compliance with the terms hereof.

7) Remedies: Failure of Buyer to take shipment hereunder, if occasioned by fire, explosion, flood, war, accident, interruption of, or delay in transportation, labor trouble, or any other circumstance of like or different character, and not limited to the aforementioned, beyond Buyer's reasonable control, or if occasioned by partial or complete suspension of operations at any of Buyer's plants shall not subject Buyer to any liability to Seller because thereof, but, at Buyer's option the total quantity covered by this order may be reduced by the extent of omitted shipments or the specified delivery period extended by a time equal to that during which shipments shall so be omitted and such shipments made during the period of extension. Seller will be excused for delay in delivery by reason of the same causes as stated above provided they are beyond the control and without fault or negligence of Seller if Seller notifies Buyer in writing of the cause of such delay within a reasonable time.

8) Risk of Loss: Regardless of FOB point, Seller will bear all risk of loss, injury or destruction of goods and materials ordered herein which occurs prior to acceptance by Buyer. The Seller will bear all risk for material owned by Buyer when in the custody or under control of Seller.

9) Termination or Cancellation: Buyer may terminate or cancel work under this order in whole or in part at any time by written notice or Facsimile notice. Termination shall be without prejudice to any claims which one party may have against the other for work performed and materials supplied up to date of cancellation.

10) Patents and Copyrights: Seller will exonerate, indemnify and hold harmless Buyer from and against any and all liability, damage, cost, expense or attorney's fee award, which may accrue to, or be sustained by Buyer on account of any claim, suit or action made or threatened to be brought against Buyer or its customers for actual or alleged infringement of any patent, copyright or other intellectual property right by reason of the manufacture of goods covered by this order by Seller, the resale thereof by Buyer, or use of said goods or any part thereof by Buyer. Seller, at Buyer's request, will defend, at Seller's expense, any such claim, suit or action.

11) Laws and Regulations: Seller warrants that any material or service delivered pursuant to this order is produced, sold and delivered to Buyer in compliance with all applicable Federal, State and Municipal laws and regulations and that no food, drug or cosmetic bearing the name or authentic label of Seller shall, at time of shipment or delivery, be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as amended, and Seller shall make a statement to that effect on its invoices; in compliance with provisions of Sections 404 and 505 of the aforementioned Act prohibiting certain articles which may not be introduced into interstate commerce. Seller represents and warrants to Buyer that the goods delivered against this order, and described in the invoice applying to the shipment, were produced in strict compliance with the Fair Labor Standards Act of 1938. Seller assumes all obligations under all "social security" legislation (e.g., unemployment insurance, old age benefits, or workmen's compensation laws) of the United States or of any state or other governmental authority with respect to persons employed in the performance of services and/or production of merchandise or material under this order. Seller will indemnify and hold harmless the Buyer against any liability resulting from Seller's failure to comply with any of the aforementioned laws and acts.

12) Executive Orders: The Seller agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin, or because of physical or mental handicap with regard to any position for which the employee or applicant is qualified. The Seller will take affirmative action to assure that equal employment opportunity is implemented in employment, upgrading, promotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection and training including apprenticeship. The Seller will adhere to all applicable provisions of any rules and regulations relating to the above subject matter.

13) Taxes: The purchase price herein is inclusive of any and all taxes and other government charges, now imposed or hereafter becoming effective, upon the production, sale, shipment, use or erection of the materials specified in this order. Seller will indemnify Buyer against, and reimburse it for any expenditures it may be required to make on account of Seller's failure to pay such taxes and other governmental charges. Buyer will provide Seller with any applicable state sales or use tax exemption certificates.

14) Drawings, Prints and Specifications: Seller agrees that it will not use, sell, loan or publicize any of the tools, specifications, blueprints, designs or artwork supplied or paid for by Buyer for the fulfillment of this order without Buyer's written consent.

15) Tools, Dies, Molds, etc.: All tools, dies, molds, printing plates, mechanical, etc. created for use on this order shall be the property of Buyer, and Buyer may withdraw them from Seller's premises on demand in writing. They shall be carefully preserved by Seller and maintained in good operating condition at all times.

16) Invoices and Discount: All invoices must be rendered to Buyer and be issued in duplicate, unless otherwise specified. Each invoice must be mailed on the date appearing on the invoice. Invoices must be rendered by the person, firm or corporation for which this order is issued. If unable to comply, please return this order to Buyer and advise Buyer the name and address under which the invoice will be rendered. Discount date will be established from the date on which Seller will have complied with all requirements on this order and Buyer has received an invoice in good order.

17) Warranties: In addition to all warranties, expressed or implied, established by statutes or common law, or elsewhere set forth in this order, Seller hereby expressly warrants, any other representation or agreement to the contrary notwithstanding, that all goods and services covered by this order will conform to all specifications, drawings, samples and any other description, furnished or adopted by Buyer, and will be of best quality and fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from all patent and latent defects and free from any lien or encumbrance of any kind. Buyer's failure to give notice to Seller of any breach of any warranty shall not discharge Seller's liability for any such breach. The warranties of Seller together with its service warranties and guaranties, if any, shall run to Buyer, its customers and any other third parties.

18) Work, Labor and Services: Where contract requires furnishing of work, labor or services, Buyer shall be entitled at any time to require deviations from, additions to, or omissions in said work, provided, if such change shall make the work more or less expensive than if performed in accordance with original requirements, a fair and reasonable addition or deduction shall be made in the contract price. No claim shall be allowed for extra labor or material above contract amount unless same has been ordered in writing by Buyer. Acceptance of final payment of contract price constitutes waiver of all claims for extra work or materials furnished.

19) Employee Notice: The requirements of 29 CFR Part 470 are incorporated herein by reference, if applicable.

20) Indemnity: Seller shall indemnify and hold Buyer harmless from and against all claims, losses, expenses, causes of actions, damage to persons (including death) or to property and liabilities of every kind and nature including, without limitation, reasonable attorney's fees, without waiver of Seller's obligation to indemnify Buyer hereunder, arising from Seller's work or material furnished, from the work or materials furnished by any of Seller's subcontractors, or out of any alleged breach of any of Seller's obligations or warranties hereunder or from other acts or omissions of Seller, its officers, agents, employees, subcontractors, and guests, however caused, instituted by persons who purchase from Buyer or use product purchased from Seller.

21) Assignability: This order in its entirety and each and every provision hereof shall inure to the benefit of the customers, successors and assigns of Buyer. Seller may not assign this order without Buyer's written consent.

22) Waivers: Any failure by Buyer to enforce or require strict performance by Seller of any terms or conditions of this order shall not constitute a waiver thereof by Buyer and Buyer may at any time avail itself of the remedies Buyer may have for any breach of the terms hereof.

23) Governing Law: This order shall be governed by the laws of the Commonwealth of Pennsylvania.

12/18/14 08:

BILL TO: c/o Teva
1090 Horsham Road
PO Box 1090
North Wales,PA 19454
United States

TEVA PHARMACEUTICALS USA

DEA # RT0386828

PURCHASE ORDER

PURCHASE ORDER NO. **42189153**

VENDOR
PURDUE PHARMA LP
ONE STAMFORD FORUM
201 TRESSER BOULEVARD
STAMFORD, CT 06901-3431
UNITED STATES

SHIP TO
TEVA PHARMACEUTICALS USA, INC. (SOLO)
111 NEW BRITAIN BLVD.
DEA# RT0386828
CHALFONT,PA 18914
UNITED STATES

PURCHASE ORDER NUMBER AND ANY TEVA PHARMACEUTICALS USA PART NUMBERS INDICATED MUST APPEAR ON INVOICES, CORRESPONDENCE, SHIPPING DOCUMENTS AND ALL PACKAGES DELIVERED.

SHIP THIS ORDER IN EXACT ACCORDANCE WITH SPECIFICATIONS INDICATED BELOW:

1. SEND INVOICE IN DUPLICATE TO THE ATTENTION OF ACCOUNTS PAYABLE.
2. PACKING LIST MUST ACCOMPANY EACH SHIPMENT.
3. WEIGHTS AND QUANTITIES MUST APPEAR ON ALL PACKAGES AND DOCUMENTS.
4. BILL OF LADING AND FREIGHT BILL MUST ACCOMPANY INVOICE IF FREIGHT CHARGE IS PREPAID AND ADD.

SHIP VIA	F.O.B.	TERMS
		NET 30

P.O.DATE	REVISON	REV.DATE	BUYER	REV.BUYER
18-DEC-14	0		Guevara, Elizabeth	

ITEM	TEVA USA PART #	DESCRIPTION	QUANTITY	U/M	UNIT PRICE	TOTAL	TAX	DUE DATE OUR DOCK
1	00093-5732-01	OXYCODONE HCL ER TABLET TRF 20MG 100 **SHIP TO:** Address at top of page	56,309	EA	16.00	900,944.00		18-DEC-14

TEVA PHARMACEUTICALS USA IS AN EQUAL OPPORTUNITY EMPLOYER
SEE ATTACHED TERMS & CONDITIONS

ADDITIONAL VENDOR NOTES
1. ORDERED MATERIAL SHALL NOT BE SHIPPED TO ARRIVE MORE THAN 5 DAYS PRIOR TO OUR "DUE DATE OUR DOCK."
2. DROP SHIPMENTS REQUIRED DUPLICATE PACKING LIST MAILED TO TEVA PHARMACEUTICALS USA PURCHASING.
3. ALL DRUG AND CHEMICAL MATERIALS WILL BE SUPPLIED ONE LOT PER DELIVERY AND ACCOMPANIED BY CERTIFICATES OF ANALYSIS AND MATERIAL SAFETY DATA SHEETS.
4. NO COMMITMENTS MADE BY PERSONNEL OTHER THAN TEVA PHARMACEUTICALS USA PURCHASING WILL BE CONSIDERED VALID.
5. TEVA PHARMACEUTICALS USA WILL NOT BE RESPONSIBLE FOR MATERIAL SUPPLIED WITHOUT AN APPROVED ORDER.

Total	**900,944.00 USD**
Tax Total	**0 USD**
PO STATUS:	**APPROVED**

THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS STATED HEREON AND ON ANY ATTACHMENTS HERETO.

TERMS AND CONDITIONS 42189153

1) Terms and Conditions: This order is expressly conditioned upon Seller's assent to all terms as set forth on the front and reverse side hereof. Any additional or different terms which are not specifically agreed to in writing, signed by an authorized representative of the Buyer, are hereby objected to. This order is not an acceptance of any other terms.

2) Entire Agreement: Except as expressly set forth in writing executed by the Buyer, the terms and conditions set forth in this order constitute the entire agreement between the parties regarding the subject matter hereof, and no modification or termination hereof shall be binding unless agreed to in writing and signed by a duly authorized officer or duly authorized representative of Buyer.

3) Packing and Shipping: All articles shall be suitably packed or otherwise prepared for shipment so as to secure the lowest transportation rates and to meet carrier's requirements. No charges will be allowed for packing, crating or cartage, unless stated in this order. Each container must be marked to show quantity, order number, any TEVA PHARMACEUTICALS USA part number, contents, and shipper's name. A packaging list showing this information shall be included in each package. Seller shall prepay all shipping charges, FOB destination, unless otherwise specified. Each invoice for shipping charges shall be accompanied by the original or a copy of the bill indicating that such charges have been paid and listed separately on the Seller's invoice.

4) Inspection and Rejection: Buyer reserves the right to return, at Seller's expense for transportation both ways, and any storage costs incurred, materials shipped in excess of this order or defective materials not meeting Buyer's specifications and standards whether paid for or not. No replacement or substitution shall be made unless so authorized by Buyer.

5) Price: If price is not stated on this order, the goods or services will be billed at the price last quoted, or paid by a customer of Seller, or the prevailing market price, whichever is lower. Seller warrants that prices charged against this order will conform to the provisions of the Robinson Patman Act and all other Government price regulations in effect during the period required to complete the transaction.

6) Delivery: Time is of the essence, and Buyer may reject goods and services not delivered or furnished on dates herein specified. No change in the scheduled delivery date or performance will be permitted without Buyer's prior written consent. No acceptance of goods or services after the scheduled delivery date will waive Buyer's rights with respect to such late delivery nor shall it be deemed a waiver of future compliance with the terms hereof.

7) Remedies: Failure of Buyer to take shipment hereunder, if occasioned by fire, explosion, flood, war, accident, interruption of, or delay in transportation, labor trouble, or any other circumstance of like or different character, and not limited to the aforementioned, beyond Buyer's reasonable control, or if occasioned by partial or complete suspension of operations at any of Buyer's plants shall not subject Buyer to any liability to Seller because thereof, but, at Buyer's option the total quantity covered by this order may be reduced by the extent of omitted shipments or the specified delivery period extended by a time equal to that during which shipments shall so be omitted and such shipments made during the period of extension. Seller will be excused for delay in delivery by reason of the same causes as stated above provided they are beyond the control and without fault or negligence of Seller if Seller notifies Buyer in writing of the cause of such delay within a reasonable time.

8) Risk of Loss: Regardless of FOB point, Seller will bear all risk of loss, injury or destruction of goods and materials ordered herein which occurs prior to acceptance by Buyer. The Seller will bear all risk for material owned by Buyer when in the custody or under control of Seller.

9) Termination or Cancellation: Buyer may terminate or cancel work under this order in whole or in part at any time by written notice or Facsimile notice. Termination shall be without prejudice to any claims which one party may have against the other for work performed and materials supplied up to date of cancellation.

10) Patents and Copyrights: Seller will exonerate, indemnify and hold harmless Buyer from and against any and all liability, damage, cost, expense or attorney's fee award, which may accrue to, or be sustained by Buyer on account of any claim, suit or action made or threatened to be brought against Buyer or its customers for actual or alleged infringement of any patent, copyright or other intellectual property right by reason of the manufacture of goods covered by this order by Seller, the resale thereof by Buyer, or use of said goods or any part thereof by Buyer. Seller, at Buyer's request, will defend, at Seller's expense, any such claim, suit or action.

11) Laws and Regulations: Seller warrants that any material or service delivered pursuant to this order is produced, sold and delivered to Buyer in compliance with all applicable Federal, State and Municipal laws and regulations and that no food, drug or cosmetic bearing the name or authentic label of Seller shall, at time of shipment or delivery, be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as amended, and Seller shall make a statement to that effect on its invoices; in compliance with provisions of Sections 404 and 505 of the aforementioned Act prohibiting certain articles which may not be introduced into interstate commerce. Seller represents and warrants to Buyer that the goods delivered against this order, and described in the invoice applying to the shipment, were produced in strict compliance with the Fair Labor Standards Act of 1938. Seller assumes all obligations under all "social security" legislation (e.g., unemployment insurance, old age benefits, or workmen's compensation laws) of the United States or of any state or other governmental authority with respect to persons employed in the performance of services and/or production of merchandise or material under this order. Seller will indemnify and hold harmless the Buyer against any liability resulting from Seller's failure to comply with any of the aforementioned laws and acts.

12) Executive Orders: The Seller agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin, or because of physical or mental handicap with regard to any position for which the employee or applicant is qualified. The Seller will take affirmative action to assure that equal employment opportunity is implemented in employment, upgrading, promotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection and training including apprenticeship. The Seller will adhere to all applicable provisions of any rules and regulations relating to the above subject matter.

13) Taxes: The purchase price herein is inclusive of any and all taxes and other government charges, now imposed or hereafter becoming effective, upon the production, sale, shipment, use or erection of the materials specified in this order. Seller will indemnify Buyer against, and reimburse it for any expenditures it may be required to make on account of Seller's failure to pay such taxes and other governmental charges. Buyer will provide Seller with any applicable state sales or use tax exemption certificates.

14) Drawings, Prints and Specifications: Seller agrees that it will not use, sell, loan or publicize any of the tools, specifications, blueprints, designs or artwork supplied or paid for by Buyer for the fulfillment of this order without Buyer's written consent.

15) Tools, Dies, Molds, etc.: All tools, dies, molds, printing plates, mechanical, etc. created for use on this order shall be the property of Buyer, and Buyer may withdraw them from Seller's premises on demand in writing. They shall be carefully preserved by Seller and maintained in good operating condition at all times.

16) Invoices and Discount: All invoices must be rendered to Buyer and be issued in duplicate, unless otherwise specified. Each invoice must be mailed on the date appearing on the invoice. Invoices must be rendered by the person, firm or corporation for which this order is issued. If unable to comply, please return this order to Buyer and advise Buyer the name and address under which the invoice will be rendered. Discount date will be established from the date on which Seller will have complied with all requirements on this order and Buyer has received an invoice in good order.

17) Warranties: In addition to all warranties, expressed or implied, established by statutes or common law, or elsewhere set forth in this order, Seller hereby expressly warrants, any other representation or agreement to the contrary notwithstanding, that all goods and services covered by this order will conform to all specifications, drawings, samples and any other description, furnished or adopted by Buyer, and will be of best quality and fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from all patent and latent defects and free from any lien or encumbrance of any kind. Buyer's failure to give notice to Seller of any breach of any warranty shall not discharge Seller's liability for any such breach. The warranties of Seller together with its service warranties and guaranties, if any, shall run to Buyer, its customers and any other third parties.

18) Work, Labor and Services: Where contract requires furnishing of work, labor or services, Buyer shall be entitled at any time to require deviations from, additions to, or omissions in said work, provided, if such change shall make the work more or less expensive than if performed in accordance with original requirements, a fair and reasonable addition or deduction shall be made in the contract price. No claim shall be allowed for extra labor or material above contract amount unless same has been ordered in writing by Buyer. Acceptance of final payment of contract price constitutes waiver of all claims for extra work or materials furnished.

19) Employee Notice: The requirements of 29 CFR Part 470 are incorporated herein by reference, if applicable.

20) Indemnity: Seller shall indemnify and hold Buyer harmless from and against all claims, losses, expenses, causes of actions, damage to persons (including death) or to property and liabilities of every kind and nature including, without limitation, reasonable attorney's fees, without waiver of Seller's obligation to indemnify Buyer hereunder, arising from Seller's work or material furnished, from the work or materials furnished by any of Seller's subcontractors, or out of any alleged breach of any of Seller's obligations or warranties hereunder or from other acts or omissions of Seller, its officers, agents, employees, subcontractors, and guests, however caused, instituted by persons who purchase from Buyer or use product purchased from Seller.

21) Assignability: This order in its entirety and each and every provision hereof shall inure to the benefit of the customers, successors and assigns of Buyer. Seller may not assign this order without Buyer's written consent.

22) Waivers: Any failure by Buyer to enforce or require strict performance by Seller of any terms or conditions of this order shall not constitute a waiver thereof by Buyer and Buyer may at any time avail itself of the remedies Buyer may have for any breach of the terms hereof.

23) Governing Law: This order shall be governed by the laws of the Commonwealth of Pennsylvania.

12/18/14 09

BILL TO: c/o Teva
1090 Horsham Road
PO Box 1090
North Wales,PA 19454
United States

TEVA PHARMACEUTICALS USA

DEA # RT0386828

PURCHASE ORDER

PURCHASE ORDER NO. **42189155**

VENDOR
PURDUE PHARMA LP
ONE STAMFORD FORUM
201 TRESSER BOULEVARD
STAMFORD, CT 06901-3431
UNITED STATES

SHIP TO
TEVA PHARMACEUTICALS USA, INC. (SOLO)
111 NEW BRITAIN BLVD.
DEA# RT0386828
CHALFONT,PA 18914
UNITED STATES

PURCHASE ORDER NUMBER AND ANY TEVA PHARMACEUTICALS USA PART NUMBERS INDICATED MUST APPEAR ON INVOICES, CORRESPONDENCE, SHIPPING DOCUMENTS AND ALL PACKAGES DELIVERED.

SHIP THIS ORDER IN EXACT ACCORDANCE WITH SPECIFICATIONS INDICATED BELOW:

1. SEND INVOICE IN DUPLICATE TO THE ATTENTION OF ACCOUNTS PAYABLE.
2. PACKING LIST MUST ACCOMPANY EACH SHIPMENT.
3. WEIGHTS AND QUANTITIES MUST APPEAR ON ALL PACKAGES AND DOCUMENTS.
4. BILL OF LADING AND FREIGHT BILL MUST ACCOMPANY INVOICE IF FREIGHT CHARGE IS PREPAID AND ADD.

SHIP VIA	F.O.B.	TERMS
		NET 30

P.O.DATE	REVISON	REV.DATE	BUYER	REV.BUYER
18-DEC-14	1	18-DEC-14	Guevara, Elizabeth	Guevara, Elizabeth

ITEM	TEVA USA PART #	DESCRIPTION	QUANTITY	U/M	UNIT PRICE	TOTAL	TAX	DUE DATE OUR DOCK
1	00093-5733-01	OXYCODONE HCL ER TABLET TRF 40MG 100 **SHIP TO:** Address at top of page	38,056	EA	24.00	913,344.00		18-DEC-14

TEVA PHARMACEUTICALS USA IS AN EQUAL OPPORTUNITY EMPLOYER
SEE ATTACHED TERMS & CONDITIONS

ADDITIONAL VENDOR NOTES
1. ORDERED MATERIAL SHALL NOT BE SHIPPED TO ARRIVE MORE THAN 5 DAYS PRIOR TO OUR "DUE DATE OUR DOCK."
2. DROP SHIPMENTS REQUIRED DUPLICATE PACKING LIST MAILED TO TEVA PHARMACEUTICALS USA PURCHASING.
3. ALL DRUG AND CHEMICAL MATERIALS WILL BE SUPPLIED ONE LOT PER DELIVERY AND ACCOMPANIED BY CERTIFICATES OF ANALYSIS AND MATERIAL SAFETY DATA SHEETS.
4. NO COMMITMENTS MADE BY PERSONNEL OTHER THAN TEVA PHARMACEUTICALS USA PURCHASING WILL BE CONSIDERED VALID
5. TEVA PHARMACEUTICALS USA WILL NOT BE RESPONSIBLE FOR MATERIAL SUPPLIED WITHOUT AN APPROVED ORDER.

Total	**913,344.00 USD**
Tax Total	**0 USD**
PO STATUS:	**APPROVED**

THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS STATED HEREON AND ON ANY ATTACHMENTS HERETO.

TERMS AND CONDITIONS 42189155

1) Terms and Conditions: This order is expressly conditioned upon Seller's assent to all terms as set forth on the front and reverse side hereof. Any additional or different terms which are not specifically agreed to in writing, signed by an authorized representative of the Buyer, are hereby objected to. This order is not an acceptance of any other terms.

2) Entire Agreement: Except as expressly set forth in writing executed by the Buyer, the terms and conditions set forth in this order constitute the entire agreement between the parties regarding the subject matter hereof, and no modification or termination hereof shall be binding unless agreed to in writing and signed by a duly authorized officer or duly authorized representative of Buyer.

3) Packing and Shipping: All articles shall be suitably packed or otherwise prepared for shipment so as to secure the lowest transportation rates and to meet carrier's requirements. No charges will be allowed for packing, crating or cartage, unless stated in this order. Each container must be marked to show quantity, order number, any TEVA PHARMACEUTICALS USA part number, contents, and shipper's name. A packaging list showing this information shall be included in each package. Seller shall prepay all shipping charges, FOB destination, unless otherwise specified. Each invoice for shipping charges shall be accompanied by the original or a copy of the bill indicating that such charges have been paid and listed separately on the Seller's invoice.

4) Inspection and Rejection: Buyer reserves the right to return, at Seller's expense for transportation both ways, and any storage costs incurred, materials shipped in excess of this order or defective materials not meeting Buyer's specifications and standards whether paid for or not. No replacement or substitution shall be made unless so authorized by Buyer.

5) Price: If price is not stated on this order, the goods or services will be billed at the price last quoted, or paid by a customer of Seller, or the prevailing market price, whichever is lower. Seller warrants that prices charged against this order will conform to the provisions of the Robinson Patman Act and all other Government price regulations in effect during the period required to complete the transaction.

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7) Remedies: Failure of Buyer to take shipment hereunder, if occasioned by fire, explosion, flood, war, accident, interruption of, or delay in transportation, labor trouble, or any other circumstance of like or different character, and not limited to the aforementioned, beyond Buyer's reasonable control, or if occasioned by partial or complete suspension of operations at any of Buyer's plants shall not subject Buyer to any liability to Seller because thereof, but, at Buyer's option the total quantity covered by this order may be reduced by the extent of omitted shipments or the specified delivery period extended by a time equal to that during which shipments shall so be omitted and such shipments made during the period of extension. Seller will be excused for delay in delivery by reason of the same causes as stated above provided they are beyond the control and without fault or negligence of Seller if Seller notifies Buyer in writing of the cause of such delay within a reasonable time.

8) Risk of Loss: Regardless of FOB point, Seller will bear all risk of loss, injury or destruction of goods and materials ordered herein which occurs prior to acceptance by Buyer. The Seller will bear all risk for material owned by Buyer when in the custody or under control of Seller.

9) Termination or Cancellation: Buyer may terminate or cancel work under this order in whole or in part at any time by written notice or Facsimile notice. Termination shall be without prejudice to any claims which one party may have against the other for work performed and materials supplied up to date of cancellation.

10) Patents and Copyrights: Seller will exonerate, indemnify and hold harmless Buyer from and against any and all liability, damage, cost, expense or attorney's fee award, which may accrue to, or be sustained by Buyer on account of any claim, suit or action made or threatened to be brought against Buyer or its customers for actual or alleged infringement of any patent, copyright or other intellectual property right by reason of the manufacture of goods covered by this order by Seller, the resale thereof by Buyer, or use of said goods or any part thereof by Buyer. Seller, at Buyer's request, will defend, at Seller's expense, any such claim, suit or action.

11) Laws and Regulations: Seller warrants that any material or service delivered pursuant to this order is produced, sold and delivered to Buyer in compliance with all applicable Federal, State and Municipal laws and regulations and that no food, drug or cosmetic bearing the name or authentic label of Seller shall, at time of shipment or delivery, be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as amended, and Seller shall make a statement to that effect on its invoices; in compliance with provisions of Sections 404 and 505 of the aforementioned Act prohibiting certain articles which may not be introduced into interstate commerce. Seller represents and warrants to Buyer that the goods delivered against this order, and described in the invoice applying to the shipment, were produced in strict compliance with the Fair Labor Standards Act of 1938. Seller assumes all obligations under all "social security" legislation (e.g., unemployment insurance, old age benefits, or workmen's compensation laws) of the United States or of any state or other governmental authority with respect to persons employed in the performance of services and/or production of merchandise or material under this order. Seller will indemnify and hold harmless the Buyer against any liability resulting from Seller's failure to comply with any of the aforementioned laws and acts.

12) Executive Orders: The Seller agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin, or because of physical or mental handicap with regard to any position for which the employee or applicant is qualified. The Seller will take affirmative action to assure that equal employment opportunity is implemented in employment, upgrading, promotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection and training including apprenticeship. The Seller will adhere to all applicable provisions of any rules and regulations relating to the above subject matter.

13) Taxes: The purchase price herein is inclusive of any and all taxes and other government charges, now imposed or hereafter becoming effective, upon the production, sale, shipment, use or erection of the materials specified in this order. Seller will indemnify Buyer against, and reimburse it for any expenditures it may be required to make on account of Seller's failure to pay such taxes and other governmental charges. Buyer will provide Seller with any applicable state sales or use tax exemption certificates.

14) Drawings, Prints and Specifications: Seller agrees that it will not use, sell, loan or publicize any of the tools, specifications, blueprints, designs or artwork supplied or paid for by Buyer for the fulfillment of this order without Buyer's written consent.

15) Tools, Dies, Molds, etc.: All tools, dies, molds, printing plates, mechanical, etc. created for use on this order shall be the property of Buyer, and Buyer may withdraw them from Seller's premises on demand in writing. They shall be carefully preserved by Seller and maintained in good operating condition at all times.

16) Invoices and Discount: All invoices must be rendered to Buyer and be issued in duplicate, unless otherwise specified. Each invoice must be mailed on the date appearing on the invoice. Invoices must be rendered by the person, firm or corporation for which this order is issued. If unable to comply, please return this order to Buyer and advise Buyer the name and address under which the invoice will be rendered. Discount date will be established from the date on which Seller will have complied with all requirements on this order and Buyer has received an invoice in good order.

17) Warranties: In addition to all warranties, expressed or implied, established by statutes or common law, or elsewhere set forth in this order, Seller hereby expressly warrants, any other representation or agreement to the contrary notwithstanding, that all goods and services covered by this order will conform to all specifications, drawings, samples and any other description, furnished or adopted by Buyer, and will be of best quality and fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from all patent and latent defects and free from any lien or encumbrance of any kind. Buyer's failure to give notice to Seller of any breach of any warranty shall not discharge Seller's liability for any such breach. The warranties of Seller together with its service warranties and guaranties, if any, shall run to Buyer, its customers and any other third parties.

18) Work, Labor and Services: Where contract requires furnishing of work, labor or services, Buyer shall be entitled at any time to require deviations from, additions to, or omissions in said work, provided, if such change shall make the work more or less expensive than if performed in accordance with original requirements, a fair and reasonable addition or deduction shall be made in the contract price. No claim shall be allowed for extra labor or material above contract amount unless same has been ordered in writing by Buyer. Acceptance of final payment of contract price constitutes waiver of all claims for extra work or materials furnished.

19) Employee Notice: The requirements of 29 CFR Part 470 are incorporated herein by reference, if applicable.

20) Indemnity: Seller shall indemnify and hold Buyer harmless from and against all claims, losses, expenses, causes of actions, damage to persons (including death) or to property and liabilities of every kind and nature including, without limitation, reasonable attorney's fees, without waiver of Seller's obligation to indemnify Buyer hereunder, arising from Seller's work or material furnished, from the work or materials furnished by any of Seller's subcontractors, or out of any alleged breach of any of Seller's obligations or warranties hereunder or from other acts or omissions of Seller, its officers, agents, employees, subcontractors, and guests, however caused, instituted by persons who purchase from Buyer or use product purchased from Seller.

21) Assignability: This order in its entirety and each and every provision hereof shall inure to the benefit of the customers, successors and assigns of Buyer. Seller may not assign this order without Buyer's written consent.

22) Waivers: Any failure by Buyer to enforce or require strict performance by Seller of any terms or conditions of this order shall not constitute a waiver thereof by Buyer and Buyer may at any time avail itself of the remedies Buyer may have for any breach of the terms hereof.

23) Governing Law: This order shall be governed by the laws of the Commonwealth of Pennsylvania.

12/18/14 09

BILL TO: c/o Teva
1090 Horsham Road
PO Box 1090
North Wales,PA 19454
United States

TEVA PHARMACEUTICALS USA

DEA # RT0386828

PURCHASE ORDER

PURCHASE ORDER NO. **42189156**

VENDOR
PURDUE PHARMA LP
ONE STAMFORD FORUM
201 TRESSER BOULEVARD
STAMFORD, CT 06901-3431
UNITED STATES

SHIP TO
TEVA PHARMACEUTICALS USA, INC. (SOLO)
111 NEW BRITAIN BLVD.
DEA# RT0386828
CHALFONT,PA 18914
UNITED STATES

PURCHASE ORDER NUMBER AND ANY TEVA PHARMACEUTICALS USA PART NUMBERS INDICATED MUST APPEAR ON INVOICES, CORRESPONDENCE, SHIPPING DOCUMENTS AND ALL PACKAGES DELIVERED.

SHIP THIS ORDER IN EXACT ACCORDANCE WITH SPECIFICATIONS INDICATED BELOW:

1. SEND INVOICE IN DUPLICATE TO THE ATTENTION OF ACCOUNTS PAYABLE.
2. PACKING LIST MUST ACCOMPANY EACH SHIPMENT.
3. WEIGHTS AND QUANTITIES MUST APPEAR ON ALL PACKAGES AND DOCUMENTS.
4. BILL OF LADING AND FREIGHT BILL MUST ACCOMPANY INVOICE IF FREIGHT CHARGE IS PREPAID AND ADD.

SHIP VIA	F.O.B.	TERMS
		NET 30

P.O.DATE	REVISON	REV.DATE	BUYER	REV.BUYER
18-DEC-14	1	18-DEC-14	Guevara, Elizabeth	Guevara, Elizabeth

ITEM	TEVA USA PART #	DESCRIPTION	QUANTITY	U/M	UNIT PRICE	TOTAL	TAX	DUE DATE OUR DOCK
1	00093-5734-01	OXYCODONE HCL ER TABLET TRF 80MG 100 **SHIP TO:** Address at top of page	25,314	EA	32.00	810,048.00		18-DEC-14

TEVA PHARMACEUTICALS USA IS AN EQUAL OPPORTUNITY EMPLOYER
SEE ATTACHED TERMS & CONDITIONS

ADDITIONAL VENDOR NOTES
1. ORDERED MATERIAL SHALL NOT BE SHIPPED TO ARRIVE MORE THAN 5 DAYS PRIOR TO OUR "DUE DATE OUR DOCK."
2. DROP SHIPMENTS REQUIRED DUPLICATE PACKING LIST MAILED TO TEVA PHARMACEUTICALS USA PURCHASING.
3. ALL DRUG AND CHEMICAL MATERIALS WILL BE SUPPLIED ONE LOT PER DELIVERY AND ACCOMPANIED BY CERTIFICATES OF ANALYSIS AND MATERIAL SAFETY DATA SHEETS.
4. NO COMMITMENTS MADE BY PERSONNEL OTHER THAN TEVA PHARMACEUTICALS USA PURCHASING WILL BE CONSIDERED VALID.
5. TEVA PHARMACEUTICALS USA WILL NOT BE RESPONSIBLE FOR MATERIAL SUPPLIED WITHOUT AN APPROVED ORDER.

Total	**810,048.00 USD**
Tax Total	**0 USD**
PO STATUS:	**APPROVED**

THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS STATED HEREON AND ON ANY ATTACHMENTS HERETO.

TERMS AND CONDITIONS

42189156

1) Terms and Conditions: This order is expressly conditioned upon Seller's assent to all terms as set forth on the front and reverse side hereof. Any additional or different terms which are not specifically agreed to in writing, signed by an authorized representative of the Buyer, are hereby objected to. This order is not an acceptance of any other terms.

2) Entire Agreement: Except as expressly set forth in writing executed by the Buyer, the terms and conditions set forth in this order constitute the entire agreement between the parties regarding the subject matter hereof, and no modification or termination hereof shall be binding unless agreed to in writing and signed by a duly authorized officer or duly authorized representative of Buyer.

3) Packing and Shipping: All articles shall be suitably packed or otherwise prepared for shipment so as to secure the lowest transportation rates and to meet carrier's requirements. No charges will be allowed for packing, crating or cartage, unless stated in this order. Each container must be marked to show quantity, order number, any TEVA PHARMACEUTICALS USA part number, contents, and shipper's name. A packaging list showing this information shall be included in each package. Seller shall prepay all shipping charges, FOB destination, unless otherwise specified. Each invoice for shipping charges shall be accompanied by the original or a copy of the bill indicating that such charges have been paid and listed separately on the Seller's invoice.

4) Inspection and Rejection: Buyer reserves the right to return, at Seller's expense for transportation both ways, and any storage costs incurred, materials shipped in excess of this order or defective materials not meeting Buyer's specifications and standards whether paid for or not. No replacement or substitution shall be made unless so authorized by Buyer.

5) Price: If price is not stated on this order, the goods or services will be billed at the price last quoted, or paid by a customer of Seller, or the prevailing market price, whichever is lower. Seller warrants that prices charged against this order will conform to the provisions of the Robinson Patman Act and all other Government price regulations in effect during the period required to complete the transaction.

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7) Remedies: Failure of Buyer to take shipment hereunder, if occasioned by fire, explosion, flood, war, accident, interruption of, or delay in transportation, labor trouble, or any other circumstance of like or different character, and not limited to the aforementioned, beyond Buyer's reasonable control, or if occasioned by partial or complete suspension of operations at any of Buyer's plants shall not subject Buyer to any liability to Seller because thereof, but, at Buyer's option the total quantity covered by this order may be reduced by the extent of omitted shipments or the specified delivery period extended by a time equal to that during which shipments shall so be omitted and such shipments made during the period of extension. Seller will be excused for delay in delivery by reason of the same causes as stated above provided they are beyond the control and without fault or negligence of Seller if Seller notifies Buyer in writing of the cause of such delay within a reasonable time.

8) Risk of Loss: Regardless of FOB point, Seller will bear all risk of loss, injury or destruction of goods and materials ordered herein which occurs prior to acceptance by Buyer. The Seller will bear all risk for material owned by Buyer when in the custody or under control of Seller.

9) Termination or Cancellation: Buyer may terminate or cancel work under this order in whole or in part at any time by written notice or Facsimile notice. Termination shall be without prejudice to any claims which one party may have against the other for work performed and materials supplied up to date of cancellation.

10) Patents and Copyrights: Seller will exonerate, indemnify and hold harmless Buyer from and against any and all liability, damage, cost, expense or attorney's fee award, which may accrue to, or be sustained by Buyer on account of any claim, suit or action made or threatened to be brought against Buyer or its customers for actual or alleged infringement of any patent, copyright or other intellectual property right by reason of the manufacture of goods covered by this order by Seller, the resale thereof by Buyer, or use of said goods or any part thereof by Buyer. Seller, at Buyer's request, will defend, at Seller's expense, any such claim, suit or action.

11) Laws and Regulations: Seller warrants that any material or service delivered pursuant to this order is produced, sold and delivered to Buyer in compliance with all applicable Federal, State and Municipal laws and regulations and that no food, drug or cosmetic bearing the name or authentic label of Seller shall, at time of shipment or delivery, be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as amended, and Seller shall make a statement to that effect on its invoices; in compliance with provisions of Sections 404 and 505 of the aforementioned Act prohibiting certain articles which may not be introduced into interstate commerce. Seller represents and warrants to Buyer that the goods delivered against this order, and described in the invoice applying to the shipment, were produced in strict compliance with the Fair Labor Standards Act of 1938. Seller assumes all obligations under all "social security" legislation (e.g., unemployment insurance, old age benefits, or workmen's compensation laws) of the United States or of any state or other governmental authority with respect to persons employed in the performance of services and/or production of merchandise or material under this order. Seller will indemnify and hold harmless the Buyer against any liability resulting from Seller's failure to comply with any of the aforementioned laws and acts.

12) Executive Orders: The Seller agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin, or because of physical or mental handicap with regard to any position for which the employee or applicant is qualified. The Seller will take affirmative action to assure that equal employment opportunity is implemented in employment, upgrading, promotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection and training including apprenticeship. The Seller will adhere to all applicable provisions of any rules and regulations relating to the above subject matter.

13) Taxes: The purchase price herein is inclusive of any and all taxes and other government charges, now imposed or hereafter becoming effective, upon the production, sale, shipment, use or erection of the materials specified in this order. Seller will indemnify Buyer against, and reimburse it for any expenditures it may be required to make on account of Seller's failure to pay such taxes and other governmental charges. Buyer will provide Seller with any applicable state sales or use tax exemption certificates.

14) Drawings, Prints and Specifications: Seller agrees that it will not use, sell, loan or publicize any of the tools, specifications, blueprints, designs or artwork supplied or paid for by Buyer for the fulfillment of this order without Buyer's written consent.

15) Tools, Dies, Molds, etc.: All tools, dies, molds, printing plates, mechanical, etc. created for use on this order shall be the property of Buyer, and Buyer may withdraw them from Seller's premises on demand in writing. They shall be carefully preserved by Seller and maintained in good operating condition at all times.

16) Invoices and Discount: All invoices must be rendered to Buyer and be issued in duplicate, unless otherwise specified. Each invoice must be mailed on the date appearing on the invoice. Invoices must be rendered by the person, firm or corporation for which this order is issued. If unable to comply, please return this order to Buyer and advise Buyer the name and address under which the invoice will be rendered. Discount date will be established from the date on which Seller will have complied with all requirements on this order and Buyer has received an invoice in good order.

17) Warranties: In addition to all warranties, expressed or implied, established by statutes or common law, or elsewhere set forth in this order, Seller hereby expressly warrants, any other representation or agreement to the contrary notwithstanding, that all goods and services covered by this order will conform to all specifications, drawings, samples and any other description, furnished or adopted by Buyer, and will be of best quality and fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from all patent and latent defects and free from any lien or encumbrance of any kind. Buyer's failure to give notice to Seller of any breach of any warranty shall not discharge Seller's liability for any such breach. The warranties of Seller together with its service warranties and guaranties, if any, shall run to Buyer, its customers and any other third parties.

18) Work, Labor and Services: Where contract requires furnishing of work, labor or services, Buyer shall be entitled at any time to require deviations from, additions to, or omissions in said work, provided, if such change shall make the work more or less expensive than if performed in accordance with original requirements, a fair and reasonable addition or deduction shall be made in the contract price. No claim shall be allowed for extra labor or material above contract amount unless same has been ordered in writing by Buyer. Acceptance of final payment of contract price constitutes waiver of all claims for extra work or materials furnished.

19) Employee Notice: The requirements of 29 CFR Part 470 are incorporated herein by reference, if applicable.

20) Indemnity: Seller shall indemnify and hold Buyer harmless from and against all claims, losses, expenses, causes of actions, damage to persons (including death) or to property and liabilities of every kind and nature including, without limitation, reasonable attorney's fees, without waiver of Seller's obligation to indemnify Buyer hereunder, arising from Seller's work or material furnished, from the work or materials furnished by any of Seller's subcontractors, or out of any alleged breach of any of Seller's obligations or warranties hereunder or from other acts or omissions of Seller, its officers, agents, employees, subcontractors, and guests, however caused, instituted by persons who purchase from Buyer or use product purchased from Seller.

21) Assignability: This order in its entirety and each and every provision hereof shall inure to the benefit of the customers, successors and assigns of Buyer. Seller may not assign this order without Buyer's written consent.

22) Waivers: Any failure by Buyer to enforce or require strict performance by Seller of any terms or conditions of this order shall not constitute a waiver thereof by Buyer and Buyer may at any time avail itself of the remedies Buyer may have for any breach of the terms hereof.

23) Governing Law: This order shall be governed by the laws of the Commonwealth of Pennsylvania.

Schedule 3.1.5

INDICIA

Each tablet will be marked "OP" on one side and the dosage strength (e.g., 10, 20, 40 or 80) on the other.

Schedule 3.4.3

SHIPPING LOCATION

111 New Britain Blvd., Chalfont, PA 18914

Schedule 3.4.5A

FORM OF CERTIFICATE OF ANALYSIS

PURDUE

CERTIFICATE OF ANALYSIS

Finished Product: Oxycodone CR 40mg Tablets - [illegible]

Lot Size:	n,nnn,nnn	Lot Number: [illegible]XXX
Manufactured:	Month, Day, Year	Specification Number: QS[illegible]1086 USV1
Expiration Date:	mm/dd/yyyy	

Tested in accordance with Quality Standard Number: QS301086 USV1

Testing Performed		Specification	Results
Identification, HPLC		Retention time of the [illegible] in the sample is within 0.[illegible] min. of the [illegible] [illegible] greater than [illegible] of the [illegible]	
Assay, Oxycodone HCl		[illegible] – [illegible] % Label Claim [illegible] mg / Tablet	
Content Uniformity		[illegible]	
Dissolution	1st hour	[illegible] % of Label Claim	
	[illegible] hour	[illegible] % of Label Claim	
	12th hour	[illegible] % of Label Claim	
Description		[illegible]	

Meets all requirements for Identity, Potency, Purity and Quality.

Data Reported By / Date:

____
name
Title, Quality Control

Data Approved By / Date:

____
name
Title, Quality Control

Additionally the finished product was manufactured under cGMP conditions.

Data Approved By / Date:

____
name
Title, Quality Assurance

Purdue Pharmaceuticals L.P., 4701 Purdue Drive, Wilson, NC 27893 USA
Tel: +1 (252) 265-1900, Fax: +1 (252) 243-2533

Schedule 3.4.5B

FORM OF CERTIFICATE OF COMPLIANCE

FINISHED PRODUCT BATCH DISPOSITION

PURDUE PHARMACEUTICALS L. P.
CERTIFICATE OF COMPLIANCE

Batch Number:_____ Quantity:_____

Product Name:_____ Manufacturing Date:_____
Coating Date:_____
Expiration Date:_____ Packaging Date:_____

Product Batch Disposition Form Completed:_____
(Initials)

	Reviewed By:	Completed By:
Packaging	_____ (Initials)	_____ (Initials)
Finished Product QC Testing Results	_____ (Initials)	_____ (Initials)

Quality Notifications/Lot (QA section if not applicable)
Associated Number and completion date _____

RELEASE OF THIS LOT SIGNIFIES THAT THIS BATCH HAS BEEN MANUFACTURED AND PACKAGED IN ACCORDANCE WITH PURDUE PHARMACEUTICALS L. P., WILSON FACILITY'S STANDARD OPERATING PROCEDURES, REGULATORY REQUIREMENTS AND IN COMPLIANCE WITH CURRENT GOOD MANUFACTURING PRACTICES.

FINAL QA RELEASE BY: _____
(Signature)

VERIFIED QA RELEASE BY: _____
(Signature)

BATCH IS NONCONFORMING AND IS NOT TO BE RELEASED:

_____ Date:_____
(QA Designee or Designee)

QA Disposition By:_____ Date:_____ Verified By:_____ Date:_____

Comments:

CONFIDENTIAL WI_FORM_QA_0008180 (Version 8.0)
Print Date Restricted to PVI

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