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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-35518

SUPERNUS PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

Delaware			**20-2590184**
(State or other jurisdiction of incorporation or organization)			(I.R.S. Employer Identification No.)
9715 Key West Avenue	**Rockville**	**MD**	**20850**
(Address of principal executive offices)			(Zip Code)

(301) 838-2500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Securities registered pursuant to Section 12(b) of the Exchange Act

Title of each class	Outstanding at July 31, 2020	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.001 par value per share	52,664,084	SUPN	The Nasdaq Global Market

SUPERNUS PHARMACEUTICALS, INC.
FORM 10-Q — QUARTERLY REPORT
FOR THE QUARTERLY PERIOD ENDED June 30, 2020

PART I — FINANCIAL INFORMATION

Supernus Pharmaceuticals, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share data)

	June 30, 2020 (unaudited)	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	$ 210,975	$ 181,381
Marketable securities	163,839	165,692
Accounts receivable, net	126,559	87,332
Inventories, net	35,338	26,628
Prepaid expenses and other current assets	20,442	11,611
Total current assets	557,153	472,644
Long term marketable securities	358,673	591,773
Property and equipment, net	17,941	17,068
Operating lease assets	21,289	21,279
Finance lease asset	22,479	—
Intangible assets, net	408,272	24,840
Goodwill	88,095	—
Deferred income tax assets	—	32,063
Other assets	17,118	615
Total assets	$ 1,491,020	$ 1,160,282
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 5,515	$ 10,141
Accrued product returns and rebates	144,105	107,629
Accrued expenses and other current liabilities	58,818	34,305
Contingent consideration, current portion	23,500	—
Income taxes payable	25,052	2,443
Operating lease liabilities, current portion	3,560	2,825
Finance lease liability, current portion	4,201	—
Nonrecourse liability related to sale of future royalties, current portion	4,525	3,244
Total current liabilities	269,276	160,587
Convertible notes, net	353,349	345,170
Contingent consideration, long term	92,200	—
Nonrecourse liability related to sale of future royalties, long term	16,455	19,248
Operating lease liabilities, long term	30,108	30,440
Finance lease liability, long term	18,382	—
Deferred income tax liabilities	35,716	—
Other liabilities	9,560	9,409
Total liabilities	825,046	564,854
Stockholders' equity		
Common stock, $0.001 par value; 130,000,000 shares authorized; 52,624,084 and 52,533,348 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively	53	53
Additional paid-in capital	398,829	388,410
Accumulated other comprehensive earnings, net of tax	11,359	7,417
Retained earnings	255,733	199,548
Total stockholders' equity	665,974	595,428
Total liabilities and stockholders' equity	$ 1,491,020	$ 1,160,282

See accompanying notes.

Supernus Pharmaceuticals, Inc.
Condensed Consolidated Statements of Earnings
(in thousands, except share and per share data)

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Revenues				
Net product sales	$ 123,984	$ 102,358	$ 216,474	$ 185,457
Royalty revenues	2,745	2,337	5,231	4,712
Total revenues	126,729	104,695	221,705	190,169
Costs and expenses				
Cost of goods sold[(a)]	8,386	4,044	12,538	7,728
Research and development	22,247	16,970	41,184	32,364
Selling, general and administrative	48,103	39,777	89,717	79,439
Amortization of intangible assets	2,445	1,306	3,706	2,612
Total costs and expenses	81,181	62,097	147,145	122,143
Operating earnings	45,548	42,598	74,560	68,026
Other income (expense)				
Interest income	4,151	5,448	9,726	10,137
Interest expense	(5,815)	(5,389)	(11,570)	(11,268)
Other income, net	3,326	89	3,528	90
Total other income (expense)	1,662	148	1,684	(1,041)
Earnings before income taxes	47,210	42,746	76,244	66,985
Income tax expense	12,543	10,019	20,059	15,918
Net earnings	$ 34,667	$ 32,727	$ 56,185	$ 51,067
Earnings per share				
Basic	$ 0.66	$ 0.62	$ 1.07	$ 0.98
Diluted	$ 0.65	$ 0.61	$ 1.05	$ 0.95
Weighted-average shares outstanding				
Basic	52,557,035	52,385,590	52,545,910	52,361,149
Diluted	53,645,828	53,912,977	53,611,418	53,947,834

[(a)] Excludes amortization of acquired intangible assets

See accompanying notes.

Supernus Pharmaceuticals, Inc.
Condensed Consolidated Statements of Comprehensive Earnings
(in thousands)

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Net earnings	$ 34,667	$ 32,727	$ 56,185	$ 51,067
Other comprehensive earnings				
Unrealized gain on marketable securities, net of tax	11,525	4,497	3,942	9,082
Other comprehensive earnings	11,525	4,497	3,942	9,082
Comprehensive earnings	$ 46,192	$ 37,224	$ 60,127	$ 60,149

See accompanying notes.

Supernus Pharmaceuticals, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity
Six Months ended June 30, 2020 and 2019
(unaudited, in thousands, except share data)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Earnings (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2019	52,533,348	$ 53	$ 388,410	$ 7,417	$ 199,548	$ 595,428
Share-based compensation	—	—	3,988	—	—	3,988
Exercise of stock options	3,811	—	32	—	—	32
Net earnings	—	—	—	—	21,518	21,518
Unrealized loss on marketable securities, net of tax	—	—	—	(7,583)	—	(7,583)
Balance, March 31, 2020	52,537,159	$ 53	$ 392,430	$ (166)	$ 221,066	$ 613,383
Share-based compensation	—	—	4,962	—	—	4,962
Issuance of ESPP shares	48,650	—	981	—	—	981
Exercise of stock options	38,275	—	456	—	—	456
Net earnings	—	—	—	—	34,667	34,667
Unrealized gain on marketable securities, net of tax	—	—	—	11,525	—	11,525
Balance, June 30, 2020	52,624,084	$ 53	$ 398,829	$ 11,359	$ 255,733	$ 665,974

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Earnings (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount				
Balance, December 31, 2018	52,316,583	$ 52	$ 369,637	$ (3,158)	$ 86,492	$ 453,023
Share-based compensation	—	—	3,287	—	—	3,287
Exercise of stock options	57,665	—	783	—	—	783
Net earnings	—	—	—	—	18,340	18,340
Unrealized gain on marketable securities, net of tax	—	—	—	4,585	—	4,585
Balance, March 31, 2019	52,374,248	$ 52	$ 373,707	$ 1,427	$ 104,832	$ 480,018
Share-based compensation	—	—	4,022	—	—	4,022
Issuance of ESPP shares	48,950	—	1,377	—	—	1,377
Exercise of stock options	25,838	—	263	—	—	263
Net earnings	—	—	—	—	32,727	32,727
Unrealized gain on marketable securities, net of tax	—	—	—	4,497	—	4,497
Balance, June 30, 2019	52,449,036	$ 52	$ 379,369	$ 5,924	$ 137,559	$ 522,904

See accompanying notes.

Supernus Pharmaceuticals, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six Months ended June 30,	
	2020	2019
	(unaudited)	
Cash flows from operating activities		
Net earnings	$ 56,185	$ 51,067
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Share-based compensation expense	8,950	7,309
Depreciation and amortization	5,044	3,355
Amortization of premium/discount on marketable securities	984	(1,625)
Amortization of deferred financing costs and debt discount	8,179	7,748
Realized gains from sales of marketable securities	(3,316)	(93)
Noncash interest expense	2,870	2,851
Noncash royalty revenue	(3,918)	(3,368)
Noncash operating lease cost	1,842	1,230
Deferred income tax benefit	(3,062)	861
Changes in operating assets and liabilities:		
Accounts receivable	(20,431)	18,439
Inventories	1,689	(365)
Prepaid expenses and other current assets	(4,767)	(3,581)
Other noncurrent assets	(1,176)	(140)
Accounts payable	(7,199)	886
Accrued product returns and rebates	28,298	(11,129)
Accrued expenses and other current liabilities	10,913	(1,307)
Income taxes payable	22,513	(9,703)
Other liabilities	(2,731)	(755)
Net cash provided by operating activities	100,867	61,680
Cash flows from investing activities		
Acquisition of USWM, net of cash acquired	(297,200)	—
Investment in Navitor Pharmaceuticals, Inc.	(15,000)	—
Purchases of marketable securities	(15,382)	(264,926)
Sales and maturities of marketable securities	257,936	96,165
Purchases of property and equipment	(3,072)	(245)
Deferred legal fees	(24)	(1)
Net cash used in investing activities	(72,742)	(169,007)
Cash flows from financing activities		
Proceeds from issuance of common stock	1,469	2,423
Net cash provided by financing activities	1,469	2,423
Net change in cash and cash equivalents	29,594	(104,904)
Cash and cash equivalents at beginning of year	181,381	192,248
Cash and cash equivalents at end of period	$ 210,975	$ 87,344
Supplemental cash flow information		
Cash paid for interest on convertible notes	$ 1,258	$ 1,258
Income taxes paid	607	24,795
Noncash investing and financing activities		
Contingent consideration liability accrued in USWM Acquisition	$ 115,700	$ —
Deferred legal fees and fixed assets included in accounts payable and accrued expenses	365	280
Property and equipment additions from utilization of tenant improvement allowance	—	431
Lease assets and tenant receivable obtained for new leases	24,738	31,727

See accompanying notes.

Supernus Pharmaceuticals, Inc.
Notes to Condensed Consolidated Financial Statements (unaudited)

1. Organization and Business

Supernus Pharmaceuticals, Inc. (the Company) was incorporated in Delaware, commencing operations in 2005. The Company is a pharmaceutical company focused on developing and commercializing products for the treatment of central nervous system (CNS) diseases, marketing five products: Oxtellar XR for the treatment of epilepsy; Trokendi XR for the prophylaxis of migraine headache and the treatment of epilepsy; APOKYN and XADAGO for the treatment of Parkinson's disease and MYOBLOC for the treatment of cervical dystonia and sialorrhea. The Company is also developing multiple proprietary CNS product candidates to address significant unmet medical needs and market opportunities.

The Company launched Oxtellar XR and Trokendi XR for the treatment of epilepsy in 2013, followed by the launch of Trokendi XR for the prophylaxis of migraine headache in adolescents and adults in 2017. The Company launched Oxtellar XR with an expanded indication to include monotherapy for partial seizures in January 2019. On June 9, 2020, the Company completed the previously announced acquisition of the CNS portfolio of US WorldMeds Partners, LLC (USWM Acquisition). With the acquisition, the Company acquired the right to further develop and commercialize three marketed products and a product candidate in late-stage development. Refer to Note 3 for further discussion on the USWM Acquisition.

COVID-19 Impact

The Company is closely monitoring the impact of the COVID-19 pandemic on all aspects of its business operations, and has assessed the impact of the COVID-19 pandemic on its condensed consolidated financial statements as of June 30, 2020. Through the first six months of 2020, the impact of the pandemic has had limited effect on the Company's business operations, and no material impact on its condensed consolidated financial statements.

Since the situation surrounding the COVID-19 pandemic remains fluid and the duration is uncertain, the long-term nature and extent of the impacts of the pandemic on the Company's business operations and financial position cannot be reasonably estimated at this time.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company’s unaudited condensed consolidated financial statements have been prepared in accordance with the requirements of the U.S. Securities and Exchange Commission (SEC) for interim financial information. As permitted under Generally Accepted Accounting Principles in the United States (U.S. GAAP), certain notes and other information have been omitted from the interim unaudited condensed consolidated financial statements presented in this Quarterly Report on Form 10-Q. Therefore, these financial statements should be read in conjunction with the Company’s most recent Annual Report on Form 10-K, for the year ended December 31, 2019, filed with the SEC.

In management’s opinion, the condensed consolidated financial statements include all normal and recurring adjustments necessary for a fair presentation of the Company’s financial position, results of operations and cash flows. The results of operations for any interim period are not necessarily indicative of the Company’s future quarterly or annual results.

The Company, which is primarily located in the United States (U.S.), operates in one operating segment.

Reclassifications

Certain prior year amounts on the condensed consolidated statements of earnings have been reclassified to conform to the current year presentation, including a reclassification made to separately present amortization of intangible assets, previously included in *Selling, general and administrative expenses*, to the *Amortization of intangible assets* on the condensed consolidated statements of earnings. These reclassifications had no effect on operating earnings or our other condensed consolidated financial statements for the three and six months ended June 30, 2020 and 2019.

Consolidation

The Company’s condensed consolidated financial statements include the accounts of: Supernus Pharmaceuticals, Inc.; Supernus Europe Ltd.; Biscayne Neurotherapeutics, Inc.; Biscayne Neurotherapeutics Australia Pty Ltd; MDD US Enterprises,

LLC (formerly USWM Enterprises, LLC) and MDD US Enterprises, LLC's wholly owned subsidiaries. These are collectively referred to herein as “Supernus” or “the Company.” All significant intercompany transactions and balances have been eliminated in consolidation.

The condensed consolidated financial statements reflect the consolidation of entities in which the Company has a controlling financial interest. In determining whether there is a controlling financial interest, the Company considers if it has a majority of the voting interests of the entity, or if the entity is a variable interest entity (VIE) and whether the Company is the primary beneficiary. In determining the primary beneficiary of a VIE, the Company evaluates whether it has both (1) the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance and (2) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to that VIE. The Company's judgment with respect to its level of influence or control of an entity involves the consideration of various factors including the form of ownership interest, representation in the entity’s governance, the size of the investment, estimates of future cash flows, the ability to participate in policy making decisions and the rights of the other investors to participate in the decision making process and to liquidate the entity, if applicable. If the Company is not the primary beneficiary and an ownership interest is held in the entity, the interest is accounted for under the equity or cost methods of accounting, as appropriate. The Company continuously assesses whether it is the primary beneficiary of a VIE as changes to existing relationships or future transactions may result in changing conclusions.

Use of Estimates

The Company bases its estimates on: historical experience; forecasts; information received from its service providers; information from other sources; and other assumptions that the Company believes are reasonable under the circumstances. Actual results could differ materially from the Company’s estimates. The Company evaluates the methodologies employed in making its estimates on an ongoing basis.

Business Combinations and Contingent Considerations

To determine whether acquisitions should be accounted for as a business combination or as an asset acquisition, the Company makes certain judgments as to determine whether the acquired set of activities and assets meets the definition of a business. Significant judgment is required in making the assessment as to whether the acquired processes or activities along with their inputs would be substantive so as to constitute a business, as defined by U.S. GAAP.

If the acquired set of activities and assets meets the definition of a business, the Company applies the acquisition method of accounting to that transaction. Otherwise, the transaction is recorded as an asset acquisition and not a business combination. In an asset acquisition, any acquired in-process research and development (IPR&D) that does not have an alternative future use is charged to expense at the acquisition date, and no goodwill is recorded.

Under the acquisition method of accounting, assets acquired and liabilities assumed are required to be recorded at their respective fair values as of the acquisition date. The excess of the purchase price over the fair value of the acquired net assets, where applicable, is recorded as goodwill. The operating results of the acquired business is included in the Company’s condensed consolidated statement of earnings beginning on the effective acquisition date. Acquisition-related expenses are recognized separately from the business combination, and are expensed as incurred.

Significant judgment is involved in determining the fair values assigned to assets acquired and liabilities assumed in a business combination, as well as the estimated asset lives. These can materially affect our consolidated results of operations. The fair values of intangible assets, including acquired IPR&D, are determined using information available near the acquisition date, based on estimates and assumptions that are deemed reasonable by management. Significant estimates and assumptions include, but are not limited to, probability of technical success, revenue growth and discount rate. Depending on the facts and circumstances, the Company may deem it necessary to engage an independent valuation expert to assist in valuing significant assets and liabilities.

While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. In addition, uncertain tax positions and tax-related valuation allowances are initially recorded in connection with a business combination as of the acquisition date. The Company continues to collect information and re-evaluate these estimates and assumptions on a quarterly basis. The Company records any adjustments to the Company’s preliminary estimates to goodwill, provided these adjustments are within the one year measurement period from the

acquisition date. Upon the conclusion of the measurement period or subsequent to the final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our condensed consolidated statements of earnings in the period that these adjustments are identified.

Contingent Considerations

Certain of the Company's business combinations involve the potential for future payment of consideration that is contingent upon the achievement of certain milestones related to the development and sale of its products; for example, product development milestones and royalty payments on future product sales. The fair value of contingent consideration liabilities is determined at the acquisition date using unobservable inputs. These inputs include the estimated amount and timing of projected cash flows, volatility, the probability of milestone achievement (i.e., achievement of the contingent event) and the estimated discount rates and risk-free rate used to present value the probability-weighted cash flows. Subsequent to the acquisition date, at each reporting period until the contingency is resolved, the contingent consideration liability is remeasured at current fair value, with changes recorded in earnings in the period of remeasurement.

Similarly, the determination of initial and subsequent fair value of the contingent consideration liability requires significant judgment by management. Changes in any of the inputs may result in a significantly different fair value adjustment and can impact the results of operations.

Additional information regarding the Company's recent business combination and contingent consideration arrangement is included in Note 3, *USWM Acquisition*.

Revenue from Product Sales

The Company's customers are primarily pharmaceutical wholesalers, specialty pharmacies, and distributors. Customers purchase product to fulfill orders from retail pharmacy chains and independent pharmacies of varying size and purchasing power. The Company recognizes gross revenue when its products are physically received by its customers, upon shipment from a third party fulfillment center. The Company's customers take control of its products, including title and ownership, upon physical receipt of its products at their facilities. Customer orders are generally fulfilled within a few days of receipt, resulting in minimal order backlog. The Company does not adjust revenue for any financing effects, for those transactions where the Company expects the period between the transfer of the goods or services and collection to be less than one year. There are no minimum product purchase requirements with our customers.

The Company recognizes revenue from product sales in an amount that reflects the consideration the Company expects to receive in exchange for those goods. Product sales are recorded net of various forms of variable consideration, including: provision for estimated rebates; provision for estimated future product returns; and an estimated allowance for discounts. These are collectively considered "sales deductions."

As described below, variability in the net transaction price for the Company's products arises primarily from the aforementioned sales deductions. Significant judgment is required in estimating certain sales deductions. In making these estimates, the Company considers: historical experience; product price increases; current contractual arrangements under applicable payor programs; unbilled claims; processing time lags; inventory levels in the wholesale, specialty pharmacy, and retail distribution channel and product life cycle. The Company adjusts its estimates of revenue either when the most likely amount of consideration it expects to receive changes, or when the consideration becomes fixed. Variable consideration on product sales is only recognized when it is probable that a significant reversal will not occur.

If actual results in the future vary from our estimates, the Company adjusts its estimates in that calendar period. These adjustments could materially affect net product sales and earnings in the period that such adjustments are recorded.

Sales Deductions

The Company records product sales net of the following sales deductions:

- *Rebates:* Rebates are discounts which the Company pays under either public sector or private sector health care programs. Public sector rebate programs encompass: various Medicaid drug rebate programs; Medicare gap coverage programs; programs covering public health service institutions; and programs covering government entities. All federal employees and agencies purchase drugs under the Federal Supply Schedule. Private sector rebate programs include: contractual agreements with managed care providers, under which the Company pays fees to gain access to that provider's patient drug formulary; and Company sponsored programs, under which the Company defrays or eliminates

patient co-payment charges that the patient would otherwise be obligated to pay to their managed care provider in order to fill their prescription.

Rebates paid under public sector programs are generally mandated under law, whereas private sector rebates are generally contractually negotiated by the Company with managed care providers. Both types of rebates vary over time.

Rebates are owed upon dispensing our product to a patient; i.e., filling a prescription. The accrual balance for rebates consists of the following three components. First, because rebates are generally invoiced and paid quarterly in arrears, the accrual balance consists of an estimate of the amount expected to be incurred for prescriptions dispensed in the current quarter. Second, the accrual balance also includes an estimate for known or estimated prior quarters' unpaid rebates, covering those prescriptions dispensed in past quarters but for which no invoice has yet been received. Third, the accrual balance includes an estimate for rebates that will be prospectively owed, for prescriptions filled in future quarters. This estimate pertains to product that has been sold by the Company to wholesalers or distributors, and which resides either as wholesaler/distributor inventory or as inventory held at pharmacies. As of the end of the reporting period, this product has not been dispensed to a patient.

The Company's estimates of expected rebate claims vary by program and by type of customer, because the period from the date at which the prescription is filled and the date at which the Company receives and pays the invoice varies substantially. For each of its products, the Company bases its estimates of expected rebate claims on multiple factors, including: historical levels of deductions; contractual terms with managed care providers; actual and anticipated changes in product price; prospective changes in managed care fee for service contracts; prospective changes in co-pay assistance programs; and anticipated changes in program utilization rates; i.e., patient participation rates under each specific program.

The Company records an estimated liability for rebates at the time the customer takes title to the product (i.e., at the time of sale to wholesalers/distributors), and records this liability as a reduction to gross product sales. This liability is recorded as an increase in *Accrued product returns and rebates*, and is reflected in current liabilities on our condensed consolidated balance sheets.

The sensitivity of the Company's estimates varies by program and by type of customer. If actual rebates vary from estimated amounts, the Company will adjust the balances of such accrued rebates to reflect actual experience. These adjustments could materially affect the estimated liability balance, net product sales and earnings in the period in which the adjustment(s) is made.

- *Returns*: Sales of the Company's products are not subject to a general right of return. Product that has been used to fill patient prescriptions is no longer subject to any right of return. However, the Company will accept return of product that is damaged or defective when shipped from its third party fulfillment center.

The Company will accept return of expired product six months prior to and up to 12 months subsequent to the product's expiry date. Expired or defective returned product cannot be re-sold and is therefore destroyed.

The Company records an estimated liability for product returns at the time the customer takes title to the product (i.e., at time of sale). The liability is reflected as a reduction to gross product sales. This liability is recorded as an increase in *Accrued product returns and rebates*, in current liabilities on our condensed consolidated balance sheets. The Company estimates the liability for returns based primarily on the actual returns experience for its five commercial products.

Because the Company's products have a shelf life up to 60 months from date of manufacture, and because the Company accepts return of product up to 12 months post expiry, there is a significant time lag of several years between the time when the product is sold and the time when the Company issues credit on expired product. The Company's returns policy generally permits product returns to be processed at current wholesaler price rather than at historical acquisition price. Hence, the Company's estimated liability for product returns is affected by price increases taken subsequent to the date of sale.

When the Company adjusts its estimates for product returns, the adjustment affects the estimated liability, product sales and earnings in the period of adjustment. Those adjustments may be material to our financial results.

- *Sales discounts*: Distributors and wholesalers of the Company's pharmaceutical products are generally offered various forms of consideration, including allowances, service fees and prompt payment discounts, for distributing our

products. Distributor and wholesaler allowances and service fees arise from contractual agreements, and are estimated as a percentage of the price at which the Company sells product to them. In addition, distributors and wholesalers are offered a prompt pay discount for payment within a specified period.

The Company accounts for these discounts at the time of sale, as a reduction to gross product sales, recording these discounts as a valuation allowance against *Accounts receivable* on the condensed consolidated balance sheets.

Royalty Revenues

The Company recognizes noncash royalty revenue for amounts earned pursuant to its royalty agreement with United Therapeutics Corporation (United Therapeutics), based on estimated product sales by United Therapeutics (see Note 4). This agreement includes the right to use the Company's intellectual property as a functional license. In 2014, the Company sold certain of these royalty rights to Healthcare Royalty Partners III, L.P. (HC Royalty) (see Note 19). Sales of Orenitram by United Therapeutics result in payments made by United Therapeutics to HC Royalty, in accordance with these agreements. Consequent to this agreement, the Company recorded a nonrecourse liability related to this transaction, and amortizes this liability as noncash royalty revenue.

The Company also recognizes noncash interest expense related to this liability, and accrues interest expense at an effective interest rate (see Note 18). This interest rate is determined based on projections of HC Royalty's rate of return.

Royalty revenue also includes cash royalty amounts received from other collaboration partners, including from Shire Plc (Shire, a subsidiary of Takeda Pharmaceutical Company Ltd), based on net product sales of Shire's product, Mydayis, in the current period. Royalty revenue is only recognized when the underlying product sale by Shire occurs. The Shire arrangement also includes Shire's right to use the Company's intellectual property as a functional license.

There are no guaranteed minimum amounts owed to the Company related to any of these royalty revenue agreements.

Research and Development Expenses and Related Accrued Research and Development Expenses

Research and development expenditures are expensed as incurred. These expenses include: employee salaries, benefits and share-based compensation; cost of contract research and development services provided by third parties; costs for conducting preclinical and clinical studies; cost of acquiring or manufacturing clinical trial materials; regulatory costs; facilities costs; depreciation expense and allocated expenses; and license fees and milestone payments related to in-licensed products and technologies. Assets acquired that are used for research and development and that have no future alternative use are expensed as in-process research and development as incurred.

The Company estimates preclinical and clinical trial expenses based on services performed pursuant to contracts with research institutions, clinical investigators, clinical research organizations (CROs) and other service providers that provide services on the Company's behalf. In recording service fees, the Company estimates the cost of those services which have been performed on behalf of the Company during the current period, and compares those costs with the cumulative expenses recorded and cumulative payments made for such services. As appropriate, the Company accrues additional service fees for services that have been delivered, or defers nonrefundable advance payments until the related services are performed. If the actual timing of the performance of services or the level of effort varies from the estimate, the Company adjusts its accrued expenses or its deferred advance payments, accordingly. If the Company subsequently determines that it no longer expects the services associated with a nonrefundable advance payment to be rendered, the remaining portion of that advance payment is charged to expense in the period in which such a determination is made.

Marketable Securities

Marketable securities consist of investments in: U.S. Treasury bills and notes; bank certificates of deposit; various U.S. governmental agency debt securities; corporate and municipal bonds; and other fixed income securities. The Company places all investments with governmental, industrial or financial institutions whose debt is rated as investment grade.

The Company's investments are classified as available-for-sale and are carried at fair value. The Company classifies all available-for-sale marketable securities with maturities greater than one year from the balance sheet date as non-current assets.

Any unrealized holding gains or losses on debt securities are reported, net of any tax effects, as a component of other comprehensive earnings (loss) in the condensed consolidated statement of comprehensive earnings. Realized gains and losses,

included in *Other income (expense), net* in the condensed consolidated statement of earnings, are determined using the specific identification method for determining the cost of securities sold.

The Company adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)* on January 1, 2020, using the allowance approach. Declines in fair value below amortized cost related to credit losses (i.e., impairment due to credit losses), if any, are included in the condensed consolidated statement of earnings, with a corresponding allowance established. If the estimate of expected credit losses decreases in subsequent periods, the Company will reverse the credit losses through current period earnings, and accordingly adjust the allowance (see Recently Issued Accounting Pronouncements).

Inventories

Inventories, which are recorded at the lower of cost or net realizable value, include materials, labor, direct costs and indirect costs. These are valued using the first-in, first-out method. The Company writes down inventory that has become obsolete, or has a cost basis in excess of its expected net realizable value. Expired inventory is disposed of, and the related costs are recognized as *Cost of goods sold* in the condensed consolidated statement of earnings.

Inventories Produced in Preparation of Product Launches

The Company capitalizes inventories produced in preparation for product launches when future commercialization of a product is probable and when future economic benefit is expected to be realized. The determination to capitalize is based on the particular facts and circumstances relating to the product. Capitalization of such inventory begins when the Company determines that (i) positive results have been obtained for the clinical trials that are necessary to support regulatory approval; (ii) uncertainties regarding regulatory approval have been significantly reduced; and (iii) it is probable that these capitalized costs will provide future economic benefit in excess of capitalized costs.

In evaluating whether these conditions are met, the Company considers the following factors: the product candidate’s current status in the regulatory approval process; results from the related pivotal clinical trials; results from meetings with relevant regulatory agencies prior to the filing of regulatory applications; compilation of the regulatory applications; consequent acceptance by the regulatory body; potential impediments to the approval process, such as product safety or efficacy concerns, potential labeling restrictions, and other impediments; historical experience with manufacturing and commercializing similar products as well as the relevant product candidate; and the resilience of the Company’s manufacturing environment, including its supply chain, in determining logistical constraints that could hamper approval or commercialization. In assessing the economic benefit that the Company is likely to realize, the Company considers: the shelf life of the product in relation to the expected timeline for approval; patent related or contract issues that may prevent or delay commercialization; product stability data of all pre-approval production to determine whether there is adequate expected shelf life; viability of commercialization, taking into account competitive dynamics in the marketplace and market acceptance; anticipated future sales; and anticipated reimbursement strategies that may prevail with respect to the product, if approved.

In applying the lower of cost or net realizable value to pre-launch inventory, the Company estimates a range of likely commercial prices based on comparable commercial products and pre-launch discussions with managed care providers.

The Company could be required to write down previously capitalized costs related to pre-launch inventories upon a change in such judgment(s), due to, among other potential factors, a denial or significant delay of approval by regulatory bodies, a delay in commercialization, or other adverse factors.

Intangible Assets

Intangible assets consist of definite-lived intangible assets, including: acquired developed technology and product rights intangible, and patent defense costs. They also consist of indefinite-lived intangible assets, such as acquired IPR&D and goodwill.

Patent defense costs are deferred legal fees that have been incurred in connection with legal proceedings related to the defense of patents for Oxtellar XR and Trokendi XR. Patent defense costs are charged to expense in the event of an unsuccessful outcome of the litigation.

Definite-lived intangible assets are carried at cost less accumulated amortization, with amortization calculated on a straight line basis over the estimated useful lives. The Company evaluates the estimated remaining useful lives of its intangible assets annually or when events or changes in circumstances warrant a revision to the remaining periods of amortization.

Indefinite-lived intangible assets are not amortized but tested for impairment annually. Acquired IPR&D in a business combination is considered to be indefinite-lived until the completion or abandonment of the associated research and development efforts. Upon successful completion of the project, the Company will make a determination as to the then-useful life of the intangible asset, generally determined by the period in which the substantial majority of the cash flows are expected to be generated. The capitalized amount is then amortized over its estimated useful life. If a project is abandoned, all remaining capitalized amounts are written off immediately. During the period prior to completion or abandonment, the IPR&D asset will not be amortized but will be tested for impairment on an annual basis.

Goodwill Impairment Assessment

The Company evaluates goodwill for possible impairment at least annually during the fourth quarter of each fiscal year, or more often, if and when circumstances indicate that goodwill may be impaired. This includes but is not limited to significant adverse changes in the business climate, market conditions, or other events that indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying value. In performing its annual goodwill assessment, the Company first performs a qualitative test. If necessary, the Company then performs a quantitative test. To conduct the quantitative impairment test of goodwill, the Company compares the fair value of a reporting unit to its carrying value. Evaluating for impairment requires judgment, including estimating future cashflows. The Company estimates the fair values of its reporting unit using discounted cash flow models or other valuation models, such as comparative transactions and market multiples. If the reporting unit’s carrying value exceeds its fair value, the Company records an impairment loss to the extent that the carrying value of goodwill exceeds its implied fair value.

Impairment of Long Lived Assets

Long-lived assets consist primarily of property and equipment, operating lease assets and intangible assets. The carrying value of intangible assets is assessed for impairment annually during the fourth quarter of each year, or more frequently if impairment indicators exist. Impairment indicators include but are not limited to adverse changes in circumstances or other events that indicate the carrying amount of an asset may not be recoverable. Evaluating for impairment requires judgment, including estimating future cash flows, future growth rates and profitability, and the expected life over which cash flows will occur.

For IPR&D assets, the Company also considers various factors and risks for potential impairment, including the current legal and regulatory environment and the competitive landscape. Adverse clinical trial results, significant delays, or inability to obtain governmental approval, inability to commercialize the product candidate, and the introduction or advancement of competitor products and product candidates could result in partial or full impairment of the related intangible asset. Consequently, the eventual realized value of the IPR&D asset may vary from its fair value at the date of acquisition, and impairment charges may occur in future periods. Changes in the Company's business strategy or adverse changes in market conditions could adversely affect impairment analyses. If indications of impairment exist, projected future undiscounted cash flows associated with the asset are compared to the carrying value of the asset, to determine whether the asset's value is recoverable. If impairment is determined, the Company writes down the asset to its estimated fair value; i.e., the Company recognizes an impairment charge equal to the excess of the carrying value of the long-lived asset over its estimated fair value at the time at which a determination is made.

Share-Based Compensation

Stock Options

The Company recognizes share-based compensation expense over the service period, using the straight-line method. Employee share-based compensation for stock options is measured based on estimated fair value as of the grant date, using the Black-Scholes option-pricing model, to compute the fair value of option grants as of the grant date. Forfeitures are accounted for as they occur. The Company uses the following assumptions for estimating the fair value of option grants:

Fair Value of Common Stock—The fair value of common stock underlying the option grants is determined based on observable market prices of the Company’s common stock.

Expected Volatility—Volatility is a measure of the amount by which the Company’s share price has historically fluctuated and is expected to fluctuate (i.e., expected volatility) in the future.

Dividend Yield—The Company has never declared or paid dividends, and has no plans to do so in the foreseeable future. Dividend yield is therefore zero.

Expected Term—This is the period of time during which options are expected to remain unexercised. Options have a maximum contractual term of ten years.

Risk-Free Interest Rate—This is the observed U.S. Treasury Note rate, as of the week each option grant is issued, with a term that most closely resembles the expected term of the option.

Restricted Stock Units (RSUs)

Compensation expense is recorded based on amortizing the fair market value as of the date of the grant over the implied service period. RSUs generally vest one year from the date of the grant and are subject to continued service requirements.

Performance Stock Units (PSUs)

Performance-Based Awards

Compensation expense for performance-based awards is recognized based on amortizing the fair market value as of the grant date over the periods during which the achievement of the performance is probable. Performance-based PSU awards require certain performance targets to be achieved in order for these awards to vest. Each award vests on the date of achievement of the performance target.

Market-Based Awards

Compensation expense for market-based awards is recognized on a straight-line basis over the requisite service period, regardless of whether the market condition is satisfied. Market-based PSU awards subject to market-based performance targets require achievement of the performance target in order for these units to vest. The Company estimates the fair value of these awards as of the grant date using a Monte Carlo simulation that incorporates option-pricing inputs. This simulation covers the period from the grant date through the end of the derived requisite service period. The expected volatility as of the grant date is estimated based on historical daily volatility of the Company's common stock over the expected term of the award. The risk-free interest rate is based on the U.S. Treasury Note rate, as of the week the award is issued, with a term that most closely resembles the expected term of the award.

Advertising Expense

Advertising expense includes the cost of promotional materials and activities, such as printed and digital marketing materials, marketing programs and speaker programs. The cost of the Company's advertising efforts are expensed as incurred.

The Company incurred approximately $10.9 million and $22.5 million in advertising costs for the three and six months ended June 30, 2020, respectively, and approximately $11.2 million and $21.2 million in advertising costs for the three and six months ended June 30, 2019, respectively. These expenses are recorded as a component of *Selling, general and administrative expenses* in the condensed consolidated statements of earnings.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax reporting bases for assets and liabilities. These differences are measured using enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. When appropriate, valuation allowances are established to reduce deferred tax assets to the amounts expected to be realized.

The Company accounts for uncertain tax positions in its consolidated financial statements when it is more-likely-than-not that the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be estimated as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authorities, based on full knowledge of the position and relevant facts. The Company's policy is to recognize any interest and penalties related to income taxes as income tax expense in the relevant period.

Recently Issued Accounting Pronouncements

Accounting Pronouncements Adopted

ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326)* - The new standard, issued in July 2016, requires credit losses on financial assets to be measured as the net amount expected to be collected, rather than based on incurred losses. For available-for-sale debt securities, the new standard did not revise the definition of impairment; i.e., the investment is impaired if the fair value of the investment is less than its cost. It also did not revise the requirement under ASC 320 for an entity to recognize, in net income, only the impairment amount related to credit risk, and to recognize, in other comprehensive income, the noncredit impairment amount.

The new standard made certain targeted changes to the impairment of available-for-sale debt securities, to eliminate the concept of "other than temporary" from the impairment model. Targeted changes to the impairment model included recognition of credit losses on available-for-sale debt securities using the allowance method, and limiting the allowance to the amount by which fair value is below amortized cost. The new standard also requires enhanced disclosure of credit risk associated with respective assets.

The Company adopted the new standard effective January 1, 2020 using the modified retrospective approach. The adoption of the standard did not have a material impact on its condensed consolidated financial statements.

ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* - The new standard, issued in August 2018, aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or to obtain internal-use software. This includes hosting arrangements that include an internal-use software license. This ASU also requires that the implementation costs of a hosting arrangement that is a service contract are expensed over the term of the hosting arrangement, which includes reasonably certain renewals.

The Company adopted the new standard effective January 1, 2020 using the prospective transition approach. The adoption of the standard did not have a material impact on its condensed consolidated financial statements.

ASU 2018-18, *Clarifying the Interaction Between Topic 808 and Topic 606* - The new standard, issued in November 2018, clarifies when transactions between participants in a collaborative arrangement are within the scope of Topic 606.

The Company adopted the new standard effective January 1, 2020. The adoption of the standard did not have a material impact on its condensed consolidated financial statements.

ASU 2018-13, *Changes to Disclosure Requirements for Fair Value Measurements (Topic 820)* - The new standard, issued in August 2018, improved the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements. The standard removes, modifies and adds certain disclosure requirements.

The Company adopted the new standard effective January 1, 2020. The adoption of the standard did not have a material impact on its condensed consolidated financial statements.

New Accounting Pronouncements Not Yet Adopted

ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* - The new standard, issued in December 2019, simplifies the accounting for income taxes. This guidance will be effective on January 1, 2021 on a prospective basis, with early adoption permitted.

The Company is currently evaluating the impact of the new guidance on its consolidated financial statements. It will adopt the new standard effective January 1, 2021.

ASU 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* - The new standard, issued in August 2020, simplifies the accounting and disclosures for convertible instruments and contracts in an entity's own equity. This guidance will be effective on January 1, 2022 on a prospective basis, with early adoption permitted but no earlier than January 1, 2021.

The Company is currently evaluating the impact of the new guidance on its consolidated financial statements. It will adopt the new standard effective January 1, 2022.

3. USWM Acquisition

On June 9, 2020 (the Closing Date), the Company completed its acquisition of all of the outstanding equity of USWM Enterprises, LLC (USWM Enterprises), a privately-held biopharmaceutical company, pursuant to a Sale and Purchase Agreement with US WorldMeds Partners, LLC (Seller), dated April 28, 2020 (the Agreement). Under the terms of the Agreement, the Company specifically acquired the right to further develop and commercialize APOKYN, XADAGO and the Apomorphine Infusion Pump in the U.S. and MYOBLOC worldwide (the Products). The Company paid the Seller $297.2 million in cash. For the three and six months ended June 30, 2020, the Company incurred transaction costs of $7.4 million and $8.3 million, respectively, to complete the acquisition which were included in *Selling, general and administrative expense* in the condensed consolidated statements of earnings.

Contingent payments of up to $230.0 million are due to the Seller upon the achievement of certain milestones related to the development and sale of the Products. In connection therewith, the Company recorded a contingent consideration liability of $115.7 million as of the date of acquisition to reflect the estimated fair value of the contingent consideration. The estimated fair value of the contingent consideration was determined using the Monte Carlo simulation for the sales-based milestones and income approach for the other milestones. The key assumptions considered include the estimated amount and timing of projected cash flows, probability of milestone achievement, volatility, estimated discount rates and risk-free interest rate. In each reporting period after the acquisition, the Company will revalue the contingent consideration liability and will record increases or decreases in the fair value of the liability in its consolidated statements of earnings. Changes in fair value will result from changes in actual and projected milestone achievement, as well as changes to forecasts. The inputs and assumptions may not be observable in the market, but reflect the assumptions the Company believes would be made by a market participant. The possible outcomes for the contingent consideration range from $0 to $230.0 million on an undiscounted basis.

The acquisition is being accounted for as a business combination under the acquisition method of accounting, in accordance with ASC 805, *Business Combinations*. The allocation of the purchase price to the assets acquired and liabilities assumed, including the residual amount allocated to goodwill, is based upon preliminary information. The allocation of the purchase price is subject to change within the measurement period (up to one year from the Closing Date) as additional information concerning final asset and liability valuations is obtained. During the measurement period, if the Company obtains new information about facts and circumstances that existed as of the Closing Date that, if known, would have resulted in revised estimated values of those assets or liabilities, the Company will revise the preliminary purchase price allocation. The effect of measurement period adjustments on the estimated fair value elements will be reflected as if the adjustments had been completed as of the Closing Date. Any changes to the initial estimates of the fair value of assets and liabilities will be recorded as adjustments to those assets and liabilities. Residual amounts will be allocated to goodwill. The impact of all changes that do not qualify as measurement period adjustments will be included in current period earnings.

The Company expects to finalize its purchase price allocation within one year of the Closing Date. In addition, The Company continues to analyze and assess relevant information necessary to determine, recognize and record at fair value the assets acquired and liabilities assumed in the following areas: intangible assets, lease assets and liabilities, tax assets and liabilities, and certain existing or potential reserves, including those for legal or contract-related matters. The activities the Company is currently undertaking, include but are not limited to the following: review of acquired contracts and other contract-related and legal matters; review and evaluation of the accounting policies, tax positions, and other tax-related matters. Further, the Company is in the process of obtaining input from third party valuation firms with respect to the fair value of the acquired tangible and intangible assets, and other information necessary to record and measure the assets acquired and liabilities assumed. Accordingly, the preliminary recognition and measurement of assets acquired and liabilities assumed as of Closing Date are subject to change.

The following preliminary purchase price allocation table presents the Company’s preliminary estimates of the fair value of the assets acquired and liabilities assumed at the Closing Date (dollars in thousands):

Cash and cash equivalents	$	6,994
Accounts receivable		18,474
Inventories		10,400
Prepaid expenses and other current assets		3,564
Property and equipment		454
Finance lease asset[1]		22,747
Intangible assets		387,000
Other assets		340
Total fair value of assets acquired		449,973
Accounts payable		(2,573)
Accrued expenses and other current liabilities		(23,339)
Finance lease liability[1]		(22,747)
Deferred income tax liabilities		(69,515)
Total fair value of liabilities assumed		(118,174)
Total identifiable net assets	**$**	**331,799**
Goodwill		88,095
Total purchase price	**$**	**419,894**
Cash consideration paid[2]	$	297,200

[1] Refer to Note 10 for further discussion of the acquired finance lease asset and assumed lease liability.

[2] Represents total purchase price, less cash and cash equivalents acquired and contingent consideration liabilities recorded at the Closing Date

The Company determined the fair value of the inventory using the comparative sales method, which estimates the expected sales price of the product, reduced by all costs expected to be incurred to complete or dispose of the inventory, with a profit on sale.

The acquired intangible assets include an intangible asset associated with the IPR&D related to an infusion pump product candidate and intangible assets associated with the acquired developed technology and product rights. The Company determined the estimated fair values for the acquired intangible assets as of the Closing Date using the income approach. This is a valuation technique that provides an estimate of fair value of the assets, based on the market participant's expectations of the cash flows that the assets are forecasted to generate. The cash flows were discounted at a rate commensurate with the level of risk associated with its projected cash flows. The projected cash flows from these intangible assets were based on various assumptions, including: estimates of revenues, expenses, and operating profits; and risks related to the viability of and potential alternative treatments for any future target markets. In addition to the aforementioned factors, the Company also considered the following factors specific to the valuation of the IPR&D: the stage of development as of the Closing Date; the time and resources needed to complete the development and regulatory approval of the product candidate; the inherent difficulties and uncertainties in developing a product candidate, such as obtaining marketing approval from the U.S. Food and Drug Administration and other regulatory agencies; the economic life of the potential commercialized product; and associated commercialization risks. The Company believes the assumptions are representative of those a market participant would use in estimating fair value.

Acquired intangible assets, excluding the acquired IPR&D, will be amortized over their estimated useful lives on a straight-line basis. IPR&D assets are considered to be indefinite-lived until the completion or abandonment of the associated research and development efforts. The following table summarizes the preliminary purchase price allocation, and the preliminary average remaining useful lives, for identifiable intangible assets acquired (dollars in thousands):

	Estimated Fair Value	Estimated Useful Lives (in years)
Acquired In-process Research & Development	$ 150,000	n/a
Acquired Developed Technology and Product Rights	237,000	10.5 - 12.5
Total intangible assets	$ 387,000	

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. Goodwill is primarily attributable to the additional growth platforms and an expanded revenue base with the addition of the commercial and late-stage CNS assets from the USWM Acquisition. The goodwill is not expected to be deductible for tax purposes.

The operations of MDD US Enterprises and its subsidiaries have been included in the Company's condensed consolidated statements of earnings for the period subsequent to the Closing Date, and through June 30, 2020. Total revenues of $10.6 million and net earnings of $1.7 million were recorded for the three and six months ended June 30, 2020.

The following table presents the unaudited pro forma combined financial information for each of the periods presented, as if the USWM Acquisition had occurred on January 1, 2019 (dollars in thousands):

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Pro forma total revenues	$ 151,803	$ 142,238	$ 284,965	$ 260,542
Pro forma net earnings	38,841	34,940	61,959	44,254

The unaudited pro forma combined financial information is based on historical financial information and the Company's preliminary allocation of purchase price; therefore, it is subject to subsequent adjustment upon finalization of the purchase price allocation. In order to reflect the occurrence of the acquisition on January 1, 2019, the unaudited pro forma combined financial information reflects the adoption of ASC 842, *Leases;* the recognition of additional amortization expense, net of removal of historical amortization charges, related to the acquired intangible assets; and the elimination of non-recurring acquisition-related transaction costs of $10.1 million incurred from the fourth quarter of 2019 through the second quarter of 2020. The unaudited pro forma combined financial information should not necessarily be considered indicative of the results that would have occurred if the acquisition had been consummated on the assumed completion date, nor are they indicative of future results.

4. Disaggregated Revenues

The following table summarizes the disaggregation of revenues by nature, (dollars in thousands):

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Net product sales				
Trokendi XR	$ 89,674	$ 78,964	$ 158,225	$ 142,657
Oxtellar XR	23,680	23,394	47,619	42,800
APOKYN	8,600	—	8,600	—
XADAGO	801	—	801	—
MYOBLOC	1,229	—	1,229	—
Total net product sales	$ 123,984	$ 102,358	$ 216,474	$ 185,457
Royalty revenues	2,745	2,337	5,231	4,712
Total revenues	$ 126,729	$ 104,695	$ 221,705	$ 190,169

Trokendi XR accounted for 73% and 77% of the Company’s total net product sales for the six months ended June 30, 2020 and 2019, respectively.

The Company recognized noncash royalty revenue of $2.3 million and $3.9 million for the three and six months ended June 30, 2020, respectively. The Company recognized noncash royalty revenue of $1.8 million and $3.4 million, for the three and six months ended June 30, 2019, respectively.

The Company ceased production and distribution of all commercial blister pack configurations for Trokendi XR in 2017. Subsequent to ceasing blister pack production and distribution in 2017, the observed rate of product return for all blister pack configurations of Trokendi XR steadily declined over time. This return rate trend was established over a multi-year period. However, in the first quarter of 2020, the return rate for the final blister pack lots of Trokendi XR produced in 2017 exhibited a return rate significantly higher than had been experienced with all previous lots. The lots for which a higher return rate was observed are the last lots which were produced and distributed commercially. As a result, the Company changed its estimate of the provision for product returns, based on the most recent experience. This change in estimate resulted in an increase to the provision for product returns of $8.0 million, a decrease in net product sales of $8.0 million and a decrease in net earnings of $5.9 million, or $0.11 per basic and per diluted share for the three months ended March 31, 2020.

5. Fair Value of Financial Instruments

The fair value of an asset or liability represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

The Company reports assets and liabilities measured at fair value using a three level hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets. The Company has the ability to access these prices as of the measurement date.

  Level 1 assets include: cash held at banks; certificates of deposit; money market funds; investment grade corporate debt securities and U.S. government agency and municipal debt securities.

- Level 2—Level 2 securities are valued using third-party pricing sources that apply relevant inputs and data in their models to estimate fair value. Inputs are quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; inputs other than quoted prices but that are observable for the asset or liability (e.g., interest rates; yield curves); and inputs that are derived principally from or corroborated by observable market data, by correlation, or by other means (i.e., market corroborated inputs).

  Level 2 assets include: investment grade corporate debt securities, U.S. government agency and municipal debt securities; other fixed income securities; and SERP (Supplemental Executive Retirement Plan) assets. The fair value of the restricted marketable securities is recorded in *Other assets* on the condensed consolidated balance sheets.

- Level 3—Unobservable inputs that reflect the Company’s own assumptions. These are based on the best information available, including the Company’s own data.

Financial Assets

The Company's financial assets that are required to be measured at fair value on a recurring basis are as follows (dollars in thousands):

		Fair Value Measurements at June 30, 2020 (unaudited)	
	Total Fair Value at June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets:			
Cash and cash equivalents			
Cash	$ 183,703	$ 183,703	$ —
Money market funds	27,272	27,272	—
Marketable securities			
Corporate debt securities	163,839	—	163,839
Municipal debt securities	—	—	—
Long term marketable securities			
Corporate debt securities	353,659	259	353,400
U.S. government agency debt securities	5,014	—	5,014
Other noncurrent assets			
Marketable securities - restricted (SERP)	431	1	430
Total assets at fair value	$ 733,918	$ 211,235	$ 522,683

		Fair Value Measurements at December 31, 2019	
	Total Fair Value at December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets:			
Cash and cash equivalents			
Cash	$ 78,912	$ 78,912	$ —
Money market funds	102,469	102,469	—
Marketable securities			
Corporate debt securities	165,527	—	165,527
Municipal debt securities	165	—	165
Long term marketable securities			
Corporate debt securities	571,828	254	571,574
U.S. government agency and municipal debt securities	19,945	—	19,945
Other noncurrent assets			
Marketable securities - restricted (SERP)	418	3	415
Total assets at fair value	$ 939,264	$ 181,638	$ 757,626

There were no level 3 assets as of June 30, 2020 or December 31, 2019.

The carrying amounts of other financial instruments, including accounts receivable, accounts payable and accrued expenses approximate fair value due to their short-term maturities.

Unrestricted available-for-sale marketable securities held by the Company are as follows, (dollars in thousands):

	June 30, 2020	December 31, 2019
	(unaudited)	
Corporate and U.S. government agency and municipal debt securities		
Amortized cost	$ 507,375	$ 747,598
Gross unrealized gains	15,525	10,031
Gross unrealized losses	(388)	(164)
Total fair value	$ 522,512	$ 757,465

The contractual maturities of the unrestricted available-for-sale marketable securities held by the Company are as follows, (dollars in thousands):

	June 30, 2020
	(unaudited)
Less than 1 year	$ 163,839
1 year to 2 years	143,987
2 years to 3 years	149,688
3 years to 4 years	64,998
Greater than 4 years	—
Total	$ 522,512

As of June 30, 2020, there was no impairment due to credit loss on any available-for-sale marketable securities.

Financial Liabilities

As of June 30, 2020, the Company had Level 3 liabilities related to contingent consideration from the USWM Acquisition. The contingent consideration liabilities are required to be measured at fair value on a recurring basis. Refer to Note 3 for further discussion of significant inputs and assumptions used for the valuation of the contingent consideration at acquisition date. The fair value of the contingent consideration at June 30, 2020 was $115.7 million.

The following table sets forth the Company's financial liabilities that are not carried at fair value, (dollars in thousands):

	June 30, 2020		December 31, 2019	
	(unaudited)			
	Carrying Value	Fair Value (Level 2)	Carrying Value	Fair Value (Level 2)
Convertible notes, net	$ 353,349	$ 356,213	$ 345,170	$ 366,023

The fair value is estimated based on actual trading information, as well as quoted prices provided by bond traders.

6. Convertible Senior Notes Due 2023

The 0.625% Convertible Senior Notes Due 2023 (2023 Notes), which were issued in March 2018, bear interest at an annual rate of 0.625%, payable semi-annually in arrears on April 1 and October 1 of each year. The 2023 Notes will mature on April 1, 2023, unless earlier converted or repurchased by the Company. The Notes are being amortized to interest expense at an effective interest rate of 5.41% over the contractual term of the 2023 Notes. The Company may not redeem the 2023 Notes at its option before maturity. The total principal amount of 2023 Notes is $402.5 million.

The 2023 Notes were issued pursuant to an Indenture between the Company and Wilmington Trust, National Association, as trustee. The Indenture includes customary terms and covenants, including certain events of default upon which the 2023 Notes may be due and payable immediately. The Indenture does not contain any financial or operating covenants or restrictions on the payment of dividends, the issuance of other indebtedness or the issuance or repurchase of securities by the Company.

The Company will settle conversions by paying or delivering, as applicable, cash, shares of the Company's common stock, or a combination of cash and shares of the Company's common stock, at its election, based on the applicable conversion rate. The initial conversion rate is 16.8545 shares per $1,000 principal amount of the 2023 Notes, which represents an initial conversion price of approximately $59.33 per share, and is subject to adjustment as specified in the Indenture. In the event of

conversion, if converted in cash, the holders would forgo all future interest payments, any unpaid accrued interest and the possibility of further stock price appreciation.

If a "make-whole fundamental change," as defined in the Indenture, occurs, then the Company will in certain circumstances increase the conversion rate for a specified period of time. If a "fundamental change," as defined in the Indenture occurs, then noteholders may require the Company to repurchase their 2023 Notes at a cash repurchase price equal to the principal amount of the 2023 Notes to be repurchased, plus accrued and unpaid interest, if any.

Contemporaneous with the issuance of the 2023 Notes, the Company also entered into separate privately negotiated convertible note hedge transactions (collectively, the Convertible Note Hedge Transactions) with each of the call spread counterparties. The Company issued 402,500 convertible note hedge options. In the event that shares or cash are deliverable to holders of the 2023 Notes upon conversion at limits defined in the Indenture, counterparties to the convertible note hedges will be required to deliver up to approximately 6.8 million shares of the Company's common stock, or to pay cash to the Company in a similar amount as the value that the Company delivers to the holders of the 2023 Notes, based on a conversion price of $59.33 per share.

Concurrently with entering into the Convertible Note Hedge Transactions, the Company also entered into separate privately negotiated warrant transactions (collectively, the Warrant Transactions) with each of the call spread counterparties. The Company issued a total of 6,783,939 warrants. The warrants entitle the holder to one share per warrant. The strike price of the Warrant Transactions will initially be $80.9063 per share of the Company's common stock, and is subject to adjustment.

The Convertible Note Hedge Transactions are expected to reduce the potential dilution of the Company's common stock upon conversion of the 2023 Notes, and/or offset any potential cash payments the Company is required to make in excess of the principal amount of converted 2023 Notes, as the case may be. The Warrant Transactions are intended to partially offset the cost to the Company of the purchased Convertible Note Hedge Transactions; however, the Warrant Transactions could have a dilutive effect with respect to the Company's common stock to the extent that the market price per share of the Company's common stock, as measured under the terms of the Warrant Transactions, exceeds the strike price of the warrants.

The liability component of the 2023 Notes consists of the following, (dollars in thousands):

	June 30, 2020	December 31, 2019
	(unaudited)	
2023 Notes	$ 402,500	$ 402,500
Unamortized debt discount and deferred financing costs	(49,151)	(57,330)
Total carrying value	$ 353,349	$ 345,170

No 2023 Notes were converted as of June 30, 2020 or December 31, 2019.

7. Share-Based Payments

Share-based compensation expense is as follows (dollars in thousands):

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Research and development	$ 818	$ 700	$ 1,499	$ 1,274
Selling, general and administrative	4,144	3,322	7,451	6,035
Total	$ 4,962	$ 4,022	$ 8,950	$ 7,309

Stock Option and Stock Appreciation Rights

The following table summarizes stock option and stock appreciation rights (SAR) activities:

	Number of Options	Weighted-Average Exercise Price (per share)	Weighted-Average Remaining Contractual Term (in years)
Outstanding, December 31, 2019	4,606,559	$ 23.05	6.66
Granted	1,126,525	$ 23.98	
Exercised	(42,086)	$ 11.58	
Forfeited	(41,800)	$ 26.66	
Outstanding, June 30, 2020 (unaudited)	5,649,198	$ 23.30	6.86
As of December 31, 2019:			
Vested and expected to vest	4,606,559	$ 23.05	6.66
Exercisable	2,598,112	$ 15.68	5.48
As of June 30, 2020:			
Vested and expected to vest	5,649,198	$ 23.30	6.86
Exercisable	3,354,282	$ 18.85	5.53

Restricted Stock Units

During the six months ended June 30, 2020, the Company granted 26,055 RSUs with a weighted average grant date fair value per share of $23.99, which generally vest one year from the date of grant.

Performance Stock Units

Performance-Based Awards

During the six months ended June 30, 2020, the Company granted 31,250 performance-based awards, with a weighted average grant date fair value per share of $21.35, which require certain performance targets to be achieved in order for these awards to vest. Vesting is subject to continued service requirements through the date that the achievement of the performance target is certified.

Market-Based Awards

During the six months ended June 30, 2020, the Company granted 15,625 market-based awards, with a weighted average grant date fair value per share of $23.41, which are subject to market-based performance targets in order for these awards to vest.

8. Earnings per Share

Basic earnings per share (EPS) is calculated using the weighted-average number of common shares outstanding. Diluted EPS is calculated using the weighted-average number of common shares outstanding, including the dilutive effect of the Company's stock option grants, SARs, RSUs, warrants, employee stock purchase plan (ESPP) awards and the 2023 Notes, as determined per the treasury stock method.

Effect of Convertible Notes and Related Convertible Note Hedges and Warrants

In connection with the issuance of the 2023 Notes, the Company entered into Convertible Note Hedge and Warrant Transactions as described further in Note 6, *Convertible Senior Notes Due 2023*. The expected collective impact of the Convertible Note Hedge and Warrant Transactions is to reduce the potential dilution that may occur between the conversion price of $59.33 per share and the strike price of the warrants of $80.9063 per share.

The 2023 Notes and related Convertible Note Hedge and Warrant Transactions are excluded in the calculation of diluted EPS because inclusion would be anti-dilutive. Specifically, the denominator of the diluted EPS calculation excludes the additional shares related to the 2023 Notes and warrants because the average price of the Company's common stock was less than the conversion price of the 2023 Notes of $59.33 per share, as well as less than the strike price of the warrants of $80.9063 per share. Prior to actual conversion, the Convertible Note Hedge Transactions are not considered in calculating diluted earnings per share, as their impact would be anti-dilutive.

In addition to the above described effect of the 2023 Notes and the related Convertible Note Hedge and Warrant Transactions, the Company also excluded the common stock equivalents of the following outstanding stock-based awards in the calculation of diluted EPS, because their inclusion would be anti-dilutive:

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Stock options, RSUs, PSUs	2,999,885	1,030,370	3,022,165	300,342

The following table sets forth the computation of basic and diluted net earnings per share for the three and six months ended June 30, 2020 and 2019 (dollars in thousands, except share and per share amounts):

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Numerator, dollars in thousands:				
Net earnings	$ 34,667	$ 32,727	$ 56,185	$ 51,067
Denominator:				
Weighted average shares outstanding, basic	52,557,035	52,385,590	52,545,910	52,361,149
Effect of dilutive securities:				
Stock options, RSU and SAR	1,088,793	1,527,387	1,065,508	1,586,685
Weighted average shares outstanding, diluted	53,645,828	53,912,977	53,611,418	53,947,834
Earnings per share, basic	$ 0.66	$ 0.62	$ 1.07	$ 0.98
Earnings per share, diluted	$ 0.65	$ 0.61	$ 1.05	$ 0.95

9. Income Tax Expense

The following table provides information regarding the Company’s income tax expense for the three and six months ended June 30, 2020 and 2019, (dollars in thousands):

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Income tax expense	$ 12,543	$ 10,019	$ 20,059	$ 15,918
Effective tax rate	26.6 %	23.4 %	26.3 %	23.8 %

The increase in income tax expense and in the effective tax rate for the three and six months ended June 30, 2020, as compared to the same period in the prior year, was primarily attributable to higher income before taxes, an increase in the number of states in which the Company owes taxes, and an increase in non-deductible expenses as a result of the USWM Acquisition.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The CARES Act is an emergency economic stimulus package that includes spending and tax breaks to strengthen the U.S. economy and fund a nationwide effort to curtail the effect of the COVID-19 pandemic. While the CARES Act provides sweeping tax changes in response to the COVID-19 pandemic, some of the more significant provisions which are expected to impact the

Company's financial statements include removal of certain limitations on utilization of net operating losses and increasing the ability to deduct interest expense, as well as amending certain provisions of the previously enacted Tax Cuts and Jobs Act.

As of June 30, 2020, the Company expects that these provisions will not have a material impact as the Company does not have net operating losses that would fall under these provisions and does not expect interest expense to be limited. The ultimate impact of the CARES Act may differ from this estimate due to changes in interpretations and assumptions, guidance that may be issued and actions the Company may take in response to the CARES Act. The CARES Act is highly technical and complex and the Company will continue to assess the impact that various provisions will have on its business.

10. Leases

The Company has entered into operating leases for its new headquarters office at 9715 Key West Ave, Rockville, MD, and for its fleet vehicles. With respect to the fleet vehicle leases, given the volume of individual leases involved in the overall arrangement, the Company applies a portfolio approach to effectively account for the operating lease assets and liabilities.

Contemporaneous with the USWM Acquisition, USWM Enterprises adopted ASC 842, *Leases.* USWM Enterprises had an existing contract manufacturing agreement with Merz Pharma GmbH & Co. KGaA (Merz), for the manufacture and supply of MYOBLOC (Merz Agreement). Pursuant to the Merz Agreement, Merz agreed to provide a dedicated manufacturing facility that included a stand-alone building, dedicated clean room suites, manufacturing and purification equipment, and production lines (collectively, the manufacturing facility) to manufacture MYOBLOC. The Merz Agreement will expire in July 2027, unless the Company and Merz mutually agree to extend the terms. The Merz Agreement may not be terminated for convenience. The Company concluded that the Merz Agreement contains an embedded lease, because the Company controls the use of the dedicated manufacturing facility.

Under the terms of the agreement, the Company is required to purchase a minimum quantity of MYOBLOC on an annual basis, which represents the in-substance fixed contract consideration associated with the dedicated manufacturing facility. The in-substance fixed contract consideration was allocated to the lease component, since the Company has elected not to separate lease and non-lease components.

At Closing Date, the finance right of use (ROU) lease asset and corresponding lease liability relating to the dedicated manufacturing facility was $22.7 million. The finance ROU lease asset and lease liability were calculated as the present value of estimated future payments; i.e. the minimum purchase obligations as of the Closing Date, applying an incremental borrowing rate of 2.5%. The embedded lease is preliminarily classified as a finance lease. The Company recognized $0.3 million of fixed lease cost for the three and six months ended June 30, 2020. Purchases of MYOBLOC in excess of the annual minimum purchase obligations will be recorded as variable lease cost. Refer to Note 3 for further discussion of the USWM Acquisition.

11. Accounts Receivable

As of June 30, 2020 and December 31, 2019, the Company recorded allowances of approximately $12.4 million and $11.0 million, respectively, for prompt pay discounts and contractual service fees paid to the Company's customers.

12. Inventories

Inventories consist of the following (dollars in thousands):

	June 30, 2020	December 31, 2019
	(unaudited)	
Raw materials	$ 7,262	$ 4,582
Work in process	10,658	11,428
Finished goods	17,418	10,618
Total	$ 35,338	$ 26,628

As of June 30, 2020, the Company capitalized $3.3 million of pre-launch inventory costs. As of December 31, 2019, the Company had not capitalized any pre-launch inventory costs. Inventories include acquired inventory from the USWM Acquisition. Refer to Note 3 for further discussion of the USWM Acquisition.

13. Investments in Unconsolidated VIEs

In April 2020, the Company entered into a Development and Option Agreement (Development Agreement) with Navitor Pharmaceuticals, Inc. (Navitor). The Company can terminate the Development Agreement upon 30 days' notice.

Under the terms of the Development Agreement, the Company and Navitor will jointly conduct a Phase II clinical program for NV-5138 (SPN-820) for treatment-resistant depression. The Company will bear all development costs incurred by either party up to a maximum of $50 million for Phase I and Phase II development, in addition to the costs that the Company will incur for other research and development support activities. There are certain additional payment amounts which could be incurred by the Company that are contingent upon Navitor achieving defined development milestones. The Company has an option to acquire or license NV-5138 (SPN-820), for which additional payments would be required. The Company paid Navitor a one time, nonrefundable, and non-creditable fee of $10 million for this option to acquire or license NV-5138 (SPN-820). This cost is included in *Research and development expense* in the condensed consolidated statement of earnings for the three and six months ended June 30, 2020.

In addition to entering into the Development Agreement, the Company acquired Series D Preferred Shares of Navitor for $15 million, representing approximately a 13% ownership position in Navitor. The Company has determined that Navitor is a VIE. The Company has not consolidated this VIE because the Company lacks the power to direct the activities that most significantly impact Navitor's economic performance and, therefore, have accounted for the investment under the cost method of accounting and included in *Other assets* in the condensed consolidated balance sheets.

As of June 30, 2020, the carrying value of our investment in Navitor was approximately $15 million. The maximum exposure to losses related to Navitor is limited to the $15 million carrying value of the investment, a maximum of approximately $50 million for Phase I and Phase II development of NV-5138 (SPN-820), and the cost of other development and formulation activities provided by the Company until the date of termination of the Development Agreement.

We have provided no financing to Navitor other than amounts required under the Development Agreement.

14. Property and Equipment

Property and equipment consists of the following (dollars in thousands):

	June 30, 2020	December 31, 2019
	(unaudited)	
Lab equipment and furniture	$ 12,252	$ 11,053
Leasehold improvements	15,183	14,217
Software	2,225	2,225
Computer equipment	2,065	1,839
Construction-in-progress	15	433
	31,740	29,767
Less accumulated depreciation and amortization	(13,799)	(12,699)
Total	$ 17,941	$ 17,068

Depreciation and amortization expense on property and equipment was approximately $0.6 million and $1.1 million for the three and six months ended June 30, 2020, respectively, and approximately $0.4 million and $0.7 million for the three and six months ended June 30, 2019.

As of June 30, 2020, there were no identified indicators of impairment.

15. Goodwill and Intangible Assets, net

Goodwill represents the excess of the USWM Acquisition purchase price over the fair value of the tangible and identifiable intangible net assets acquired. Refer to Note 3 for further discussion on the USWM Acquisition.

Intangible assets also includes: patent defense costs, which are deferred legal fees incurred in conjunction with defending patents for Oxtellar XR and Trokendi XR; an acquired IPR&D asset; and acquired developed technology and product rights. For

intangible assets, excluding the acquired IPR&D asset, the Company amortizes these costs over the useful life of the respective intangible assets.

The following table sets forth the gross carrying amount and related accumulated amortization of goodwill and intangible assets (dollars in thousands):

	Weighted-Average Life (Years)	June 30, 2020	December 31, 2019
		(unaudited)	
Goodwill		$ 88,095	$ —
Acquired In-process Research & Development		150,000	—
Intangible assets subject to amortization:			
Acquired Developed Technology and Product Rights	10.50 - 12.50	$ 237,000	$ —
Capitalized patent defense costs	2.50 - 6.80	43,514	43,375
Less accumulated amortization		(22,242)	(18,535)
Total intangible assets, net		$ 408,272	$ 24,840

U.S. patents covering Oxtellar XR and Trokendi XR will expire no earlier than 2027. As regards Trokendi XR, the Company entered into settlement agreements that allow third parties to enter the market by January 1, 2023, or earlier under certain circumstances.

Amortization expense on intangible assets was approximately $2.4 million and $3.7 million for the three and six month periods ended June 30, 2020, respectively, and approximately $1.3 million and $2.6 million for the three and six month periods ended June 30, 2019.

As of June 30, 2020, there were no identified indicators of impairment.

16. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (dollars in thousands):

	June 30, 2020	December 31, 2019
	(unaudited)	
Accrued clinical trial costs [1]	$ 10,735	$ 13,285
Accrued compensation	11,995	11,223
Accrued professional fees	10,090	3,936
Accrued royalties	12,957	—
Other accrued expenses	13,041	5,861
Total	$ 58,818	$ 34,305

[1] Includes preclinical and all clinical trial-related costs.

17. Accrued Product Returns and Rebates

Accrued product returns and rebates consist of the following (dollars in thousands):

	June 30, 2020	December 31, 2019
	(unaudited)	
Accrued product rebates	$ 118,335	$ 88,811
Accrued product returns	25,770	18,818
Total	$ 144,105	$ 107,629

18. Interest Expense

Interest expense consists of the following (dollars in thousands):

	Three Months ended June 30,		Six Months ended June 30,	
	2020	2019	2020	2019
	(unaudited)		(unaudited)	
Interest expense	$ (4,792)	$ (4,253)	$ (9,485)	$ (8,972)
Interest expense on nonrecourse liability related to sale of future royalties	(1,023)	(1,136)	(2,085)	(2,296)
Total	$ (5,815)	$ (5,389)	$ (11,570)	$ (11,268)

Interest expense includes noncash interest expense related to amortization of deferred financing costs and amortization of the debt discount on the 2023 Notes of $4.2 million and $8.2 million for the three and six months ended June 30, 2020, respectively, and $3.9 million and $7.7 million for the three and six months ended June 30, 2019, respectively.

19. Commitments and Contingencies

Product Licenses

The Company has obtained exclusive licenses from third parties for proprietary rights to support the product candidates in the Company's neurology and psychiatry portfolio. Under these license agreements, the Company may be required to pay certain amounts upon the achievement of defined milestones. If these products are ultimately commercialized, the Company is also obligated to pay royalties to third parties, as percentage of net product sales, for each respective product under a license agreement.

Through the USWM Acquisition, the Company acquired licensing agreements with other pharmaceutical companies for APOKYN, XADAGO and MYOBLOC. The Company is obligated to pay to royalties to third party parties, as a percentage of net product sales, for each of the products under the respective license agreement. Royalties expense incurred are recognized as *Cost of goods sold* in the condensed consolidated statement of earnings.

Royalty Agreement

In the third quarter of 2014, the Company received $30.0 million pursuant to a Royalty Interest Acquisition Agreement related to the purchase by HC Royalty of certain of the Company's rights under the Company's agreement with United Therapeutics, related to the commercialization of Orenitram (treprostinil) Extended-Release Tablets. Per the terms of the agreement full ownership of the royalty rights will revert to the Company if and when a certain cumulative payment threshold is reached (see Note 2, Note 4 and Note 18).

USWM Enterprise Commitments Assumed

As part of the USWM acquisition, the Company assumed the remaining commitments of USWM Enterprises and its subsidiaries, which are discussed below. In addition to the annual minimum purchase quantity requirements, amounting to an estimated €3.0 million annually, under the contract manufacturing agreement with Merz for the manufacture and supply of MYOBLOC, USWM Enterprises had an existing license and distribution agreement for XADAGO, which included an annual minimum promotional spend to support the marketing of XADAGO for the first five years of the agreement. As of June 30, 2020, the remaining contractual commitments was $4.5 million, of which $2.5 million is for the period July 2020 to June 2021. (See Note 3 for further discussion on the USWM Acquisition and Note 10 for further discussion on the Merz Agreement).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to help the reader understand the results of operations and the financial condition of Supernus Pharmaceuticals, Inc. (the Company, we, us, or our). The interim financial statements included in this report and this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our audited consolidated financial statements and notes thereto for the year ended December 31, 2019 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 28, 2020.

In addition to historical information, this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. These forward-looking statements may include declarations regarding the Company's belief or current expectations of management, such as statements including the words "budgeted," "anticipate," "project," "forecast," "estimate," "expect," "may," "believe," "potential," and similar statements or expressions, which are intended to be among the statements that are forward-looking statements, as such statements reflect the reality of risk and uncertainty that is inherent in our business. Actual results may differ materially from those expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which are made as of the date this report was filed with the Securities and Exchange Commission. Our actual results and the timing of events could differ materially from those discussed in our forward-looking statements as a result of many factors, including those set forth under the "Risk Factors" section of our Annual Report on Form 10-K and elsewhere in this report as well as in other reports and documents we file with the Securities and Exchange Commission from time to time. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances occurring after the date of this Quarterly Report on Form 10-Q.

Solely for convenience, in this Quarterly Report on Form 10-Q, the trade names are referred to without the TM symbols and the trademark registrations are referred to without the circled R, but such references should not be construed as any indicator that the Company will not assert, to the fullest extent under applicable law, our rights thereto.

Overview

We are a pharmaceutical company focused on developing and commercializing products for the treatment of central nervous system (CNS) diseases. We have a portfolio of commercial products and product candidates.

On April 21, 2020, the Company entered into a Development and Option Agreement (Development Agreement) with Navitor Pharmaceuticals, Inc. (Navitor). Under the terms of the Development Agreement, the Company and Navitor will jointly conduct a Phase II clinical program for NV-5138 (SPN-820) in treatment-resistant depression (TRD).

On April 28, 2020, the Company entered into a Sales and Purchase Agreement to acquire the CNS portfolio of US WorldMeds Partners, LLC (USWM Acquisition). With the acquisition, the Company added to its portfolio three established, commercial products and a product candidate in late-stage development. These products are primarily for the treatment of Parkinson's disease. This acquisition was completed on June 9, 2020.

COVID-19 Impact

We are closely monitoring the impact of the COVID-19 pandemic on all aspects of our business operations, and have assessed the impact of the COVID-19 pandemic on our condensed consolidated financial statements. Although the COVID-19 pandemic has not significantly impacted our condensed consolidated financial statements as of June 30, 2020 and during the three and six months ended June 30, 2020, it may have future impact, especially if the severity worsens, the duration lengthens or the nature of the effects changes.

The full impact of the COVID-19 pandemic remains uncertain and subject to change. The effects of the pandemic may vary significantly across different aspects of our business operations. We do not and cannot yet know the full extent of potential delays on execution of clinical trials, new product launches or related impacts on our business, financial condition or the healthcare system. These effects could include: adverse impact on research and development activities as a result of temporarily halting additional enrollment in the SPN-812 adult trial; adverse impact on selling and marketing efforts as a result of temporarily halting in-person interactions by our sales force with healthcare providers; adverse impact on net product sales as a result of decreased new prescriptions due to fewer patient visits to physicians' offices to begin or to maintain treatment; potential changes in payer segment mix; and increased use of co-pay programs due to rising unemployment.

These effects could have a material impact on the Company’s liquidity, cash flows, capital resources and business operations. Financial effects could include impairment of intangible and long-lived assets, increased reserves for sales deductions that could impact our net product sales and adjustments for market volatility for items subject to fair value measurement, such as marketable securities. See “Risk Factors” in Part II, Item 1A of this Quarterly Report on Form 10-Q for additional information on risk factors that could impact our business and our results.

For the three and six months ended June 30, 2020, with the exception of the effects already cited, we were able to largely maintain our normal operations. Because there has been no material impact on our operations, our liquidity and financial position has likewise not been materially affected. We expect to continue to generate positive cash flows and to meet our short-term liquidity needs.

Products and Product Candidates

The table below summarizes our current portfolio of novel products and product candidates:

Products	Indications	
Trokendi XR®	Epilepsy/Prophylaxis of Migraine	
Oxtellar XR®	Epilepsy	
APOKYN®	Acute Treatment of Hypomobility in Parkinson's Disease	
XADAGO®	Adjunctive Treatment to Levodopa/Carbidopa in Parkinson's Disease	
MYOBLOC®	Cervical Dystonia and Sialorrhea	
Product Candidates	**Indication**	**Development**
SPN-812	Pediatric Adolescent ADHD	PDUFA November 2020
SPN-830	Parkinson's Disease	NDA Submission 2H 2020
SPN-812	Adult ADHD	Phase III
MYOBLOC®	Neurological Disorders	Phase IV
SPN-820	Treatment Resistant Depression	Phase I
SPN-817	Severe Epilepsy	Phase I

APOKYN Pen and apomorphine infusion pump product candidate are under a license from Britannia Pharmaceuticals Limited.
XADAGO is under a license from Zambon S.p.A.
All trademarks are the property of their respective owners.

We have devoted and continue to devote significant resources to research and development activities. We expect to incur significant expenses as we continue developing each of our product candidates through U.S. Food and Drug Administration (FDA) approval, or until the program terminates; expand product indications for approved products; invest in sales and marketing resources to support our existing and new products; enter into agreements to in-license, purchase products, product candidates or other companies; and invest in the support of our business, technology, regulatory and intellectual property portfolio.

Our Neurology Portfolio

We market and sell the following commercial products in our neurology portfolio:

- Trokendi XR, a once-daily extended release topiramate product for the prophylaxis of migraine headache and for the treatment of epilepsy.

- Oxtellar XR, a once-daily extended release oxcarbazepine product approved for treatment of partial onset seizures of epilepsy.

Acquired CNS Portfolio

On June 9, 2020, the Company completed the USWM Acquisition. With the acquisition, the Company added the following established, commercial products and a product candidate in late-stage development to its neurology portfolio.

- APOKYN (apomorphine hydrochloride injection) is a drug/device combination product (injectable pen) indicated for the acute, intermittent treatment of hypomobility, or "OFF" episodes associated with advanced Parkinson's disease (PD). APOKYN's adjustable dose subcutaneous injection pen is designed to quickly and reliably reverse the effects of oral levodopa wearing off in patients with inadequately controlled PD. Patients taking APOKYN saw 95% of OFF episodes reversed, with improvement beginning as quickly as 10 minutes post-dosing in clinical studies. With the

alternative of immobility and inability to function, we believe the rapid and reliable reduction of OFF episode symptoms is of utmost importance to patients.

- XADAGO (safinamide) is a once-daily medication indicated as adjunctive treatment to levodopa/carbidopa in patients with Parkinson's disease who are experiencing "OFF" episodes. XADAGO is a monoamine oxidase B (MAO-B) inhibitor that works by blocking the catabolism of dopamine, which is believed to result in an increase in dopamine levels, and therefore a subsequent increase in dopaminergic activity in the brain. Well-controlled studies have shown XADAGO® may provide a decrease in OFF time of up to 1 hour per day when combined with appropriate L-dopa therapy.

- MYOBLOC (rimabotulonumtoxinB) is indicated for the treatment of cervical dystonia and sialorrhea. It is the only Type B toxin available on the market. MYOBLOC injections offer patients struggling with painful cervical dystonia symptoms pain relief in as soon as two weeks, with effects persisting up to 16 weeks post-dosing. In Sialorrhea, MYOBLOC reduces problematic hyper salivation by cleaving synaptic vesicle-associated membrane protein (VAMP) at the site of injection. Patients on MYOBLOC generally experienced symptom relief for three months post-dosing in well-controlled studies. MYOBLOC must be administered by a physician.

Prior to June 2020, US WorldMeds Partners, LLC received Special Protocol Assessment from the FDA to conduct a clinical program for potential expansion for new indications for MYOBLOC.

Overview of Acquired CNS Portfolio

Market Overview

Parkinson's disease

Parkinson's disease affects about one million patients in the U.S. per year. Parkinson's is a progressive neurological disorder that is characterized by a loss of dopamine producing neurons in certain regions of the brain, causing symptoms like tremor, slowness of movement, stiffness, loss of balance, and lack of coordination. Patients with PD can also be affected with psychological symptoms such as anxiety and depression, as well as problems with cognition and memory. As the disease progresses, some patients may lose the ability to independently perform the tasks of daily living.

Parkinson's patients are frequently prescribed levodopa (L-dopa) to help replace the dopamine no longer produced in the brain. However, motor disabilities as a result of L-dopa wearing off remain a significant problem for over half of PD patients. Patients in an OFF state ("end-of-dose wearing off" and unpredictable "on/off" episodes), including those whose last dose of oral L-dopa has worn off, and whose next oral dose has not yet begun to take effect, can suffer from a lack of coordination or mobility for several hours per day.

In well controlled clinical studies, APOKYN (apomorphine) injections are effective in treating OFF periods, as measured by the motor function subset of the Unified Parkinson's Disease Rating Scale (UPDRS). For patients for whom oral L-dopa will not sufficiently control OFF periods, the Company has commercialized APOKYN, delivered via an injection pen. For patients who experience significant OFF time each day, we are developing a continuous infusion pump to deliver apomorphine subcutaneously. The infusion may reduce the variability in motor symptoms of PD, and offer improved tolerability versus the injection route. For patients not ready to try a parenteral therapy, oral monoamine oxidase complex B (MAO-B) inhibitors, such as XADAGO (safinamide), may provide a decrease in OFF time of up to 1 hour per day when combined with appropriate L-dopa therapy.

Cervical Dystonia

Cervical dystonia, also known as spasmodic torticollis, is a condition characterized by involuntary muscle contractions in the neck, which cause the head to twist uncontrollably into an abnormal, often painful position. It is a rare disorder, most often presenting in middle age, whose symptoms begin gradually, worsen, and then plateau over a period of months. Estimates of the prevalence of cervical dystonia vary considerably, from 28 to 4,100 per million individuals. Injections of botulinum toxin into affected neck muscles can create temporary relief from symptoms.

In well controlled studies, botulinum toxins like MYOBLOC (rimabotulonumtoxinB) have been shown to improve symptoms as measured on the Toronto Western Spasmodic Torticollis Rating Scale, including pain.

Sialorrhea

Sialorrhea can occur in conjunction with several neurologic disorders, such as amyotrophic lateral sclerosis (ALS), cerebral palsy (CP), PD, or as a side effect of some medications. It is characterized by overactive salivary glands. In adults, PD is the most common cause of sialorrhea, with 70%–80% of PD patients experiencing symptoms. In 30%–80% of schizophrenic patients taking clozapine, sialorrhea is evident. In addition to being embarrassing, complications of sialorrhea include aspiration, infection, skin breakdown, and bad odor.

In well controlled studies, injections of MYOBLOC have been shown to reduce the unstimulated salivary flow rate (USFR) by 0.3g/minute, as compared to placebo.

Manufacturing

APOKYN is manufactured by our licensing partner, Britannia Pharmaceuticals Ltd (Britannia) for the U.S. market. Britannia also supplies injectable apomorphine to the European market for Stada Pharmaceuticals, under the brand name Apo-go. MYOBLOC is manufactured and packaged by Merz GmbH & Co. KGaA. XADAGO is provided to us as finished product by Zambon S.p.A.

Sales and Marketing

We have acquired the U.S. WorldMeds neurology sales force of approximately 45 representatives to continue to promote the acquired product portfolio. This sales force calls on movement disorder specialists and selected other health care providers to support our commercialization and sale of APOKYN, MYOBLOC and XADAGO.

Competition

APOKYN is given PRN (on-demand) as an adjunct to Levadopa/Carbidopa therapy in PD patients who experience OFF episodes, competing with other PRN therapies such a INBRIJA and recently approved sublingual apomorphine (KYNMOBI).

XADAGO competes with other monoamine oxidase inhibitors (MAO-B) used to treat OFF episodes in PD, including rasagiline (AZILECT) and selegiline.

MYOBLOC is the only available botulinum toxin B, whereas other available toxins are type A. MYOBLOC competes with type A toxins such as Botox, Dysport, and Xeomin. MYOBLOC also competes with oral agents used to treat cervical dystonia, including generic baclofen, anticholinergics, benzodiazepines, and tetrabenazine.

MYOBLOC competes with Xeomin (incobotulinumtoxinA) for the treatment of sialorrhea in adults, although the other A toxins, including Botox and Dysport, are also utilized by physicians off label for sialorrhea. Other pharmacologic treatments used to treat sialorrhea include generic glycopyrrolate tablets as well as behavior modification.

Product Candidates

SPN-817 (huperzine A)

SPN-817 represents a novel mechanism of action for an anticonvulsant. Development will initially focus on the drug's anticonvulsant activity, which has been shown in preclinical models for treatment of partial seizures and Dravet Syndrome. SPN-817 is in clinical development, and has received an Orphan Drug designation for Dravet Syndrome and Lennox-Gastaut Syndrome from the FDA. SPN-817 will have new chemical entity status (NCE) in the U.S. market. We expect to develop intellectual property (IP) protecting this product candidate through our own research and development efforts, as well as through in-licensed IP.

SPN-817 Development Program

We plan on initially studying SPN-817 in severe epilepsy disorders. A Phase I proof-of-concept trial is currently underway outside of the U.S. in adult patients with refractory complex partial seizures. We are studying the safety and pharmacokinetic profile of a new extended release formulation of non-synthetic huperzine A. The Company has initiated preclinical Investigational New Drug (IND) enabling activities in the U.S.

We will focus on completing and optimizing the synthesis process of the synthetic drug as well as developing a novel dosage form. Given the potency of huperzine A, a novel extended release oral dosage form is critical to the success of this

program, because initial studies with the immediate release formulations of non-synthetic huperzine A have shown serious dose-limiting, side effects.

SPN-830 (Apomorphine Infusion Pump)

SPN-830 is a late-stage product candidate acquired in the USWM Acquisition. SPN-830 is under investigation for the continuous prevention of OFF episodes in PD. If approved, it would be the only continuous infusion of apomorphine available in the U.S., and an important, less invasive step for PD patients that would have otherwise been candidates for potentially invasive surgical procedures, such as deep brain stimulation. Continuous infusion may also limit some of the side effects of a subcutaneous injection of apomorphine, such as nausea.

SPN-830 Development Program

Based on pre-New Drug Application (NDA) discussions with the FDA, an NDA submission for SPN-830 is expected in the fourth quarter of 2020. Final activities include the conduct of a Human Factors study to evaluate this drug-device combination product, and the completion of a safety report on the components of the device.

Our Psychiatry Portfolio

Our psychiatry portfolio includes two product candidates, SPN-812 and SPN-820, for the treatment of psychiatric disorders.

Product Candidates

SPN-812 (extended release viloxazine hydrochloride)

SPN-812 is a serotonin norepinephrine modulating agent (SNMA), which we are developing as a novel non-stimulant for the treatment of ADHD in children, adolescents, and adults. We believe SPN-812 could be well-differentiated as compared to other non-stimulant treatments, due to its different pharmacological and pharmacokinetic profile. The active ingredient in SPN-812, viloxazine hydrochloride, has an extensive safety record in Europe, where it was previously marketed for many years as an antidepressant, albeit at much higher dosage levels. Viloxazine hydrochloride is a structurally distinct, bicyclic, SNMA with NCE status in the U.S.

The FDA accepted the review of the NDA for SPN-812 for the treatment of children and adolescents with ADHD in January 2020, and assigned a Prescription Drug User Fee Act (PDUFA) target action date of November 8, 2020. We plan to launch SPN-812, pending FDA approval, early in the first quarter of 2021. We expect SPN-812, if approved, to have five-year market exclusivity due to its NCE status in the U.S. Furthermore, we are pursuing IP covering the novel synthesis process for the active ingredient in SPN-812, its novel use in ADHD, and its novel extended release product profile.

SPN-812 Development Program

We continue to prepare for the commercial launch of SPN-812 with expected shipments to the trade in December 2020. The Company remains engaged with the FDA regarding the review of the NDA for SPN-812 for the treatment of ADHD.

We initiated a Phase III program for the treatment of ADHD in adults in the third quarter of 2019. The SPN-812 adult trial reached approximately 75% of the targeted enrollment before enrollment was put on hold in March 2020 due to the COVID-19 pandemic. In the second quarter of 2020, we resumed enrollment efforts. We are employing virtual visits to ensure that currently enrolled subjects can progress to completion of treatment. The trial is expected to complete enrollment this year with topline data available in the first quarter of 2021.

SPN-820 (NV-5138)

SPN-820 is a first-in-class, orally active small molecule that directly activates brain mTORC1, the gatekeeper of cellular metabolism and renewal. This receptor is often suppressed in people suffering from depression. The Phase I trial demonstrated early proof of concept, in which a single dose of SPN-820 showed rapid and sustained improvement in core symptoms of depression, with favorable safety and tolerability in patients with TRD. We believe the novel mechanism of action in depression may improve symptoms of depression in patients who have failed other agents.

SPN-820 Development Program

In April 2020, we entered into a Development and Option Agreement with Navitor to collaborate on a comprehensive development program for SPN-820 through Phase II, including formulation development, preclinical toxicology, and clinical pharmacology. Pre-clinical and development activities are ongoing, with the initiation of the Phase II clinical program in patients with TRD targeted for the second half of 2021. See Part I, Item 1, Financial Statements, Note 13, Investments in Unconsolidated VIEs, in the Notes to the Condensed Consolidated Financial Statements.

Critical Accounting Policies and the Use of Estimates

The significant accounting policies and basis of presentation for our condensed consolidated financial statements are described in Part I, Item 1, Financial Statements, Note 2, *Summary of Significant Accounting Policies*, in the Notes to the Condensed Consolidated Financial Statements. Our condensed consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), requiring us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and to disclose material contingent assets and liabilities. Actual results could differ materially from our estimates.

We believe the following accounting policies and estimates to be critical:

Revenue Recognition

Revenue from product sales is recognized when physical control of our products is transferred to our customers, who are primarily pharmaceutical wholesalers, specialty pharmacies, and distributors. Product sales are recorded net of various forms of variable consideration, including: estimated rebates; sales discounts; and an estimated liability for future product returns (collectively, “sales deductions”). We adjust our estimates at the earlier of when the most likely amount of consideration we expect to receive changes, or when the consideration becomes fixed. For a complete description of our revenue recognition policy, see Part I, Item 1, Financial Statements, Note 2, *Revenue from Product Sales*, in the Notes to Condensed Consolidated Financial Statements. In addition, see Results of Operations, *Sales deductions and related accruals* for more information.

Business Combinations and Contingent Consideration

The Company completed the USWM Acquisition on June 9, 2020. Refer to Note 2 for discussion regarding the accounting policy for business combinations and contingent consideration and to Note 3 for discussion regarding the USWM Acquisition.

Research and Development Expenses and Related Accrued Research and Development Expenses

Research and development expenditures are expensed as incurred. We estimate preclinical and clinical trial expenses based on services performed pursuant to contracts with research institutions, clinical investigators, clinical research organizations (CROs) and other service providers that conduct activities on the Company’s behalf. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust our accrued expenses or our deferred advance payments accordingly. For a complete description of our research and development expense, preclinical trial, and clinical trial accrual policies, see Part I, Item 1, Financial Statements, Note 2, *Summary of Significant Accounting Policies—Research and Development Expense and Related Accrued Research and Development Expenses*, in the Notes to Condensed Consolidated Financial Statements.

Preclinical and clinical trials are inherently complex and often involve multiple service providers. Because billing for services often lags by a month or several months, we are often required to estimate, and therefore accrue, a significant portion of the incurred expenses. This process involves reviewing open contracts and communicating with our subject matter expert personnel, as well as with the appropriate service provider personnel, to identify services that have been performed on our behalf but for which no invoice has been received. This includes services provided by CROs, as well as services provided by clinical

investigators and other service providers. We accrue the cost for unbilled services performed, whether partially or fully completed.

Payments to service providers can either be based on hourly rates for service, or based on achievement of performance driven milestones. We work with each service provider to obtain an estimate for services provided but are unbilled as of the end of the calendar quarter, including estimates for payments to site investigators. When accruing clinical trial expenses, we estimate the time period over which services will be performed during the life of the entire clinical program, the total cost of the program, and the level of effort to be expended in each intervening period.

We work diligently to minimize, if not eliminate, estimates based solely on Company generated calculations by relying primarily on estimates provided by our vendors. If we and/or the service provider underestimates or overestimates the costs associated with a service at any given point in time, adjustments to research and development expenses would be necessary in the following periods. Historically, our estimated accrued clinical expenses have closely approximated the actual expenses incurred, with minimal adjustments to expense in the subsequent periods.

Results of Operations

Comparison of the Three and Six Months ended June 30, 2020 and 2019

Revenues

Revenues consist primarily of net product sales of Trokendi XR and Oxtellar XR in the U.S., supplemented by royalty revenues from our collaborative licensing arrangements. The following table provides information regarding our revenues during the three and six month periods ended June 30, 2020, (dollars in thousands):

	Three Months ended June 30,		Change		Six Months ended June 30,		Change	
	2020	2019	Amount	Percent	2020	2019	Dollar	Percent
Net product sales								
Trokendi XR	$ 89,674	$ 78,964	$ 10,710	14%	$ 158,225	$ 142,657	$ 15,568	11%
Oxtellar XR	23,680	23,394	286	1%	47,619	42,800	4,819	11%
APOKYN	8,600	—	8,600	100%	8,600	—	8,600	100%
XADAGO	801	—	801	100%	801	—	801	100%
MYOBLOC	1,229	—	1,229	100%	1,229	—	1,229	100%
Total net product sales	$ 123,984	$ 102,358	$ 21,626	21%	$ 216,474	$ 185,457	$ 31,017	17%
Royalty revenues	2,745	2,337	408	17%	5,231	4,712	519	11%
Total revenues	$ 126,729	$ 104,695	$ 22,034	21%	$ 221,705	$ 190,169	$ 31,536	17%

Basis for Net Product Sales

Net product sales are computed as gross revenue generated from our product shipments to our customers, primarily pharmaceutical wholesalers, specialty pharmacies, and distributors, less various forms of variable consideration, including: estimated liability for rebates; estimated liability for product returns; and estimated allowance for discounts. These are collectively considered "sales deductions."

Total Net Product Sales

The increase in net product sales for the three months ended June 30, 2020, as compared to the prior year, is primarily due to the favorable impact of the 8% price increase for Trokendi XR and Oxtellar XR taken in January 2020, favorable unit prescription growth for Oxtellar XR, and favorable changes in sales deductions for Trokendi XR. In addition, for both Trokendi XR and Oxtellar XR, we have seen a shift in prescription mix from 30-count prescriptions to 90-count prescriptions. The Company believes this has been an effect of the COVID-19 pandemic, primarily due to patients have reduced the frequency of office visits with physicians. This shift towards 90-count prescriptions has caused our net product sales growth to outpace the

growth in prescriptions. Finally, the Company completed the USWM Acquisition on June 9, 2020. Accordingly, we recognized $10.6 million, collectively, for the three acquired products for the period June 9, 2020 through June 30, 2020.

The increase in net product sales for the six months ended June 30, 2020, as compared to the prior year, is primarily due to the aforementioned favorable impact of the January 2020 price increase, the newly acquired products, coupled with prescription unit growth for Oxtellar XR. In addition, the adverse impact of the pipeline inventory reduction in the first quarter of 2019 contributed to the increase in net product sales for the six months ended June 30, 2020. In the fourth quarter of 2018, wholesalers, distributors and pharmacies increased their inventory holdings, as compared to the prevailing inventory levels in the preceding quarter. This action was effectively reversed in the first quarter of 2019. As a result, both gross sales and net product sales in the first quarter of 2019 were adversely impacted, reducing net product sales by approximately $10 million.

These favorable effects were partially offset by deteriorating sales deductions on a year over year comparative basis. Patient reimbursement challenges and increased contracting pressure from managed care providers resulted in higher patient program participation rates, increased per patient costs for our co-pay programs, and higher per patient rebate payments to managed care providers. As a result, this increased the provision for sales deductions, thereby reducing net product sales for the six months ended June 30, 2020 as compared to the prior year.

Trokendi XR

Trokendi XR net product sales increased by $10.7 million, or 14%, for the three months ended June 30, 2020, as compared to the same period in 2019. This increase was driven by the aforementioned favorable impact of an 8% price increase in January 2020 coupled with reduced sales deductions resultant from co-pay program enhancements. While prescription volume was down sequentially for the three months ended June 30, 2020 as compared to the same period in 2019, volume measured in units (i.e., number of capsules) was relatively flat due to the aforementioned shift to 90-count prescriptions.

For the six months ended June 30, 2020 Trokendi XR net product sales increased by $15.6 million, or 11%, as compared to the same period in 2019. This increases was driven by the favorable impact of the aforementioned price increase in January 2020, the growth in prescription volume, and coupled with the impact in the first quarter of 2019 of the pipeline inventory reduction. These favorable effects were partially offset by an increase in sales deductions. In the first quarter of 2020, product returns for discontinued Trokendi XR blister pack configurations exceeded our forecast, resulting in an increase in the provision for returns.

Oxtellar XR

Oxtellar XR net product sales increased by $0.3 million, or 1%, and $4.8 million, or 11%, for the three and six months ended June 30, 2020, as compared to the same periods in 2019. The increase was primarily attributable to growth in prescription unit volume and the favorable impact of the aforementioned January 2020 price increase of 8%. These favorable impacts were partially offset by increased sales deductions due to higher per patient payments under both Medicaid and managed care programs, as well as higher co-payment program expenditures.

Sales Deductions and Related Accruals

The Company records accrued product rebates and accrued product returns as current liabilities in *Accrued product returns and rebates*, on our condensed consolidated balance sheets. We record sales discounts as a valuation allowance against *Accounts receivable* on the condensed consolidated balance sheets. Both amounts are generally affected by changes in gross product sales, changes in the provision for net product sales deductions, and the timing of payments/credits.

The following table provides a summary of activity with respect to sales deductions and related accruals during the periods indicated (dollars in thousands):

	Accrued Product Returns and Rebates			
	Product Rebates	Product Returns	Allowance for Sales Discounts	Total
Balance at December 31, 2019	$ 88,811	$ 18,818	$ 11,013	$ 118,642
USWM Acquisition liabilities assumed	5,112	3,072	293	8,477
Provision				
Provision for sales in current year	168,506	5,463	32,449	206,418
Adjustments relating to prior year sales	3,633	7,468	147	11,248
Total provision	$ 172,139	$ 12,931	$ 32,596	$ 217,666
Less: Actual payments/credits	(147,727)	(9,051)	(31,535)	(188,313)
Balance at June 30, 2020	$ 118,335	$ 25,770	$ 12,367	$ 156,472
Balance at December 31, 2018	$ 85,003	$ 22,060	$ 11,548	$ 118,611
Provision				
Provision for sales in current year	139,376	4,068	27,394	170,838
Adjustments relating to prior year sales	(888)	(730)	(43)	(1,661)
Total provision	$ 138,488	$ 3,338	$ 27,351	$ 169,177
Less: Actual payments/credits	(149,129)	(3,826)	(26,940)	(179,895)
Balance at June 30, 2019	$ 74,362	$ 21,572	$ 11,959	$ 107,893

From 2019 to 2020, the total provision for sales deductions increased by $48.5 million, from $169.2 million in 2019 to $217.7 million in 2020. Approximately 69% of this increase, or $33.7 million, was attributable to year over year increases in the provision for product rebates, from $138.5 million in 2019 to $172.1 million in 2020. Increased product rebates were primarily attributable to greater utilization of our patient co-payment programs, as well as higher per patient payments under both Medicaid and managed care programs. To a lesser extent, growth in prescriptions, and the impact of the aforementioned 8% price increase taken in January 2020, also contributed to the increase in product rebates.

Approximately 20% of the increase in the total provision for sales deductions was attributable to increases in the provision for product returns. Specifically, this provision increased, from $3.3 million to $12.9 million for the six months ended June 30, 2019 and 2020, respectively, primarily due to the aforementioned unfavorable actual returns experience in the first quarter of 2020 for discontinued Trokendi XR commercial blister pack configurations. The Company ceased production and distribution of all blister pack configurations for Trokendi XR in 2017. Subsequent to ceasing blister pack production and distribution in 2017, the observed rate of product return for all blister pack configurations of Trokendi XR steadily declined over time. This return rate trend was established over a multi-year period. However, in the first quarter of 2020, the return rate for the final blister pack lots of Trokendi XR produced in 2017 unexpectedly exhibited a return rate significantly higher than had been experienced with all previous lots. The lots for which a higher return rate was observed are the last lots which were produced and distributed. As a result, the Company changed its estimate of the provision for product returns, to reflect the most recent experience. This change in estimate resulted in an increase to the provision for product returns of $8.0 million, decreased net product sales of $8.0 million and decreased net earnings of $5.9 million, or $0.11 per basic and per diluted share, for the three months ended March 31, 2020.

Approximately 11% of the increase in the total provision for sales deductions was due to increases in the provision for sales discounts of $5.2 million, from $27.4 million to $32.6 million, for the six months ended June 30, 2019 and 2020, respectively. This increase was driven by prescription volume growth as well as the aforementioned 8% price increase in January 2020.

Royalty Revenues

Royalty revenue for the three month period ended June 30, 2020, includes royalties from the following products (dollars in thousands):

	Three Months ended June 30,		Change		Six Months ended June 30,		Change	
	2020	2019	Amount	Percent	2020	2019	Amount	Percent
Mydayis [1]	$ 394	$ 545	$ (151)	(28)%	$ 1,313	$ 1,345	$ (32)	(2)%
Orenitram [2]	2,351	1,792	559	31%	3,918	3,367	551	16%
Total	$ 2,745	$ 2,337	$ 408	17%	$ 5,231	$ 4,712	$ 519	11%

[1] Royalty from net product sales of Mydayis, a product of Shire Plc, a subsidiary of Takeda Pharmaceuticals Company Ltd.
[2] Supernus records noncash royalty revenue pursuant to our agreement with Healthcare Royalty Partners III, L.P. (HC Royalty). HC Royalty receives royalty payments from United Therapeutics Corporation (United Therapeutics) based on net product sales of United Therapeutics' product Orenitram.

Royalty revenues increased for the three and six months ended June 30, 2020, respectively, compared to the same period in 2019, primarily due to year over year increases in net product sales of Orenitram.

Cost of Goods Sold

The following table provides information regarding our cost of goods sold during the periods indicated (dollars in thousands):

	Three Months ended June 30,		Change		Six Months ended June 30,		Change	
	2020	2019	Amount	Percent	2020	2019	Amount	Percent
Cost of goods sold	$ 8,386	$ 4,044	$ 4,342	107%	$ 12,538	$ 7,728	$ 4,810	62%

Cost of goods sold during the three months ended June 30, 2020 were $8.4 million, $4.3 million higher than the $4.0 million incurred for the same period in 2019. The increase was primarily attributable to quarter over quarter increase in prescription unit volume, as well as cost of goods sold for acquired products.

Cost of goods sold increased by $4.8 million during the six months ended June 30, 2020 from $7.7 million to $12.5 million. This increase was primarily attributable to year over year increased prescription unit volume, costs of goods sold for acquired products, as well as the aforementioned reduction in channel level inventory, which occurred in the first quarter of 2019.

Research and Development Expenses

The following table provides information regarding our research and development (R&D) expenses during the periods indicated (dollars in thousands):

	Three Months ended June 30,		Change		Six Months ended June 30,		Change	
	2020	2019	Amount	Percent	2020	2019	Amount	Percent
Research and development	$ 22,247	$ 16,970	$ 5,277	31%	$ 41,184	$ 32,364	$ 8,820	27%

R&D expenses increased by $5.3 million and $8.8 million, respectively, during the three and six months ended June 30, 2020, as compared to the same period in 2019. The increase in both periods was primarily due to the $10 million option fee paid in conjunction with the Navitor collaboration for SPN-820, coupled with expenses incurred in the SPN-812 Phase III program for adults, partially offset by reduced spending on SPN-810 Phase III trials, and by the decrease in clinical trial manufacturing costs for SPN-812 as a result of the capitalization of pre-launch inventory.

Selling, General and Administrative Expenses

The following table provides information regarding our selling, general and administrative (SG&A) expenses during the periods indicated (dollars in thousands):

	Three Months ended June 30,		Change		Six Months ended June 30,		Change	
	2020	2019	Amount	Percent	2020	2019	Amount	Percent
Selling and marketing	$ 29,950	$ 30,219	$ (269)	(1)%	$ 58,991	$ 60,968	$ (1,977)	(3)%
General and administrative	18,153	9,558	8,595	90%	30,726	18,471	12,255	66%
Total	$ 48,103	$ 39,777	$ 8,326	21%	$ 89,717	$ 79,439	$ 10,278	13%

Selling and Marketing. Selling and marketing expenses decreased by $0.3 million in the three months ended June 30, 2020, as compared to the same period in 2019, primarily due to $1.4 million lower employee related expenses due to reduced travel expenses because of the COVID-19 pandemic, decreased marketing expense for commercial products and lower professional consulting spending of $1.0 million, offset by higher compensation from increased headcount and contract services as a result of the USWM Acquisition.

Selling and marketing expenses decreased by $2.0 million in the six months ended June 30, 2020, as compared to the same period in 2019. The decrease was attributable to $2.6 million in savings for employee related expenses due to reduced travel expenses because of the COVID-19 pandemic, partially offset by the aforementioned additional selling and marketing expenses of the acquired business from the USWM Acquisition.

General and Administrative. General and administrative expenses increased by $8.6 million for the three months ended June 30, 2020, as compared to the same period in 2019. The change was primarily due to $7.7 million in increased professional and consulting spending for business development activities, including acquisition-related transaction costs, coupled with $1.1 million in higher employee compensation expense. These increases in cost were offset by a non-recurring $3.1 million PDUFA fees refund from the FDA.

General and administrative expenses increased by $12.3 million for the six months ended June 30, 2020, as compared to the same period in 2019. The increase was primarily due to $8.8 million in increased professional and consulting spending for business development activities, including acquisition-related transaction costs, $2.5 million increase in employee compensation expense, partially offset by the non-recurring PDFUA fees refund from the FDA.

Amortization of Intangible Assets

The following table provides information regarding our amortization of intangible assets during the periods indicated (dollars in thousands):

	Three Months ended June 30,		Change		Six Months ended June 30,		Change	
	2020	2019	Amount	Percent	2020	2019	Amount	Percent
Amortization of intangible assets	$ 2,445	$ 1,306	$ 1,139	87%	$ 3,706	$ 2,612	$ 1,094	42%

Amortization of intangible assets increases for the three and six months ended June 30, 2020 are primary due to amortization of the acquired intangible assets of the USWM Acquisition.

Other Income (Expense)

The following table provides the components of other income (expense) during the periods indicated (dollars in thousands):

	Three Months ended June 30,		Change		Six Months ended June 30,		Change	
	2020	2019	Amount	Percent	2020	2019	Amount	Percent
Interest income	$ 4,151	$ 5,448	$ (1,297)	(24)%	$ 9,726	$ 10,137	$ (411)	(4)%
Interest expense	(4,792)	(4,253)	(539)	13%	(9,485)	(8,972)	(513)	6%
Interest expense on nonrecourse liability related to sale of future royalties	(1,023)	(1,136)	113	(10)%	(2,085)	(2,296)	211	(9)%
Other income, net	3,326	89	3,237	3637%	3,528	90	3,438	3820%
Total	$ 1,662	$ 148	$ 1,514	1023%	$ 1,684	$ (1,041)	$ 2,725	(262)%

Interest income decreased by $1.3 million and $0.4 million for the three and six months ended June 30, 2020, respectively, primarily due to decreases in marketable securities holdings.

Interest expense for the three and six months ended June 30, 2020 increased by approximately $0.5 million compared to the same periods in 2019, primarily due to increased amortization of debt discount.

Noncash interest expense related to our nonrecourse royalty liability for the three and six months ended June 30, 2020 remained relatively unchanged, as compared to the same periods in 2019.

Other income, net for the three and six months ended June 30, 2020 increased by approximately $3.2 million and $3.4 million, respectively, compared to the same periods in 2019, primarily due to gains generated by sales of our marketable securities.

Income Tax Expense

The following table provides information regarding our income tax expense during the periods indicated (dollars in thousands):

	Three Months ended June 30,		Change		Six Months ended June 30,		Change	
	2020	2019	Amount	Percent	2020	2019	Amount	Percent
Income tax expense	$12,543	$10,019	$2,524	25%	$20,059	$15,918	$4,141	26%
Effective tax rate	26.6%	23.4%			26.3%	23.8%		

The increase in income tax expense and in the effective tax rate for the three and six months ended June 30, 2020, as compared to the same period in the prior year, was primarily attributable to higher income before taxes, an increase in the number of states in which we owe taxes, and an increase in non-deductible expenses as a result of the USWM Acquisition.

Net Earnings

The following table provides information regarding our net earnings during the periods indicated (dollars in thousands):

	Three Months ended June 30,		Change		Six Months ended June 30,		Change	
	2020	2019	Amount	Percent	2020	2019	Amount	Percent
Net earnings	$ 34,667	$ 32,727	$ 1,940	6%	$ 56,185	$ 51,067	$ 5,118	10%

The increase in net earnings in the three month and six month periods ended June 30, 2020 was primarily due to increased net product sales generated from our commercial products, offset by period over period increased operating expenses, including transaction costs related to the USWM Acquisition.

Liquidity and Capital Resources

We have financed our operations primarily with cash generated from product sales, supplemented by cash generated by revenue from royalty and licensing arrangements, as well as proceeds from the sale of equity and debt securities. Continued cash generation is highly dependent on the continued commercial success of our five commercial products, Trokendi XR, Oxtellar XR, APOKYN, MYOBLOC, and XADAGO. We were cash flow positive and profitable from operations in 2019 and 2020.

While we expect continued profitability in future years, we anticipate there may be significant variability from year to year in the level of our profits, particularly as we move forward with the anticipated commercial launch of SPN-812, assuming FDA approval.

We believe our existing cash and cash equivalents, marketable securities and cash received from product sales will be sufficient to finance ongoing operations, develop and launch our new products, and fund label expansions for existing products. To continue to grow our business over the long-term, we plan to commit substantial resources to: product development and clinical trials of product candidates; product acquisition; product in-licensing; and supportive functions such as compliance, finance, management of our intellectual property portfolio, information technology systems, and personnel. In each case, spending would be commensurate with the growth and needs of the business.

We may, from time to time, consider raising additional capital through: new collaborative arrangements; strategic alliances; additional equity and/or debt financings; or financing from other sources, especially in conjunction with opportunistic business development initiatives. We will continue to actively manage our capital structure and to consider all financing opportunities that could strengthen our long-term financial profile. Any such capital raises may or may not be similar to transactions in which we have engaged in the past. There can be no assurance that any such financing opportunities will be available on acceptable terms, if at all.

Financial Condition

Cash and cash equivalents, marketable securities, long term marketable securities, working capital, convertible notes and total stockholder's equity, as of the periods presented below, are as follows (dollars in thousands):

	June 30	December 31	Change	
	2020	2019	Amount	Percent
Cash and cash equivalents	$ 210,975	$ 181,381	$ 29,594	16%
Marketable securities	163,839	165,692	(1,853)	(1)%
Long term marketable securities	358,673	591,773	(233,100)	(39)%
Total	$ 733,487	$ 938,846	$ (205,359)	(22)%
Working capital	287,877	312,057	(24,180)	(8)%
Convertible notes, net (2023 Notes)	353,349	345,170	8,179	2%
Total stockholder's equity	665,974	595,428	70,546	12%

The total cash and cash equivalents, marketable securities and long term marketable securities decreased by $205.4 million in the first six months of 2020, primarily due to cash outlays related to the USWM Acquisition as well as the investment in Navitor. These were offset by increases in cash flow from ongoing operations and increases in the valuation of long term marketable securities.

Working capital at June 30, 2020 was $287.9 million, a decrease of $24.2 million as compared to $312.1 million at December 31, 2019. The decrease was the net of increased accounts receivable of $39.2 million, increased cash, cash equivalents, and marketable securities of $27.7 million, offset by increases in current liabilities of $108.7 million during the six months ended June 30, 2020.

As of June 30, 2020 and December 31, 2019, the outstanding principal on our 0.625% Convertible Senior Notes Due 2023 (2023 Notes) was $402.5 million. No 2023 Notes have been converted as of June 30, 2020. Contemporaneous with the issuance of the 2023 Notes, the Company also entered into separate convertible note hedge transactions (collectively, the Convertible Note Hedge Transactions), issuing 402,500 convertible note hedge options. The Convertible Note Hedge Transactions are expected to reduce the potential dilution of the Company's common stock upon conversion of the 2023 Notes. Concurrently with entering into the Convertible Note Hedge Transactions, the Company also entered into separate warrant transactions, issuing a total of 6,783,939 warrants (the Warrant Transactions). See Part I, Item 1, Financial Statements, Note 6, *Convertible Senior Notes Due 2023*, in the Notes to the Condensed Consolidated Financial Statements, for further discussion of the 2023 Notes and our other indebtedness.

Stockholders' equity increased by $70.5 million during the six months ended June 30, 2020, the net effect of net earnings of $56.2 million, share-based compensation of $9.0 million and $3.9 million of unrealized gains on marketable securities, net of tax.

Summary of Cash Flows

The following table summarizes the major sources and uses of cash for the periods set forth below (dollars in thousands):

	Six Months ended June 30,		Change
	2020	2019	Amount
Net cash provided by (used in):			
Operating activities			
Operating earnings	$ 73,758	$ 69,335	$ 4,423
Working capital	27,109	(7,655)	34,764
Total operating activities	100,867	61,680	39,187
Investing activities	(72,742)	(169,007)	96,265
Financing activities	1,469	2,423	(954)
Net change in cash and cash equivalents	$ 29,594	$ (104,904)	$ 134,498

Operating Activities

Net cash provided by operating activities is comprised of two components: cash provided by operating earnings; and cash provided by (used in) changes in working capital. The net cash provided by operating activities, $100.9 million, was primarily driven by increased operating earnings and a decrease in net working capital.

Cash utilized in working capital primarily reflects the timing impacts of cash collections on receivables and settlement of payables, as described below.

The changes in certain operating assets and liabilities are as follows (dollars in thousands):

	Six Months ended June 30,		
	2020	2019	Explanation of Change
(Increase) Decrease in:			
Accounts receivable	$ (20,431)	$ 18,439	Receivables increase in 2020 was due to increased prescription volume and timing of receivable collections. Receivables decrease in 2019 was attributed to sequential decline in prescription volume, amplified by channel inventory reduction in first quarter 2019.
Inventories	1,689	(365)	Decreased inventory in 2020 and increase in 2019 were due to timing of inventory production.
Prepaid expenses, other current assets and other assets	(5,943)	(3,721)	The increase in 2020 was primarily due to a refund of PDUFA Fees. The increase in 2019 was due to timing differences related to deposits for equipment purchases and prepaid clinical costs.
Increase (Decrease) in:			
Accounts payable and accrued expenses and noncurrent liabilities	3,714	(421)	The change in both periods was due to timing of receipt of vendor invoices and vendor payments.
Accrued product returns and rebates	28,298	(11,129)	The increase in 2020 was due to: increased provision for rebates due to growth in prescription; growth in Medicaid and managed care rebates; higher expenditures for patient co-pay programs; and higher provision for returns. The decrease in 2019 was primarily due to impact of channel inventory reduction in first quarter of 2019 and timing of rebate payments.
Income taxes payable	22,513	(9,703)	The increase in 2020 was primarily due to higher income before taxes, higher effective rate and deferral of income tax payments to Q3 due to the COVID-19 pandemic. The decrease in 2019 is primarily due to higher income tax payments made.
Other	(2,731)	(755)	The decrease in both periods is due to decreased employee-related costs.
Total	$ 27,109	$ (7,655)	

Investing Activities

Net cash used in investing activities was $72.7 million for the six months ended June 30, 2020, as compared to $169.0 million for the same period in 2019. The change in 2020 reflects sale of marketable securities of $257.9 million in 2020, offset by outlays for the USWM Acquisition of $297.2 million and the investment in Navitor of $15.0 million. Purchases of marketable securities in 2019 are resultant from investment of excess cash in long term marketable securities.

Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2020 remained essentially unchanged as compared to the same period in 2019.

Contractual Obligations and Commitments

Refer to the “Contractual Obligations and Commitments” section in “Part II, Item 7 — Management’s Discussion and Analysis of Liquidity and Capital Resources” of our Annual Report on Form 10-K for the year ended December 31, 2019, for a discussion of our contractual obligations. Refer Note 19 in the Notes to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion of commitments assumed in connection with the USWM Acquisition.

Off-Balance Sheet Arrangements

Other than the unconsolidated variable interest entities discussed in Part I, Item 1 of this Quarterly Report on Form 10-Q, we do not currently have, nor have we ever had, any relationships with unconsolidated entities or financial partnerships, such entities often referred to as structured finance or special purpose entities. These would have been established for the purpose of facilitating off-balance sheet arrangements or for other contractually narrow or limited purposes.

In addition, we do not engage in trading activities involving non-exchange traded contracts.

Recently Issued Accounting Pronouncements

For a discussion of new accounting pronouncements, see Note 2 in the Notes to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to certain risks that may affect our results of operations, cash flows and fair value of assets and liabilities, including market risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. The primary objective of our investment activities is to preserve our capital so as to be able to fund operations and to facilitate business development activities. We also seek to maximize income from our investments, without assuming significant interest rate risk, liquidity risk or risk of default, by investing in investment grade securities with maturities of four years or less. We do not enter into financial instruments for trading or speculative purposes.

Our exposure to market risk is confined to investments in cash, cash equivalents, marketable securities and long term marketable securities. As of June 30, 2020 and December 31, 2019, we had unrestricted cash, cash equivalents, marketable securities and long term marketable securities of $733.5 million and $938.8 million, respectively. Our cash and cash equivalents consist primarily of cash held at banks, certificates of deposit and money market funds, all of which have short-term maturities. Our marketable securities consist of investments in commercial paper, investment grade corporate debt securities, investment in U.S. government agency and municipal debt securities, all of which are reported at fair value. The fair value of our marketable securities can be volatile as a result of potential changes in market interest rates and liquidity conditions in the financial markets, including volatility in trading prices resulting from the impact of the COVID-19 pandemic.

In addition, we generally hold our marketable securities to maturity in four years or less. Because of the relatively short period that we hold our investments, and because we generally hold these securities to maturity, we do not believe that an increase in interest rates would have a significant impact on the realizable value of our investments.

In connection with the 2023 Notes, we have separately entered into Convertible Note Hedge Transactions and Warrant Transactions to reduce the potential dilution of the Company’s common stock upon conversion of the 2023 Notes. Warrants were issued to mitigate the cost to purchase the Convertible Note Hedge Transactions.

We do not have any currency or other derivative financial instruments, other than the outstanding warrants to purchase common stock and the convertible note hedges.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, marketable securities and accounts receivable. The counterparties are various corporations, governmental institutions and financial institutions of high credit standing. Substantially all of the Company's cash, cash equivalents and marketable securities are maintained in U.S. government agency debt, and debt of investment grade corporations. Deposits held with banks may exceed the amount of governmental insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and, therefore, these bear minimal default risk.

Credit risk from our accounts receivable arises from our product sales. Three wholesale pharmaceutical distributors, AmerisourceBergen Drug Corporation, Cardinal Health, Inc. and McKesson Corporation, each individually accounted for more than 20% of our total gross product sales and accounts receivable, respectively for the six months ended June 30, 2020. They also collectively accounted for more than 90% of our total net product sales and accounts receivable.

We monitor the financial performance and creditworthiness of our customers so that we can properly assess and respond to changes in their credit profile. Weakness in economic conditions in the U.S., including the impact of the COVID-19 pandemic, can result in extended collection periods. We continue to monitor these conditions, including volatility of the financial markets, and continually assess their possible impact on our business. To date, we have not experienced any significant losses with respect to the collection of our accounts receivable.

We may contract with CROs and investigational sites globally. Currently, we have only one ongoing trial, for SPN-817, outside the U.S.

We do not hedge our foreign currency exchange rate risk. Transactions denominated in currencies other than the U.S. dollar are recorded based on exchange rates at the time such transactions arise. As of June 30, 2020 and December 31, 2019, substantially all of our liabilities were U.S. dollar denominated.

Inflation generally affects us by increasing our cost of labor and the cost of services provided by our vendors. We do not believe that inflation and changing prices over the six months ended June 30, 2020 and 2019 had a significant impact on our condensed consolidated results of operations.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures over financial reporting, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Exchange Act has been appropriately recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Moreover, such information is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure.

As discussed in Note 3 in the Notes to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q, the Company completed its acquisition of USWM Enterprises, LLC, a privately-held biopharmaceutical company (USWM Acquisition). Accordingly, pursuant to the Securities and Exchange Commission's general guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment in the year of acquisition, the scope of our assessment of the effectiveness of disclosure controls and procedures does not include internal control over financial reporting related to the recent acquisition. Since the date of acquisition, financial results of the acquired business have been included in the Company's condensed consolidated financial statements. The acquired business contributed 36.7% of the total assets as of June 30, 2020 and 4.8% and 3.1% of total revenues and net earnings, respectively, for the six months ended June 30, 2020.

We conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures over financial reporting as of June 30, 2020, the end of the period covered by this report. Based on that evaluation, under the supervision and with the participation of our management, including our CEO and CFO, we concluded that our disclosure controls and procedures were effective as of June 30, 2020.

Changes in Internal Control over Financial Reporting

Other than the implementation of controls related to the accounting of the USWM Acquisition, and the related financial statement reporting, there has been no change in our internal control over financial reporting during the most recent fiscal quarter that has materially affected, or that is reasonably likely to materially affect, our internal control over financial reporting. We are currently in the process of evaluating MDD US Enterprises, LLC’s (formerly USWM Enterprises, LLC) internal control over financial reporting as part of the ongoing integration of the acquired business. Any changes resulting from this evaluation and ongoing integration activities that materially affect or are reasonably likely to materially affect our internal control over financial reporting will be disclosed as required by applicable law.

As a result of the COVID-19 pandemic, certain employees of the Company began working remotely in March 2020. These changes to the working environment have not had a material impact on our internal controls over financial reporting. We are continually monitoring and assessing the COVID-19 situation for possible impact on our internal controls, in order to assess and to minimize the pandemic's impact on their design and operating effectiveness.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time and in the ordinary course of business, we may be subject to various claims, charges and litigation. We may be required to file infringement claims against third parties for the infringement of our patents.

The Company received a Paragraph IV Notice Letter from generic drug makers Apotex Inc. and Apotex Corp. (collectively "Apotex") dated May 13, 2020 directed to nine of its Oxtellar XR Orange Book patents. Supernus's U.S. Patent Nos. 7,722,898, 7,910,131, 8,617,600, 8,821,930, 9,119,791, 9,351,975, 9,370,525, 9,855,278, and 10,220,042 generally cover once-a-day oxcarbazepine formulation and methods of treating seizures using those formulations. The FDA Orange Book lists all nine of our Oxtellar XR patents as expiring on April 13, 2027.

On June 26, 2020, the Company filed a lawsuit against Apotex alleging infringement of the Company's nine patents. The Complaint—filed in the U.S. District Court for the District of New Jersey—alleges, inter alia, that Apotex infringed our Oxtellar XR patents by submitting to the FDA an Abbreviated New Drug Application (ANDA), seeking to market a generic version of Oxtellar XR prior to the expiration of its patents. Filing its June 26, 2020 Complaint within 45 days of receiving Apotex's Paragraph IV certification notice entitles Supernus to an automatic stay, preventing the FDA from approving Apotex's ANDA for 30 months from the date of the Company's receipt of the Paragraph IV Notice Letter. Apotex has not responded to Supernus's Complaint as of the date of this filing.

Item 1A. Risk Factors

Any investment in our business involves a high degree of risk. Before making an investment decision, you should carefully consider the information we include in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and related notes; the additional information in the other reports we file with the Securities and Exchange Commission; and the risks described in our Annual Report on Form 10-K for the year ended December 31, 2019. These risks may result in material harm to our business and our financial condition and results of operations. If a material, adverse event were to occur, the market price of our common stock may decline and you could lose part or all of your investment.

The risks described below reflect substantive changes from, or additions to, the risks described in our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

If other products including generics containing apomorphine hydrochloride for the treatment of Parkinson's Disease are approved and are successfully commercialized, our business could be materially harmed.

Third parties have and in the future may receive approval to manufacture and market their own products, including generics, containing apomorphine hydrochloride or for the treatment of Parkinson's Disease in the U.S. For example, Acorda Therapeutics, Inc. launched Inbrija, an inhalable form of levodopa in 2019. Additionally, the FDA approved Sunovion/Sumitomo Daniappon Pharma's Kynmobi, a sublingual film formulation of apomorphine, in May 2020. The success of these products and entry of new products could adversely impact the sales of prescriptions for APOKYN.

We are subject to uncertainty relating to payment or managed care reimbursement policies which, if not favorable for our products or product candidates, could hinder or prevent our commercial success.

Our business is operating in an ever more challenging environment, with significant economic pressures exerted by federal and state governments, insurers and private payors on the pricing of our products, affecting our ability to obtain and/or maintain satisfactory rates of reimbursement for our products. The U.S. federal and state governments and private payors are under intense pressure to control healthcare spending even more tightly than in the past. These pressures are further compounded by consolidation among distributors, retailers, private insurers, managed care organizations and other private payors, resulting in an increase in their negotiating power, particularly with respect to our products. In addition, these pressures are intensified by intense, negative publicity about pricing for pharmaceuticals. These prices are sometimes characterized as excessive, leading to government investigations and legal proceedings regarding pharmaceutical pricing practices.

Our ability, or our collaborators' ability, to successfully commercialize our product and our product candidates, including SPN-812, will depend in part on the coverage and reimbursement levels set by governmental authorities, private health insurers, managed care organizations and other third-party payors.

As a threshold for coverage and reimbursement, third-party payors require that drug products be approved for marketing by the FDA. Third-party payors are increasingly challenging the effectiveness of and prices charged for medical products and services. Government authorities and third-party payors have attempted to control costs, in some instances, by limiting coverage, by limiting the amount of reimbursement for particular medications, or by encouraging the use of lower-cost generic products.

We cannot be sure that reimbursement will be available for any of the products that we develop and, if reimbursement is available, the level of reimbursement. Moreover, that level of reimbursement may change over time, as a result of requests from payors for higher levels of fees. Reduced or partial payment, or reduced reimbursement coverage, could make our products or product candidates, including Oxtellar XR, Trokendi XR and APOKYN, less attractive to patients and prescribing physicians. We also may be required to sell our products or product candidates at a significant discount, which would adversely affect our ability to realize an appropriate return on our investment in our products or product candidates or to maintain profitability.

We expect that private insurers and managed care organizations will consider the efficacy, cost effectiveness and safety of our products or product candidates, including Oxtellar XR, Trokendi XR and APOKYN, in determining whether to approve reimbursement for such products or product candidates, and to what extent they will provide reimbursement. Moreover, they will consider the efficacy and cost effectiveness of comparable or competitive products, including generic products, in making reimbursement decisions for our products. Because each third-party payor individually approves payment or reimbursement, obtaining these approvals can be a time consuming and expensive process, requiring us to provide scientific or clinical support for the use of each of our products or product candidates separately to each third-party payor. In some cases, it could take months or years before a particular private insurer or managed care organization reviews a particular product. Prior to that time, reimbursement may be negligible. We may ultimately be unsuccessful in obtaining coverage. In addition, our competitors may have more extensive existing business relationships with third-party payors that could adversely impact the coverage for our products.

Our business would be materially and adversely affected if we do not receive reimbursement for our products or product candidates from private insurers in a timely fashion or on a satisfactory basis. Our products and product candidates may not be considered cost-effective, and coverage and reimbursement may not be available or economically sufficient to allow us to sell our products or product candidates on a profitable basis.

Our business would also be adversely affected if private insurers, managed care organizations, the Medicare program, or other reimbursing bodies or payors limit the indications for which our products or product candidates will be reimbursed.

Moreover, increasing efforts by governmental and third-party payors in the U.S. to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products. As a result, they may not cover or provide adequate reimbursement for our products or product candidates.

There has been increasing legislative and enforcement interest in the U.S. with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislative initiatives designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under the Medicare program, to review the relationship between pricing and manufacturer patient programs, and to reform government reimbursement methodologies for drugs. We expect to experience pricing pressures in connection with the sale of any of our products and product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, additional cost containment initiatives and additional legislative changes.

In some foreign jurisdictions, particularly Canada and Europe, the pricing of prescription pharmaceuticals is subject to strict governmental control. In these countries, pricing negotiations with governmental authorities can take 6 to 12 months, or longer, after the receipt of regulatory approval and product launch. To obtain favorable reimbursement for the indications sought, or to obtain pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our products or product candidates, if approved, to other available therapies. If reimbursement for our products or product candidates is unavailable in any country in which reimbursement is sought, or is limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed, and could be unprofitable.

In addition, many managed care organizations negotiate the reimbursement price of products through the use of formularies, which establish reimbursement levels. Exclusion of a product from a formulary can lead to sharply reduced usage in the managed care organization's patient population, because reimbursement is limited, and/or negligible. If our products or product candidates are not included within an adequate number of managed care formularies, or reimbursed at adequate levels, or

if those policies increasingly favor generic products, our market share and gross margins could be negatively affected. This would have a material adverse effect on our overall business and financial condition.

We expect these challenges to continue and to potentially intensify in 2020 and following years, as political pressures mount, and healthcare payors, including government-controlled health authorities, insurance companies and managed care organizations, step up initiatives to reduce the overall cost of healthcare, restrict access to higher-priced new medicines, increase the use of generic products and impose overall price cuts. Such pressures could have a material adverse impact on our business, financial condition, and results of operations, as well as on our reputation.

We depend on wholesalers, distributors and specialty pharmacies for retail distribution of our products. If we lose any of our significant wholesalers, distributors or specialty pharmacies, our business could be harmed.

The majority of the sales of Oxtellar XR, Trokendi XR and XADAGO are made to wholesalers and distributors who, in turn, sell our products to pharmacies, hospitals and other customers. For the year ended December 31, 2019, three wholesale pharmaceutical distributors, AmerisourceBergen Drug Corporation, Cardinal Health, Inc. and McKesson Corporation, each individually accounted for more than 30% of our total revenue from sales of Oxtellar XR and Trokendi XR in 2019, and collectively accounted for more than 90% of our total revenue from sales of these products in 2019.

The majority of the sales of APOKYN and MYOBLOC are made to distributors, including McKesson Corporation and Cardinal Health, Inc., and to specialty pharmacies. The loss of any of these wholesale pharmaceutical distributors or wholesale and specialty pharmacy accounts, or a material reduction in their purchases, could have a material adverse effect on our business, results of operations, financial condition, and prospects. In addition, these wholesale customers comprise a significant part of the distribution network for pharmaceutical products in the U.S.. This distribution network has undergone, and may continue to undergo, significant consolidation marked by mergers and acquisitions. As a result, a small number of large wholesale distributors control a significant share of the market.

Consolidation of drug wholesalers has increased. This may result in increased competitive and pricing pressures on pharmaceutical products. We cannot assure you that we can manage these pricing pressures, or that wholesaler purchases will not fluctuate unexpectedly from period to period.

Sales of our products can be greatly affected by the inventory levels that our respective wholesalers and distributors carry. We monitor wholesaler and distributor inventory of our products, using a combination of methods. Pursuant to distribution service agreements with our three largest wholesale customers, we receive product inventory reports. For other wholesalers where we do not receive inventory reports, our estimates of wholesaler inventories may differ significantly from actual inventory levels. Significant differences between actual and estimated inventory levels may result in excessive stocking, resulting in our holding substantial quantities of unsold inventory, or, alternatively, inadequate supplies of product in the distribution channels. This could result in our inability to support sales at the retail level. These changes may cause our revenues to fluctuate significantly from quarter to quarter, and, in some cases, may cause our operating results for a particular quarter to be below our expectations, the expectations of securities analysts, and/or the expectations of investors.

At times, wholesalers and distributors may increase inventory levels in response to anticipated price increases, resulting in both greater wholesaler purchases prior to the anticipated price increase and in reduced wholesaler purchases in later quarters. Accordingly, this may cause substantial fluctuations in our results of operations from period to period. If our financial results are below expectations for a particular period, the market price of our common stock may drop significantly.

We may not be able to effectively market and sell our product candidates, if approved, in the U.S.

We plan on building or expanding our sales and marketing capabilities in the U.S. to commercialize our product candidates, if approved. This will require investing significant amounts of financial and management resources. If we are unable to establish and maintain adequate sales and marketing capabilities for our product candidates, or do so in a timely manner, we may not be able to generate sufficient product revenues from our product candidates to be profitable. The cost of establishing and maintaining such marketing and sales capabilities may not be economically justifiable, in light of the revenues generated by any of our product candidates.

In addition, we intend to complete the development of an infusion-pump delivery system containing apomorphine and to submit the NDA to the FDA. We are investing significant amounts of resources into the development of the infusion-pump delivery system. If we are unable to gain FDA approval for the infusion-pump delivery system, or are unable to successfully commercialize the infusion-pump delivery system, we may not be able to generate revenue from the infusion-pump delivery

system to justify the cost of invested company resources. In addition, as discussed further below, failure to gain FDA approval could have an adverse effect on the infusion-pump product's commercial potential, or could require additional costly studies.

Final marketing approval of any of our product candidates, or approval of additional indications for existing products by the FDA or by other regulatory authorities may be delayed, limited, or denied, any of which would adversely affect our ability to generate operating revenues.

We are dependent on obtaining regulatory approval of our product candidates and approval for additional indications for existing products. Our business depends on the successful clinical development; i.e., successful completion of clinical trials and completion of requisite manufacturing information. We are not permitted to market any of our product candidates in the U.S. until we receive approval of an NDA from the FDA, or to market in any foreign jurisdiction, until we receive approval from the requisite authority. Satisfaction of regulatory requirements typically takes many years, is dependent upon the type, complexity and novelty of the product, and requires the expenditure of substantial resources. We cannot predict whether or when we will obtain regulatory approval to commercialize our product candidates. We cannot, therefore, predict the timing of any future revenues from these product candidates.

The FDA has substantial discretion in the drug approval process, including the ability to delay, limit or deny approval of a product candidate or deny a prior approval supplement[(1)] for many reasons. For example, the FDA:

- Could reject or delay the marketing application for an NCE;
- Could determine that we cannot rely on Section 505(b)(2) for any approval of our product candidates;
- Could determine that the information provided by us was inadequate, contained clinical deficiencies, or otherwise failed to demonstrate the safety and effectiveness of any of our product candidates for a specific indication;
- May not find the data from bioequivalence studies and/or clinical trials sufficient to support the submission of an NDA, or to obtain marketing approval in the U.S.. They may find the clinical and other benefits of our product candidates do not outweigh their safety risks;
- May disagree with our trial design or our interpretation of data from preclinical studies, bioequivalence studies and/or clinical trials, or may change the requirements for approval even after they have reviewed and commented on the design for our trials; the outcome and measurement scale used in the trials; or the clinical protocols whether with or without a special protocol assessment process;
- May determine that we have identified the wrong reference listed drug or drugs, or that approval of our Section 505(b)(2) application of our product candidate is blocked by patent or non-patent exclusivity of the reference listed drug or drugs;
- May identify deficiencies in the manufacturing processes or facilities of third-party manufacturers with which we enter into agreements for the supply of raw materials, including the active pharmaceutical ingredient (API) or formulated product used in our product candidates, wherein those deficiencies may result in interruption in the ability to supply product;
- May approve our product candidates for fewer or more limited indications than we request, or may grant approval contingent on the performance of costly post-approval clinical trials;
- May change their approval policies or adopt new regulations;
- May not approve the labeling claims that we believe are necessary or desirable for the successful commercialization of our product candidates, or may approve them with warnings and precautions that could limit the acceptance of our product candidates and their commercial success; or
- May not approve the addition of new indications to the label of our existing products.

[(1)] Changes that have a substantial potential to have an adverse effect on product quality, identity strength, purity or potency (i.e., major changes) require submission of a "prior approval supplement" and approval by the FDA prior to distribution of the drug product made using the change.

Notwithstanding the approval of many products by the FDA pursuant to Sections 505(b)(1) and 505(b)(2), over the last few years, some pharmaceutical companies and others have objected to the FDA's interpretation of Section 505(b)(2). If the FDA changes its interpretation of Section 505(b)(2), or if the FDA's interpretation is successfully challenged in court, this could delay or even prevent the FDA from approving any Section 505(b)(2) application that we submit. Any failure to obtain regulatory approval of our product candidates would eliminate our ability to generate revenues for that candidate. Any failure to obtain such approval for all of the indications and labeling claims we deem desirable could reduce our potential revenues.

The process of obtaining regulatory clearances or approvals to market a medical device can be costly and time consuming. We may not be able to obtain these clearances or approvals on a timely basis, if at all. The FDA exercises significant discretion over the regulation of combination products, including drug and device components in a combination product.

The FDA could in the future require additional regulation under the medical device provisions of the Federal Food, Drug and Cosmetic Act, or FDCA. We must comply with the Quality Systems Regulation, or QSR, which sets forth the FDA's current good manufacturing practice, (cGMP), requirements for medical devices, and other applicable government regulations and corresponding foreign standards for drug cGMPs. If we fail to comply with these regulations, it could have a material adverse effect on our business and financial condition.

We depend on collaborators to work with us to develop, manufacture and commercialize their and our products and product candidates.

We have a license agreement with United Therapeutics Corporation to use one of our proprietary technologies in an oral formulation of treprostinil diethanolamine, or treprostinil, for the treatment of pulmonary arterial hypertension, and for other indications. United Therapeutics Corporation launched Orenitram (treprostinil) in 2014, which triggered payment of a milestone payment to us of $2.0 million. In the third quarter of 2014, we received a cash payment of $30.0 million from HealthCare Royalty Partners III, L.P.'s (HC Royalty), for the purchase of certain of our rights under our license agreement with United Therapeutics Corporation related to the commercialization of Orenitram. Ownership of the royalty rights will return to us if/when a certain cumulative threshold payment to HC Royalty is reached.

We are entitled to receive milestones and royalties for use of this formulation in indications other than arterial hypertension. If we materially breach any of our obligations under the license agreement, we could lose the right to receive any future royalty payments thereunder, which could be financially significant to us.

We have a Distribution, Development, Commercialization and Supply Agreement (Supply Agreement) with Britannia Pharmaceuticals Limited (Britannia) that grants us certain intellectual property and product rights in relation to APOKYN, including the right to use and market APOKYN in the United States. Additionally, the Supply Agreement grants Britannia certain intellectual property and product rights in relation to the APOKYN, including the right to use and market APOKYN in the rest of the world, excluding the United States. Per the Agreement, Britannia has an obligation to supply us with the APOKYN for our marketing and sale.

Britannia may terminate its obligation to supply APOKYN for cause, or at any time, by giving at least twenty-four (24) months' written notice. The Supply Agreement does not provide for technology transfer assistance from Britannia to any new suppliers we might engage following termination. In addition, the Supply Agreement is silent in providing us with an explicit license grant to any intellectual property, or to access know-how necessary or useful for manufacturing APOKYN. If we materially breach the Supply Agreement, or Britannia chooses to terminate the Supply Agreement for convenience, we could lose the right and resources necessary for the manufacture of APOKYN, or could incur significant costs implementing technology transfer assistance.

We intend to rely on third-party collaborators to market and commercialize our products and product candidates outside the U.S.. We utilize strategic partners outside the U.S., where appropriate, to assist in the commercialization of our products and product candidates. We currently possess limited resources, and may not be successful in establishing collaborations or licensing arrangements on acceptable terms, if at all. We also face competition in our search for collaborators and licensing partners. By entering into strategic collaborations or similar arrangements, we rely on third parties to financially support their local operations, including support required for development, commercialization, sales, marketing and regulatory activities, as well as expertise in each of those subject areas.

Our future collaboration agreements may limit the areas of research and development that we may pursue, either alone or in collaboration with third parties. Much of the potential revenues from these future collaborations may consist of contingent payments, such as payments for achieving certain development milestones, and royalties payable on product sales. The milestones and royalty revenues that we may receive under these collaborations will depend upon our collaborators' ability to successfully develop, introduce, market and sell new products. Future collaboration partners may fail to develop or effectively commercialize products, product candidates or technologies because they, among other things, may:

- Change the focus of their development and commercialization efforts, or may have insufficient resources to effectively develop our product candidates;
- Pharmaceutical and biotechnology companies historically have re-evaluated their development and commercialization priorities following mergers and consolidations, which have been common in recent years. The ability of some of our product candidates to reach their potential could be limited if our future collaborators fail to apply sufficient development or commercialization efforts related to those product candidates;

- Decide not to devote the necessary resources due to internal constraints, such as limited personnel with the requisite scientific expertise, limited cash resources, or in the belief that other internal drug development programs may have a higher likelihood of obtaining marketing approval, or may potentially generate a greater return on investment;
- Develop and commercialize, either alone or with others, drugs that are similar to or competitive with the product candidates that are the subject of their collaboration with us;
- Not have necessary and sufficient resources to develop the product candidate through clinical development, marketing approval and commercialization;
- Fail to comply with applicable regulatory requirements;
- Are unable to obtain the necessary marketing approvals; or
- Breach or terminate their arrangement with us.

If collaboration partners fail to develop or fail to effectively commercialize our products for any of these reasons, we may not be able to replace the collaboration partner with another partner to develop and commercialize the product under the terms of the collaboration, if at all. Further, even if we are able to replace the collaboration partner, we may not be able to do so on commercially favorable terms. As a result, the development and commercialization of the affected product or product candidate could be delayed, impaired, or terminated because we may not have sufficient financial resources or capabilities to continue development and commercialization of the product candidate on our own. Failure of our third-party collaborators to successfully market and commercialize our products or product candidates within and outside the U.S. could materially diminish our revenues and harm our results of operations.

Our products and product candidates may cause undesirable side effects or have other characteristics that limit their commercial potential, delay, or prevent their regulatory approval.

Undesirable side effects caused by any of our product candidates could cause us or regulatory authorities to interrupt, delay or halt development. This could result in the denial of regulatory approval by the FDA or other regulatory authorities, and result in potential product liability claims. Undesirable side effects caused by any of our products could cause regulatory authorities to temporarily or permanently halt product sales, which could have a material adverse effect on our business.

Immediate release oxcarbazepine and topiramate products, which use the same APIs as Oxtellar XR and Trokendi XR, are known to cause various side effects, including but not limited to: dizziness; paresthesia; headaches and cognitive deficiencies such as memory loss and speech impediment; digestive problems; somnolence; double vision; gingival enlargement; nausea; weight gain; oral malformation birth defects; visual field defects; infants small for gestational age; and fatigue. The use of Oxtellar XR and Trokendi XR may cause similar side effects as compared to their reference products, or may cause additional or different side effects.

Products that were or are currently on the market and use the same API as our product candidates, including SPN-812, and SPN-817 (dietary supplements) were known to cause various side effects, including but not limited to: drowsiness; depression; hyperactivity; euphoria; extrapyramidal reactions; nausea; headache; diarrhea; vomiting; sleep difficulties; agitation; exacerbation of anxiety; sleepiness; mouth dryness; tachycardia; constipation and urinary difficulties. The labels for those products also included precautions and warnings about, among other things: tardive dyskinesia; neuroleptic malignant syndrome; elevation of prolactin levels; convulsive events in patients that are treated for or have a prior history of epilepsy; inhibition of hepatic metabolism of certain drugs; risk of suicide before antidepressant clinical improvement; need for monitoring patients with cardiac, hepatic or renal insufficiency; or patients at risk for angle-closure glaucoma. The use of SPN-812, and SPN-817 may cause similar side effects as compared to these reference products, or may cause additional or different side effects.

Botulinum toxin products, which use the same API as MYOBLOC, are known to cause various side effects due to spread of botulinum toxins from the area of injections. These may include: asthenia; generalized muscle weakness; diplopia; blurred vision; ptosis; dysphagia; dysphonia; dysarthria; urinary incontinence; and breathing difficulties. These symptoms have been reported hours to weeks after injection. Swallowing and breathing difficulties can be life threatening. There have been reports of death. The use of MYOBLOC may cause similar side effects as compared to its reference products, or may cause additional or different side effects.

If our products cause side effects, or if any of our product candidates receive marketing approval, and we or others later identify undesirable side effects caused by our products or product candidates, a number of potentially significant negative consequences could result, including:

- Regulatory authorities may withdraw approval of the product candidate or otherwise require us to take the approved product off the market;

- Regulatory authorities may require additional warnings, or a narrowing of the indication on the product label;
- We may be required to create a medication guide outlining the proper use of the medication and the risks of side effects, for distribution to patients;
- We may be required to modify the product in some way;
- Regulatory authorities may require us to conduct additional clinical trials, or costly post-marketing testing and surveillance, to monitor the safety or efficacy of the product;
- Sales of approved products may decrease significantly;
- We could be sued and be held liable for harm caused to patients; or
- Our reputation may suffer.

Any of these events could prevent us from achieving or maintaining the commercial success of our products and product candidates, and could substantially increase commercialization costs.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Sales of Unregistered Securities.

During the three months ended June 30, 2020, the Company granted options to employees to purchase an aggregate of 20,600 shares of common stock at a weighted-average exercise price of $23.22 per share. Once vested, the options are exercisable for a period of ten years from the grant date. In addition, the Company granted performance stock units of 15,625 shares at a weighted-average fair value grant date of $18.70 per share. These issuances are exempt from registration in reliance on Section 4(a)(2) of the Securities Act as transactions not involving a public offering.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

None

Item 6. Exhibits

The following exhibits are filed or furnished as part of this Quarterly Report on Form 10-Q:

2.1†*	Sale and Purchase Agreement Relating to USWM Enterprises, LLC, dated April 28, 2020, by and between US WorldMeds Partners, LLC and Supernus Pharmaceuticals, Inc.
10.1†*	Development and Option Agreement, dated April 21, 2020, by and between Navitor Pharmaceuticals, Inc. and Supernus Pharmaceuticals, Inc.
10.2†*	Amended and Restated Distribution, Development, Commercialization and Supply Agreement, dated January 15, 2016, by and between Britannia Pharmaceuticals Limited and US WorldMeds, LLC.
10.3†	First Amendment to Amended and Restated Distribution, Development, Commercialization and Supply Agreement, dated February 19, 2020, by and between Britannia Pharmaceuticals Limited and US WorldMeds, LLC.
10.4†*	Letter Agreement Re: Memorandum of Understanding for the Supply of Pens, effective February 25, 2019.
10.5†	Letter Agreement Re: Exclusive Supply of Pens, effective September 23, 2019.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a).
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a).
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, formatted in Inline XBRL: (i) Cover Page, (ii) Consolidated Condensed Statements of Income, (iii) Consolidated Condensed Statements of Comprehensive Income, (iv) Consolidated Condensed Balance Sheets, (v) Consolidated Condensed Statements of Shareholders' Equity, (vi) Consolidated Condensed Statements of Cash Flows, and (vii) the Notes to Consolidated Condensed Financial Statements, tagged in summary and detail.
104	The cover page of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, formatted in Inline XBRL (included with the Exhibit 101 attachments).

† Certain portions of this exhibit that constitute confidential information have been omitted in accordance with Regulation S-K, Item 601(b)(10)(iv) because it (i) is not material and (ii) would be competitively harmful if publicly disclosed.

* Exhibits and schedules have been omitted pursuant to Regulation S-K Item 601(a)(5) and will be furnished on a supplemental basis to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUPERNUS PHARMACEUTICALS, INC.

DATED: August 17, 2020

By: /s/ Jack A. Khattar
Jack A. Khattar
President, Secretary and Chief Executive Officer

DATED: August 17, 2020

By: /s/ Gregory S. Patrick
Gregory S. Patrick
Senior Vice President and Chief Financial Officer

Exhibit 2.1

CERTAIN CONFIDENTIAL INFORMATION IDENTIFIED IN THIS DOCUMENT, MARKED BY [**], HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

Execution Version

CONFIDENTIAL

DATED April 28, 2020

US WORLDMEDS PARTNERS, LLC

(on behalf of the Company Group)

and

SUPERNUS PHARMACEUTICALS, INC.

SALE AND PURCHASE AGREEMENT

RELATING TO

USWM ENTERPRISES, LLC

TABLE OF CONTENTS

FORM OF PRESS RELEASE 1

Agreed Form Documents

- Disclosure Letter
- Form of Transitional Services Agreement
- Form of Press Release

This Sale and Purchase Agreement, together with all exhibits, attachments and schedules hereto (this "**Agreement**"), dated as of April 28, 2020, is entered into by and between US WorldMeds Partners, LLC, a Delaware limited liability company ("**Seller**") (on behalf of the Company Group) and Supernus Pharmaceuticals, Inc., a Delaware corporation ("**Purchaser**").

Background

(A) The Company is a limited liability company organized under the laws of the State of Delaware.

(B) The Company has 9,040,733 Class A Shares, 25 Class B Shares, 537,000 Class C Shares and 364,300 Series D Convertible Preferred Shares, comprising the entire issued share capital of the Company.

(C) Further particulars of the Company at the date of this Agreement are Disclosed in Schedule 1.

The Seller has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares on and subject to the terms and conditions of this Agreement.

Agreed terms

1. Interpretation

a. The definitions and rules of interpretation in this clause apply in this Agreement.

"Accounts": means the audited consolidated balance sheet of the Company and Subsidiaries and the related consolidated statements of operations, member's equity and cash flows as of and for the accounting periods ending on December 31, 2017, December 31, 2018 and December 31, 2019.

"Acquired Employee": has the meaning given in paragraph 4.2 of Schedule 5, Part 1.

"Acquired Group": means the Company and those Subsidiaries of the Company that are identified as members of the Acquired Group in Schedule 1.

"Acquired Group Member": means each of the Company and those Subsidiaries of the Company that are identified as members of the Acquired Group in Schedule 1.

"[**]": has the meaning given in clause [**].

"Acquisition Proposal": has the meaning given in paragraph 3.1 of Schedule 5.

"Adjusted Completion Payment": has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

“Adjusted Completion Payment Statement”: has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

“Adjustment Date”: means the [**] Business Day following the date on which the [**] and the [**] are agreed or determined in accordance with [**].

“Affiliate”: means, in relation to any party to this Agreement: any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person, in each case from time to time. For avoidance of doubt, (i) prior to the Completion all Company Group Members are Affiliates of the Seller and (ii) with effect from the Completion, each Acquired Group Member shall be an Affiliate of the Purchaser, and each Retained Group Member shall be an Affiliate of the Seller.

“Agreement”: has the meaning given in the preamble.

“APOKYN Trade Mark”: means the trade mark “APOKYN” registered with the United States Patent and Trademark Office with Registration No. 2,973,482.

“Associated Person”: has the meaning given in paragraph 16.13 of Schedule 4.

“Authority”: means any competent governmental, administrative, supervisory, regulatory, judicial, determinative, disciplinary, enforcement or tax raising body, authority, agency, board, department, court or tribunal of any applicable jurisdiction and whether national, regional or local.

“Benefit Plan”: has the meaning given in paragraph 23.1 of Schedule 4.

“Branded Prescription Drug Fee”: has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

“**BRITUSWIP**”: means BRITUSWIP Limited, a company organized and registered in England and Wales with company number 09407811, whose registered office is at 200 Longwater Avenue, Green Park, Reading, RG2 6GP.

“BRITUSWIP Shares”: means the 70,000 B Ordinary Shares of £1.00 each in the share capital of BRITUSWIP, registered in the name of the US WorldMeds, LLC, an indirect wholly owned Subsidiary of the Seller.

“Business”: means the business carried on by the Company and its Affiliates as at the date of this Agreement, to the extent relating to the development and commercialization of the Products, or any part of such Products.

“Business Day”: means a day other than a Saturday, Sunday or public holiday, when banks in the State of New York are open for business.

“Business Warranties”: means the Warranties other than the Fundamental Warranties and the warranties in paragraph 27 of Schedule 4.

“CARES”: means the Coronavirus Aid, Relief and Economic Security Act, Pub. L. 116‑136 (2020).

“**Cash**”: has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

“CD”: has the meaning given in paragraph 1.1 of Schedule 5, Part 2.

“COBRA”: has the meaning given in paragraph 23.8 of Schedule 4.

“Code”: means the United States Internal Revenue Code of 1986, as amended.

“Company” or “Enterprises”: means USWM Enterprises, LLC, a Delaware limited liability company, further details of which are Disclosed in Schedule 1.

“Company Confidential Information”: has the meaning given in clause 13.2.1.

“Company Group”: means the Company, USWorldMeds Holdings, LLC, US WorldMeds Ventures, LLC, HEMA Biologies, LLC, USWM HQ, LLC, USWorldMeds, LLC, USWM License Company, LLC, VTA Labs, LLC, Sloan Pharma SARL (Lux), Sloan Holdings CV, Sloan Pharma SARL (CH), USWM SPE, LLC, Solstice Neurosciences, LLC, BRITUSWIP, WJ Air, LLC, and each other Person that is a Subsidiary of the Company as of a given date.

“Company Group Member”: means any Person included in the Company Group at any time.

“Company Intellectual Property”: means Intellectual Property Rights owned or Controlled by any Company Group Member, including without limitation the Company Registered IPR.

“**Company Registered IPR**”: has the meaning given in paragraph 17.1 of Schedule 4.

“Competing Products”: has the meaning given in paragraph 2.1 of Part 2 of Schedule 5.

“Competition Authority”: means any Authority that enforces Competition Laws.

“Competition Conditions”: means any of the Conditions set out in paragraph 3 of Schedule 2.

“**Competition Laws**”: means the national and directly effective legislation of any jurisdiction which from time to time governs the conduct of companies or individuals in relation to restrictive or other anti‑competitive agreements or practices (including cartels, pricing, resale pricing, market sharing, bid rigging, terms of trading, purchase or supply and joint ventures), dominant or monopoly market positions (whether held individually or collectively) and the control of acquisitions or mergers.

“Completion Accounts”: has the meaning given in paragraph 1.1 of Schedule 7, Part 1. “Completion”: means the completion of the sale and purchase of the Sale Shares and the redemption of the Series D Shares, each in accordance with this Agreement.

“Completion Date”: has the meaning given in clause 8.2.

“Completion Indebtedness Certificate”: means a certificate executed by the Vice President (Finance) of the Seller certifying on behalf of the Seller an itemized list of (i) all outstanding Indebtedness as of the Completion Date and the Third Party to whom such outstanding Indebtedness is owed and an aggregate total of such outstanding Indebtedness, and (ii) the [**] and the Persons to whom such amount is owed.

“Completion Transaction Expenses Certificate”: means a certificate executed by the Vice President (Finance) of the Seller, certifying the amount of Transaction Expenses remaining unpaid as of the Completion Date (including an itemized list of each such unpaid Transaction Expense with a description of the nature of such expense and the Third Party to whom such expense is owed).

“Completion Payment”: means the sum of $300 million:

a. [**] an amount equal to the [**]; and

b. [**] an amount equal to the [**] and the [**] in the amounts specified on the Completion Indebtedness Certificate; and

c. [**] the [**] in the amounts specified on the Completion Transaction Expenses Certificate; and

d. [**] the amount by which the [**] the [**] or [**] the amount by which the [**] is [**] the [**].

“Conditions”: means the conditions to Completion, being the matters set out in Schedule 2, each a Condition.

“Control”: shall mean, with respect to any Intellectual Property Right, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to assign, or grant a license, sublicense or other right to or under, such Intellectual Property Right without violating the terms of any written agreement with any Third Party.

“Controlled Group”: has the meaning given in paragraph 23.6 of Schedule 4.

“Core Covenant Claims”: has the meaning given in clause 10.1.7.

“Covenant Claims”: has the meaning given in clause 10.1.8.

“Cover”: means, with respect to the applicable subject matter (the applicable composition of matter, compound, product, material, method or other item) and a Patent, that the making, using, selling, offering for sale and/or importing of such subject matter (including the use of a method of manufacture) would infringe a Valid Claim of such Patent (as issued or in the case of a patent application, evaluating the Valid Claims thereof for infringement as though they were issued as of the date of such evaluation) in the applicable country.

“Data Protection Laws”: has the meaning given in paragraph 20.1 of Schedule 4.

“Data Room”: means the [**] □ USWM hosted by [**] as of the date falling one Business Day prior to the date of this Agreement, the contents of which are contained on the USB delivered at signing, and as updated as of the date falling two Business Days prior to the Completion Date, the contents of which are contained on the updated USB delivered at Completion.

“Diligent Efforts”: means with respect to the relevant party, efforts that are consistent with the customary practices of companies of comparable size and resources to such party (including the historical practices of such party with respect to its development and commercialization of other pharmaceutical products) in pursuing the development and commercialization of other pharmaceutical products that are at a similar stage of product life as the applicable Product as would ordinarily be expended by a pharmaceutical company with a similar product portfolio as such party, with similar safety, tolerability and efficacy profiles, taking into account, among other considerations: (A) the likelihood and difficulty of obtaining any applicable regulatory approval (if such approval has not already been obtained), (B) the regulatory status of the applicable Product, (C) product labeling or anticipated labeling, (D) the expected and actual competitiveness (including, without limitation, safety and efficacy and actual or anticipated cost) of alternative products sold by third parties, (E) legal proceedings with respect to the applicable Product, (F) whether the applicable Product is subject to clinical hold, recall or market withdrawal, and (G) the expected and actual profitability and commercial potential of the applicable Product, all as measured by the facts and circumstances at the time such efforts are due.

“Director”: means each person who is a director of each member of the Acquired Group, as Disclosed in Schedule 1.

“Director and Officer Indebtedness”: has the meaning given in clause 10.10.2 of Schedule 4.

“**Disclosed**”: means fairly disclosed in sufficient detail as to enable a reasonable purchaser to identify and make a reasonably informed assessment of the nature and scope of the matter disclosed.

“Disclosure Letter”: means the letter, in agreed form, from the Seller to the Purchaser with the same date as this Agreement and described a s the Disclosure Letter, and including the sides to that letter, which shall set out with specificity the items to be listed and exceptions to Warranties to be taken.

“Dispute”: has the meaning given in paragraph 1.1 of the Tax Covenant.

“Dispute Notice”: has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

“Draft Documents”: has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

“Effective Time”: has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

“Employee”: has the meaning given in paragraph 22.1 of Schedule 4.

“Employment Laws”: has the meaning given in paragraph 22.1 of Schedule 4.

“Encumbrance”: means any interest or equity of any person (including any right to acquire, option or right of pre‐emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, restriction, easement, covenant, security interest, title retention or any other security agreement or other encumbrance of any kind or nature whatsoever.

“Enterprises” or **“Company”:** means USWM Enterprises, LLC, a Delaware limited liability company, further details of which are Disclosed in Schedule 1.

“Entitled Claimant”: has the meaning given in paragraph 5.1 of Schedule 6.

“Environment”: has the meaning given in paragraph 25 of Schedule 4.

“Environmental Laws”: has the meaning given in paragraph 25 of Schedule 4.

“Environmental Matters”: has the meaning given in paragraph 25 of Schedule 4.

“Environmental Permits”: has the meaning given in paragraph 25.1 of Schedule 4.

“ERISA Affiliate”: means, with respect to any entity, trade or business, any other entity, trade or business that is, or was at the relevant time, a member of a group described in Code Section 414(b), (c), (m) or (o) or ERISA Section 4001(b)(1) that includes or included the first entity, trade or business, or that is, or was at the relevant time, a member of the same “controlled group” as the first entity, trade or business pursuant to ERISA Section 4001(a)(14).

“Estimated Cash”: means the Seller’s good faith estimate of the Cash, as set out in the [**].

"Estimated Working Capital": means the Seller's good faith estimate of the amount of the Working Capital as set out in the [**], which, for the avoidance of doubt, shall [**], to the extent that they are included in [**] of the definition of [**].

"Estimates Statement": has the meaning given in clause 5.

"Existing D&O Policy": has the meaning given in paragraph 1.8 of Schedule 2.

"Expert": has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

"FCPA": means the United States Foreign Corrupt Practices Act and the rules promulgated thereunder.

"Final [**] **Payment":** means the final payment of that is described on [**] to that [**] by and among the [**], the [**], [**], [**], [**], [**], [**] and [**], set forth in such [**] as $[**] originally due on [**] and extended to [**] pursuant to an [**] with the [**], as such amount or as such due date may be adjusted pursuant to an [**] with the [**].

"Financial Information": means (i) the unaudited deal‑basis combined pro‑forma statements of net assets of the Business as of December 31, 2017, 2018 and 2019 and the related unaudited deal‑basis combined pro‑forma income statements without any due diligence adjustments for each of the years in the three‑year period ended December 31, 2019 that are set forth in Schedule 7.3 to the Disclosure Letter, and (ii) the Pro‑forma Adjustments.

"First Commercial Sale": means the date of first commercial sale of a Product by Purchaser or its Affiliates or sublicensees to a Third Party end user.

"Financial Facilities": has the meaning given in paragraph 10.1 of Schedule 4.

"Fraud": means, with respect to a Person, a false statement or an act of concealment, made by such Person, with respect to the representations and warranties contained in this Agreement, with actual knowledge or the actual belief that such statement is false or such concealment has been undertaken, and with the intent to induce another Person to act or fail to act in reliance upon such false statement.

"Fraud Claims": has the meaning given in clause 10.1.6.

"Fundamental Warranties": means the Warranties set out in paragraphs [**] to [**] (inclusive), [**] to [**] (inclusive) and [**] to [**] (inclusive) of Schedule 4.

"Fundamental Warranty Claim": means a claim for a breach of any of the Fundamental Warranties.

"Governmental Entity": means, anywhere in the world, any supra‑national, national, state, municipal or local government, any subdivision, court, administrative agency or commission or other authority thereof, or any quasi‑governmental or private body

exercising any regulatory, taxing, competition, importing or other governmental or quasi‑governmental authority, including the United States and any Tax Authority.

"Group": means in relation to a company, that company, any subsidiary or any holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company. Each company in a Group is a member of the Group.

"Hazardous Materials": has the meaning given in paragraph 25.1 of Schedule 4.

"Healthcare Laws": means any applicable Laws (including any published guidance in relation thereto) relating to the nonclinical and clinical testing, manufacturing, ownership, operation, storage, import, export, distribution, marketing, pricing, sale, promotion, warehousing, packaging, labelling, handling and/or testing of the Products.

"[**]**":** has the meaning given in paragraph 6.3.1 of the Tax Covenant.

"[**]**":** has the meaning given in paragraph 6.3.1 of the Tax Covenant.

"**HSR Act**": has the meaning given in clause 2.6.1.

"Indebtedness": has the meaning given in paragraph 1.1 of Schedule 7.

"[**]": means the Company's apomorphine **[**]** system.

"**Insured Party**": has the meaning given in paragraph 4.1 of Schedule 6.

"Intellectual Property Rights": means any and all intellectual and industrial proprietary rights and rights in confidential information of every kind and description anywhere in the world, including (i) Patents, (ii) rights to trade secrets and other confidential information (including ideas, formulae, compositions, inventions, (whether patentable or unpatentable and whether or not reduced to practice)), know how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, non‑public data and databases, financial and marketing plans and customer and supplier lists and information, (iii) copyright, copyrightable works and related rights, and registrations and applications for registration thereof, (iv) business names, trademarks, service marks, trade dress, trade names, logos, slogans, company names and other indicia of source, and registrations and applications for registration thereof together with all of the goodwill associated therewith, (v) domain names, social media identifiers and other names and locators associated with the internet, (vi) moral and economic rights of authors and inventors, however denominated, (vii) goodwill and the right to sue for passing off rights in designs, and (viii) rights in computer software and database rights, a n d all other intellectual property rights and rights to sue with respect to any of the foregoing, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all

similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

"**Interim Period**": means the period from (and including) the date of this Agreement up to (and including) the Completion Date or, if earlier, the termination of this Agreement in accordance with its terms.

"Interim Period Warranty Claims": has the meaning given in clause 10.1.2.

"Inventory": means the inventory relating to the Products including, without limitation, all goods and other assets purchased for resale, raw materials, component parts, packaging, supplies, work-in-progress and finished goods of the Business.

"IP License": has the meaning given in paragraph 17.2 of Schedule 4.

"IT Systems": has the meaning given in paragraph 19.1 of Schedule 4.

"Know-How": has the meaning given in paragraph 5 of Schedule 5, Part 2.

"Laws": means any statute, law, ordinance, regulation, rule, code, injunction, judgment, decree or order of any Governmental Entity, including, without limitation, in compliance with (i) good clinical, good manufacturing, and good laboratory practice standards promulgated or endorsed by the U.S. Food and Drug Administration and all analogous standards promulgated by other applicable Regulatory Authorities, as they may be updated from time to time, including applicable guidelines promulgated by the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use, (ii) the Health Insurance Portability and Accountability Act of 1996, (iii) the Federal Food, Drug and Cosmetic Act, (iv) the Public Health Service Act, (v) the Health Information Technology for Economic and Clinical Health Act, P.L. No. 111-005, Part I, Title XIII, Subpart D, 13401 through 13409, (vi) the Sunshine Act and federal anti-kickback statute (42 U.S.C. 1320a-7(h)) and the related safe harbor regulations, (vii) the Limitation on Certain Physician Referrals, also referred to as the "Stark Law" (42 U.S.C. 1395 (nn)), (viii) all applicable export control laws, (ix) CARES and (x) all applicable anti-bribery laws, and in every case, any ex-US equivalent.

"Liability for Tax": has the meaning given in paragraph 1.1 of the Tax Covenant.

"**Licenses**": has the meaning given in paragraph 16.2 of Schedule 4.

"Longstop Date": means December 31, 2020 or such later time and date as may be agreed in writing by the Purchaser and the Seller.

"MA Applications": has the meaning given in paragraph 18.3 of Schedule 4.

"Marketing Authorizations": has the meaning given in paragraph 18.1 of Schedule 4.

“Material Contract”: has the meaning given in paragraph 14.1 of Schedule 4.

“Material Customers”: has the meaning given in paragraph 14.4 of Schedule 4.

“Material IT Contract”: has the meaning given in paragraph 19.1 of Schedule 4.

“Material Suppliers”: has the meaning given in paragraph 14.5 of Schedule 4.

“Material Adverse Effect”: means any event, occurrence, change or fact or circumstance that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the Business, results of operations, condition (financial or otherwise) or, disregarding the effect that the Restructuring will have, the assets of the Acquired Group, taken as a whole, including the [**] of any of the material [**] set forth in paragraph [**] of the Disclosure Letter or any material [**] of [**] or the [**] by the supplier [**], or (b) the ability of the Seller to consummate the transactions contemplated hereby on a timely basis, in each case, whether communicated to Purchaser or not; *provided, however,* that “Material Adverse Effect” shall not include any event, occurrence, change or fact or circumstance, with respect to clause (a) hereof, directly or indirectly, arising out of or attributable to: (i) general regional, national or international political conditions (including any outbreak or escalation of hostilities, any acts of war or terrorism or any other national or international calamity, crisis or emergency) or in general economic, business, regulatory, political conditions or in national or international financial markets; (ii) conditions generally affecting the industries in which the Acquired Group operates, (iii) natural disasters or calamities (including, for the sake of clarity, the ongoing COVID‑19 global pandemic), (iv) any actions required under this Agreement to obtain any approval or authorization under applicable antitrust or competition Laws for the consummation of the transactions contemplated hereby, (v) changes in any applicable Laws or applicable accounting regulations or principles, (vi) the announcement or pendency of this Agreement and the transactions contemplated hereby, transactions contemplated hereby, or the performance of this Agreement and the transactions contemplated hereby, including compliance with the covenants set forth herein, (vii) any action taken by the Seller, or which the Seller causes to be taken by any Company Group Member, in each case which is required by this Agreement, (viii) any actions taken (or omitted to be taken) by or at the request of the Purchaser or (ix) any existing event, occurrence or circumstance of which the Purchaser has Disclosed in the Disclosure Letter as of the date hereof, unless in the case of clauses (i), (ii), (iii), (iv) or (v), such conditions have had a disproportionate effect on the Acquired Group compared to other participants in the industries in which the Acquired Group conducts its Business.

“Milestone Payments”: has the meaning given in clause 4.6.

“Multiemployer Plan”: has the meaning given in paragraph 23.3 of Schedule 4.

“Net Sales”: means, for any period of determination, the net product sales of such Product calculated in [**] with [**] and in accordance with the [**] in the [**] to the Purchaser’s [**] under [**] from time to time applicable to the Purchaser’s determination

of net product sales for all of its products. The parties acknowledge that although those [**] are [**] over time to [**], the [**] of those [**] to [**] will [**] on a [**]. The Purchaser may only adjust the definition of Net Sales for purposes of this Agreement if (i) such change in the methodology used to determine net product sales for the Products is consistent with such [**], as such [**] may be revised from time to time by the [**] of the Purchaser in consultation with the Purchaser's [**], and (ii) the Purchaser notifies the Seller on an [**] in connection with the approval of its [**] for the [**] of any such change and provides detail regarding how such change will impact the Purchaser's calculation of Net Sales for purposes of this Agreement.

"OFAC": has the meaning given in paragraph 16.14 of Schedule 4.

"Offered Employee": has the meaning given in paragraph 4.2 of Schedule 5, Part 1.

"Officers": has the meaning given in clause 9.2.

"[**] **Agreement":** means that [**] Agreement between the [**] of the [**] of [**] and [**] and [**].

"Patent": means:

i. all patents and patent applications, including provisional patent applications;

ii. all patent applications filed either from such patents, patent applications or provisional applications or from an application claiming priority from any of these, including divisionals, continuations, continuations‑in‑part, converted provisionals, and continued prosecution applications;

iii. any and all patents that have issued or in the future issue from the foregoing patent applications in (a) and (b), including utility models, petty patents and design patents and certificates of invention;

iv. any and all extensions or restorations by existing or future extension or restoration mechanisms, including adjustments, revalidations, reissues, re‑examinations and extensions (including any supplementary protection certificates and the like) of the foregoing patents or patent applications in (a), (b) and (c); and

v. any similar rights, including so‑called pipeline protection, or any importation, revalidation, confirmation or introduction patent or registration patent or patents of addition to any of such foregoing patent applications and patents.

"Pen": means Apokyn [**] as configured with the [**] marketed pursuant to [**].

"Permitted Encumbrance": means [**] for [**] or [**] (or which may be paid without [**] or [**]).

"Person": means an individual, sole proprietorship, partnership, limited partnership, limited liability partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other similar entity or organization, including a governmental authority or any department, agency or subdivision thereof.

"Personal Data": has the meaning given in paragraph 20.1 of Schedule 4.

"Policies": has the meaning given in paragraph 21.1 of Schedule 4.

"Pre‑Completion Tax Period": has the meaning given in paragraph 1.1 of the Tax Covenant.

"**Pre‑Completion Transactions**" means the following actions or transactions:

i. entry into and consummation by a Retained Group Member of the following transactions, and the assignment of any related documentation in connection with the following transactions to a Retained Group Member:

   a. an [**] of a [**] product; and

   b. an [**] and [**] transaction for a [**] product and another [**] (together, the "Pending Acquisitions");

   provided, (i) that all obligations and liabilities incurred in connection with these transactions will be assumed by a Retained Group Member no later than immediately prior to Completion (other than pursuant to paragraph 1.7 of Part 2 of Schedule 5), (ii) such transactions shall not negatively impact the Restructuring, (iii) such transactions shall not negatively affect Seller's ability to complete the transactions contemplated by this Agreement and (iv) such transactions shall not materially impair Purchaser's ability to obtain recourse for Seller's indemnification obligations;

ii. entry into and consummation of [**] by and between [**] and [**] in connection with the [**] of [**] to [**] amounts owing incurred in connection with the Pending Acquisitions to a [**] or to seek [**] from a [**] for such amounts;

iii. repay or amend any existing [**] or incur new [**], provided that all [**] relating to the Acquired Group will be [**] and customary [**] will be provided to Purchaser at Completion;

iv. amendments to [**] by and between the Company Group and the [**] of the Company Group including the [**] of [**] of the [**] to [**] of the Company Group;

v. repay any existing [**]; and

vi. in connection with the Restructuring, offer for sale and sell, equity interests in [**] to third party investors in an amount not to exceed [**]% of the total outstanding equity interests of [**].

"Product": has the meaning given in paragraph 1.1 of Schedule 5, Part 2.

"Pro forma Adjustments": has the meaning given in clause 7.5.

"Purchase Price": means the aggregate purchase price for the Sale Shares, as set out in clause 4.

"**Purchase Price Cap**": means $530,000,000. Notwithstanding the foregoing, (i) in no event shall Seller be required to make any cash payment in respect of [**], [**], [**], [**], or [**] in excess of the aggregate amount of cash payments that have actually paid to (or on behalf of) Seller as of the date of such claim; provided, that the Purchaser shall have a [**] to [**] (other than [**] by the [**] of [**] in the [**] which may not be [**]) with respect to any [**] in excess of the aggregate amount of cash payments that have actually [**] (or on behalf of) Seller as of the date of such [**] in [**] or [**] of such [**], as applicable, or amounts previously [**], up to $530,000,000, and (ii) Purchaser will comply with the requirements of paragraphs [**] and [**] of Schedule [**] to [**] in [**] circumstances against the [**] before [**] the Seller.

"Purchaser": has the meaning given in the preamble.

"Purchaser Conditions": means those Conditions set out in Schedule 2 that are designated as "Purchaser Conditions."

"Purchaser Deal Team": means the following individuals: [**], [**] and [**].

"Purchaser Request": has the meaning given in paragraph 6.3.1 of the Tax Covenant.

"Purchaser's Lawyers": means Saul Ewing Arnstein & Lehr LLP.

"Purchaser's Nominated Account": means the Purchasers' bank account, the details of which have been provided under separate cover and which may be updated from time to time by formal written notice from Purchaser to Seller.

"Purchaser's Tax Group": has the meaning given in paragraph 1.1 of the Tax Covenant.

"**Qualified Benefit Plan**": has the meaning given in paragraph 23.3 of Schedule 4.

"Referee": has the meaning given in paragraph 6.3 of the Tax Covenant.

"Regulatory Authority": means, with respect to a jurisdiction, any national (*e.g.*, the FDA or the European Medicines Agency), supra‑national, regional, state or local regulatory agency, department, bureau, commission, council or other governmental authority regulating or otherwise exercising authority with respect to the development, manufacture, commercialization and sale of drug products, including the FDA and European Medicines Agency.

"Relief": has the meaning given in paragraph 1.1 of the Tax Covenant.

"Representative Body": has the meaning given in paragraph 22.1 of Schedule 4.

"Resolution Period": has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

"Restructuring": means the transactions to be undertaken, consents and waivers to be obtained, and all other actions to be performed with respect to the reorganization of the Company Group prior to Completion to separate the Business (including associated liabilities) from the Company Group's other businesses and which is to be completed in a manner such that:

i. except as otherwise specifically set forth in this Agreement, the Acquired Group is relieved from all obligations and liabilities of the Company Group other than those directly related to the Business;

ii. the Purchaser will be the sole owner, directly or indirectly, of the entire issued equity capital of all Acquired Group Members;

iii. the Acquired Group Members will own all right, title or interest in or to the Products and all other assets, contracts, licenses and agreements relating to the historical operation of the Business by the Company Group (except as otherwise expressly set forth in Schedule 9 or the schedules and annexes thereto);

iv. the Retained Group Members will own the assets relating to the business of the Company Group other than the Business, and will not possess any right, title or interest in or to the Products or any assets historically used by the Company Group in connection with the Business (except as otherwise expressly set forth in Schedule 9 or the schedules and annexes thereto);

v. the Retained Group will (x) retain or assume all debts, liabilities and obligations of the Company Group that do not relate to the Business, other than (I) [**] and [**] taken into account in the calculation of the Purchase Price, current [**]included in the calculation of Working Capital under Schedule 7, [**] under [**], [**], [**] and other agreements relating to the

Business and (IV) obligations under the Transaction Documents, (y) be responsible for the [**] of the [**] taken into account in the calculation of the Purchase Price, and all [**] and [**] associated with or arising out of such [**], and (z) be responsible for the [**] of the [**] of the [**] of the [**], and all [**] and [**] associated with or arising out of such [**]; and

vi. the Acquired Group Members will have no employees other than Acquired Employees;

in each case, set forth with more specificity described in Schedule 9.

"Retained Employees": has the meaning given in paragraph 4.2 of Schedule 5, Part 1.

"**Retained Group**": means, following the Completion, the Seller and any Subsidiary from time to time of the Seller, but, for the avoidance of doubt, excluding the Acquired Group or any Acquired Group Member.

"Retained Group Claims": has the meaning given in clause 10.1.5.

"Retained Group Member": means each of the Seller and any Subsidiary from time to time of the Seller, but, for the avoidance of doubt, excluding all Acquired Group Members.

"Retained Group Senior Employee": means any employee of the Retained Group with the title of [**] or any [**] to any such [**] (including those with the title [**] or [**] or any employee [**] of [**]) or to whom any such [**] directly reports.

"Review Period": has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

"Sale Shares": means 9,040,733 Class A Shares, 25 Class B Shares and 537,000 Class C Shares, comprising the entire issued share capital of the Company, other than the Series D Shares.

"**Sanctioned Person**": has the meaning given in paragraph 16.14 of Schedule 4.

"Sanctions Authorities": has the meaning given in paragraph 16.14 of Schedule 4.

"Sanctions": has the meaning given in paragraph 16.14 of Schedule 4.

"Sanctions Authority": has the meaning given in paragraph 16.14 of Schedule 4.

"Sanctions List": has the meaning given in paragraph 16.14 of Schedule 4.

"Seller": has the meaning given in the preamble.

"Seller Confidential Information": has the meaning given in clause 13.3.1.

“Seller Conditions”: means those Conditions set out in Schedule 2 that are designated as “Seller Conditions.”

“Seller Deal Team”: means the following individuals [**], [**], [**], [**], [**], [**]and [**].

“Seller’s Nominated Account”: means the Seller’s bank account, the details of which have been provided under separate cover and which may be updated from time to time by formal written notice from Seller to Purchaser.

“[**] **Payment”:** means the amount required to be paid at Completion with respect to the [**] of all outstanding [**].

“[**]**”:** means the [**] of the Company that are outstanding immediately prior to the Completion.

“Single Employer Plan”: has the meaning given in paragraph 23.4 of Schedule 4.

“Software”: means, in any form or format, any and all (i) computer programs and software of any kind, including applications, mobile apps, libraries, tools, scripts, middleware, firmware, application programming interfaces (APIs), user interfaces and other interfaces, assemblers, compilers, utilities, and any and all software implementations of algorithms, processes, models and methodologies, in each case whether in source code, interpreted code, object code or executable code, (ii) databases and compilations and collections of data, whether machine readable or otherwise, (iii) descriptions, flow charts and other work product used to design, plan, organize and develop any of the foregoing, and (iv) all programmer and user documentation, including user manuals and training materials, related to any of the foregoing.

“**Straddle Period**”: has the meaning given in paragraph 1.1 of the Tax Covenant.

“Subsidiary”: means with respect to any Person, any other Person of which at least 50% of the outstanding voting securities or other voting equity interests are owned, directly or indirectly, by such first Person, and with respect to Company, “Subsidiary” shall be deemed to include BRITUSWIP.

“Target Working Capital”: means $[**].

“Tax”: has the meaning given in paragraph 1.1 of the Tax Covenant.

“Tax Authority”: has the meaning given in paragraph 1.1 of the Tax Covenant.

“Tax Claim”: has the meaning given in paragraph 1.1 of the Tax Covenant.

“Tax Company Group”: has the meaning given in paragraph 1.1 of the Tax Covenant.

"**Tax Company Group Member**": has the meaning given in paragraph 1.1 of the Tax Covenant.

"Tax Covenant": means the tax covenant set out in Schedule 8.

"Tax Covenant Claims": has the meaning given in clause 10.1.3.

"Tax Law": has the meaning given in paragraph 1.1 of the Tax Covenant.

"Tax Refund": has the meaning given in paragraph 10 of the Tax Covenant.

"Tax Return": has the meaning given in paragraph 1.1 of the Tax Covenant.

"Tax Warranty Claim": means any claim that may be made against the Warranty Insurance Policy in respect of a breach of the warranty in paragraph 27 of Schedule 4.

"Terminated Employee": has the meaning given in paragraph 4.2 of Schedule 5, Part 1.

"**Territory**": means the United States and its territories and possessions.

"Third Party": means any Person other than the Seller, the Purchaser and their respective Affiliates and permitted successors and assigns.

"Transaction": means the transaction contemplated by this Agreement or any part of that transaction.

"Transaction Documents": means this Agreement and all other documents to be entered into pursuant to or in connection with it, and all exhibits, attachments and schedules thereto, including but not limited to the Disclosure Letter (each a "Transaction Document").

"Transaction Expenses": means, to the extent not paid prior to Completion, all fees and expenses incurred by the Acquired Group or Seller at or prior to Completion in connection with the preparation, negotiation and execution of this Agreement and the performance and consummation of the transactions contemplated hereby and thereby, including without limitation (i) to the extent not paid prior to Completion, the fees and expenses of Piper Sandler Companies, Gibson, Dunn & Crutcher LLP and Ernst & Young, in each case, incurred pursuant to the transaction contemplated hereby, (ii) Seller's share of any [**] described in clause [**], (iii) Seller's [**]% share of the [**] of the [**] (solely with respect to the [**] and not any [**]) that is in excess of $[**] (or [**]% of the [**] of such [**]) (and solely to such extent) and based on a $[**] limit with respect to such [**] and (iv) payments pursuant to the [**] and [**] (as set forth in the Disclosure Letter) with respect to the [**] listed on Annex A hereto (the [**]), which payments are to be paid at Completion, including the [**] portion of any [**] associated therewith; provided, that the Purchaser shall promptly remit to Seller the amount of any [**] that is not ultimately payable under such [**] and [**] if such [**] is not [**] and paid to such [**] in accordance with the terms of such [**] and [**].

“Transfer Taxes”: has the meaning given in clause 19.2.

“Transferring Employee”: has the meaning given in this clause 1.1.

“Transitional Services Agreement”: means the agreement, in substantially the form attached hereto, the schedules to which are to be mutually agreed to by the parties (each acting reasonably) during the Interim Period (to the extent not already agreed upon in the form attached hereto), to be entered to between the Seller and the Company at Completion pursuant to which (i) the Retained Group agrees to provide certain services to the Acquired Group and (ii) the Acquired Group agrees to provide certain services to the Retained Group, in each case, after Completion and on a transitional basis, and identifying employees of the Retained Group whose services will be made available to Purchaser.

“US GAAP”: has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

“Valid Claim”: means either:

i. a claim of an issued and unexpired patent which has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal and that is not admitted to be invalid or unenforceable through reissue, disclaimer or otherwise (i.e.,

i. only to the extent the subject matter is disclaimed or is sought to be deleted or amended through reissue), or

ii. a claim of a pending patent application that has not been abandoned, finally rejected or expired without the possibility of appeal or refiling.

“**Warranty” or “Warranties”:** means the representations made and the warranties given by the Seller pursuant to clause 9 and set out in Schedule 4.

“Warranty Insurance Policy”: means the warranty and indemnity liability insurance policy to be purchased by the Purchaser to be bound on the date of this Agreement and effective as of Completion in favor of the Purchaser and relating to the Warranties and the Fundamental Warranties to the extent covered by such policy in accordance with its terms and conditions as they exist at Completion.

“Working Capital”: has the meaning given in paragraph 1.1 of Schedule 7, Part 1.

a. Clause, Schedule and paragraph headings shall not affect the interpretation of this Agreement.

b. References to clauses and Schedules are to the clauses of and Schedules to this Agreement and references to paragraphs are to paragraphs of the relevant Schedule.

c. The Schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedules. Any reference to a Schedule includes all annexes, exhibits and similar attachments to such Schedule.

d. A reference to **this Agreement** or to any **Transaction Document** is a reference to this Agreement or the relevant Transaction Document as varied or novated (in each case, other than in breach of the provisions of this Agreement) in accordance with its terms from time to time.

e. Unless the context otherwise requires:

i. words in the singular shall include the plural and the plural shall include the singular; and

i. a reference to one gender shall include a reference to the other genders.

f. A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

g. This Agreement shall be binding on and inure to the benefit of, the parties to this Agreement and their respective successors and permitted assigns, and references to a **party** shall include that party's successors and permitted assigns.

h. A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.

a. Unless otherwise expressly provided otherwise in this Agreement, a reference to **writing** or **written** includes email.

b. Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms. The terms **including** and **include** shall be deemed (whether or not specifically referenced) to also include "without limitation."

c. References to a document in **agreed form** are to that document in the form agreed by the parties and initialed by them or on their behalf for identification on or prior to the date of this Agreement.

d. Unless the context otherwise requires, "**control**" including the terms "**controlled by**" and "**under common control with**," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, as general partner or managing member, by contract or otherwise.

e. Unless the context requires otherwise, a reference to any statute or statutory provision includes:

i. such provision as amended, extended, consolidated or re-enacted from time to time on or before or the date of agreement;

i. any previous statute or statutory provision which it has superseded or re-enacted (with or without modification); and

i. all rules and regulations made from time to time under that statute or statutory provision and which are in force at the date of this Agreement.

1. Conditions precedent

a. Completion is subject to and conditional upon the Conditions being satisfied (or waived in accordance with clause 2.9) on or before the Longstop Date.

b. Subject to clause 2.5, if the Conditions have not been satisfied or waived on or before the Longstop Date, this Agreement shall automatically terminate and cease to have effect from that date, except for the provisions referred to in clause 2.4.

c. Subject to clause 2.4 and clause 2.5, this Agreement may be terminated by mutual written consent of the parties, or by:

i. the Seller (i) upon [**] Business Day's written notice to the Purchaser, if at any time prior to the Longstop Date it becomes apparent that satisfaction of any Seller Condition or any Competition Condition by the Longstop Date cannot reasonably be satisfied, unless such failure shall be due to the failure of the Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Completion; provided, that the parties shall confer in good faith to satisfy any such condition prior to termination, or (ii) if Seller is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Purchaser pursuant to this Agreement that would give rise to the failure of any Seller Condition, or any Competition Condition and such breach, inaccuracy or failure has not been cured by Purchaser within thirty days of Purchaser's receipt of written notice of such breach from Seller.

ii. the Purchaser (i) upon [**] Business Day's written notice to the Seller if at any time prior to the Longstop Date it becomes apparent that satisfaction of any Purchaser Condition or any Competition Condition by the Longstop Date cannot reasonably be satisfied, unless such failure shall be due to the failure of Purchaser to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Completion; provided, that the parties shall confer in good faith to satisfy any such condition prior to termination, (ii) if Purchaser is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or

agreement made by Seller pursuant to this Agreement that would give rise to the failure of any Purchaser Condition, or any Competition Condition and such breach, inaccuracy or failure has not been cured by Seller within thirty days of the Seller's receipt of written notice of such breach from Purchaser.

d. If this Agreement is terminated pursuant to clause 2.2 or clause 2.3, the following clauses shall continue in force:

i. clause 1 (Interpretation);

ii. clause 2.2 to clause 2.5 (inclusive) (Conditions);

iii. clause 10 and Schedule 6 (Limitations on Claims);

iv. clause 13 (Confidentiality);

v. clause 14 (Announcements);

vi. clause 17 (Entire agreement);

vii. clause 18 (Amendment and waiver);

viii. clause 19 (Costs);

ix. clause 20 (Notices); and

x. clause 28 (Governing law and jurisdiction).

e. The termination of this Agreement pursuant to clause 2.2 or clause 2.3 shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Agreement which existed at or before that date.

f. The parties shall use all commercially reasonable efforts to procure that the Competition Conditions are satisfied as soon as practicable and, in any event, no later than the Longstop Date and shall (subject to applicable Laws):

i. make any notification or filing required by any relevant Competition Authority in connection with the Transaction, as soon as reasonably practicable following the date of this Agreement, except with respect to the Purchaser's and Seller's filings under the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended ("**HSR Act**"), which shall be filed as promptly as practical, but in no event later than [**] Business Days following the date of this Agreement, with the parties to share equally the cost of any filing fees that might be required, and each party to bear its own expenses in connection with the preparation of any filings that might be required;

ii. keep each other promptly informed concerning all communications received from and made with any Competition Authority in connection with any such notification or filing;

iii. provide each other with copies of all correspondence received from any relevant Competition Authority with respect to any such notification or filing;

iv. coordinate with each other concerning the completion of Items 2(a), 2(c), 3, 4(c), 4(d), and 7 of the "HSR Act Premerger Notification and Report Form For Certain Mergers And Acquisitions";

v. notify each other of any material communications (including meetings and telephone calls) with any relevant Competition Authority and, at the other party's request, permit the other party and its advisers to attend and make oral submissions at or on such meetings and telephone calls (for the avoidance of doubt, any communication discussing timing of any applicable waiting periods, closing, or remedies are material for purposes of this paragraph); and

vi. promptly provide each other with a copy of any decision of any relevant Competition Authority pertaining to the Transaction.

g. The Purchaser agrees to use [**] to give all undertakings or commitments to, or agree to any settlement or consent order or similar arrangement with, any relevant Competition Authority for the purposes of satisfying any of the Competition Conditions and any other Governmental Entity, if any, legally required for the consummation of the transactions contemplated by this Agreement, as soon as reasonably practicable after the date of this Agreement (in particular, as may be necessary or advisable in an effort to avoid the initiation of any litigation that would have the effect of delaying or preventing the consummation of the Transaction) including any undertaking, commitment or agreement to:

i. restructure, hold separate, divest, sell or otherwise dispose of any assets or any business carried on by the Acquired Group;

ii. enter into agreements which restrict the ability of the Business to carry on its business in the Territory; and/or

iii. enter into, modify or terminate any undertaking or commercial agreement (including but not limited to a license) in relation to the Business; provided, that Purchaser shall not be required to **[**]** any such [**], [**] or [**] with respect to the following [**]: [**], [**] or [**], in which case Purchaser shall be entitled to terminate this Agreement in its sole discretion pursuant to clause 2.3.2; provided further, that the [**] (as used in this Section 2.7) of the Purchaser that are required for the purposes of satisfying any of the Competition Conditions and any other Governmental Entity shall include agreeing to modify the [**] of [**] to be delivered pursuant to [**].

h. The Purchaser shall not, without the prior written consent of the Seller, offer, accept or agree to any undertaking, condition, commitment, modification, settlement, consent order or similar arrangement to, from or with any Competition Authority which (i) amends, varies or modifies the terms of this Agreement in such a way as to adversely affect the value to the Seller of the Transaction, or (ii) is not conditioned on the Completion of the Transaction.

i. The Purchaser may, provided it is legally entitled to do so, waive any of the Purchaser Conditions and Competition Conditions by notice in writing to the Seller. The Seller may, provided it is legally entitled to do so, waive any of the Seller Conditions and Competition Conditions by notice in writing to the Purchaser.

2. Sale and purchase

a. On the terms of this Agreement and subject to the Conditions, with effect from Completion:

i. the Seller shall sell the Sale Shares free from Encumbrances together with all rights that attach (or may in the future attach) to the Sale Shares including, in particular, the right to receive all dividends and distributions declared, made or paid on or after the Completion Date; and

i. the Purchaser shall purchase and accept the Sale Shares.

3. Purchase price

a. The Purchase Price is the sum of $300 million:

i. [**] an amount equal to the [**];

ii. [**] an amount equal to the [**];

iii. [**] an amount equal to the [**];

iv. [**] an amount equal to the [**];

v. [**] the amount by which the [**] the [**], or [**] the amount by which the [**] is [**] than the [**];

vi. [**] an amount equal to the [**], if and when [**].

b. The Purchaser shall pay the Completion Payment to the Seller in cash upon Completion on account of the Purchase Price, in accordance with clause 21.

c. The Purchaser shall pay on behalf of the Seller the [**] of the Acquired Group to be paid at Completion and the [**], by wire transfer of immediately available funds to the accounts and in the amounts specified on the [**].

d. The Purchaser shall pay on behalf of the Seller the [**] unpaid at Completion, by wire transfer of immediately available funds to the accounts and in the amounts specified on the [**].

e. The Purchase Price shall be deemed for tax purposes only, and not for any other purposes, including any post-Completion adjustments to the Purchase Price, to be reduced by the amount of any payment made by Seller to the Purchaser for each and any claim under clauses [**] through [**] of Schedule [**].

f. The Seller shall be entitled to receive from Purchaser after Completion the following additional contingent payments (such additional payments if paid, the "**Milestone Payments**") in accordance with the following corresponding milestone events, subject to the terms and conditions of this Clause 4.6:

Milestone Event	**Payment**
(i) [**] for [**] by the [**] of [**] at any time	$[**] million
(ii) [**] by the [**] of [**] in the [**] at any time	$[**] million
(iii) [**] by the [**] of [**] in the [**]	$[**] million [**] payment, which shall be [**] by $[**] million for each additional [**] of [**] beyond [**] (prorated for [**]); provided, that such milestone payment shall be $[**] on or after [**].
(iv) Upon **[**]** of [**] in the [**] at any time	$[**] million
(v) In the event that the [**] of [**] does not occur [**] to [**], then upon the achievement of $[**] million in [**] of [**] in the [**] during the [**] calendar year, or in the event that the [**] of [**] occurs [**] to [**], then upon the achievement of $[**] million in [**] of [**] and [**], collectively, during the [**] calendar year	$[**] million
(vi) Upon the achievement of $[**] million in [**] of [**] and [**], collectively, in the [**] during the [**] calendar year	$[**] million
(vii) Upon the achievement of $[**] million in [**] of all [**] whether [**] or [**] of the [**] ([**]), collectively, during the [**] calendar year	$[**] million

i. The Milestone Payments (if any) are intended to be treated as [**] price eligible for [**] under Code § [**] and any corresponding provisions of state, local, or non‑U.S. law. If any Milestone Payment is actually paid by Purchaser, interest may be imputed on such amount, as required by Code § [**] and the Treasury Regulations thereunder applying Code § [**]. Each Milestone Payment is to be paid only once during the term of this Agreement, and after such payment has been made once, Purchaser shall have no further obligation to make any payment with respect to such milestone even if such milestone is achieved multiple times for multiple products.

ii. The Milestone Payments (if any) shall be paid by the Purchaser to the Seller:

a. with respect to milestones (i) through (iv), within [**] Business Days of achievement of each such milestone;

b. with respect to milestones (v) through (vii), upon the first to occur of: (A) [**] calendar days following approval by the [**] of Purchaser of the [**] for the applicable [**] in which such milestone was achieved or (B) [**] of the year immediately following the year in which such milestone was achieved.

1. Estimates Statement

At least five (5) Business Days before the Completion Date, the Seller shall prepare and deliver to the Purchaser a draft of the Completion Indebtedness Certificate and the Completion Transaction Expenses Certificate and a written notice setting out its good faith estimates of the amount of the Estimated Cash and Estimated Working Capital, in each case, assuming completion of the Restructuring, and the resulting calculation of the Completion Payment (the "**Estimates Statement**"). The Estimates Statement shall be accompanied by, and derived from, an estimated statement of the financial position of the Acquired Group as at the Effective Time, assuming completion of the Restructuring, prepared on the basis set out in paragraph 4 of Schedule 7.

2. Completion Accounts and the Adjustment of the Completion Payment

a. The parties shall procure that the Completion Accounts and the Adjusted Completion Payment Statement are prepared and agreed or determined (as the case may be) in accordance with Schedule 7.

b. The following payments shall be made on or before the Adjustment Date:

i. if the amount of the Completion Payment is less than the Adjusted Completion Payment as set out in the Adjusted Completion Payment Statement, the Purchaser shall pay to the Seller an amount equal to the shortfall in accordance with clause 21; or

i. if the amount of the Completion Payment exceeds the Adjusted Completion Payment as set out in the Adjusted Completion Payment Statement, the Seller shall pay to the Purchaser an amount equal to the excess in accordance with clause 21.

3. Conduct prior to and following Completion

a. The Seller shall comply with its obligations set out in Part 1 of Schedule 5 with respect to the Interim Period.

b. The Seller shall comply with its obligations set out in Part 2 of Schedule 5 with respect to the period following Completion.

c. The Purchaser and the Seller shall comply with their obligations set out in Part 3 of Schedule 5 from the date of this Agreement.

d. The Seller acknowledges that the undertakings given by it in Parts 2 and 3 of Schedule 5 are fair and reasonable; are integral to the terms on which the Purchaser has agreed to purchase the Sale Shares and are necessary for the implementation of the purchase; and that each of them is to be construed and take effect independently of the others as a separate undertaking by the Seller in relation to itself and its interests and shall be enforceable by the Purchaser and, after Completion, the Acquired Group separately and independently of any right to enforce any one or more of the other undertakings contained in those paragraphs.

e. The undertakings given by each of the Purchaser and the Seller in Parts 2 and 3 of Schedule 5 are intended for the benefit of, and shall be enforceable by the Seller, on the one hand, and each of the Purchaser and, after Completion, the Acquired Group, on the other hand, and shall apply to actions carried out by each of the Purchaser and, after Completion, the Acquired Group or the Seller, as applicable, in any capacity (including as shareholder, partner, director, principal, consultant, officer, agent or otherwise) and whether directly or indirectly, on such party’s ow n behalf or on behalf of, or jointly with, any other person.

f. If a breach of Parts 2 or 3 of Schedule 5 occurs, the parties agree that damages alone are likely not to be sufficient compensation and that injunctive relief is reasonable and is likely to be essential to safeguard the interests of each of the Purchaser and, after Completion, the Acquired Group (in the case of a breach by the Seller), on the one hand, or of the Seller and that injunctive relief (in addition to any other equitable remedies) may (subject to the discretion of the courts) be obtained.

g. In the Interim Period, the Seller shall promptly notify the Purchaser upon becoming aware of any matter which would constitute a material breach of a Warranty made by Seller if that Warranty is required to be true and correct as of Completion.

4. Completion

a. Completion shall take place on the Completion Date at the offices of the Purchaser's Lawyers (or at any other place agreed in writing by the parties).

b. In this Agreement, "**Completion Date**" means a date and time to be mutually agreed in writing by the parties to occur not later than the second Business Day after all the Conditions have been satisfied or waived. Completion shall be deemed effective as of 12:01 a.m. ET, on such date.

c. At Completion:

i. the Seller shall:

a. deliver (or cause to be delivered) to the Purchaser the documents and evidence set out in paragraph 1 of Schedule 3; and

b. procure that a board meeting of the Company and the Seller is held at which the matters set out in paragraph 2.1 of Schedule 3 are carried out or deliver written evidence of authorization and approval of the matters set out in paragraph 2.1 of Schedule 3;

ii. the Purchaser shall:

c. deliver (or cause to be delivered) to the Seller the documents and evidence set out in paragraph 3 of Schedule 3; and

d. pay the requisite payments in accordance with clauses 4.2, 4.3 and 4.4.

5. Seller's warranties

a. The Seller warrants to the Purchaser that:

i. each Fundamental Warranty is true and accurate on the date of this Agreement and on the Completion Date;

ii. except as Disclosed in the Disclosure Letter, each Warranty other than the Fundamental Warranties is true and accurate on the date of this Agreement and is true and complete on the Completion Date (and in such case references to "the date of this Agreement" shall be deemed to read "the Completion Date"), except for such Warranties that are made of a certain date, in which case such warranties shall continue to be true and accurate as of such date; and

iii. delivered to the Purchaser concurrently with the execution of this Agreement is the Data Room USB, which contains true, correct and complete copies of all documents that are in the Data Room as of one Business Day prior to the date of this Agreement.

b. The Seller agrees that the supply of any information by or on behalf of the Acquired Group or any of its employees, Directors, agents or officers or any member of the Seller Deal Team (together, "**Officers**") to the Seller or its advisers in connection with the Warranties, the Disclosure Letter, the Data Room, or otherwise shall not constitute a warranty, representation or guarantee as to the accuracy of such information in favor of the Seller. The Seller unconditionally and irrevocably waives all and any rights and claims that it may have against any of the Acquired Group or the Officers on whom the Seller has, or may have, relied in connection with the preparation of the Disclosure Letter, or agreeing the terms of this Agreement, and further undertakes to the Purchaser, the Acquired Group and the Officers not to make, transfer or assign any such claims.

c. Each of the Warranties is separate and is not limited by reference to any other Warranty.

d. Where a Warranty is qualified by the expression "**so far as the Seller is aware**" or any similar expression, that expression shall be deemed to refer to the actual knowledge of the Seller Deal Team only, after due inquiry of those employees and consultants and other persons who reasonably would be expected to have knowledge as to the relevant matter.

e. For purposes of calculating damages with respect to the related Fundamental Warranty Claim, the Fundamental Warranties in this Agreement shall be read without regard to any limitation as to materiality or Material Adverse Effect contained therein.

6. Limitations on claims; Bringing of claims

a. Subject to the limitations set forth in Schedule 6, Purchaser may bring any claims it may have against Seller solely with respect to, and without duplication of recovery:

i. Fundamental Warranty Claims;

i. claims arising out of: a fact, event or condition resulting in a breach of a Business Warranty that occurred prior to the date of this Agreement but is not discovered until the period from and after the execution of this Agreement and prior to Completion or such a breach that occurs during such period ("**Interim Period Warranty Claims**");

ii. payments required to be made by the Seller to the Purchaser pursuant to paragraph **[**]** of Schedule [**] ("[**]");

iii. claims arising out of the [**], [**] and [**] of the [**], [**], including liabilities relating to the [**]. The [**] shall exclude any claim for which recovery may be sought under a specific Business Warranty or Tax Warranty Claim pursuant to the Warranty Insurance Policy, in each case, which is [**] the [**] of a [**], without regard to any [**] thereof or any subsequent amendments to the [**];

iv. claims arising out of (collectively, referred to herein as "**Retained Group Claims**"):

a. the assets, liabilities and operation of the Company Group and its businesses prior to Completion, and including the Benefit Plans, but excluding the [**] (other than obligations of the Purchaser set out in paragraph 4.2 of Part 1 and paragraph 3 of Part 2 of Schedule 5);

b. the assets and liabilities of any Retained Group Member that have been or were supposed to have been transferred from any Acquired Group Member to any Retained Group Member in connection with the Restructuring, including all liabilities relating to the Retained Employees; and

c. the assets, liabilities and operation of the Retained Group (and its businesses) after Completion;

v. claims arising from Fraud or criminal activity, on the part of the Seller, a Retained Group Member, or an Acquired Group Member prior to Completion ("**Fraud Claims**");

vi. claims for breach or non‑fulfillment of any covenant, agreement or obligation to be performed pursuant to clause [**] of the Agreement and paragraphs [**], [**], [**], [**], [**], [**], [**], [**] and [**] (solely with respect to clause (ii)) of Part [**] of Schedule 5 and Section [**] of Part [**] of Schedule 5 ("**Core Covenant Claims**"); or

vii. claims for [**] or [**] of any [**], [**] or [**] to be performed pursuant to this Agreement, other than [**], [**] and the [**] ("**Covenant Claims**").

a. Seller and Purchaser acknowledge that failure to abide by the covenants set forth in this Agreement or otherwise comply with its terms may cause irreparable harm for which

damages at law may not be an adequate remedy. Nothing in this Agreement, including without limitation clause 10.2 or Schedule 6, shall operate to prevent, exclude or limit the right of either Seller or Purchaser to obtain specific enforcement of this Agreement, without the necessity for posting bond, by a court of competent jurisdiction in addition to any and all other remedies available at law or in equity.

1. Purchaser's Warranties and Warranty Insurance Policy

a. The Purchaser warrants to the Seller that as at the date hereof and at Completion:

i. it (and, where a party, each of its Affiliates) has (or will at Completion have) all requisite power and authority to enter into, deliver and perform this Agreement and any other Transaction Documents to which the Purchaser (and/or any of its Affiliates, as the case may be) is a party;

ii. this Agreement and any other Transaction Documents to which the Purchaser and/or any of its Affiliates is a party shall, upon execution, constitute valid,

legal and binding obligations of the Purchaser (and/or its relevant Affiliate, as the case may be) in accordance with their terms;

iii. the execution, delivery and performance by the Purchaser (and, where a party, each of its Affiliates) of this Agreement and any other Transaction Documents to which it (and/or any of its Affiliates, as the case may be) is a party shall not result in:

a. a breach of any provision of the Purchaser's (and/or its relevant Affiliates, as the case may be) articles of association or other constitutional documents;

b. a material breach of, or constitute a material default under, any agreement or instrument to which the Purchaser (and/or its relevant Affiliate, as the case may be) is a party or by which it is otherwise bound; or

c. a breach of any order, judgment or decree of any court, governmental agency or regulatory body to which the Purchaser (and/or its relevant Affiliate, as the case may be) is subject or by which it is bound;

iv. Except as required under the HSR Act, neither it nor any of its Affiliates is required to obtain any consent or approval of, or give any notice to or make any registration with, or wait for any waiting period to expire or be terminated by, any Governmental Entity or any Third Party which has not been obtained or made, or which has not expired or been terminated, at the date of this Agreement both on an unconditional basis and on a basis which cannot be revoked (except pursuant to any legal or regulatory entitlement to revoke the same other than by reason of any misrepresentation or misstatement);

v. the Purchaser has and will at Completion have sufficient funds to satisfy the Completion Payment and all other payments required to be made by or procured by the Purchaser under this Agreement and to perform its other obligations with respect to the Transaction; and

vi. The Purchaser has no actual knowledge that the monies used to fund any amounts payable by the Purchaser under the terms of this Agreement have been or will be derived from any activities, including but not limited to, money laundering, which are illegal in the jurisdiction of the Purchaser's incorporation.

b. Prior to Completion, the Purchaser shall do all things that are reasonably required in respect of obtaining the Warranty Insurance Policy, including the execution of any no claims declaration required thereunder.

c. Notwithstanding any provision to the contrary in this Agreement, the Purchaser:

i. warrants to the Seller that, as at the date of this Agreement, the Purchaser has obtained and shall thereafter continue to maintain the Warranty Insurance Policy in accordance with Schedule 6; and

ii. acknowledges that the Seller has entered into this Agreement in reliance on the fact that the Purchaser has obtained the Warranty Insurance Policy.

d. The Purchaser will ensure that the terms of the Warranty Insurance Policy are not amended or varied without the prior written consent of the Seller. The Purchaser agrees that it shall (i) enforce, at the request and on behalf of the Seller, the provisions of Section 8: Subrogation of the Warranty Insurance Policy, (ii) not novate, or otherwise assign its rights under, the Warranty Insurance Policy (or do anything which has similar effect), other than in the event of a change of control of Purchaser, the Company, or a sale, disposition or transfer of all or substantially all of the assets relating to the Products; or (iii) not terminate the Warranty Insurance Policy or take any action which directly causes any right under the Warranty Insurance Policy not to have full force and effect.

e. The Purchaser is a sophisticated purchaser and has made its own independent investigation, review and analysis regarding the Acquired Group and the transactions contemplated hereby, which investigation, review and analysis were conducted by the Purchaser together with expert advisors, including legal counsel, that it has engaged for such purpose. Neither the Seller nor any of its Affiliates or representatives has made any representation or warranty, express or implied, as to the accuracy or completeness of any information concerning the Acquired Group contained herein or made available in connection with the Purchaser's investigation of the Acquired Group, except as expressly set forth in this Agreement (including with respect to Fraud), and the Seller and its Affiliates and representatives expressly disclaim any and all liability that may be based on such information or errors therein or omissions therefrom, except as expressly set forth in this Agreement (including with respect to Fraud). The Purchaser has not relied and is not relying on any statement, representation or warranty, oral or written, express or implied, made by the Seller or any its Affiliates or representatives, except as expressly set forth in this Agreement. None of the Seller or any of its Affiliates or representatives shall have or be subject to any liability to the Purchaser or any other Person resulting from the distribution to the Purchaser, or the Purchaser's use of, any information, documents or materials made available to the Purchaser, whether orally or in writing, in any confidential information memoranda, "data rooms," management presentations, due diligence discussions or in any other form in expectation of, or in connection with, the transactions contemplated by this Agreement, except as expressly set forth in this Agreement (including with respect to Fraud); provided, that in seeking to establish a breach of this Agreement or support any claim Purchaser may have under this Agreement (other than with respect to Fraud), the Purchaser shall not be precluded from referencing documents or information contained in the Data Room that are related to establishing any such breach. None of the Seller or any of its Affiliates or representatives is making, directly or indirectly, any representation or warranty with respect to any estimates, projections or forecasts involving the Acquired Group, except as set forth in this

Agreement. The Purchaser acknowledges that there are inherent uncertainties in attempting to make such estimates, projections and forecasts and that it takes full responsibility for making its own evaluation of the adequacy and accuracy of any such estimates, projections or forecasts (including the reasonableness of the assumptions underlying any such estimates, projections and forecasts).

2. Tax Covenant

The provisions of Schedule 8 apply in this Agreement in relation to Tax.

3. Confidentiality

a. The Seller undertakes to the Purchaser that it shall (and shall procure that each Retained Group Member and each individual who is part of the Seller Deal Team shall) keep confidential the terms of this Agreement.

b. The Seller undertakes to the Purchaser that it shall (and shall procure that each Retained Group Member and each individual who is part of the Seller Deal Team shall) with effect from Completion:

i. keep confidential the terms of this Agreement and all confidential information, or trade secrets in its possession concerning the Business, affairs, customers or suppliers of the Acquired Group and any confidential information in its possession concerning the Business, affairs, customers or suppliers of the Purchaser or its Affiliates (the "**Company Confidential Information**");

ii. provide all of the Company Confidential Information to the Purchaser and destroy any copies of such information (subject to clause 13.5.3) and in any event not disclose such information to any person, except (i) as expressly permitted by this clause 13, (ii) as required under applicable Law or (iii) as required under the Seller's document retention policy; and

iii. not make any use of the Company Confidential Information other than to the extent reasonably necessary for the purpose of exercising or performing its rights and obligations under this Agreement.

c. The Purchaser undertakes to the Seller that it shall (and shall procure that each other member of the Purchaser's Group (including, from Completion, each Acquired Group Member and each individual who is part of the Purchaser Deal Team) shall):

i. keep confidential the terms of this Agreement and all confidential information, or trade secrets in its possession concerning the business, affairs, customers, or suppliers of the Seller or any other Retained Group Member (the "**Seller Confidential Information**");

ii. not disclose any of the Seller Confidential Information to any person, except as expressly permitted by this clause 13; and

iii. not make any use of the Seller Confidential Information other than to the extent strictly necessary for the purpose of exercising or performing its rights and obligations under this Agreement.

d. Notwithstanding any other provision of this Agreement, neither party shall be obliged to keep confidential, destroy, or to restrict its use of any information that:

i. is or becomes generally available to the public (other than as a result of its disclosure in breach of this Agreement); or

ii. was, is or becomes available to a party on a non‑confidential basis from a person who to the receiving party's knowledge is not bound by a confidentiality agreement with the other party, or otherwise prohibited from disclosing the information to the receiving party.

e. Either party may disclose information that it is otherwise required to keep confidential under this clause 13:

i. to any of its employees, officers, consultants, representatives or advisers (or those of any member of its Group) who need to know such information for the purpose of advising on this Agreement or facilitating the Transaction, provided that the party making the disclosure informs the recipient of the confidential nature of the information before disclosure, and procures that the recipients shall, in relation to any information disclosed to them, comply with the obligations set out in this clause 13 as if they were that party. The party making a disclosure under this clause 13.5.1 shall, at all times, be liable for the failure of its recipients to comply with the obligations set out in this clause 13;

ii. to confirm that Completion has taken place, but without otherwise revealing any other terms of the Transaction or making any other announcement;

iii. to the extent that the disclosure is required, or in respect of the Seller's obligations in clause 13.2, it shall not be required to destroy any information that it is required to retain:

d. by the laws of any jurisdiction to which that party is subject;

e. by an order of any court of competent jurisdiction, or any regulatory, judicial, governmental or similar body, or any Tax Authority or securities exchange of competent jurisdiction;

f. to make any filing with, or obtain any authorization from, a regulatory, governmental or similar body, or any Tax Authority or securities exchange of competent jurisdiction; or

g. to protect that party's interest in any legal proceedings or to enforce its rights under this Agreement;

provided that in respect of any required disclosure each case (and to the extent it is legally permitted to do so) the party making the disclosure uses commercially reasonable efforts to give the other party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this clause, it takes into account the reasonable requests of the other party in relation to the content of the requisite disclosure; or

iv. with the prior consent in writing of the other party.

f. Seller may disclose information that it is otherwise required to keep confidential under this clause 13 that is related to this Agreement or its performance to its shareholders so long as such shareholders are party to an agreement with Seller providing (i) that such shareholder maintains the confidentiality of the Company Confidential Information, and (ii) that such shareholder does not use the information for personal financial gain other than with respect to investments in Seller or any Retained Group Member.

4. Announcements

a. Subject to clause 14.2 and clause 14.3, neither party shall make or permit any person to make any public announcement, communication or circular concerning this Agreement or the Transaction (an "**announcement**") without the prior written consent of the other party. For the sake of clarity, once a fact or set of facts has been publicly disclosed concerning this Agreement or the Transaction, there is no obligation to seek additional approval to make additional disclosures that include such fact or set of facts.

b. Nothing in clause 14.1 shall prevent either party from making an announcement required by law or any governmental or Regulatory Authority (including any relevant securities exchange), or by a court or other authority of competent jurisdiction provided that (to the extent it is legally permitted to do so) the party required to make the announcement consults with the other party and takes into account their reasonable requests in relation

to the content of the relevant announcement before it is made. If either party is required to file this Agreement with any governmental or Regulatory Authority, such party shall use commercially reasonable efforts to seek confidential treatment to the extent permissible in its reasonable judgment, and time permitting will consult with the other party and takes into account their reasonable requests in relation to the content of the request for confidential treatment before it is made.

a. The parties shall issue a press release in agreed form immediately after the date of this Agreement and at Completion.

1. Further assurance

a. Following Completion, each party shall (insofar as it is able to do so) promptly execute and deliver such documents and perform such acts as are necessary to give full effect to the transfer of the Sale Shares in accordance with this Agreement and to put Purchaser in possession of all assets of the Business as contemplated by the Restructuring for no additional consideration and without any further action being required on the part of Purchaser. In addition, following Completion:

i. Seller shall complete all tasks required to fully implement the Restructuring in all respects in accordance with the description of the Restructuring set forth in Schedule 9, using best efforts to complete such tasks on or before the **[**]** day after Completion;

ii. Upon Seller's completion of all tasks required to fully implement the Restructuring in all respects, Seller shall provide to Purchaser a certificate of the Seller certifying to such completion; and

iii. In the event Purchaser disputes that all tasks required to fully implement the Restructuring in all respects have been completed, Purchaser shall provide Seller with written notice of such failure in sufficient detail to permit Seller to cure such failure, and Seller shall promptly take all actions required to cure any such failures.

b. Each party shall provide all assistance that may be reasonably requested by the other party in connection with Purchaser's acquisition of the Business in accordance with the terms and conditions of the Transitional Services Agreement, including the applicable fees set forth therein.

2. Assignment

a. Except as set forth in clause 16.2, neither party shall assign, transfer, mortgage, charge, declare a trust over or deal in any other manner with any of its rights and obligations under this Agreement except with the prior written consent of the other party.

b. The Purchaser may assign the benefit of any Warranty or any other right which it may have under this Agreement by way of security to a provider of debt finance or to any of its Affiliates, provided that:

i. if such member ceases to be an Affiliate of the Purchaser it will automatically on ceasing to be such a member assign and/or transfer such rights under this Agreement to the Purchaser or another Purchaser Affiliate;

ii. any such assignment shall not increase the cost of performance of this Agreement by the Seller and no assignee shall be entitled to a greater damages or other compensation than that to which the Purchaser would have been entitled had it not assigned the benefit of this Agreement; and

iii. Each party confirms it is acting on its own behalf and not for the benefit of any other person.

1. Entire agreement

a. This Agreement (together with the other Transaction Documents to which (i) the Seller or Retained Group and (ii) the Purchaser or any of its Affiliates are a party), including the disclosures made in the Disclosure Letter, constitutes the entire agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to their subject matter.

b. The only remedy or remedies available to the Purchaser in respect of any misrepresentation or untrue statement made to it shall be a claim for breach of contract under this Agreement or to obtain specific performance in accordance with Section 10.3.

c. Nothing in this clause 17 shall limit or exclude any liability for or arising out of Fraud or criminal activity.

2. Amendment and waiver

a. No amendment or modification of this Agreement shall be effective unless it is in writing and signed by both parties (or their authorized representatives).

b. A waiver of any right or remedy under this Agreement or by law is only effective if given in writing and signed by the person waiving such right or remedy. Any such waiver shall apply only to the circumstances for which it is given and shall not be deemed a waiver of any subsequent breach or default.

c. A failure or delay by any person to exercise any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy.

d. No single or partial exercise of any right or remedy provided under this Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

3. Costs

a. Except as otherwise set forth herein, each party shall pay its own costs and expenses incurred in connection with the Transaction and the negotiation, preparation and execution of this Agreement and the other Transaction Documents.

b. For the avoidance of doubt, all stamp, transfer, registration and other similar Tax, duties and charges ("**Transfer Taxes**") attributable to the Restructuring shall be paid solely by the Seller and Transfer Taxes attributable to the sale of the Sale Shares under this Agreement shall be shared equally between the Purchaser and Seller and the Seller's portion shall be treated as a Transaction Expense. The party customarily responsible under applicable Laws shall file all necessary Tax Returns with respect to Transfer Taxes

and the non-preparing party shall cooperate in duly and properly preparing, executing, and filing any certificates or other documents required to be filed in connection with such Transfer Taxes.

1. Notices

a. All communications, notices, instructions and consents provided for herein or in connection herewith are to be made in writing and sent to the address below and are to be (a) given in person, (b) sent by registered or certified mail, return receipt requested, postage prepaid, or (c) sent by a reputable overnight courier service. Any such communication, notice, instruction or consent will be deemed to have been delivered: (i) on receipt if given in person; (ii) three (3) Business Days after it is sent by registered or certified airmail, return receipt requested, postage prepaid within the same country as the recipient's address or five (5) Business Days after it is sent by registered or certified airmail, return receipt requested, postage prepaid from another country; or (iii) one (1) Business Day after it is sent via a reputable overnight courier service. Notices will be sent:

to the Seller at:

US WorldMeds Partners, LLC
4441 Springdale Road
Louisville, Kentucky 40241
E-mail: **[**]**
Attention: [**]

with a copy to:

Gibson, Dunn & Crutcher, LLP
555 Mission Street, Suite 3000
San Francisco, California 94105-0921
Email: [**]
[**]

and

to the Purchaser at:

Supernus Pharmaceuticals, Inc.
9715 Key West Avenue
Rockville, MD 20850
Attention: Chief Executive Officer

with a copy to:

Supernus Pharmaceuticals, Inc.
9715 Key West Avenue
Rockville, MD 20850
Attention: VP, Corporate Development

with a copy to:

Saul Ewing Arnstein & Lehr LLP
1919 Pennsylvania Ave., N.W. Suite 550
Washington, DC 20006
Attention: [**]
Email: [**]

A party may change the address to which such notices to it are to be delivered by giving not less than ten (10) Business Days' notice to the other party.

2. Payments

a. Any payment to be made pursuant to this Agreement by:

i. the Purchaser to the Seller shall be made in cash in United States Dollars to the Seller's Nominated Account; and

ii. the Seller to the Purchaser shall be made in cash in United States Dollars to the Purchaser's Nominated Account,

in each case by way of electronic transfer in immediately available funds on or before the due date for payment. Receipt of such sum in such account on or before the due date for payment in accordance with this clause 21.1 shall (to the extent of the sum so received) be a good discharge by the payor of its obligation to make such payment (and the payor shall not be concerned with or responsible for the application or allocation of any such sum).

3. Interest

a. If either party fails to make any payment due to the other party under this Agreement by the due date then the defaulting party shall pay interest on the overdue sum from the due date until payment of the overdue sum, whether before or after judgment.

b. Interest under this clause will accrue each day at [**]% a year above the prime rate of interest reported in The Wall Street Journal in effect on the date such payment was required to be made, but at [**] percent ([**]%) a year for any period when that base rate is below [**] percent ([**]%).

4. Severability

a. If any provision or part‑provision of this Agreement is or becomes invalid, illegal or unenforceable as a matter of law, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this Agreement.

5. Agreement survives Completion

a. This Agreement (other than obligations that have already been fully performed) remains in full force after Completion.

6. Third party rights

a. The Seller's obligations of confidentiality in clause 13 are assumed for the benefit of the Purchaser and, after Completion the Acquired Group, and the Purchaser and, after Completion the Acquired Group, may rely on and enforce those obligations of the Seller.

b. Except as expressly provided in clauses 7.5, 9.2, and 25.1, this Agreement does not give rise to any rights of any person other than the parties to enforce any term of this Agreement.

c. Notwithstanding clause 9.2, no amendment, modification or termination of this Agreement shall require the consent or approval of any person other than the parties.

7. Counterparts

a. This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

8. Rights and remedies

a. Except as expressly provided in this Agreement, the rights and remedies provided under this Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

1. Governing law and jurisdiction

a. This Agreement and any dispute or claim (including non‑contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of Delaware.

b. Each of the parties hereto hereby irrevocably and unconditionally consents to submit any dispute arising under or in connection with this Agreement or any agreement, document or instrument entered into pursuant to this Agreement, to the sole and exclusive jurisdiction of any state or federal courts located in the State of Delaware, and waives any objection to the laying of venue of any such litigation in such courts and agrees not to plead or claim that such litigation brought therein has been brought in any inconvenient forum.

This Agreement has been entered into on the date stated at the beginning of it.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in two counterparts by their respective duly authorized representatives as of the date set forth at the beginning of this Agreement.

SIGNED for and on behalf of
US WORLDMEDS PARTNERS, LLC
(on behalf of the Company Group)

Signature:/s/ [**]

Name: [**]

Title: Chief Executive Officer

SIGNED for and on behalf of
SUPERNUS PHARMACEUTICALS, INC.

Signature:/s/ Jack A. Khattar

Name: Jack A. Khattar

Title: Chief Executive Officer

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

Schedule 1

Particulars of the Company and the Acquired Group

(as of the date hereof and at Completion, except as expressly noted)

PARTICULARS OF THE COMPANY

Name	USWM Enterprises, LLC
Registration number	5883752
Registered office	1209 Orange St, Wilmington, Delaware, 19801, United States
Issued share capital	9,040,733 Class A Shares 25 Class B Shares 537,000 Class C Shares 364,300 Series D Convertible Preferred Shares
Shareholder(s) and number of Sale Shares to be held immediately prior to Completion	Seller (100% of issued share capital)
Directors	**[**]**
Auditor	[**] for the fiscal year ended 12/31/18 [**] for the fiscal year ended 12/31/17
Registered Charge(s)	None

MEMBERS OF THE ACQUIRED GROUP

US WorldMeds Holdings, LLC	
State/Country of Organization	Delaware
Type of Entity	Limited liability company
Registered Office	1209 Orange Street, Wilmington, Delaware 19801
Issued Capital/Equity	Membership Interests
Shareholders/Members	USWM Enterprises, LLC (100%)
Directors/Managers	[**]
Branch or Permanent Establishment	N/A
Jurisdiction Where Licensed or Qualified to do Business	None
Federal Tax Identification Number	[**]

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US WorldMeds, LLC	
State/Country of Organization	Delaware
Type of Entity	Limited liability company
Registered Office	1209 Orange Street, Wilmington, Delaware 19801
Issued Capital/Equity	Membership Interests
Shareholders/Members	[**]
Directors/Managers	[**]
Branch or Permanent Establishment	N/A
Jurisdiction Where Licensed or Qualified to do Business	Alabama, Arizona, California, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Missouri, New Jersey, New York, North Carolina, North Dakota, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia
Federal Tax Identification Number	[**]

USWM SPE, LLC	
State/Country of Organization	Delaware
Type of Entity	Limited liability company
Registered Office	1209 Orange Street, Wilmington, Delaware 19801
Issued Capital/Equity	Membership Interests
Shareholders/Members	[**]
Directors/Managers	[**]
Branch or Permanent Establishment	N/A
Jurisdiction Where Licensed or Qualified to do Business	None
Federal Tax Identification Number	[**]

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Solstice Neurosciences, LLC	
State/Country of Organization	Delaware
Type of Entity	Limited liability company
Registered Office	1209 Orange Street, Wilmington, Delaware 19801
Issued Capital/Equity	Membership Interests
Shareholders/Members	[**]
Directors/Managers	[**]
Branch or Permanent Establishment	N/A
Jurisdiction Where Licensed or Qualified to do Business	Alabama, California, Florida, Kentucky, Maine, North Carolina, North Dakota, Tennessee, and Utah
Federal Tax Identification Number	[**]

Sloan Pharma SARL (LUX)	
State/Country of Organization	Luxembourg
Type of Entity	Private limited liability company
Registered Office	Atrium Business Park, 33 rue du Puits Romain, L-8070 Bertrange, Grand-Duchy of Luxembourg
Issued Capital/Equity	20,000 Shares
Shareholders/Members	[**]
Directors/Managers	[**]
Branch or Permanent Establishment	Sloan Pharma Sarl, Bertrange, Cham Branch, Steinhauserstrasse 21, 6330 CHAM, Switzerland
Jurisdiction Where Licensed or Qualified to do Business	Luxembourg, Switzerland
Federal Tax Identification Number	[**]

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BRITUSWIP Limited (UK)	
State/Country of Organization	England
Type of Entity	Private company limited by shares
Registered Office	Park View House, 65, London Road, Newbury, Berkshire RG14 1JN
Issued Capital/Equity	70,000 A Shares, 70,000 B Shares
Shareholders/Members	[**]
Directors/Managers	[**]
Branch or Permanent Establishment	N/A
Jurisdiction Where Licensed or Qualified to do Business	England and Wales

Registration Number	9407811

*Continuing post Completion Director.

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Schedule 2

Conditions to Completion

1. Purchaser Conditions

"Purchaser Conditions" means:

a. The completion in all material respects of the "Restructuring" in a manner consistent with Schedule 9 (and the documents referenced therein); provided, that to the extent this condition has not been satisfied, Purchaser shall provide Seller with written notice of such failure in sufficient detail to permit Seller to cure such failure, and Completion may not take place until such failure has been cured.

b. If the [**] is payable on or before the Completion Date, such payment shall have been timely paid by Seller on or before such due date.

c. There shall not have occurred during the Interim Period a Material Adverse Effect.

d. Other than the representations and warranties contained in paragraphs 1 (Incorporation, Capacity and Authority) and 2 (Shares in the Company) of Schedule 4, the representations and warranties of the Seller contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct on and as of the Completion Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects), except where the failure to be so true and correct would not, individually or in the aggregate, (x) reasonably be expected to have a Material Adverse Effect or (y) result in a claim which is reasonably expected to be in excess of $[**; provided, that with respect to clause (y), the Seller may cure the failure of any such representation or warranty by (i) [**] to [**] at [**] the [**] of any such [**] that is determined to be [**] to the [**] at the time of [**] and (ii) [**] an [**] to an [**] of the [**] of any such [**] that cannot be ascertained at [**], where such [**] shall [**] by the [**] of [**] of the [**] and the [**], which each such [**] using his [**] to [**] to such [**], provided that in the event such [**] to such [**] after using [**], the [**] shall have the right to [**] this [**] in accordance with the provisions of [**] of this Agreement.

e. The representations and warranties contained in paragraphs 1 (Incorporation, Capacity and Authority) and 2 (Shares in the Company) of Schedule 4 and such representations and warranties of the Seller contained in any certificate or other writing delivered pursuant hereto shall be true and correct in all respects.

f. Prior to Completion, Seller shall have delivered to Purchaser an unaudited consolidated balance sheet of the Acquired Group (reflecting the completion of the Restructuring) and the related consolidated statements of operations, member's equity and cash flows as of and for the year to date period ending on the last day of the month most recently

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ended; provided, that if Completion takes place on or before the 23rd of any given month, then the financial statements to be provided pursuant to this paragraph 1.6 shall be for the monthly period preceding the month that most recently ended.

g. Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Completion Date.

h. On or before the Completion, the Seller shall have obtained a "tail" insurance policy to become effective at Completion with a claims period of [**] years following Completion with respect to directors' and officers' liability insurance covering each current and former officer and director of each Retained Group Member, each former officer and director of each Acquired Group Member, all other persons covered by the Acquired Group's directors' and officers' liability insurance policy in effect on the date of this Agreement (the "Existing D&O Policy") for acts or omissions occurring prior to the Effective Time, including in connection with the approval of this Agreement, and the material terms of such insurance policy shall be on terms at least as favorable to the Acquired Group as those of the Acquired Group's Existing D&O Policy; it being understood that [**] of any of the Seller's documented out-of-pocket costs or premiums related to such "tail" insurance policy shall be [**] the [**] to be paid at Completion.

i. On or before the Completion, the Seller shall have obtained "tail" insurance policies covering (i) products liability ([**]) for an [**] with respect to the [**], [**] years with respect to the [**] and [**] years with respect to the [**], and (ii) professional liability for a period of [**] years. The Seller will ensure that the terms of such tail insurance policies are not cancelled, not amended or varied without the prior written consent of the Purchaser. The Seller agrees that it shall (i) name the Purchaser as an additional insured, (ii) provide to the Purchaser certificates of insurance or other reasonable written evidence of all coverages described in this paragraph 1.9, and (iii) provide the Purchaser with written notice at least [**] days prior to the Seller cancelling or materially changing such insurance policies.

j. Seller shall have caused the Company to take all actions necessary to cause the [**] of the [**], including obtaining such amendments, waivers or consents with respect to the [**] as to (i) provide for the effectiveness of the [**] of the [**] immediately prior to Completion and (ii) permit payment of the [**] Payment at Completion.

k. Control of all bank accounts of the Acquired Group Members shall be given to Purchaser.

1. Seller Conditions

"Seller Conditions" means:

The representations and warranties of Purchaser contained in clauses 11.1.1 through 11.1.6 (inclusive) of this Agreement shall be true and correct in all respects on and as of the Completion Date with the same effect as though made at and as of such date (except

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those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

a. Purchaser shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Completion Date.

2. Competition Conditions

"Competition Conditions" means:

a. Any waiting period (and any extension thereof) under the HSR Act applicable to the transactions contemplated by this Agreement shall have expired or shall have been terminated. All other material consents of, or registrations, declarations or filings with, any Governmental Entity legally required for the consummation of the transactions contemplated by this Agreement shall have been obtained or filed.

b. There shall be no Law, injunction, judgment, order, or decree of any Governmental Entity of competent jurisdiction that is in effect which temporarily or permanently prohibits or enjoins the consummation of the transactions contemplated by this Agreement.

Schedule 3

Matters Occurring at Completion

1. Documents to be delivered by the Seller at Completion

a. At Completion, the Seller shall deliver (or caused to be delivered) to the Purchaser:

i. copies of the Transaction Documents, executed by the Seller and each Retained Group Member, as applicable, in each case, to the extent not previously delivered to the Purchaser;

ii. the updated Data Room USB containing true, correct and complete copies of all documents that have been added the Data Room or modified from those contained on the Data Room USB delivered upon the execution of the Agreement;

iii. certificates representing the Sale Shares, duly endorsed in blank or accompanied by stock powers duly endorsed in blank in proper form for transfer, with appropriate transfer stamps, if any, affixed;

iv. certificates representing all outstanding **[**]**, duly endorsed in blank or accompanied by stock powers duly endorsed in blank in proper form for transfer, with appropriate transfer stamps, if any, affixed, and a release of claims relating to the [**] from each holder of shares of [**] in the form attached hereto as Annex 1.1.14 to this Schedule 3;

v. originals of all promissory notes (or a lost note affidavit with respect thereto) representing Indebtedness to be repaid at Completion, and a customary payoff letter from each noteholder in a form reasonably acceptable to Purchaser;

vi. a duly certified copy of any power of attorney under which any Transaction Document has been executed on behalf of the Seller, if any;

vii. the registers, minute books of the boards of directors and company records kept by each Acquired Group Member, in each case properly written up as at the Completion Date, together with the common seals (if any),

viii. a certificate of the Seller, dated the Completion Date, signed on behalf of the Seller by an authorized executive officer of the Seller, certifying as to the following:

1. a copy of the resolutions adopted by the Seller and each applicable Retained Group Member's board of directors authorizing Completion and the execution and delivery by the officers authorized to execute each Transaction Document to be executed and delivered by the Seller or such Retained Group Member at Completion; and

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2.[].[]. certificates of formation or other organizational documents and all amendments thereto, and all limited liability company agreements and other governing documents for Seller and each Acquired Group Member, all as amended through the Completion Date.

ix.[].[] the written resignations, a release of claims in favor of each Acquired Group Member, and waivers of rights of indemnification from each Acquired Group Member, all in forms reasonably acceptable to the Purchaser, from all officers and directors of each Acquired Group Member, including without limitation from **[**]**., [**], [**] and [**];

x.[].[] a deed of assignment or novation in respect of any confidentiality agreement or non‐disclosure agreement that has been entered into with the Seller or any of its Affiliates (excluding any Acquired Group Member) and any Third Party (including unsuccessful bidders with respect to the Transaction) relating to any Company Confidential Information;

xi.[].[] a certificate of insurance for the tail directors' and officers' liability insurance policy;

xii.[].[] documentation reasonably acceptable to Purchaser releasing all Encumbrances on the assets of each Acquired Group Member in connection with any Indebtedness;

xiii.[].[] a certificate of the Seller, dated the Completion Date, signed on behalf of the Seller by an authorized executive officer of the Seller, certifying that the Purchaser Conditions have been satisfied;

xiv.[].[] a certificate of the Seller, dated the Completion Date, signed on behalf of the Seller by an authorized executive officer of the Seller, setting forth with specificity what tasks required to fully implement the Restructuring in all respects have not been completed as of such date and certifying that all other tasks have been completed in full;

xv.[].[] the Completion Indebtedness Certificate;

xvi.[].[] the Completion Transaction Expenses Certificate;

vii.[].[] a copy (certified as a true copy by an officer of the Seller and the applicable Retained Group Member) of the resolutions adopted by the Seller's board of directors, authorizing Completion and the execution and delivery of the Transaction Documents to be executed and delivered by the Seller and the applicable Retained Group Member at Completion;

viii.[].[] a certificate, in the form attached hereto as Annex 1.1.18 certifying that the Company is not a United States real property holding corporation and a notice

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to be mailed (together with a copy of the certificate) to the IRS in accordance with Treasury Regulations § 1.897-2(h)(2);

ix. a copy duly executed by the Seller of the Transitional Services Agreement; and

xx. non-competition agreements executed by each of **[**]**, [**] and [**] whereby each such individual undertakes to the Purchaser to not for a period of [**] years after the Completion Date, (i) develop, manufacture, distribute, market or sell, or enter into arrangements with Third Parties for the distribution, marketing or sale of any Competing Product, or (ii) provide any services as an employee, stockholder (other than passive investments of less than 1% of the capital stock of any such entity), partner, co-venturer, independent contractor, or otherwise, anywhere in the world, on behalf of any business organization (A) engaged in direct or indirect competition with the Business or (B) developing products or services competitive with those of the Business, nor shall such persons engage in such activities on his or her own behalf.

2. Company Authorizations

a. Prior to Completion, the Seller shall have caused the board of directors of the Company to approve, either by holding a board meeting of the Company or by action by unanimous written consent of the board of directors, the following matters:

i. the approval of the transfer of the Sale Shares and the [**] of the [**];

ii. acceptance of the resignations referred to in paragraph 1.1.9 of this Schedule with effect upon Completion;

iii. appointment of the persons nominated by the Purchaser as Directors of the Company with effect from Completion; and

iv. revocation of all existing instructions and authorities to the banks of each Acquired Group Member and replacement with new instructions and authorities in such form as the Purchaser may reasonably direct.

b. Prior to Completion, the Seller shall have caused the board of directors of the Seller to approve, either by holding a board meeting of the Seller or by action by unanimous written consent of the board of directors of the Seller, the approval of the transfer of the Sale Shares.

3. Documents to be delivered by the Purchaser at Completion

a. At Completion, the Purchaser shall deliver to the Seller:

i. copies of any Transaction Documents to which the Purchaser or a member of its Group is a party, executed by the Purchaser and each of its Affiliates to the extent a party thereto and in each case to the extent not previously delivered to the Seller;

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ii. a copy (certified as a true copy by a director or the company secretary of the Purchaser) of the resolutions adopted by the Purchaser's board of directors (and the board of directors of each of its Affiliates that is a party to a Transaction Document) authorizing Completion and the execution and delivery by the officers specified in the resolution of each Transaction Document to be executed and delivered by the Purchaser at Completion;

iii. a copy of the Warranty Insurance Policy;

iv. a duly certified copy of any power of attorney under which any Transaction Document has been executed on behalf of the Purchaser and/or any of its Affiliates;

v. a copy duly executed by the Purchaser of the Transitional Services Agreement; and

vi. a certificate of the Purchaser, dated the Completion Date, signed on behalf of the Purchaser by an authorized executive officer of the Purchaser, certifying that the Seller Conditions have been satisfied.

Schedule 4

Warranties

With respect to paragraphs 4, 6, 10.1 – 10.9, 11, 12, 13, 14, 15.1, 15.2, 15.4, 16, 17, 18, 19, 20, 21, 22.8, 22.9, 22.13, 22.15, and 27 in this Schedule 4, references to the Acquired Group or the Acquired Group Members shall be deemed to refer to both (i) the Company Group and the Company Group Members, as applicable, as of the date hereof and (ii) the Acquired Group and the Acquired Group Members, as applicable, as of Completion.

1. Incorporation, Capacity and Authority

a. Each of the Seller and each Acquired Group Member is validly existing, is duly organized and registered under the laws of its jurisdiction of formation, and is qualified to do business as a foreign limited liability company and is in good standing in each jurisdiction in which its ownership of property or conduct of business requires it to qualify.

b. Each of the Seller and each Acquired Group Member has all requisite power and authority to own and operate its properties and to carry on its business as now conducted and as presently proposed to be conducted at Completion, and Seller and each Company Group Member has all requisite power and authority to enter into, deliver and perform this Agreement and the other Transaction Documents to which it is a party, and has taken all actions necessary to secure all approvals required in connection therewith.

c. This Agreement and the other Transaction Documents to be executed by the Seller shall, upon execution, constitute valid, legal and binding obligations of the Seller in accordance with their respective terms.

d. The execution, delivery and performance by the Seller of this Agreement and the other Transaction Documents to which it is a party shall not result in a:

i. breach of any provision of its certificate of formation, by laws or equivalent constitutional document;

ii. material breach of, or constitute a material default under, any agreement or instrument to which it is a party or by which it is otherwise bound; or

iii. breach of any order, judgment or decree of any court, governmental agency or regulatory body to which it is subject or by which it is bound.

2. Shares in the Company

a. At Completion, the Seller will be the sole legal and beneficial owner of the Sale Shares. The “Issued Share Capital” Disclosed in Schedule 1 to the Agreement Discloses all of the authorized equity interests or securities of the Company and the Sale Shares and the

Series D Shares are the only such equity interests or securities of the Company outstanding.

b. The Sale Shares and the Series D Shares constitute all of the issued and outstanding share capital of the Company and are fully paid and non-assessable. Other than the Sale Shares and the Series D Shares, there are no outstanding securities, options, warrants, calls, rights, convertible or exchangeable securities or contracts or obligations of any kind (contingent or otherwise) to which the Seller or the Company is a party or by which it is bound obligating the Company, directly or indirectly, to issue, deliver or sell, or cause to be issued, delivered or sold, additional share capital or other securities or other equity interests of the Company or obligating the Company to issue, grant, extend or enter into any such security, option, warrant, call, right, contract or obligation. There are no outstanding equity-appreciation rights, equity-based performance units, "phantom" equity rights or other contracts or obligations of any character (contingent or otherwise) pursuant to which any Person is or may be entitled to receive any payment or other value based on the revenues, earnings or financial performance, equity price performance or other attribute of the Company or its business or assets or calculated in accordance therewith (other than payments or commissions to sales representatives of the Company based upon revenues generated by them without augmentation as a result of the transactions contemplated hereby, in each case in the ordinary course of business).

c. The entire authorized, issued and allotted share capital of each Acquired Group Member, including options, warrants, calls, rights, convertible or exchangeable securities or contracts or obligations of any kind (contingent or otherwise), is set forth on Schedule 1, registered in the names set forth on Schedule 1. Other than as set forth on Schedule 1 there are no outstanding options, warrants, calls, rights, convertible or exchangeable securities or contracts or obligations of any kind (contingent or otherwise) to which the Seller or any Company Group Member is a party or by which it is bound obligating any Acquired Group Member, directly or indirectly, to issue, deliver or sell, or cause to be issued, delivered or sold, additional share capital or other securities or other equity interests of any Acquired Group Member or obligating any Acquired Group Member to issue, grant, extend or enter into any such security, option, warrant, call, right, contract or obligation. There are no outstanding equity-appreciation rights, equity-based performance units, "phantom" equity rights or other contracts or obligations of any character (contingent or otherwise) pursuant to which any Person is or may be entitled to receive any payment or other value based on the revenues, earnings or financial performance, equity price performance or other attribute of any Acquired Group Member or its business or assets or calculated in accordance therewith (other than payments or commissions to sales representatives of an Acquired Group Member based upon revenues generated by them without augmentation as a result of the transactions contemplated hereby, in each case in the ordinary course of business).

d. There is no Encumbrance affecting the Sale Shares or any issued or unissued shares, debentures or other securities of any Acquired Group Member, or any of the assets of any Acquired Group Member, nor has any written agreement or commitment to create any

such Encumbrance been entered into or given by the Seller or any Company Group Member. There are no agreements with respect to the voting or transfer of the Sale Shares, the Series D Shares, any securities of any Acquired Group Member, or with respect to any other aspect of the affairs of any Acquired Group Member. There are no bonds, debentures, notes or other indebtedness of any Acquired Group Member outstanding having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters.

e. No person has any right to require the creation, issue, conversion, sale, repurchase, redemption, or transfer of any share capital or other securities (or any rights or interest in them) or any equity interest of any Acquired Group Member. No written agreement or commitment to grant or confer any such right has been entered into or given by the Seller or any Company Group Member (except for this Agreement). There are no outstanding rights to cause any Acquired Group Member to register its securities or which otherwise relate to the registration of any securities of any Acquired Group Member.

f. Subsidiaries, branches and jurisdictions

i. No Acquired Group Member: holds or beneficially owns, directly or indirectly, any shares, loan capital or other securities of any company (other than its subsidiaries Disclosed in the Disclosure Letter and the BRITUSWIP Shares). No Acquired Group Member has agreed to acquire, any shares, loan capital or other securities of any company.

ii. No Acquired Group Member has any branch or permanent establishment except as set forth in Schedule 1.

iii. Schedule 1 sets forth each jurisdiction in which each Acquired Group Member is licensed or qualified to do business, and each Acquired Group Member is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary.

g. No Acquired Group Member is a member of any legal partnership or other unincorporated association, joint venture or consortium (other than a recognized trade association). No Acquired Group Member has agreed to become a member of any legal partnership or other unincorporated association, joint venture or consortium (other than a recognized trade association).

h. The Company is, indirectly through its Subsidiary US WorldMeds, LLC, the sole legal and beneficial owner of the BRITUSWIP Shares. Other than BRITUSWIP, the Company is, directly or indirectly, the sole legal and beneficial owner of all of the other members of the Acquired Group.

i. The entire issued and allotted share capital of BRITUSWIP consists of the BRITUSWIP Shares and 70,000 A Ordinary Shares, registered in the name of Britannia Pharmaceuticals Limited.

j. No person has any right to require the creation, issue, allotment, conversion, sale or transfer of any share, loan capital or other securities (or any rights or interest in them) of BRITUSWIP or any other Acquired Group Member.

k. BRITUSWIP has not traded or undertaken any commercial activity or trade since its incorporation other than the holding and exploitation of the APOKYN Trade Marks and receipt of royalties relating thereto.

l. Neither the Seller nor any Acquired Group Member has violated any securities Laws in connection with the offer, sale or issuance of any of its equity interests or securities.

3. Constitutional documents and company records

a. The copies of the certificate of formation and the operating agreement (or other organizational documents, if applicable) of each Acquired Group Member Disclosed in folders 1.1 and 1.2 of the Data Room are complete and accurate.

b. The registers of members of each Acquired Group Member and the minute books and record books of each Acquired Group Member have in all material respects been properly kept, and are up to date in all material respects, and complete versions of such minute books and record books have been delivered or made available to the Purchaser.

c. All statements, filings and other documents required by law to be delivered to any Governmental Entity by each Acquired Group Member have been delivered.

4. Powers of attorney

a. No Acquired Group Member has given a power of attorney which is in force, other than in the ordinary course of business.

5. Accuracy of information

The particulars of each Acquired Group Member Disclosed in 0 are true and accurate.

6. Sale and purchase of the Sale Shares

a. No Acquired Group Member has any obligation to pay any finder’s fee, brokerage or other commission in connection with the Transaction.

7. Financial Information

a. Accurate and complete copies of the Accounts have been attached to the Disclosure Letter.

b. The Accounts having regard to the purpose for which they were required by management:

i. have been prepared with due care and attention and have been prepared in good faith from the books and records of the Company Group and in accordance with US GAAP; and

ii. do not materially misstate the assets and liabilities and the profit and losses of the Company Group and fairly present in all material respects the financial condition and results of operations of the Company Group as of the dates, and for the periods, indicated thereon.

c. Accurate and complete copies of the Financial Information have been attached to the Disclosure Letter.

d. The Financial Information having regard to the purpose for which they were required by management:

i. has been prepared with due care and attention and have been prepared in good faith from the books and records of the Company;

ii. has been prepared in all material respects in accordance with US GAAP, subject to intercompany eliminations; and

iii. does not materially misstate the assets and liabilities and the net sales, profit and losses of the Acquired Group as at and to the dates set forth therein and fairly present in all material respects the financial condition and results of operations of the Acquired Group as of the dates, and for the periods, indicated thereon.

e. The entirety of this paragraph 7 is qualified by the fact that the Financial Information reflect pro‑forma allocations, estimates and adjustments from the Accounts ("**Pro‑forma Adjustments**") in order to present the relevant income statements and statements of net assets as if the Restructuring had already occurred prior to the period covered by the Financial Information and accordingly those aspects of the Financial Information that are affected by the Pro‑forma Adjustments will be on an as‑adjusted and not reported basis and will therefore not comply with US GAAP nor necessarily be directly derived from the books and records of the Company. The Financial Information sets forth the Pro‑forma Adjustments.

f. The Company maintains adequate internal accounting controls that are designed for private companies of similar size and complexity to ensure that: (i) material transactions are executed with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of the financial statements of the Company Group in accordance with US GAAP and to maintain accountability for the assets of the Company Group; and (iii) accounts, books and ledgers related to the Company Group are properly kept, and are accurate and complete in all material respects. There has never

been (1) any significant deficiency or weakness in any system of internal accounting controls used by the Company, (2) any fraud or other material misconduct that involves any of the management or other employees of the Company Group who have a role in the preparation of financial statements or the internal accounting controls used by the Company or (3) any written or, to the knowledge of the Seller, other claim or allegation regarding any of the foregoing.

g. There is no material liability or obligation of the Acquired Group (whether absolute or contingent, asserted or unasserted, known or unknown, liquidated or unliquidated, due or to become due, fixed or unfixed, and regardless of when or by whom asserted) other than (a) liabilities or obligations reflected on the face of the statement of assets in the Financial Information as of December 31, 2019, (b) liabilities or obligations that have arisen since December 31, 2019 in the ordinary course of the operation of business (none of which is a liability or obligation for breach of contract, breach of warranty, tort, infringement, misappropriation or other violation of Intellectual Property Rights, or violation of Law and none of which is Indebtedness, except to the extent reflected on the Completion Indebtedness Certificate), and (c) liabilities or obligations under contracts and commitments Disclosed in the Disclosure Letter or under contracts and commitments entered into in the ordinary course of business that are not required to be disclosed in the Disclosure Letter (none of which is a liability or obligation for breach or other nonperformance).

8. Changes since December 31, 2019

a. Since December 31, 2019 and except as expressly set forth with specificity in Schedule 9:

i. the Company Group has conducted its business in the ordinary course and as a going concern so as to maintain it as a going concern without any material interruption or change in its nature, scope or manner;

ii. there has been no material adverse change in the revenues or financial position of the Acquired Group and no event, fact or matter has occurred or is likely to occur which will or is likely to give rise to any such change;

iii. there has been no subsequent event of the Acquired Group required to be disclosed to the Company's auditor;

iv. there has been no abnormal increase or reduction of Inventory held by the Acquired Group;

v. there has been no abnormal increase or reduction of Inventory held at suppliers, wholesalers, distributors, specialty distributors, retailers and the like;

vi. there has been no fact, event, circumstance, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

vii.□.□ other than the transactions expressly set forth with specificity in Schedule 9, no Company Group Member has declared, made or paid any dividend or other distribution of profits or assets;

i. other than the transactions expressly set forth with specificity in Schedule 9, no Company Group Member has acquired or disposed of, or agreed to acquire or dispose of, any business or asset (other than sales made in the ordinary course of business) having a value in excess of $**[**]**;

ii. except as specifically agreed to by the Seller and the Purchaser (including as described in paragraph 6.3.1 of Schedule 8), no Company Group Member has made, changed, or revoked any method of book or tax accounting;

iii. no Acquired Group Member has amended its certificate of formation or its operating agreement or any other of its organizational documents;

iv. no Acquired Group Member has issued or sold any equity interest or securities or securities convertible into its equity interests or securities, or warrants, options or other rights to purchase its equity interests or securities;

v. other than the transactions expressly set forth with specificity in Schedule 9, no Acquired Group Member has entered into, amended or terminated any Material Contract, entered into any other material transaction, whether or not in the ordinary course of business or consistent with past practice, or changed in any significant respect any business practice (in anticipation of the transactions contemplated hereby or otherwise);

vi. other than the transactions expressly set forth with specificity in Schedule 9, no Company Group Member has (i) acquired (by merger, consolidation, acquisition of stock or assets or otherwise) or organized any Person, (ii) acquired any rights, assets or properties other than in the ordinary course of business or (iii) acquired any equity interest or other securities of any Person;

vii. other than the transactions expressly set forth with specificity in Schedule 9, no Company Group Member has sold, assigned, transferred, leased, licensed or otherwise encumbered any of its material assets, except in the ordinary course of business, or cancelled any material debts due to it or claims held by it;

viii. other than the transactions expressly set forth with specificity in Schedule 9, no Company Group Member has sold, assigned, transferred, leased, licensed or otherwise encumbered any Company Intellectual Property (other than by granting nonexclusive licenses of Company Intellectual Property to customers pursuant to written agreements in connection with the sale of products or the provision of services in the ordinary course of business), disclosed any material proprietary confidential information to any Person (other than to Purchaser and its Affiliates), abandoned or permitted to lapse or otherwise fail to maintain in full force and effect any material Company Intellectual Property;

ix. other than the transactions expressly set forth with specificity in Schedule 9, no Acquired Group Member has subjected any portion of its properties or assets to any Encumbrance, or discharged or satisfied any Encumbrance or paid any material liability or obligation, other than current liabilities or obligations paid in the ordinary course of business;

x. other than the transactions expressly set forth with specificity in Schedule 9, no Company Group Member has made or granted any bonus or any compensation or salary increase to any former or current employee, director, officer or contractor of the Company Group or group of former or current employees, directors, officers or contractors of the Company Group (except bonuses and salary increases in the ordinary course of business consistent with past practice), or made or granted any increase in any employee benefit plan or arrangement, or amended or terminated any existing employee benefit plan or arrangement or employment or severance agreement or adopted any new employee benefit plan or arrangement (except in the ordinary course of business) or employment or severance agreement, or taken any action to accelerate the payment, funding, right to payment or vesting of any compensation or benefits (except as required pursuant to this Agreement);

xi. no Company Group Member has implemented any plant closing or other layoff of employees that could implicate the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq. or any similar Law;

xii. the Acquired Group has not suffered any material damage, destruction or other casualty loss with respect to property owned by the Acquired Group or waived any rights of material value;

xiii. no Acquired Group Member has made capital expenditures or commitments therefor that aggregate in excess of $**[**]**;

xiv. no Acquired Group Member has delayed or postponed the payment of any accounts payable or commissions or any other liability or obligation or agreed or negotiated with any party to extend the payment date of any accounts payable or commissions or any other liability or obligation or accelerated the collection of (or discounted) any accounts or notes receivable;

xv. no Acquired Group Member has made (or intends to make) any change in any method of accounting or accounting policies or reversed any accruals (whether or not in the ordinary course of business) and except as provided in paragraph 6.3.1 of Schedule 8 no Retained Group Member has made (or intends to make) any change in any method of accounting or accounting practices;

xvi. no Company Group Member has (i) implemented, adopted, made or changed any Tax election, method of tax accounting or Tax reporting principle or

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practice, other than an election on Form 8832 to treat US WorldMeds LLC as an entity that is disregarded as separate from Company for U.S. federal income

tax purposes, (ii) settled or compromised any federal, state, local or non‑U.S. Tax liability or claim, (iii) filed any amended Tax return, (iv) entered into any Tax allocation, sharing, indemnity or closing agreement (other than any commercial agreement the primary purpose of which is not related to Taxes), (v) agreed to an extension or waiver of a statute of limitations applicable to any Tax liability, (vi) failed to pay any Tax as such Tax becomes due and payable (including any estimated Tax, and giving effect to any extension or deferral of a due date that is duly available to such Company Group Member under CARES), (vii) prepared and filed any Tax Return in a manner inconsistent with past practice, (viii) incurred any liability for Taxes outside the ordinary course of business or (ix) surrendered any right to claim a Tax refund, in each case, other than pursuant to a Purchaser Request pursuant to paragraph 6.3.1 of Schedule 8;

i. other than the transactions expressly set forth with specificity in Schedule 9, the Acquired Group has not failed to maintain in full force and effect any insurance policy in effect, except for any policy replaced by a new or successor policy of substantially similar coverage;

ii. no Company Group Member has terminated, amended, failed to renew or preserve or failed to maintain in full force and effect any (i) permit or (ii) Company Registered IPR, except for amendments completed in the ordinary course of business;

iii. other than the transactions expressly set forth with specificity in Schedule 9, no Acquired Group Member has incurred, agreed to guaranty or otherwise become liable for any Indebtedness for borrowed money that would not be paid at Completion, except for the drawing of any credit facility in the ordinary course of business;

iv. other than the transactions expressly set forth with specificity in Schedule 9, there has been no change in the organizational structure, governing documents, ownership or classification for federal income tax purposes of any Acquired Group Member, whether through merger, liquidation, reorganization, restructuring, election or in any other manner; or

v. other than the transactions expressly set forth with specificity in Schedule 9, no Acquired Group Member has agreed, whether orally or in writing, to do any of the foregoing.

1. Data Room Information

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

a. The documents and information contained in the Data Room with respect to (i) clinical Product data and (ii) scientific and technical Product data, are true and accurate in all material respects.

2. Finance and guarantees

a. Details of all loans, overdrafts or other financial facilities having the commercial effect of borrowing that are outstanding or available to any Acquired Group Member (the "Financial Facilities") are Disclosed in the Disclosure Letter and copies of such Financial Facilities have been Disclosed in the Data Room (at the location referenced in the Disclosure Letter). As of Completion, (i) no Financial Facilities will be outstanding or available to any Acquired Group Member and (ii) there will not be any outstanding intercompany debts, liabilities or obligations between Acquired Group Members, on the one hand, and the Seller or members of the Retained Group on the other.

b. Details of any Encumbrances created by or in favor of any Acquired Group Member have been Disclosed, and if required to be registered in accordance with applicable Laws have been so registered and comply with all necessary formalities as to registration or otherwise, and the registered particulars of such Encumbrances are complete and accurate. As of Completion, there will not be any Encumbrances created by or in favor of any Acquired Group Member.

c. No event has occurred causing, or which on intervention or notice by any Third Party may cause, any floating charge or pledge created by any Acquired Group Member to crystallize or any charge or pledge created by it to become enforceable, nor has any crystallization occurred or is any such enforcement in process.

d. So far as the Seller is aware, no step has been taken towards enforcement of any security over any asset of any Acquired Group Member

e. No Acquired Group Member has any outstanding convertible debt, or any other instruments which may be exercisable or converted into equity or membership interests of any Acquired Group Member, nor has it agreed to create or issue any such instruments to any person, nor will Completion result in a breach or give rise to a termination, acceleration of payment or any other adverse consequences for it in respect of any borrowing or indebtedness in the nature of borrowing.

f. No person has given or entered into (or agreed to give or enter into) any guarantee, performance or other bond, indemnity or other similar arrangement in respect of the borrowings or obligations of any Acquired Group Member (whether arising under the Financial Facilities or otherwise).

g. No Acquired Group Member has given or entered into (or agreed to give or enter into) any guarantee, performance or other bond, indemnity or other similar arrangement in respect of the borrowings or obligations of any other person.

h. No Acquired Group Member has made any loans that remain outstanding at the date of this Agreement and the Acquired Group is not owed any sums other than debts incurred in the ordinary course of business.

i. No Acquired Group Member has received any governmental grants.

j. The Disclosure Letter sets forth a list and description of all outstanding indebtedness between any Acquired Group Member; and:

i. the Seller or any other Retained Group Member; or

ii. any director or other officer of any of any Acquired Group Member, the Seller or any other Retained Group Member ("Director and Officer Indebtedness").

k. As of the Completion Date, the Acquired Group will have no liabilities, as determined in accordance with US GAAP, other than the Indebtedness, the Transaction Expenses and Working Capital taken into account in the calculation of the Purchase Price.

3. Insolvency

a. No Acquired Group Member:

i. is insolvent or unable to pay its debts;

ii. has stopped paying its debts as they fall due.

b. No petition has been presented, no procedure commenced, no resolution passed nor any order made for:

i. the winding up or dissolution of any Acquired Group Member;

ii. the appointment of an administrator, receiver or administrative receiver in respect of any Acquired Group Member, or any of its assets or undertaking; or

iii. the appointment of a person to manage the affairs, business and assets of any Acquired Group Member, on behalf of the creditors of any Acquired Group Member.

c. No seizure, execution or other process has been levied or enforced on, and no creditor or encumbrancer has taken control of, any goods or assets of any Acquired Group Member.

4. Disputes and investigations

a. No Acquired Group Member is engaged in any litigation, mediation, arbitration, administrative or criminal proceedings (except for routine debt collection in the normal course of business).

b. No litigation, mediation, arbitration, administrative or criminal proceedings are pending, or so far as the Seller is aware have been threatened, against any Acquired Group Member, and so far as the Seller is aware no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such action.

a. No Acquired Group Member has received any written notification that it is subject to an ongoing investigation or inquiry, or any enforcement or disciplinary proceedings, by any supranational, national or local Authority or governmental agency and, so far as the Seller is aware, no such investigation, inquiry or proceedings have been threatened or are pending.

b. No Acquired Group Member is bound by an outstanding order, decree, judgment, award or decision of any court, tribunal, arbitrator, mediator or governmental agency or Authority.

1. Competition

a. So far as the Seller is aware, each Acquired Group Member has at all times during the last [**] conducted its business in accordance with all applicable Competition Laws in all material respects.

b. So far as the Seller is aware, no Acquired Group Member has or is engaged in any agreement, arrangement, practices or conduct which infringes or contravenes any Competition Laws in any material respect.

c. So far as the Seller is aware, no Acquired Group Member is the subject of any investigation, inquiry or proceedings by any government body, agency or Authority, or court in connection with any actual or alleged infringement of the Competition Laws.

d. None of the Seller, any Acquired Group Member, nor any of the Seller's Affiliates have given any undertaking or commitment to any government body, agency, Authority or court responsible for enforcing any of the Competition Laws which affect the conduct of the Business.

e. So far as the Seller is aware, neither the Products, nor any part or component imported or used by any Acquired Group Member is or has been the subject of any anti‑dumping investigation or anti‑dumping duty or any undertaking or agreement in respect of them.

2. Trading and contracts

a. In this paragraph 14, "**Material Contract**" means any agreement or arrangement to which any Acquired Group Member is a party or is bound and which either:

i. involves expenditure by the Acquired Group in excess of $[**] per annum or an aggregate consideration payable by or to the Acquired Group in excess of $[**]; or

ii. restricts the freedom of any Acquired Group Member to carry on the whole or any part of the Business in any part of the world in such manner as it is currently conducted; or

iii. relates to the appointment of a commercial agent or distributor by any Acquired Group Member; or

iv. is an agreement governing the terms of a partnership or joint venture to which any Acquired Group Member is a party; or

v. is an agreement providing for the in-license or out-license of any Intellectual Property Rights not generally commercially available and that is necessary for the manufacture or sale of any component of the Acquired Group's products; or

vi. is for the supply of goods and/or services by or to the Acquired Group where the annual consideration payable under such agreement or arrangement or paid in any period of 12 months exceeds $**[**]**; or

vii. any pension, profit sharing, stock option, employee stock purchase or other plan or arrangement providing for deferred or other compensation (including any bonuses or other remuneration and whether in cash or otherwise) to employees, former employees or consultants, or any other employee benefit plan or arrangement, or any collective bargaining agreement or any other contract with any union, labor organization or similar employee representative, or severance agreements, programs, policies or arrangements; or

viii. any contract for the employment or engagement of any officer, individual employee or other Person on a full time, part time, consulting, independent contractor or other basis or relating to loans to officers, directors or Affiliates, but excluding any offer letters extended to nonexecutives in the ordinary course of business; or

ix. any contract under which any Acquired Group Member has advanced or loaned an amount to (other than advances to the Acquired Group's employees for business expenses in the ordinary course of business), guaranteed an amount for the benefit of, or made an investment in any other Person; or

x. any agreement or indenture relating to borrowed money or other Indebtedness or the mortgaging, pledging or otherwise placing a lien on any material asset or group of assets of any Acquired Group Member; or

xi. any lease or agreement under which any Acquired Group Member is lessee of or holds or operates any property, real or personal, owned by any other party, except for any lease of real or personal property under which the aggregate annual rental payments do not exceed $[**]; or

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

xii. any lease or agreement under which any Acquired Group Member is lessor of or permits any Third Party to hold or operate any material property, real or personal, owned or controlled by any Acquired Group Member; or

i. any contracts that relates to the acquisition or disposition of any business, equity or assets of any other Person or any real property (whether by merger, sale of stock or other equity interests, sale of assets or otherwise); or any contract or agreement regarding any material indemnification provided to or by any Acquired Group Member; or

ii. any contract or agreement prohibiting it from freely engaging in any business or competing anywhere in the world, granting most favored nation pricing or exclusive rights to a counterparty or requiring it to purchase all or substantially all of its requirements for a product or service from a particular Person; or

iii. any settlement, conciliation or similar agreement with any Governmental Entity or other Person containing obligations yet to be performed or completed by either or both parties.

a. A listing of all of the Material Contracts are Disclosed in the Disclosure Letter, together with all amendments, waivers or other changes thereto, and summaries of all oral Material Contracts.

i. All of the Material Contracts are valid, binding and enforceable in accordance with their respective terms, and shall be in full force and effect without penalty in accordance with their terms upon consummation of the transactions contemplated hereby.

ii. Each Acquired Group Member has performed all material obligations required to be performed by them under each Material Contract and are not (with or without the lapse of time or the giving of notice, or both) in breach or default thereunder.

iii. No event has occurred which with the passage of time or the giving of notice or both would result in a default, breach or event of noncompliance by any Acquired Group Member under any Material Contract.

iv. No Acquired Group Member has any present expectation or intention of not fully performing all such obligations.

v. No Material Contract is currently subject to or is expected to be subject to cancellation or any other material modification by the other party thereto or is subject to any penalty, right of set‐off or other charge by the other party thereto for late performance or delivery.

vi. Neither Seller nor any Acquired Group Member has knowledge of any breach or anticipated breach by the other parties to any Material Contract.

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vii. No Acquired Group Member has any executory performance obligation under any Material Contract that it is not capable of fulfilling.

i. There are no renegotiations of, or attempts or requests to renegotiate or outstanding rights to renegotiate, any terms of any of the Material Contracts.

a. No written notice of termination of any Material Contract has been received or served by the Seller and, so far as the Seller is aware, there are no grounds for termination or rescission of any such Material Contract.

b. The Disclosure Letter Discloses (i) each customer who has paid aggregate consideration to the Acquired Group for goods or services rendered in an amount greater than or equal to $**[**]** for each of the [**] most recent fiscal years (collectively, the "Material Customers"); and (ii) the amount of consideration paid by each Material Customer during such periods. No Acquired Group Member has received any notice, and has no reason to believe, that any of its Material Customers has ceased, or intends to cease after the Completion, to use its goods or services or to otherwise terminate or materially reduce its relationship with any Acquired Group Member.

c. The Disclosure Letter Discloses (i) each supplier to whom the Acquired Group has paid consideration for goods or services rendered in an amount greater than or equal to $[**] for each of the [**] most recent fiscal years (collectively, the "Material Suppliers"); and (ii) the amount of purchases from each Material Supplier during such periods. No Acquired Group Member has received any notice, and has no reason to believe, that any of its Material Suppliers has ceased, or intends to cease, to supply goods or services to any Acquired Group Member or to otherwise terminate or materially reduce its relationship with any Acquired Group Member.

d. Details of all material contracts, agreements or arrangements with between each Acquired Group Member and:

i. the Seller or any other Retained Group Member; or

ii. a director or other officer of any of (i) any Acquired Group Member, (ii) the Seller or (iii) any other Retained Group Member,

are Disclosed in the Disclosure Letter.

e. So far as the Seller is aware, there are no circumstances which are likely to lead to:

i. the manufacture of any Products being materially restricted or hindered; or

ii. the supply to any Acquired Group Member of Products being materially restricted or hindered.

f. The execution, delivery and performance by Seller of this Agreement and the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, do not and will not (a) require the consent, notice or other action by any Third Party

under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in

the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Material Contract to which any Acquired Group Member is a party or by which any Acquired Group Member is bound or to which any of any Acquired Group Member's properties and assets are subject or any permit affecting the properties, assets or business of the Acquired Group or the Business; or (b) result in the creation or imposition of any Encumbrance on any properties or assets of any Acquired Group Member.

a. Neither Purchaser nor any Acquired Group Member, nor any of their Affiliates is required to obtain any consent or approval of, or give any notice to or make any registration with, or wait for any waiting period to expire or be terminated by, any Governmental Entity or any Third Party which has not been obtained or made, or which has not expired or been terminated, at the date of this Agreement both on an unconditional basis and on a basis which cannot be revoked (except pursuant to any legal or regulatory entitlement to revoke the same other than by reason of any misrepresentation or misstatement) in connection with execution, delivery and performance by the Seller of this Agreement and the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby.

1. Assets

a. The Disclosure Letter Discloses a list of all Inventory. All assets used in the operation of the Business, together with any assets acquired by any Acquired Group Member since December 31, 2019 (but excluding any assets (i) disposed of since December 31, 2019 in the normal course of business or (ii) to be disposed of in connection with the Restructuring):

i. is legally and beneficially owned by the Acquired Group; and

ii. where capable of possession, is in the possession or under the control of the Acquired Group (except for any materials, packaging, stock or other assets in the process of being supplied to or by the Acquired Group).

b. None of the assets or goodwill of any Acquired Group Member is subject to an Encumbrance except for Permitted Encumbrances or any agreement or commitment to create an Encumbrance.

c. No Acquired Group Member owns any real property or is party to any agreement or arrangement for the lease of real property.

d. All Inventory, whether or not reflected in the Financial Information, consists of a quality and quantity usable and salable before it expires in the ordinary course of business consistent with past practice, except for unsalable Products that have been written off or for which adequate reserves have been established, and has been manufactured, in a

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matter that complies with applicable Laws or Healthcare Laws, is safe and contains no material defects. All Inventory is owned by the Acquired Group free and clear of all

Encumbrances except Permitted Encumbrances, and no Inventory is held on a consignment basis. The quantities of each item of Inventory (whether raw materials, work‑in‑process or finished goods) are not excessive, and are reasonable in the present circumstances of the Company.

a. The level of Inventory held at suppliers, wholesalers, distributors, specialty distributors, retailers and the like is not excessive and is at levels consistent with historical levels.

b. The assets that will be owned by the Acquired Group after the Restructuring will be sufficient for the continued conduct of the Business after Completion in substantially the same manner as conducted prior to the Completion and constitute all of the rights, property and assets necessary to conduct the Business as currently conducted.

1. Compliance with laws and disputes

a. At all times during the last **[**]** years, each Acquired Group Member has conducted its business in accordance with applicable Laws in all material respects.

b. Each Acquired Group Member has obtained such licenses, registrations, authorizations, permits, consents and clearances, including Marketing Authorizations (together, "Licenses") necessary for it to carry on the Business in the jurisdictions, and in the manner, in which such businesses are currently carried on, and all such Licenses are in full force and effect. No Acquired Group Member has received any written notification relating to the likely withdrawal or suspension, revocation, non‑renewal or modification of any such Licenses.

c. In the last [**] years, no Company Group Member:

i. has been required by any Authority or Regulatory Authority to undertake, nor has any Company Group Member voluntarily undertaken, any Product recall, withdrawal, suspension, seizure or discontinuance and so far as the Seller is aware, there are no facts that would require any Company Group Member under any applicable Law or Healthcare Law to issue or cause to be issued, any recall notice, market withdrawal notice, safety notice, or other similar notice or action disclosing an alleged material defect or lack of safety of any Product;

ii. has manufactured, sold or supplied any Product that does not materially comply with applicable Laws or Healthcare Laws, is unsafe or has a material defect; and

iii. has received any written notice of any pending (or, so far as the Seller is aware, threatened) claim, suit, proceeding, enforcement, investigation, arbitration or other action from any Authority or Regulatory Authority, in relation to any Product, alleging any lack of safety or efficacy or alleging that any Company

Group Member has failed to comply with any applicable Law in any material respect.

d. The Seller has delivered or made available to the Purchaser true, correct and complete copies of all (i) regulatory submissions to any Regulatory Authority relating to any Product, including (A) copies of any pre-Investigational New Drug Application meeting packages submitted by the Company Group for the Products, and (B) the full electronic common technical document files for all Investigational New Drug applications and New Drug Application submissions, and any similar state or foreign regulatory submission made by or on behalf of the Company Group, including all supplements and amendments thereto, and (ii) meeting minutes, information requests, acknowledgements, supplement approvals, and other formal correspondence between one or more Company Group Members on the one hand, and any Regulatory Authority on the other hand, relating to any Product, whether physical or electronic. As of Completion, Seller will have delivered or made available to Purchaser true, correct and complete copies of material informal written communications, written summaries and minutes of informal meetings and discussions between one or more Company Group Members on the one hand, and any Regulatory Authority on the other hand, relating to the Products or to the Company Group's research and product development, manufacturing, and distribution activities with respect to the Products and any product under development.

e. The Company Group has not been and is not subject to any adverse inspection, finding of deficiency, finding of non-compliance, warning, investigation, penalty for corrective or remedial action or other compliance or enforcement action relating to the Company Group's operations, the Products, or any of the Company Group's other products by any Regulatory Authority.

f. No Company Group Member has received written notice of any material claim in the last **[**]** years (or earlier, in the case of any such claim which remains outstanding at the date of this Agreement) in relation to a product liability claim or in which it has been alleged that any person has been injured as a result of using any Products (excluding adverse events reported to Authorities which are not expected to result in a claim against any Acquired Group Member).

g. Neither any Company Group Member (nor, so far as the Seller is aware, any director, manager or employee of any Company Group Member, or any agent, representative, sales intermediary or other Third Party acting on behalf of any Company Group Member) has in the last [**]) years, in connection with the business of any Company Group Member, violated the UK Bribery Act of 2010, the FCPA or any similar applicable Laws in any other jurisdiction in which any Company Group Member carries on its business.

h. All preclinical and clinical trials, studies or investigations conducted or commissioned by each Company Group Member have been conducted in material compliance with all applicable Laws and Healthcare Laws.

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i. No Company Group Member has received written notice in the last twelve months that any Company Group Member does not have the authorizations required to research, use, develop, manufacture, market, sell, export, distribute and/or commercialize the Products in all material respects in the manner in which they research, use, develop, manufacture, market, sell, export, distribute and/or commercialize such Products in the [**] prior to the date of this Agreement.

j. During the [**] year period immediately preceding the date of this Agreement, no Company Group Member has introduced into commercial distribution any Products manufactured by or on behalf of any Company Group Member which were upon their shipment by any Company Group Member in breach of the Falsified Medicines Directive.

k. All development activities in relation to the Products have been conducted in material compliance with applicable Laws and Healthcare Laws.

l. No Company Group Member has made any statement as to the performance or quality of the Products which is materially inaccurate, or cannot be substantiated, or failed to disclose a material fact in relation to a Product required to be disclosed to such Regulatory Authority, and so far as the Seller is aware, it has not received any complaint from any Regulatory Authority that its advertising or labelling is misleading or deceptive.

m. For the purposes of this paragraph 16.13, "Associated Person" means, in relation to any Company Group Member, a person (including an Employee or agent) who performs or has performed services for or on behalf of any Company Group Member.

i. Neither any Company Group Member (nor, so far as the Seller is aware, any of its Associated Persons) has in connection with the business of any Company Group Member, violated the UK Bribery Act of 2010, FCPA, or any similar applicable Laws in any other jurisdiction in which any Company Group Member carries on its business.

ii. Neither any Company Group Member (nor, so far as the Seller is aware, any of its Associated Persons) is or has been in the last **[**]** years the subject of any investigation, or enquiry by, or on behalf of, any Authority in respect of any offence or alleged offence under the UK Bribery Act of 2010, FCPA, or any similar applicable Laws in any other jurisdiction concerning or otherwise relating to anti‑corruption in any jurisdiction.

iii. Each Company Group Member has in place adequate procedures in line with all guidance published from time to time the Secretary of State under the UK Bribery Act of 2010 and FCPA, designed to prevent their Associated Persons from undertaking conduct which would constitute an offence under the UK Bribery Act of 2010 and FCPA.

n. Sanctions

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

For the purposes of this paragraph 16.14:

Sanctioned Person: means a person that is listed on, or owned or controlled by, or

acting on behalf of, a person listed on any Sanctions List;

Sanctions: means any laws or regulations relating to economic or financial sanctions or trade embargoes or related restrictive measures imposed, administered or enforced from time to time by a Sanctions Authority;

Sanctions Authority: means (i) the United Nations Security Council; (ii) the United States government; (iii) the European Union; (iv) the United Kingdom government; (v) the respective governmental institutions and agencies of any of the foregoing, including without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("OFAC"), the United States Department of State and Department of Commerce, and Her Majesty's Treasury; and (vi) any other governmental institution or agency with responsibility for imposing, administering or enforcing Sanctions with jurisdiction over any Company Group Member (together, "Sanctions Authorities"); and

Sanctions List: means the Specially Designated Nationals and Blocked Persons list maintained by OFAC, the Denied Persons List maintained by the US Department of Commerce, the Consolidated List of Financial Sanctions Targets maintained by Her Majesty's Treasury, or any other list issued or maintained by any Sanctions Authorities of persons subject to Sanctions (including investment or related restrictions), each as amended, supplemented or substituted from time to time.

i. Neither any Company Group Member nor any of its directors, officers or employees is a Sanctioned Person or acts directly or indirectly on behalf of a Sanctioned Person.

ii. No Company Group Member carries on a trade or business in a country which is subject to Sanctions.

iii. Each Company Group Member is in compliance with all applicable Sanctions and no Company Group Member has engaged in any activities that would reasonably be expected to result in it being designated as a Sanctioned Person.

1. Intellectual property

a. Accurate details as of the date hereof, of all Patents that Cover any of the Products and all other registered Company Intellectual Property (including available applications for such rights) necessary to or currently used the operation of the Business (the "Company Registered IPR") are Disclosed in the Disclosure Letter.

i. The Acquired Group is the sole and exclusive legal and beneficial owner of all right, title, and interest in and to the Company Registered IPR, and has the valid and enforceable right to use all other Intellectual Property Rights used in

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or necessary for the conduct of the Business as currently conducted or as currently proposed to be conducted, in each case, free and clear of Encumbrances.

ii. Each Acquired Group Member has entered into binding, valid and enforceable, written contracts with each current and former employee and independent contractor who is or was involved in or has contributed to the invention, creation, or development of any Intellectual Property Rights during the course of employment or engagement with the Acquired Group whereby such employee or independent contractor (i) acknowledges the Acquired Group's exclusive ownership of all Intellectual Property Rights invented, created, or developed by such employee or independent contractor within the scope of his or her employment or engagement with the Acquired Group and (ii) grants to the Acquired Group a present, irrevocable assignment of any ownership interest such employee or independent contractor may have in or to such Intellectual Property Rights.

iii. Neither the execution, delivery or performance of this Agreement, nor the consummation of the transactions contemplated hereunder, will result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Acquired Group's right to own or use any Company Registered IPR or any Company Intellectual Property subject to any IP License.

iv. All of the Company Registered IPR is valid and enforceable, and all Company Registered IPR is subsisting and in full force and effect. Each Acquired Group member has taken all reasonable and necessary steps to maintain and enforce the Company Registered IPR and to preserve the confidentiality of all trade secrets.

b. The Disclosure Letter Discloses details of all material licenses and material agreements necessary to or currently used in the operation of the Business (each an "IP License") under which any Acquired Group Member:

i. currently uses or exploits any Intellectual Property Rights owned by a Third Party; or

ii. licenses any Company Intellectual Property to, or otherwise permits the use of any Company Intellectual Property by, a Third Party other than in the ordinary course of business; or

iii. pays or receives any royalties, license fees or other consideration.

c. So far as the Seller is aware:

i. no Acquired Group Member is in breach of a material term of any IP License;

ii. there is no infringement or unauthorized use by any Third Party of material Company Registered IPR; and

iii. the current conduct of the Acquired Group does not infringe the Intellectual Property Rights of any Third Party.

d. So far as the Seller is aware, no Acquired Group Member has disclosed any material Company Confidential Information to any person (other than to the extent necessary in the ordinary course of business or subject to reasonable confidentiality obligations from the relevant person).

2. Marketing Authorizations

a. A list of all marketing authorizations held directly or indirectly by the Acquired Group is Disclosed in the Disclosure Letter (the "Marketing Authorizations"). No Regulatory Authority has imposed any post approval obligation or future commitment in connection with any Marketing Authorization.

b. The details of each Marketing Authorization are disclosed in the Disclosure Letter and are true and accurate in all material respects.

c. Details of all outstanding applications to obtain marketing authorizations made by the Acquired Group are Disclosed in the Disclosure Letter ("MA Applications") and those details are true and accurate in all material respects.

d. All filing and registration fees, and any official deadlines in respect of filing documents and other Authority requests, in respect of the Marketing Authorizations and the MA Applications that are required to be paid or met in order to retain and maintain the Marketing Authorizations and pursue the MA Applications, have been paid or met and so far as the Seller is aware, nothing has been done or omitted to be done whereby any person or Regulatory Authority is reasonably likely to be able to seek cancellation, rectification or any other modification of any Marketing Authorization or MA Application or sought or impose any penalty in relation to any Marketing Authorization or MA Application.

3. Information technology

a. In this paragraph 19, the following definitions apply:

"**IT Systems**": means all computer hardware (including network and telecommunications equipment), mobile devices, databases, firmware and software (including associated user manuals, object code and source code) owned, used, leased or licensed by or to any Acquired Group Member.

"**Material IT Contract**": means any contract, agreement or arrangement under which any Third Party (including any Retained Group Member and any source code deposit agent) provides any element of, or services relating to, the IT Systems (including leasing,

hire purchase, licensing, maintenance, website hosting, outsourcing, security, back‑up, disaster recovery, insurance, cloud computing and other types of services agreements) that is of material importance to the conduct of the Business.

a. The IT Systems are either owned by, or (so far as the Seller is aware) properly leased or licensed to the Acquired Group. Except for facilities and services provided by or on behalf of the Seller (or any of its Affiliates) pursuant to the Transitional Services Agreement, no Acquired Group Member is dependent upon any Retained Group Member for the provision of any element of, or services relating to, the IT Systems.

b. All elements of the IT Systems:

i. are functioning adequately and fulfil the purposes for which they were originally acquired in all material respects, and have been satisfactorily and regularly maintains and supported as necessary to carry on the Business;

ii. are, so far as the Seller is aware, free from material defects; and

iii. have not, in the last **[**]** months, suffered any major failures, downtime, bugs or breakdowns which have resulted in any significant loss or interruption to the Business.

c. So far as the Seller is aware, the use of the IT Systems for the purposes of the Business complies with reasonable security standards, and adequate data security breach, business continuity and disaster recovery plans are in place with regard to such use.

d. A complete copy of each Material IT Contract (excluding any licenses or other agreements in respect of commercial off‑the‑shelf or open source software) has been Disclosed in the Data Room (at the location referenced in the Disclosure Letter), and such Material IT Contracts are in full force and effect and no Acquired Group Member has given or received a notice to terminate any such contract.

e. Each Acquired Group Member has in place procedures in accordance with good industry practice:

i. to prevent unauthorized access to, and the introduction of viruses and other contaminants into, the IT Systems;

ii. to take and store on‑site and off‑site back‑up copies of the Software and data in the IT Systems;

iii. to ensure that its Business can continue without material disruption in the event of a breakdown or performance reduction of the IT Systems, whether due to natural disaster, power failure or otherwise.

1. Data protection and privacy

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a. The definitions in this paragraph apply in this Agreement:

"**Data Protection Laws**": means all laws relating to the use, protection and privacy of personal information or Personal Data which are from time to time applicable to each Acquired Group Member in connection with the Business.

"**Personal Data**": has the meaning given to that term in the General Data Protection Regulation (EU) 2016/679.

b. In connection with its collection, storage, transfer (including, without limitation, any transfer across national borders) and/or use of any personal information or Personal Data from any individuals, including, without limitation, any test subjects, customers, prospective customers, employees and/or other third parties, each Acquired Group Member is and has been in compliance with all applicable Laws, including Data Protection Laws, in all relevant jurisdictions, the Acquired Group's privacy policies and the requirements of any contract or codes of conduct to which the Acquired Group Member is a party.

c. So far as the Seller is aware, no Acquired Group Member has, in the period of **[**]** years preceding the date of this Agreement, suffered any material breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to any Personal Data.

d. No Acquired Group Member has in the period of [**] years preceding the date of this Agreement:

i. received any written notice, request, correspondence or other communication from any Authority pursuant to any Data Protection Laws relating to a breach or alleged breach of its obligations under the Data Protection Laws;

ii. been subject to any enforcement action by any Authority (including any fines or other sanctions), relating to a breach or alleged breach of its obligations under the Data Protection Laws; or

iii. received any written notice, claim, complaint, correspondence or other communication from a data subject or any other person claiming a right to compensation under the Data Protection Laws, or alleging any material breach of any Data Protection Laws.

2. Insurance

a. Details of the insurance policies maintained by or on behalf of the Acquired Group (the "Policies") are Disclosed in the Disclosure Letter.

b. The Policies are in full force and effect and all premiums due on them have been paid. The Acquired Group is not in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any Policy. So far as the Seller is aware,

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no action has been taken or omitted to be taken which could make any Policy void or voidable or which is likely to result in an increase in premium.

c. There are no individual or related claims for amounts in excess of $[**] outstanding under the Policies and, so far as the Seller is aware, there are no circumstances likely to give rise to such a claim.

d. The Acquired Group and its assets are insured in a manner that is customary given the size of the business and the industry in which it operates, including product liability insurance.

3. Employment

a. The definitions in this paragraph apply in this Agreement.

"**Employee**": means, as of the date of this Agreement, those persons set forth in the Disclosure Letter as being under consideration for designation as an "Acquired Employee," and as of Completion, those persons that have been designated as "Acquired Employees".

"**Employment Laws**": means all local, state and federal laws relating to labor employment and employment practices.

"**Representative Body**": means any union or labor organization that has been certified or recognized as a representative of any person in an employment relationship with an Acquired Group Member.

b. Disclosed in the Disclosure Letter is [**] and [**] of each [**] and [**] and the principal terms of their [**]t, including:

i. their [**] (including [**], [**], other [**] and any other [**] or that each [**] is [**] to [**] to [**] or [**], [**] or in the [**]);

ii. the commencement date of each contract and, [**], the date on which continuous service began;

iii. [**] or, if a fixed term, the expiry date of the fixed term and details of any previous renewals;

iv. the type of contract ([**] or [**] or [**]);

v. their [**]; and

vi. any other [**] or [**] not contained within the [**] of [**] or any [**].

c. Disclosed in the Disclosure Letter is [**] and accurate details of [**] who is [**] to each [**] under an agreement that is not [**] (including, in particular, where the [**] as a [**]

or is [**] from an [**] that is not the [**] or one of its [**]), together with the particulars of the terms on which the [**], including:

i. the [**] of [**] (including any [**] or [**] provided or that any [**] is [**] to provide to [**] or [**], [**] or [**]); and

ii. the [**] of [**] necessary to [**] each agreement or, if a [**], the [**] of the [**] and details of any [**].

d. The Disclosure Letter Discloses:

i. all [**] with all [**] and contains summaries thereof;

ii. all handbooks, policies and other others documents that apply to any Employee; and

iii. all [**] with any [**], if any.

e. All [**] are [**] by the applicable [**] at any time on not more than [**] without [**] or any [**] on the part of the [**] (other than [**] and [**] or [**]).

f. No offer of employment or engagement has been made by any Acquired Group Member where the offeree's salary would exceed $[**] and that has:

i. not yet been accepted; or

ii. been accepted but the employment or engagement has not yet started.

g. Since December 31, 2019, no change has been made or agreed in relation to the [**], [**] or [**] of [**] of any [**].

h. No Acquired Group Member is a party to, bound by or proposing to introduce for the benefit of any of its [**] or [**] or [**] with whom it has an [**] any [**] or [**] (including any [**] or [**], or any [**], [**] or [**]).

i. There are no sums owing from any Acquired Group Member to any Director or persons with whom any member of the Company Group has an employment relationship other than reimbursement of business expenses, salary for the current month and holiday pay for the current holiday year.

j. The Disclosure Letter Discloses anonymized details of all **[**]** and [**] who are on [**], [**], [**], [**], [**] or [**].

k. No written notice to terminate the employment of any persons with whom an Acquired Group Member has an employment relationship is pending, outstanding or threatened.

l. Disclosed in the Disclosure Letter are full and accurate details of all [**] and [**] who have a [**] within [**], entitling [**] to an [**] and [**], together with details of what [**] and [**] would be as at [**]. The Transaction and compliance with the terms of this Agreement will not entitle the [**] or [**] to [**] with, or [**] any other [**] or [**] from, any [**].

m. No gratuitous payment has been made or promised by any Acquired Group Member:

i. in respect of or [**] on the [**]; or

ii. in connection with the [**] or [**], [**] or [**] of any [**] or [**] of any [**] or [**] or [**] with whom such [**] has an [**].

n. So far as the Seller is aware, no material dispute under any Employment Laws or otherwise is outstanding between either any Acquired Group Member and any [**] relating to [**] or [**], or [**] or [**], its termination or any reference given by any Acquired Group Member.

o. No Acquired Group Member is involved in any material industrial or trade dispute or negotiation regarding a claim with any Representative Body and, so far as the Seller is aware, there is nothing likely to give rise to such a dispute or claim.

4. Benefit Matters

a. The Disclosure Letter contains a true and complete list of each pension, benefit, retirement, compensation, employment, consulting, profit‑sharing, deferred compensation, incentive, bonus, performance award, phantom equity, stock or stock‑based, change in control, retention, severance, vacation, paid time off (PTO), medical, vision, dental, disability, welfare, Code Section 125 cafeteria, fringe benefit and other similar agreement, plan, policy, program or arrangement (and any amendments thereto), in each case whether or not reduced to writing and whether funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, whether or not tax‑qualified and whether or not subject to ERISA, which is or has been maintained, sponsored, contributed to, or required to be contributed to by any Company Group Member for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant of any Company Group Member or any spouse or dependent of such individual, or under which any Company Group Member or any of their ERISA Affiliates has or may have any liability, or with respect to which Purchaser or any of its Affiliates would reasonably be expected to have any liability, contingent or otherwise (as Disclosed the Disclosure Letter, each, a "**Benefit Plan**"). The Disclosure Letter Discloses each Benefit Plan that contains a change in control provision. As of Completion, all Benefit Plans will be assigned to the Retained Group, and no member of the Acquired Group will be responsible for any liability under any Benefit Plan (other than obligations of the Purchaser set out in paragraph 4.2 of Part 1 and paragraph 3 of Part 2 of Schedule 5).

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b. With respect to each Benefit Plan, Seller has made available to Purchaser accurate, current and complete copies of each of the following: (i) where the Benefit Plan has been reduced to writing, the plan document together with all amendments; (ii) where the Benefit Plan has not been reduced to writing, a written summary of all material plan terms; (iii) where applicable, copies of any trust agreements or other funding arrangements, custodial agreements, insurance policies and contracts, administration agreements and similar agreements, and investment management or investment advisory agreements, now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise; (iv) copies of any summary plan descriptions, summaries of material modifications, summaries of benefits and coverage, COBRA communications, employee handbooks and any other written communications (or a description of any oral communications) relating to any Benefit Plan; (v) in the case of any Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination, opinion or advisory letter from the Internal Revenue Service and any legal opinions issued thereafter with respect to such Benefit Plan's continued qualification; (vi) in the case of any Benefit Plan for which a Form 5500 must be filed, a copy of the **[**]** most recently filed Forms 5500, with all corresponding schedules and financial statements attached; (vii) actuarial valuations and reports related to any Benefit Plans with respect to the [**] most recently completed plan years; (viii) the most recent non‑discrimination tests performed under the Code; and (ix) copies of material notices, letters or other correspondence from the Internal Revenue Service, Department of Labor, Department of Health and Human Services, Pension Benefit Guaranty Corporation or other Authority relating to the Benefit Plan.

c. Each Benefit Plan and any related trust (other than any multiemployer plan within the meaning of Section 3(37) of ERISA (each a "Multiemployer Plan")) has been established, administered and maintained in accordance with its terms and in compliance with all applicable Laws (including ERISA, the Code and any applicable local Laws). Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "Qualified Benefit Plan") is so qualified and received a favorable and current determination letter from the Internal Revenue Service with respect to the most recent five year filing cycle, or with respect to a prototype or volume submitter plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan or volume submitter plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and nothing has occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Benefit Plan. Nothing has occurred with respect to any Benefit Plan that has subjected or could reasonably be expected to subject any Company Group Member or any of its ERISA Affiliates or, with respect to any period on or after the Completion Date, Purchaser or any of its Affiliates, to a penalty under Section 502 of ERISA or to tax or penalty under Sections 4975 or 4980H of the Code.

d. No pension plan (other than a Multiemployer Plan) which is subject to minimum funding requirements, including any multiple employer plan, (each, a "Single Employer Plan") in

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which employees of any Company Group Member or any ERISA Affiliate participate or have participated has an "accumulated funding deficiency", whether or not waived, or is subject to a lien for unpaid contributions under Section 303(k) of ERISA or Section 430(k) of the Code. No Single Employer Plan covering employees of any Company Group Member which is a defined benefit plan has an "adjusted funding target attainment percentage," as defined in Section 436 of the Code, less than 80%. All benefits, contributions and premiums relating to each Benefit Plan have been timely paid in accordance with the terms of such Benefit Plan and all applicable Laws and accounting principles, and all benefits accrued under any unfunded Benefit Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with, US GAAP. All Non-U.S. Benefit Plans that are intended to be funded and/or book-reserved are funded and/or book-reserved, as appropriate, based upon reasonable actuarial assumptions.

a. Neither any Company Group Member nor any of their ERISA Affiliates have (i) incurred or reasonably expect to incur, either directly or indirectly, any material liability under Title I or Title IV of ERISA or related provisions of the Code or applicable local Law relating to employee benefit plans; (ii) failed to timely pay premiums to the Pension Benefit Guaranty Corporation; (iii) withdrawn from any Benefit Plan; (iv) engaged in any transaction which would give rise to liability under Section 4069 or Section 4212(c) of ERISA; (v) incurred taxes under Section 4971 of the Code with respect to any Single Employer Plan; or (vi) participated in a multiple employer welfare arrangements (MEWA).

b. With respect to each Benefit Plan (i) no such plan is a Multiemployer Plan, and (A) all contributions required to be paid by any Company Group Member or their ERISA Affiliates have been timely paid to the applicable Multiemployer Plan; (B) neither any Company Group Member nor any ERISA Affiliate has incurred any withdrawal liability under Title IV of ERISA which remains unsatisfied, and (C) a complete withdrawal from all such Multiemployer Plans at the Effective Time would not result in any material liability to any Company Group Member and no Multiemployer Plan is in critical, endangered or seriously endangered status or has suffered a mass withdrawal; (ii) no such plan is a "multiple employer plan" within the meaning of Section 413(c) of the Code or a "multiple employer welfare arrangement" (as defined in Section 3(40) of ERISA); (iii) no action has been initiated by the Pension Benefit Guaranty Corporation to terminate any such plan or to appoint a trustee for any such plan; (iv) no such plan or the plan of any ERISA Affiliate maintained or contributed to within the last six (6) years is a Single Employer Plan subject to Title IV of ERISA; and (v) no "reportable event," as defined in Section 4043 of ERISA, with respect to which the reporting requirement has not been waived has occurred with respect to any such plan. No Retained Group Member or Acquired Group Member was a member of a controlled group under Code Section 414(b) or (c) ("Controlled Group") during any period in which any member of the Controlled Group incurred a withdrawal liability to a Multiemployer Plan or which incurred delinquent contributions to a Multiemployer Pension Plan, which withdrawal liability or delinquent contributions were not satisfied in full.

c. Each Benefit Plan can be amended, terminated or otherwise discontinued after the Completion in accordance with its terms, without any liabilities to Purchaser, any Acquired Group Member or any of their Affiliates. No Company Group Member has any commitment or obligation and has not made any representations to any employee, officer, director, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan or any collective bargaining agreement, in connection with the consummation of the transactions contemplated by this Agreement or otherwise.

d. Other than as required under Sections 601 to 608 of ERISA, which provisions are hereinafter referred to collectively as "COBRA," or other applicable Law, no Benefit Plan provides post‐termination or retiree health benefits to any individual for any reason, and neither any Acquired Group Member nor any of their ERISA Affiliates has any liability to provide post‐termination or retiree health benefits to any individual or ever represented, promised or contracted to any individual that such individual would be provided with post‐termination or retiree health benefits. Upon the Completion and assignment of all Benefit Plans to the Retained Group as provided in Section 23.1, one or more members of the Retained Group shall provide any required COBRA coverage, including any COBRA coverage obligations that arose prior to the Completion and those that arise as a result of the Completion.

e. There is no pending or, so far as the Seller is aware, threatened action relating to a Benefit Plan (other than routine claims for benefits), and no Benefit Plan has within the three years prior to the date hereof been the subject of an examination or audit by an Authority or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self‐correction or similar program sponsored by any Authority.

f. There has been no amendment to, announcement by Seller, any Company Group Member or any of their Affiliates relating to, or change in employee participation or coverage under, any Benefit Plan or collective bargaining agreement that would increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year (other than on a de minimis basis) with respect to any director, officer, employee, independent contractor or consultant, as applicable. Except as provided under this Agreement, none of the Seller, any Company Group Member, nor any of their Affiliates has any commitment or obligation or has made any representations to any director, officer, employee, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan or any collective bargaining agreement.

g. Each Benefit Plan that is subject to Section 409A of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including notices, rulings and proposed and final regulations) thereunder. No Company Group Member has any

obligation to gross up, indemnify or otherwise reimburse any individual for any excise taxes, interest or penalties incurred pursuant to Section 409A of the Code.

h. Each individual who is classified by an Acquired Group Member as an independent contractor has been properly classified for purposes of participation and benefit accrual under each Benefit Plan.

i. Neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, officer, employee, independent contractor or consultant of any Acquired Group Member to severance pay or any other payment; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation (including stock‑based compensation) due to any such individual; (iii) limit or restrict the right of any Acquired Group Member to merge, amend, withdraw from or terminate any Benefit Plan; (iv) increase the amount payable under or result in any other material obligation pursuant to any Benefit Plan; (v) result in "excess parachute payments" within the meaning of Section 280G(b) of the Code; or (vi) require a "gross‑up" or other payment to any "disqualified individual" within the meaning of Section 280G(c) of the Code.

1. [Intentionally Omitted]

2. Environment

The definitions in this paragraph apply in this Agreement.

"**Environment**": means all or any of the following media, namely air (excluding air within buildings or other natural or man‑made structures, whether above or below ground), water (including groundwater, but excluding water in pipes and sewerage systems) and land.

"**Environmental Laws**": means all applicable laws, statutes, regulations, subordinate legislation, bye‑laws, common law, judgments, decisions or injunctions of any court or tribunal to the extent that they relate to the protection or preservation of the Environment.

"**Environmental Matters**": means all matters relating to:

(a) pollution or contamination of the Environment;

(b) the presence, disposal, release, spillage, deposit, escape, discharge, leak, emission or migration of Hazardous Materials or solid waste into the Environment;

(c) the creation or existence of any noise, vibration, odor, radiation, common law or statutory nuisance under Environmental Laws; or

(d) the condition, protection, remediation, or restoration of the Environment or any part of it.

"**Hazardous Materials**": means, other than any Product, any material, chemicals, substances, or wastes regulated, listed or defined as "hazardous," "extremely hazardous," "toxic," a "pollutant" or a "contaminant" under Environmental Laws.

a. The Acquired Group holds all permits, licenses, consents and other authorizations required under any Environmental Laws for the operation of the Business as it is carried on at the date of this Agreement ("Environmental Permits") and the Environmental Permits are in full force and effect.

b. During the last **[**]** years the Company Group has complied in all material respects with all Environmental Laws in force at the relevant time.

c. The Company Group is not engaged in any litigation, administrative, enforcement, investigatory, or other legal proceedings under any Environmental Laws or in respect of any Environmental Matters and, so far as the Seller is aware, no such litigation, administrative, enforcement or other legal proceedings have been threatened or are pending. The Company Group has not, received from any Person any written request for information pursuant to Environmental Law which remains pending or unresolved, or is the source of ongoing obligations.

d. No real property currently or formerly owned, operated or leased by the Company Group is listed on, or has been proposed for listing on, the National Priorities List (or CERCLIS) under CERCLA, or any similar state list.

e. So far as the Seller is aware, there has been no release of Hazardous Materials in contravention of Environmental Law with respect to the assets of the Company Group or the Business or any real property currently or formerly owned, operated or leased by the Company Group, and neither the Company Group nor Seller has received any notice or is aware of any facts or circumstances that could suggest that any real property currently or formerly owned, operated or leased in connection with the Business (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material which could reasonably be expected to constitute a violation of an Environmental Law.

f. The Disclosure Letter contains a complete and accurate list of all Hazardous Materials treatment, storage, or disposal facilities or locations used by the Company Group and any predecessors as to which the Acquired Group may retain liability.

g. Seller has provided or otherwise made available to Purchaser and Disclosed the Disclosure Letter: (i) any and all environmental reports, studies, audits, records, sampling data, site assessments, risk assessments, economic models and other similar documents with respect to the assets of the Company Group or the Business or any currently or formerly owned, operated or leased real property which are in the possession or control of the Seller or the Company Group related to compliance with Environmental Laws or the release of Hazardous Materials; and (ii) any and all material documents concerning planned or anticipated capital expenditures required to ensure compliance

with current or future Environmental Laws (including, without limitation, costs of remediation, pollution control equipment and operational changes).

h. Neither the Seller nor the Company Group is aware of or reasonably anticipates, as of the Completion Date, any condition, event or circumstance concerning the release or regulation of Hazardous Materials that might, after Completion, prevent, impede or materially increase the costs associated with the ownership, lease, operation, performance or use of the Business or assets of the Acquired Group as currently carried out.

1. Disclosure

No representation or warranty by Seller in this Agreement and no statement Disclosed in the Disclosure Letter to this Agreement or any certificate or other document furnished or to be furnished to Purchaser pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

2. Tax Warranties in relation to the Acquired Group

a. The Accounts include sufficient reserves for all Taxes for which the Company Group is liable as of the respective dates thereof, as determined in accordance with US GAAP.

b. All notices, Tax Returns (as defined in Schedule 8), statements, assessments and registrations required to be submitted by the Acquired Group Members to any Tax Authority for the purposes of Tax have been made on a proper basis, were submitted within applicable time limits, were accurate and complete when supplied and remain accurate and complete in all material respects. None of the above is, or so far as the Seller is aware, is likely to be, the subject of any material dispute with any Tax Authority.

c. All Tax, for which any Acquired Group Member has been liable or is liable to account (including any withholding tax with respect to payments by or earnings of any Acquired Group Member), has been duly paid or remitted (insofar as such Tax ought to have been paid or remitted).

d. No Company Group Member is involved in any dispute with any Tax Authority and no Company Group Member has, within the past **[**]** months, been subject to any non‑routine visit, audit, investigation, discovery or access order by any Tax Authority. The Seller is not aware of any circumstances existing which make it likely that a non‑routine visit, audit, investigation, discovery or access order will be made with respect to any Company Group Member.

e. The Disclosure Letter contains details of any concession, agreements or arrangements (including without limitation rulings, closing agreements and agreements to extend statutes of limitations) that any Company Group Member has entered into with any Tax Authority.

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f. No Company Group Member is a party to any arrangement that has resulted or could result, separately or in the aggregate, in any "excess parachute" payment within the meaning of Code § 280G (or any comparable provision of state, local, or foreign Tax law) or that will not be fully tax deductible under any applicable Tax law

g. No Acquired Group Member has been a member of an affiliated group filing a consolidated tax return (other than a group the common parent of which was the Company) or has any liability for Taxes imposed on or owing by any other Person under Treasury Regulations § 1.1502-6, or any similar provision of state, local, or foreign Tax law.

h. No Acquired Group Member has a permanent establishment or otherwise is liable to Tax in any jurisdiction other than the jurisdiction of its incorporation. No Acquired Group Member has been advised by any Tax Authority with which it does not file Tax returns that it is or may be required to file Tax returns in that jurisdiction.

i. Within the past **[**]** years, no Acquired Group Member has distributed stock of another Person, or had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code § 355 or Code § 351.

j. No Acquired Group Member is or has been a party to any "listed transaction" within the meaning of Code § 6707A(c)(2) and Treasury Regulations § 1.6011-4(b)(2).

k. No Acquired Group Member will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Completion Date as a result of any (a) change of method of accounting for a taxable period beginning on or prior to the Completion Date (other than pursuant to the change of method of accounting described in paragraph 6.3.1 of Schedule 8), (b) agreement with any Tax Authority, (c) intercompany transaction or excess loss account described in Treasury Regulations under Code § 1502 (or any similar provision of state, local, or foreign law), (d) instalment sale or open transaction disposition made on or prior to the Completion Date or (e) prepaid amount received on or prior to the Completion Date.

l. All transactions or arrangements made between any Acquired Group Members, or between any Acquired Group Members and their Affiliates, have been made on arm's length terms and the processes by which prices and terms have been arrived at have, in each case, been fully documented in accordance with applicable Tax law. No notice, inquiry or adjustment has been made by any Tax Authority in connection with any such transactions or arrangements.

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Schedule 5

Covenants

Part 1 – Pre-Completion

1. Conduct during the Interim Period

a. Subject to paragraph 1.3 and other than pursuant to a Purchaser Request, the Seller undertakes that at all times during the Interim Period, it shall procure that:

i. it and the Company Group Members operate the Business in the ordinary course so as to maintain the Business as a going concern;

ii. it and the Company Group Members operate the Business in compliance with the [**] and all applicable Laws; and

iii. it and the Company Group Members shall not undertake any of the acts or matters specified in paragraph 1.2 of this 0 without the [**] of the [**] (such [**] not to be [**] or [**]).

b. The acts and matters referred to in paragraph 1.1.3 are:

i. disposing (other than by way of a disposal in the ordinary course of business) of any material asset, by license, assignment, pledge, option, or other means, used in or required for, the operation of the Business as currently conducted or as currently proposed to be conducted;

ii. issuing equity interests or other securities, or repurchasing or redeeming of any equity interest or other securities, of any Acquired Group Member;

iii. granting any financial or performance guarantee, or any similar security or indemnity, relating to the obligations or liabilities of any other person other than in the ordinary course of business that impact the Acquired Group or the operation of the Business as currently conducted or as currently proposed to be conducted;

iv. amending the terms of employment or engagement of any of the Acquired Group's employees or Directors;

v. creating or granting any Encumbrance on, over, or affecting the whole or a substantial part of the assets of the Acquired Group or any of the assets of the Business as currently conducted or as currently proposed to be conducted;

vi. making any proposal for the winding up or liquidation of any Acquired Group Member or entering into any kind of insolvency process or any arrangement with creditors relating to any Acquired Group Member;

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vii. knowingly permitting any of the Acquired Group's normal insurance policies to lapse or doing anything to make any of their policies of insurance void or voidable;

viii. undertaking any recall or withdrawal of any Product;

ix. entering into any capital commitment or contract involving any expenditure on capital account or the purchase of any capital equipment or other items of a capital nature in each case in excess of $[**];

x. making, changing, or revoking any method of accounting (including any Tax accounting method, practice or period) or filing any amended Tax Return, other than pursuant to a Purchaser Request pursuant to [**];

xi. making, revoking or changing any Tax election (other than an election on Form 8832 to treat US WorldMeds, LLC as an entity that is disregarded as separate from Company for U.S. federal income tax purposes), granting or requesting a waiver or extension of any limitation on the period for audit and examination or assessment and collection of Tax or settling or compromising any contested Tax liability, other than pursuant to a Purchaser Request pursuant to paragraph 6.3.1 of 0;

xii. commencing any material litigation;

xiii. entering into any [**] or any [**] to any [**] relating to the Business of the Acquired Group; or

xiv. entering into any agreement to do any of the acts or matters set out in paragraph 1.2.1 to paragraph 1.2.13 (inclusive).

c. The Seller and the Company Group Members may:

i. take any reasonable action in an emergency or disaster situation with the intention of minimizing or otherwise mitigating the adverse consequences or effect of that situation in relation to a Company Group Member or the Seller;

ii. complete or perform any obligations undertaken in the ordinary course pursuant to any contract, agreement or arrangement entered into before this Agreement;

iii. take any action required by applicable Law or any relevant Authority;

iv. take any action expressly set forth in Schedule 9 (including the respective Annexes) or take any action reasonably required to perform any permitted Pre‑Completion Transactions; or

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v. take any action at the written request of the Purchaser (which, for the avoidance of doubt, the Seller shall not be obliged to do);

provided, that in no event may any of the foregoing actions: (i) result in a breach of a representation having an impact of more than $[**] individually or in aggregate or (ii) have a Material Adverse Effect on the Business of the Acquired Group, the value of the Acquired Group to Purchaser, or the Purchaser's or Acquired Group's tax position. Seller agrees to provide prior notice to Seller with respect to any actions taken pursuant to this paragraph 1.3 to the extent such actions require Purchaser's consent under paragraph 1.1.3 of this 0; provided, that the failure to provide such notice shall not form the basis of any indemnification claim against the Seller or the failure of any condition to Completion, in each case, under this Agreement.

d. Seller shall permit Purchaser and Purchaser's accountants access to all necessary books and records, and provide assistance as the Purchaser may reasonably request, at Purchaser's cost, so as to permit Purchaser's accountants to prepare financial statements to enable Purchaser to immediately after Completion commence an audit of the Acquired Group for the 2017, 2018 and 2019 fiscal years.

e. Seller will provide to Purchaser all agreements, certificates, filings and other documents (and all exhibits thereto) in each such case that are reasonably material to implement the Restructuring, as soon as reasonably available for review after the effectiveness or submission, as applicable, of each; provided, that the failure to so provide such agreements, certificates, filings and other documents shall not form the basis for the failure of any condition to Completion under this Agreement provided that the underlying activity has been performed and such document is provided before Completion. In addition to the foregoing, during the Interim Period, Seller's tax advisors and Purchaser's tax advisors shall work collaboratively in the preparation and review of agreements, certificates, filings and other documents to implement the Restructuring in a [**] consistent with Schedule 9.

f. Representatives of Seller and Purchaser, including the Transition Managers (as defined in the Transitional Services Agreement) shall meet from time to time during the Interim Period (telephonically or otherwise) to negotiate and agree upon the Transition Plan (as defined in the Transitional Services Agreement) that will be effective as of Completion to provide for the orderly transition of the Business to Purchaser, including (i) separation of the Material Contracts designated in Schedule 14.2 of the Disclosure Letter as "Multi Product Agreements" and (ii) the process for petitioning the Office of Inspector General, such agreement not to be unreasonably withheld.

g. On or before the Completion, the Seller shall use its best efforts to obtain "tail" insurance policies covering (i) professional liability for a period of [**] years (in lieu of the policy for professional liability for a period of [**] referred to in paragraph 1.9 of Schedule 2) and (ii) products liability for a period of [**] years with respect to the [**] (in lieu of the [**] for a period of [**] years with respect to the policy for products liability referred to in paragraph 1.9 of Schedule 2).

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1. Notice of Certain Events

a. Each party undertakes that during the Interim Period, it shall procure that it shall promptly notify the other party in writing of:

i. any fact, circumstance, event or action the existence, occurrence or taking of which (i) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (ii) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Seller hereunder not being true and correct; or (iii) has resulted in, or could reasonably be expected to result in, the failure of any of the Conditions to be satisfied;

ii. any notice or other communication from any Third Party alleging that the consent of such Third Party is or may be required in connection with the transactions contemplated by this Agreement;

iii. any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement; and

iv. any actions commenced or, so far as the Seller is aware, threatened against, relating to or involving or otherwise affecting Seller or any Company Group Member that, if pending on the date of this Agreement, would have been required to have been disclosed or that relates to the consummation of the transactions contemplated by this Agreement.

b. The receipt of information pursuant to this paragraph shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made in this Agreement and shall not be deemed to amend or supplement the Disclosure Letter.

2. No Solicitation of Other Bids

a. For purposes hereof, “Acquisition Proposal” shall mean any inquiry, proposal or offer from any Person (other than Purchaser or any of its Officers) concerning (i) a merger, consolidation, liquidation, recapitalization, share exchange or other business combination transaction involving one or more Company Group Members; (ii) the issuance or acquisition of shares of capital stock or other equity securities of any Acquired Group Member; or (iii) the sale, lease, exchange or other disposition of any significant portion of the Company Group’s properties or assets (other than pursuant to the Restructuring).

b. Seller shall not, and shall not authorize or permit any Company Group Member or any of their Directors or Officers to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Third Party concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other

instruments (whether or not binding) regarding an Acquisition Proposal. Seller shall immediately cease and cause to be terminated, and shall cause the Company Group

Members and their Directors and Officers to immediately cease and cause to be terminated, all existing discussions or negotiations with any Third Parties conducted heretofore with respect to, or that could lead to, an Acquisition Proposal.

a. Seller shall promptly (and in any event within three Business Days after receipt thereof by Seller or its Officers) advise Purchaser orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the person making the same.

1. Restructuring

a. Seller shall (i) complete the Restructuring prior to Completion in all material respects in accordance with the description of the Restructuring set forth in Schedule 9 and (ii) use its commercially reasonable efforts to complete each of the subsections set forth in the definition of “Restructuring”.

b. Prior to Completion, the Purchaser and the Seller shall agree as to the identity of those employees of the Company Group to whom the Purchaser would like to remain in the employ of the Company or Purchaser after Completion, which employees shall be comprised of (i) the individuals set forth on Annex 4.2A and (ii) such additional employees of the Company Group as the Purchaser and the Seller shall reasonably agree prior to Completion (the “Offered Employees”). Prior to Completion, Purchaser shall provide to each such Offered Employee the terms on which they would be employed by the Company or Supernus after Completion. **[**]** to such [**] shall be [**] by the [**] prior to [**]. Each employee desiring to accept such terms of employment and that becomes employed by the Company or Purchaser after Completion shall be referred to herein as an “Acquired Employee.” All employees of the Company Group other than (x) Acquired Employees or (y) [**], shall be referred to herein as “Retained Employees.” Prior to Completion, the Seller shall transfer the employment of all Retained Employees to New Sub in accordance with Annex D of Schedule 9. The Purchaser and its Subsidiaries shall not be responsible for any (i) liabilities arising out of or related to the employment of any Acquired Employee or [**] prior to [**], (ii) liabilities arising out of or related to the employment of any Retained Employee at any time, and (iii) [**], [**], [**], [**] or [**], [**] or [**] related to the [**] of the [**] or [**], owing to [**] or [**] for periods [**], or related to the change in identity of the employer of the Retained Employees, but shall (A) assume the obligation to provide Forms W2 and other tax information and reporting statements to Retained Employees for calendar year 2020 (with respect to the period prior to Completion) unless the parties agree to use an alternative procedure whereby the Retained Group Member that is the employer of the Retained Employees provides Forms W2 and other tax information and reporting statements to Retained Employees for full calendar year 2020, (B) provide compensation and benefits

to Acquired Employees in accordance with paragraph 3 of Part 2 of this Schedule 5, (C) be responsible for compensation payable to Acquired Employees for periods following the Completion and (D) be responsible for any sick time or paid time off previously accrued to Acquired Employees during calendar year 2020. Concurrent with the expiration of the [**], the [**] shall have the right to [**] to [**] to [**] with the [**] of [**] (such [**]), other than the [**] set forth on [**]. Any such [**] after [**] of the [**] shall also be considered to be an "[**]."

Part 2 – Post-Completion

1. Products

a. In this Agreement, "Product" means any of the following products:

No.	Product Description
1.	Apokyn (US brand name) • Generic name: apomorphine hydrochloride injection • Indication: the acute, intermittent treatment of hypomobility, "off" episodes ("end-of-dose wearing off" and unpredictable "on/off" episodes) in patients with advanced Parkinson's disease • [**] as configured with the [**] marketed pursuant to [**]
2.	Myobloc (US brand name), Neurobloc (EU brand name), Nerbloc (Japan brand name) • Generic name: rimabotulinumtoxinB injection • Indications: (i) the treatment of cervical dystonia ("CD") to reduce the severity of abnormal head position and neck pain associated with CD in adults (in the US, EU and Japan) and (ii) the treatment of chronic sialorrhea in adults (US only)
3.	**[**]** – Apomorphine **[**]** for Advanced Parkinson disease – [**]
4.	Xadago (US brand name) • Generic name: safinamide tablets • Indication: XADAGO is a monoamine oxidase type B (MAO-B) inhibitor indicated as adjunctive treatment to levodopa/carbidopa in patients with Parkinson's disease (PD) experiencing "OFF" episodes.

b. Prior to the Completion Date, the Seller shall: (i) use Diligent Efforts to obtain authorizations required to commercialize any Product, and (ii) use Diligent Efforts to commercialize the Products within the Territory.

c. Following the Completion Date, the Purchaser shall: (i) use Diligent Efforts to obtain authorizations required to commercialize any Product, and (ii) use Diligent Efforts to commercialize the Products within the Territory and to achieve the milestones set forth in clause 4.6. Notwithstanding the foregoing, [**] acknowledges that (i) the [**] of [**] with [**] were [**] by [**] and [**] by [**] as part of the basis for the [**], and (ii) [**] does [**] that the [**] provided by [**], which is reflected in the [**], is likely to be [**] in accordance with its terms.

d. In the event any asset of the Acquired Group is the subject of an Encumbrance in connection with any Indebtedness, Seller shall immediately satisfy all such Indebtedness and procure documentation reasonably acceptable to Purchaser releasing all such Encumbrances.

e. Promptly following Completion, the Purchaser shall, and the Purchaser shall cause each applicable Acquired Group Member to, amend their respective organizational documents to remove reference in the entity names of such Acquired Group Members to "USWM", "US WorldMeds" and any similar designations.

f. The parties acknowledge that the Material Contracts (other than [**], which shall be subject to the provisions of paragraph 1.7 of this Part II of this Schedule 5) designated in Schedule 14.2 of the Disclosure Letter as "Multi-Product

Agreements" and other contracts are intended to be assigned or divided (by amending such contract as it pertains

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to one party to appropriately reduce its scope, and arranging for the other party to enter into a new contract on substantially similar terms with respect to the remaining subject matter), as such assignment or division is described in detail in the description of the Restructuring set forth in Schedule 9, some of which are to be assigned or divided pursuant to the Restructuring. For any such contracts that have not been assigned or divided as of Completion, the party to such contract shall, subsequent to Completion, cooperate with the other party in attempting to obtain such assignment or division as promptly thereafter as practicable. Until such assignment or division has been achieved, the party to such contract shall use its reasonable best efforts to provide the other party with the rights and benefits of each contract in question for the term thereof, and the other party shall make such party whole for all out-of-pocket expenses actually incurred by the other Party incurred in procuring such rights and benefits. In addition to such reimbursement, to the extent that Purchaser is administering any such contract on behalf of Seller, Seller shall reimburse Purchaser at a rate equal to the expense of the fully-burdened time of the personnel providing such services [**]%.

g. Commencing upon the execution of this Agreement, Seller will use commercially reasonable efforts to establish distribution channels for its own products for the period after Completion. At Seller's sole discretion, Seller may notify Purchaser that Seller would like to engage Purchaser as a distributor of its products for a limited time after Completion until Seller has established such distribution channels by providing Purchaser with a detailed list of the specific services desired to be performed. If Seller determines that it requires such services, the parties shall use commercially reasonable efforts to promptly negotiate a distribution agreement on commercially reasonable terms.

2. Restrictions on the Seller post-Completion

a. Subject to paragraph 2.2 below, the Seller undertakes to the Purchaser that it shall not (and shall procure that none of its Subsidiaries or other Affiliates, including none of the Retained Group Members, shall), for a period of [**] years after the Completion Date, develop, manufacture, distribute, market or sell, or enter into arrangements with Third Parties for the distribution, marketing or sale of any Product which is approved for any of the same indication(s) set forth above and which is or are specified in the label for any Product ("Competing Products").

b. Nothing in paragraph 2.1 shall prevent the Seller (or any Retained Group Member) from fulfilling its obligations to Purchaser pursuant to or in connection with the Transitional Services Agreement.

c. The consideration for the undertakings in paragraph 2.1 is included in the Purchase Price.

3. Employment related Provisions

a. Subject to applicable law, the Purchaser undertakes to the Seller that, for a period of [**] months after the Completion Date, the Purchaser shall provide to each Acquired Employee, (i) a base salary (or hourly wage) that is [**] the base salary (or hourly wage)

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provided to such Acquired Employee as of immediately prior to the Completion Date, (ii) [**] and [**] on a basis that is [**] in the aggregate as provided to [**] of the [**], and (iii) other [**] that are [**] in the aggregate as provided to [**] of the [**].

b. The Purchaser further undertakes to the Seller that it shall provide [**] for each Acquired Employee's [**] with the Acquired Group for all purposes (including [**], [**] and [**]) under each [**], [**], [**] or [**] of the Purchaser to the same extent that such [**] was recognized under a similar [**], [**], [**] or [**] of the Acquired Group as of the Completion Date to the extent permitted by the [**], [**], [**] and [**] of the Purchaser; provided that such prior [**] shall not be required to the extent that it results in a duplication of [**]. In furtherance of the forgoing, and to the extent permitted by the [**], [**], [**] and [**] of the Purchaser, the Purchaser undertakes to, (i) waive, or cause to be waived, any pre-existing condition limitations, exclusions, [**] at [**] requirements and waiting periods under any [**] in which the Acquired Employees (and [**]) will be [**] to [**] from and after the Completion Date and (ii) recognize the [**] of all [**], [**] and similar [**] incurred by each Acquired Employee (and [**]) during the calendar year in which the Completion Date occurs for purposes of satisfying such year's [**] and [**] limitations under the relevant [**] in which they will be [**] to [**] from and after the Completion Date.

c. The parties acknowledge and agree that all provisions contained in this paragraph 3 with respect to any Acquired Employees are included for the sole benefit of the respective parties and shall not create any right (i) in any other person, including employees, former employees, any participant or any beneficiary thereof in any employee benefit plan or (ii) to continued employment with the Acquired Group or the Purchaser. Nothing in this paragraph 3, whether express or implied, shall be treated as an amendment or other modification of any employee benefit plan of the Acquired Group or the Purchaser, or prohibit the Purchaser amending or terminating any employee benefit plan.

4. Audit

Seller shall provide all reasonable assistance to the Purchaser, at Purchaser's cost, to conduct an audit of the Acquired Group commencing immediately after Completion.

5. License Grant

Seller hereby grants to Purchaser a [**], [**], [**], [**], [**]license to use Know-How of the Seller and any Retained Group Member to develop, manufacture, import, export, distribute, sell, and use Products. For purposes of clarity, if such Know-How is also applicable to any business of the Retained Group, the parties agree that such license shall be solely applicable to the Products. "Know-How" shall mean information, trade secrets, knowledge, inventions, invention disclosures, improvements, technology, means, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, apparatuses, specifications, results, assays, materials (including biological, pharmacological, toxicological, pharmaceutical and chemical), data and

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information (including analytical, pre‑clinical, clinical, safety, manufacturing and quality control), and study designs and protocols, in all cases whether or not (i) confidential, proprietary, patented or patentable, (ii) reduced to written, electronic or any other form, and (iii) now known or hereinafter developed, in each case necessary or useful for the conduct of the Business or the development, manufacture, import, export, distribution, sale and use of Products.

6. No Impairment

On or before the date that is [**] months following Completion, Seller will not take any action, nor permit any of its Subsidiaries or Affiliates to take any action, that would have a material adverse effect on Purchaser's ability to obtain recourse for Seller's indemnification obligations.

7. Restructuring

Seller shall complete all tasks required to fully implement the Restructuring in all respects in accordance with clause 15.1 of this Agreement and the description of the Restructuring set forth in Schedule 9, using best efforts to complete such tasks on or before the [**] day after Completion.

Part 3 – Non‑solicit

1. Seller non‑solicit

a. Subject to paragraph 1.2 below, until the date falling [**] years after the Completion Date, the Seller shall not (and shall procure that none of its Affiliates or any Retained Group Member shall) without the prior written consent of the Purchaser solicit or entice away from employment with an Acquired Group Member, the Purchaser or any of their Affiliates, any Employee of an Acquired Group Member other than a person employed otherwise than in a [**], [**] or [**] capacity.

b. Nothing in paragraph 1.1 above shall prevent the Seller or any of its subsidiaries from:

i. engaging in public advertisements not targeted at any Employee; or

ii. employing any person:

a. who responds to a public advertisement for the relevant vacancy placed by or on behalf of the Seller or any of its subsidiaries; or

b. who is no longer employed by an Acquired Group Member, the Purchaser or an Affiliate of the Purchaser when they are approached or solicited; or

c. who has made an unsolicited approach to the Seller or its Subsidiary (as applicable) to seek employment.

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c. Until the date falling [**] years after the Completion Date, the Seller shall not (and shall procure that none of its Affiliates or any Retained Group Member shall):

i. deal with any customer or supplier in connection with a Competing Product or business that competes with the Acquired Group's Business, but this shall not preclude it from dealing with a company whose activities include or relate to a Competing Product so long as the Seller or such Affiliate or Retained Group Member does not either directly or indirectly deal in any such Competing Product or business that competes with the Acquired Group's Business; or

ii. interfere with or seek to interfere with the contractual or other trade relations between any Acquired Group Members and any of their customers or suppliers, or any other person for orders or instructions in respect of any goods or services provided to or supplied by any Acquired Group Members.

2. Purchaser non-solicit

a. Subject to paragraph 2.2 below, until the date falling [**] years after the Completion Date, the Purchaser shall not (and shall procure that none of its Affiliates shall) without the prior written consent of the Seller (not to be unreasonably withheld) solicit or entice away from employment with the Retained Group, any Retained Group Senior Employee.

b. Nothing in paragraph 2.1 above shall prevent the Seller or any of its subsidiaries from:

i. engaging in public advertisements not targeted at any Retained Group Senior Employee; or

ii. employing any person:

d. who responds to a public advertisement for the relevant vacancy placed by or on behalf of the Purchaser or any of its Affiliates;

e. who is no longer employed by the Retained Group when they are approached or solicited; or

f. who has made an unsolicited approach to the Purchaser or its Affiliate (as applicable) to seek employment.

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Schedule 6

Limitation on Seller's Liability

1. Limitations on liability

The Seller's liability for all claims brought under this Agreement shall be limited as set forth in paragraphs 1.1 through 1.8 below:

a. Except as otherwise provided in this paragraph 1.1, the Seller's aggregate liability for all [**] brought under this Agreement, if any, shall not exceed $[**], and the Purchaser agrees and accepts that its only recourse in respect of any [**] brought under this Agreement, including all [**], [**] and [**] (including [**]) in respect thereof, shall be limited to the [**]. [**] aggregate liability for [**], if any, shall be [**], however, by an amount equal to the [**] of (i) the amount of claims paid out under the [**] for claims that were not [**] (e.g., for [**], [**] and [**]) and (ii) amount of [**] that, in the aggregate, [**] by the [**] as a result of the payment of [**] that were not [**] claims. For example, if the [**] had a [**] of $[**], but the amount of [**] was [**] by $[**] as a result of [**] under the [**], the [**] would be [**] for future [**] to the extent they may [**], in the aggregate, $[**] (the amount of [**] the [**]), but only to a maximum liability to the Seller of $[**] (the [**] of [**] used on [**] that were not [**]).

b. The Seller's aggregate liability for all [**] shall not exceed an amount equal to the [**] less any amounts [**] the [**] in respect of [**] (it being acknowledged that until the [**] of the [**] is [**], the Purchaser is to pursue any available recovery with respect to such [**] the [**] before [**] against the [**] with respect to such [**]). For the sake of clarity, Purchaser's recourse for [**] shall [**] to the [**]. In the event that [**] under the [**] is [**] or [**] for the [**] of such [**], the Purchaser may seek [**] of any [**] from [**], up to the [**].

c. The Seller's aggregate liability for all [**] shall not exceed an amount equal to [**] of the [**]. For the sake of clarity, [**] for [**] shall not be against the [**], and the [**] may [**] for the [**] of such claims from [**].

d. The Seller's aggregate liability for all [**], [**], [**] and [**] shall not exceed the [**], [**] any amounts that are [**] the [**]. The Purchaser must [**] the [**] for [**] and [**], if such claims are [**] by the [**]. For the sake of clarity, Purchaser's recourse for [**] and [**] shall [**] to the [**]. In the event that [**] the [**] is [**] or [**] for the [**] of [**] and [**] (e.g., due to [**], the [**] or the [**]), the [**] may [**] of [**] from [**] as set forth herein. For the sake of clarity, Purchaser's recourse for [**] shall not be [**] the [**], and the [**] may [**] for the [**] of such [**] from [**].

e. The Seller's aggregate liability for all [**] shall not exceed an amount equal to the [**]. For the sake of clarity, Purchaser's recourse for [**] shall [**] the [**], and the [**] may [**] for the [**] of such [**] from [**].

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f. The Seller's aggregate liability for all [**] shall [**]. For the sake of clarity, Purchaser's recourse for [**] shall [**] the [**], and the [**] may [**] for the [**] of such [**] from [**].

g. Notwithstanding anything to the contrary in this Agreement, to the extent that the Purchaser is unable to recover [**] the [**] the [**] of any claim (other than a [**]) by reason of the [**], the [**] may [**] the [**] from the [**].

h. Notwithstanding anything to the contrary in paragraphs 1.1 through 1.7 of this Schedule 6 or clause 10 of the Agreement, any claim against Seller in respect of [**] and any [**] that relates to, or is in respect of, [**] shall be subject to the exclusions set forth in paragraph [**] of Schedule [**].

2. Time limits

a. The Seller shall not be liable for a claim unless notice in writing summarizing in reasonable detail the matter giving rise to and the nature of the relevant claim, and specifying (as far as is reasonably practicable) the amount claimed, has been given by the Purchaser to the Seller:

i. in the case of a [**], on or before the [**] of (i) the date that the [**] for the underlying claim [**], and (ii) [**] years from the date the Company [**] its [**] for the [**] (or [**]) of the Completion;

ii. in the case of [**], [**] and [**], on or before the [**] of Completion; provided that with respect to any covenant, agreement or obligation with respect the full performance of which extends beyond the [**] of Completion pursuant to the terms of this Agreement, such [**] may be brought any time on or before the [**] of full performance of such covenant, agreement or obligation;

iii. in the case of [**], on or before the date that is [**] months following Completion;

iv. in the case of [**], on or before the date that is [**] months following Completion; or

v. in the case of [**] and [**], on or before the date that the [**] for the underlying claim [**].

b. Notwithstanding any obligation Purchaser may have to pursue a recovery against the Warranty Insurance Policy or any other insurance before pursuing recovery against the Seller with respect to a claim, Purchaser may provide notice of any such claim to Seller pursuant to paragraph 2.1 of this Schedule 6 at any time to ensure that notice of such claim has been timely provided to Seller.

3. Provision made in the Financial Information

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The Seller shall have [**] in respect of a claim if and to the extent that (i) any [**], [**] or [**] was specifically and explicitly made in the Financial Information in respect of the specific matter or circumstances giving rise to the claim and (ii) such [**] provision or [**] related to [**] and not the [**].

4. Insurance

a. If, in respect of any matter or circumstance which would give rise to a claim, the Purchaser, any Acquired Group Member, or any other member of the Purchaser's Group (the "Insured Party") is entitled to claim under any policy of insurance (other than under the Warranty Insurance Policy which is addressed elsewhere in this Agreement);

i. The Purchaser shall (or shall procure that the Insured Party shall) first use all reasonable endeavors to enforce such recovery or seek such reimbursement from the relevant policy of insurance; and

ii. The [**] in respect of any such [**] shall be [**] by [**] under such [**] (less all reasonable costs, charges and expenses incurred by the Insured Party in recovering that sum), or extinguished if the amount so recovered exceeds the amount of the claim.

iii. For clarity, the making of any such claim shall not impact the timing or amount of any [**] that may be [**] from the [**] to the [**]. Purchaser may provide notice of any such claim to Seller at any time pursuant to Section 2.2 to preserve its rights. To the extent that any Insured Party receives a payment under any such insurance policy or collateral source [**] to an [**] made by the [**] with respect a [**] hereunder, such [**] shall [**] the [**] for such [**] up to the [**] or [**].

5. Recovery from third parties

a. If the Purchaser, an Acquired Group Member or any other member of the Purchaser's Group (the "Entitled Claimant") is at any time entitled to recover or otherwise claim reimbursement from a Third Party in respect of any matter or circumstance giving rise to a claim:

i. the Purchaser shall (or shall procure that any Entitled Claimant shall) use all reasonable endeavors to enforce such recovery or seek such reimbursement from the relevant Third Party; and

ii. the [**] in respect of any subsequent related claim shall be [**] by the amount (if any) recovered by the Entitled Claimant from the relevant Third Party, or extinguished if the amount recovered exceeds the amount of the relevant claim (in each case less all reasonable costs, charges and expenses incurred by the Entitled Claimant in recovering that sum).

iii. For clarity, [**] from the [**] shall not impact the [**] or [**] of [**] that may be [**] from the [**] to the [**]. To the extent that any Entitled Claimant receives a payment from any relevant Third Party corresponding to an indemnification payment made [**] with respect a claim for indemnification hereunder, such Entitled Claimant shall reimburse the Seller for such indemnification payment up to the amount of such payment received.

b. If the [**] makes [**] to the [**] in respect of a claim and an Acquired Group Member or any other member of the Purchaser's Group subsequently recovers from a Third Party a sum with respect to that claim, the Purchaser shall promptly repay to the Seller the lower of:

i. the amount recovered from such Third Party (less all reasonable costs, charges and expenses incurred by the Purchaser, an Acquired Group Member, or any other member of the Purchaser's Group in recovering that sum); and

ii. the amount paid to the [**] by the [**] in respect of the relevant claim.

c. If any amount is repaid to the [**] by the [**] in accordance with paragraph 5.2 of this Schedule, an amount equal to the amount so repaid shall be deemed never to have been paid by the Seller to the Purchaser.

6. Voluntary Acts

a. The Seller shall not be liable in respect of a claim (except as expressly provided otherwise in Schedule 8) to the extent that the event, matter or circumstance giving rise to such claim arises, occurs or is directly attributable to (or the Seller's liability pursuant to such claim is increased as a result of) any:

i. voluntary act, omission, or transaction carried out by Purchaser, the Company or any other member of the Purchaser's Group on or after Completion;

ii. voluntary act, omission, transaction carried out at the request of the Purchaser before Completion or pursuant to the express terms of this Agreement; or

iii. change after Completion in the [**], [**], [**] or [**] applied in preparing any [**], or [**] or [**] of the Company compared to those used prior to Completion (unless such change is required to comply with law in force at the date of this Agreement or [**]).

7. Purchaser's knowledge

The representations, warranties and covenants of the Seller, and the Purchaser's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Purchaser (including by any of its representatives) or by reason of the fact that the Purchaser or any of its representatives knew or should have known that any such representation or warranty is, was or might be

inaccurate or by reason of the Purchaser's waiver of any Conditions. Notwithstanding the foregoing, the Purchaser shall not be entitled to make a claim if and to the extent that the facts, matters, events or circumstances giving rise to the claim are Disclosed in the Disclosure Letter.

8. Change in law

The Seller shall not be liable in respect of a claim to the extent that such claim arises or the value of such claim is increased (whether directly or indirectly) as a result of a change in any law, legislation, rule or regulation (including any new law, legislation, rule or regulation) that comes into force or otherwise takes effect after the date of this Agreement.

9. No double recovery

The Purchaser shall not be entitled to recover damages, or obtain payment, reimbursement, restitution or indemnity more than once in respect of the same loss, shortfall, damage, deficiency, breach or other event or circumstance.

10. Mitigation and rescission

a. The Purchaser shall (and shall procure that each Acquired Group Member and every other member of the Purchaser's Group shall) take all reasonable steps to avoid or mitigate any loss or liability suffered or incurred by it which could give rise to a claim.

b. The Purchaser agrees that rescission shall not be available as a remedy for any claim and it agrees not to seek that remedy.

[**]

11.1 The Purchaser shall have a right of [**] in respect of [**] for which the [**] is liable under this Agreement; provided, that the Purchaser shall not have a right of [**] with respect to [**] set forth in Section [**] ([**] by the [**] of [**] in the [**]). For the avoidance of doubt, Purchaser's right of [**] shall also apply in respect of [**] for which it is [**] the [**]; provided, that in the event Purchaser [**] the [**] under the [**], Purchaser shall [**] to Seller such [**]. In the event that the Seller shall pursue legal action against the Purchaser with respect to improper use of this right of [**] and the Seller ultimately prevails against the Purchaser with respect to such legal action, then the Purchaser agrees to [**] the Seller for the [**] of any [**], [**] and [**] incurred by the Seller in connection with such legal action.

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Schedule 7

Completion Accounts

Part 1 – Preparation of Completion Accounts

1. Definitions

a. The definitions in this paragraph apply in this Agreement.

"**Adjusted Completion Payment**": means the Completion Payment as calculated using the **[**]**, [**], [**], and [**] as shown in the Adjusted Completion Payment Statement as prepared and agreed or determined (as the case may be) in accordance with this 0.

"**Adjusted Completion Payment Statement**": means the statement setting out the amount of the [**], [**], [**], and [**] as shown in, or derived from, the Completion Accounts, together with the resulting calculation of the Adjusted Completion Payment, and as prepared and agreed or determined (as the case may be) in accordance with this 0.

"**Branded Prescription Drug Fee**": means the annual fee imposed by Section 9008 of the Patient Protection and Affordable Care Act, as amended by section 1404 of the Health Care and Education Reconciliation Act of 2010, on each covered entity engaged in the business of manufacturing or importing branded prescription drugs, as such provisions may be amended from time to time.

"**Cash**": means the aggregate amount of all:

i. cash on hand, including all outstanding security, customer or other deposits;

ii. cash standing to the credit of any account with a bank or other financial institution (as reduced by the amount of all checks, wire transfers or withdrawals made prior to Completion and not reflected in the balance of such accounts); and

iii. cash equivalents,

in each case, to which any Acquired Group Member is beneficially entitled as at the Effective Time and as shown in the Completion Accounts, calculated on the bases and in the order of priority specified in paragraph 4 of this 0.

"**Completion Accounts**": means the statement of financial position of the Acquired Group as at the Effective Time (including the notes thereon), as prepared and agreed or determined (as the case may be) in accordance with this 0.

"**Dispute Notice**": has the meaning set out in paragraph 2.3 of this 0.

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"**Draft Documents**": has the meaning set out in paragraph 2.1 of this 0.

"**Effective Time**": means 11:59 p.m. Eastern time on the Business Day before the Completion Date.

"**Expert**": means an independent firm of certified public accountants of international repute appointed in accordance with paragraph 3 of this 0 to resolve any dispute arising between the parties in connection with the preparation of the Completion Accounts or the Adjusted Completion Payment Statement.

"**Indebtedness**": means in relation to the Acquired Group Members the aggregate amount of their debts, borrowings and other financial indebtedness, in each case, as at the Effective Time and shown in the Completion Accounts, calculated on the bases and in the order of priority specified in paragraph 4 of this 0, including (a) borrowings from any bank, financial institution or other person or entity; (b) indebtedness arising under any bond, note, loan stock, debenture, commercial paper or similar instrument, including loans from the federal government under [**] and the [**]; (c) obligations under any conditional sale, title retention, forward sale or purchase or any similar agreement or arrangement creating obligations with respect to the deferred purchase price of property (other than customary trade credit given in the ordinary course of business); (d) Director and Officer Indebtedness; (e) any liability or obligation as a guarantor or surety for any liability or obligation described in the preceding clauses (a)–(d), (f) all unpaid accrued interest on any borrowings or financial indebtedness referred to in clauses (a)–(d) above, (g) the [**] (to the extent not paid prior to Completion), and (h) any additional liabilities or obligations to be paid at Completion as may be agreed in writing by Seller and Purchaser.

"**Resolution Period**": has the meaning set out in paragraph 2.6 of this 0.

"**Review Period**": means the period of [**] Business Days commencing on the first Business Day after the day on which the Purchaser receives the Draft Documents from the Seller in accordance with paragraph 2.1 of this 0.

"**US GAAP**": means United States generally accepted accounting principles, as in effect on December 31, 2019.

"**Working Capital**": means the aggregate current assets (except for those included within Cash) less the aggregate current liabilities (except for those included within Indebtedness or Transaction Expenses) of the Acquired Group as at the Effective Time, including current [**] and [**], and set out in the Completion Accounts, calculated on the bases and in the order of priority specified in paragraph 4 of this 0. For purposes of this definition, any [**], the payment of which have been [**] as permitted by [**] or any similar Law, shall be deemed to be a [**] even if not due for more than [**].

b. Any period of time specified in this Schedule may be extended by agreement in writing between the Purchaser and the Seller.

2. Preparing the Completion Accounts and Adjusted Completion Payment Statement

a. As soon as practicable, and in any event no later than **[**]** days after the Completion Date, the Seller shall prepare, certify and deliver to the Purchaser for review drafts of the Completion Accounts and the Adjusted Completion Payment Statement drawn up in accordance with paragraph 4 of this 0 (together the "Draft Documents").

b. Following Completion and until the Completion Accounts have been finally agreed or determined in accordance with this 0, the Purchaser shall, and shall procure that the Acquired Group Members shall, promptly provide the Seller, its agents and representatives with all information relating to the operations of the Acquired Group Members, including access during normal business hours to all employees, books, records and other relevant information (including the right to take copies of all such information) of the Acquired Group Members and promptly provide all co-operation and assistance as may (in any such case) be reasonably required in order to enable the Seller to prepare the Draft Documents.

c. No later than the [**] of the Review Period, the Purchaser shall serve a written notice on the Seller stating whether or not it agrees with the Draft Documents. In the case of any disagreement, the notice ("Dispute Notice"), Purchaser shall specify, certify and deliver to the Seller in reasonable detail each matter or item in dispute and, to the extent practicable, any adjustments which the Purchaser considers should be made to the Draft Documents. Aspects of the Draft Documents which are not covered by the Dispute Notice shall be deemed agreed and accepted by the Purchaser.

d. During the Review Period, the Seller shall upon reasonable notice and during normal business hours, permit the Purchaser (and its agents or advisers) to access and review the Seller's working papers relating to the preparation of the Draft Documents.

e. If, during the Review Period, the Purchaser:

i. serves a written notice on the Seller confirming its agreement with the Draft Documents, they shall, with effect from the date of service of such notice, constitute the Completion Accounts and the Adjusted Completion Payment Statement and shall be final and binding on the parties; or

ii. fails to serve a Dispute Notice prior to the expiry of the Review Period, the Draft Documents shall, with effect from the expiry of the Review Period, constitute the Completion Accounts and the Adjusted Completion Payment Statement and shall be final and binding on the parties.

f. If the Purchaser serves a Dispute Notice in accordance with paragraph 2.3 of this 0, the parties shall, during the period of [**] Business Days commencing on the date of service of the Dispute Notice ("**Resolution Period**"), seek in good faith to reach agreement on the disputed matters. If, before the Resolution Period expires, the disputed matters are:

i. resolved by the parties in writing, the Draft Documents (revised as necessary to reflect the parties' agreement) shall constitute the Completion Accounts and

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the Adjusted Completion Payment Statement, and shall be final and binding on the parties with effect from the date of their agreement; or

ii. not all resolved by the parties in writing, then at any time following the expiry of the Resolution Period either party may, by written notice to the other party, require the remaining disputed matters to be referred to an independent Expert for determination in accordance with paragraph 3 of this 0 (with any matters resolved or not the subject of such written notice being deemed agreed by the parties).

a. The Purchaser and the Seller shall bear and pay their own costs incurred in connection with the preparation, review and agreement of the Completion Accounts and the Adjusted Completion Payment Statement.

1. Expert determination

a. If a notice is served by either party pursuant to paragraph 2.6.2 of this 0, the parties shall use all reasonable endeavors to reach agreement regarding the identity of the Person to be appointed as the independent Expert and to agree terms of appointment with the Expert. Neither party shall unreasonably withhold its agreement to the identity of the Expert or terms of appointment proposed by the Expert.

b. If the parties are unable to agree on the identity of the independent Expert, Seller's Expert and Purchaser's Expert shall mutually agree on the identity of the independent Expert, such agreement not to be unreasonably withheld.

c. Except for any procedural matters, or as otherwise expressly provided in this 0, the scope of the Expert's determination shall be limited to determining the unresolved matters in the Dispute Notice relating to:

i. whether the Draft Documents have been prepared in accordance with the requirements of this Schedule;

ii. whether any errors have been made in the preparation of the Draft Documents; and

iii. any consequential adjustments, corrections or modifications that are required in order for the Draft Documents to have been prepared in accordance with the requirements of this Schedule.

d. The parties shall co□operate with the Expert and shall provide (and in the case of the Purchaser shall procure that the Acquired Group Members provide) such assistance and access to such documents, personnel, books and records as the Expert may reasonably require for the purpose of making their determination.

a. The parties shall be entitled to make written submissions to the Expert and each party shall, with reasonable promptness, supply the other party with all such information and

access to its documentation, books and records as the other party may reasonably require in order to make a written submission to the Expert in accordance with this paragraph.

b. To the extent not provided for in this paragraph 3, the Expert may in their reasonable discretion determine such other procedures to assist with the conduct of their determination as they consider just or appropriate including (to the extent they consider necessary) instructing professional advisers to assist in reaching their determination.

c. Unless otherwise agreed by the parties, the Expert shall be required to make their determination in writing (including reasons for their determination) and to provide a copy to each party as soon as reasonably practicable and in any event within **[**]** Business Days of their appointment.

d. All matters under this paragraph 3 shall be conducted, and the Expert's decision shall be written, in the English language.

e. The Expert shall act as an expert and not as an arbitrator. Except in the event of manifest error or Fraud:

i. the Expert's determination of any matters referred under this Schedule shall be final and binding on the parties; and

ii. the Draft Documents, subject to any adjustments, corrections or modifications that are necessary to give effect to the Expert's determination, shall constitute the Completion Accounts and the Adjusted Completion Payment Statement for the purpose of this Agreement.

f. If an appointed Expert dies or becomes unwilling or incapable of acting, or does not deliver their determination within the period required by this paragraph 3:

i. the parties shall use all reasonable endeavors to agree the identity and terms of appointment of a replacement Expert; and

ii. this paragraph 3 shall apply in relation to each and any replacement Expert as if they were the first Expert appointed.

g. The parties shall act reasonably and co□operate to give effect to the provisions of this paragraph 3 and shall not do anything to hinder or prevent the Expert from making a determination.

h. Each party shall bear and pay its own costs incurred in connection with the Expert's determination pursuant to this paragraph 3 of this 0. The Expert's fees and any costs or expenses incurred in making their determination shall be borne by the parties in equally or in such other proportions as the Expert may direct.

1. Basis for preparing the Completion Accounts

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a. The Completion Accounts shall be prepared in the form set out in Part 2 of this 0 and on the bases, and in the order of priority, shown below:

i. applying the same accounting standards, principles, policies and practices (with consistent classifications, judgements, valuation and estimation techniques) that were used in the preparation of the Company's audited financial statements; and

ii. to the extent not provided for by the matters referred to in paragraph 4.1.1 above, in accordance with US GAAP, in each case, as in force for the accounting period ending on December 31, 2019.

Part 2 – Form of Completion Accounts

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Schedule 8

Tax Covenant

1. Interpretation

The following definitions and rules of interpretation apply in this Tax Covenant.

a. Definitions:

"**Dispute**": means any dispute, appeal, negotiations or other proceedings in connection with a Tax Claim.

"**Liability for Tax**": means

(a) any liability of any Acquired Group Member to make an actual payment or remittance of, or in respect of, or on account of, Tax to a Tax Authority in respect of any Tax Company Group Member for any taxable period (or portion of a taxable period) ended on or before the Completion Date, and whether or not any Acquired Group Member has, or may have, any right of reimbursement against any other person, i.e., in each case the amount of the Liability for Tax will be the amount of the actual payment;

(b) the use or setting off of any Relief of the Purchaser or any member of the Purchaser's Tax Group (excluding, for these purposes, the Acquired Group and each Acquired Group Member) where, but for that set off or use, any Person that was an Acquired Group Member at Completion would have had a liability to make a payment as described in clause (a) above, in which case, the amount of the Liability for Tax will be the amount of Tax for which the Seller would have been liable but for the setting off or use; and

(c) any liability of Purchaser's Tax Group for Tax for a taxable period (or portion of a taxable period) following the Completion Date arising as a result of any **[**]** of [**] of an [**] as [**] income as a result of the application of Section [**] of the Code, but only to the extent that (i) such recharacterization arose as a result of a [**] of [**] under Code § [**] with respect to any [**] and (ii) the total amount of income subject to such recharacterization exceeds the aggregate amount of any net operating loss carryover (within the meaning of Code § 172) of the Acquired Group immediately following the Completion Date (taking into account all audit and other adjustments to such net operating losses with respect to any Pre-Completion Tax Period).

"**Pre-Completion Tax Period**": means any taxable period (or portion of a taxable period) ending on or before the Completion Date.

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"**Purchaser's Tax Group**": means the Purchaser and any other company or companies that are, from time to time, treated as members of the same Group as, or otherwise connected or

associated in any way with, the Purchaser for any Tax purpose.

"**Relief**": means any loss, relief, allowance, credit, exemption or set off for Tax or any deduction in computing income, profits or gains for the purposes of Tax and any right to a repayment of Tax or to a payment in respect of Tax.

"**Straddle Period**": means any tax period beginning before, and ending after, the Completion Date.

"**Tax**": means any federal, state, local, municipal, provincial or foreign income, gross receipts, license, payroll, employment‑related, excise, goods and services, harmonized sales, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, revenue, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add‑on minimum, estimated, or other tax, duty, impost, levy or assessment by a Tax Authority of any kind whatsoever, including any interest, penalty, fine, surcharge or addition thereto, whether disputed or not, and any related charges or costs.

"**Tax Authority**": means any government, state or municipality or any local, state, federal or other fiscal, revenue, customs or excise authority, body or official competent to impose, administer, levy, assess or collect Tax in the United States or elsewhere.

"**Tax Claim**": means any claim, counterclaim, assessment, notice, demand, letter or other document issued or action taken by or on behalf of any Tax Authority, self‑assessment or other occurrence (a) from which it appears that any Acquired Group Member or the Purchaser is or may be subject to a Liability for Tax or other liability for which the Seller is or may be liable under this Tax Covenant or (b) in respect of any Tax relating to, or the Tax treatment of, (i) the Restructuring or (ii) the Seller or the Retained Group (or any assets held or distributed thereby on or prior to the Completion Date), in either case, may be at issue.

"**Tax Company Group**": means the Company and each Person (i) that is or was, at any time, a Subsidiary of the Company and (ii) for whose Taxes the Acquired Group is liable under applicable Tax Law.

"**Tax Company Group Member**": means any Person included in the Tax Company Group at any time for whose Taxes the Acquired Group is liable under applicable Tax Law.

"**Tax Law**": means any law, regulation, directive, statute or enactment wherever enacted or issued, coming into force or entered into providing for or imposing any Tax, including orders, regulations, instruments, by‑laws or other subordinate legislation made under the relevant statute or statutory provision and any directive, statute, enactment, law, order, regulation or provision that amends, extends, consolidates or replaces the same or that was amended, extended, consolidated or replaced by the same.

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"**Tax Return**": means any return, declaration, report, statement, claim for refund, information statement or other written information and other document required to be filed with respect to

Taxes, including any schedule, attachment or supplement thereto, and including any amendment thereof.

a. References to gross receipts, income, profits or gains earned, accrued or received shall include any gross receipts, income, profits or gains deemed under applicable Tax Law to have been, or treated or regarded as, earned, accrued or received.

1. Covenant

a. Subject to the provisions of this Tax Covenant, the Seller covenants to pay to the Purchaser an amount equal to any:

i. Liability for Tax of any Acquired Group Member with respect to (i) any period (or portion thereof) ending on or before Completion; (ii) resulting from any event occurring on or before Completion (including any liability of the Acquired Group Members for the Branded Prescription Drug Fee resulting from sales made prior to the Completion Date, to the extent not taken into account as Working Capital in the Completion Accounts); or (iii) in respect of any gross receipts, income, profits or gains earned, accrued, or received by the Tax Company Group on or before Completion;

ii. Liability for Tax of any member of an affiliated, consolidated, combined, or unitary group of which any Acquired Group Member was a member, pursuant to Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign law), or for Tax of any person imposed on any Acquired Group Member as a transferee, by contract or otherwise; and

iii. Reasonable costs and expenses properly incurred by the Purchaser, any Acquired Group Member, or any member of the Purchaser's Tax Group in connection with any Liability for Tax in respect of which the Seller is liable under this Schedule, any Tax Claim or successfully taking or successfully defending any action under this Schedule;

provided, however, that the amount payable by the Seller under this paragraph 2.1 shall be determined net of the tax benefits realized as a reduction of Tax paid by the Purchaser and its Affiliates attributable to amounts described in paragraphs 2.1.1, 2.1.2, and 2.1.3 above in the taxable year any claim under this paragraph 2.1 arises (or in the immediately succeeding tax year) or (without double counting) any prior taxable period.

2. Payment date and interest

a. Payment by the Seller in respect of any liability under this Schedule must be made in cleared and immediately available funds on:

i. in the case of a Liability for Tax that involves an actual payment of or in respect of Tax, the later of **[**]** Business Days before the due date for payment and **[**]** Business Days after the date on which the Purchaser serves notice on the Seller requesting payment; or

ii. in a case that falls within clause (b) of the definition of Liability for Tax, the date on which the Tax saved by the Acquired Group Member is or would have been required to be paid to the relevant Tax Authority.

3. Exclusions

a. The covenant contained in paragraph 2 above shall not cover any Liability for Tax if and to the extent that:

i. specific [**] or [**] (other than a [**] for [**]) for the liability is made or [**] in the [**];

ii. the Liability for Tax was [**] on or before Completion;

iii. the Purchaser is compensated for the Liability for Tax under any other provision of this Agreement;

iv. a Relief other than a Purchaser's Relief is available or made available to an Acquired Group Member that actually causes the Acquired Group Member to relieve or mitigate such Liability for Tax (including, for the avoidance of doubt, an applicable net operating loss carryover (within the meaning of Code § 172 and comparable provisions of state and local tax laws) of the Acquired Group that was generated in a Pre‑Completion Tax Period);

v. it would not have arisen but for a [**], [**] or [**] any Acquired Group Member, the Purchaser or any member of the Purchaser's Tax Group after Completion, except this exclusion shall not apply where the [**], [**] or [**] was:

i. required by any [**], [**] or other [**], [**] before the date of this Agreement;

ii. pursuant to a [**] entered into by any Tax Company Group Member on or before Completion;

iii. the presentation for [**] or [**] or [**] of any [**] or [**] which was entered into prior to Completion;

iv. [**] at the direction of the Seller or its authorized representative; or

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v. in accordance with the terms of this Agreement or any document executed pursuant to this Agreement (including the documents identified on 0);

vi. any Acquired Group Member or member of the Purchaser's Tax Group is entitled to claim an amount in respect of such liability under any policy of insurance (or would have been so entitled had it maintained in force the insurance cover current at Completion);

vii. it relates to interest and penalties to the extent that such interest and penalties are attributable to the unreasonable delay or default by the Purchaser, any member of the Purchaser's Tax Group, or after Completion, an Acquired Group Member; or

viii. the Liability is with respect to, or based on, Taxes payable by or imposed on Purchaser's Tax Group for any period following the Completion Date that are attributable to any audit or examination by the Internal Revenue Service that results in the elimination or reduction in amount of an applicable net operating loss carryover (within the meaning of Code § 172) of the Acquired Group that was generated in a Pre‑Completion Tax Period; provided that this paragraph 4.1.8 shall not limit the Seller's obligations under paragraph 2.1 with respect to (i) Taxes actually payable by or imposed on the Acquired Group for taxable periods ending on or before the Completion Date (including Taxes attributable to or caused by the Restructuring) or (ii) interest and penalties charged on any underpayment of Tax for taxable periods ending on or before the Completion Date assessed against Purchaser's Tax group as a result of any audit or examination to the extent underpayment of Tax was attributable to Purchaser's Tax Group claiming the use of any such net operating loss carryover.

4. Limitations

Where specifically provided in 0 of this Agreement, the limitations in 0 shall apply to claims under the Tax Covenant. For the sake of clarity, it is intended that if Purchaser has any Tax Covenant Claims that give rise to a claim **[**]** the [**], Purchaser shall [**] all claims available to Purchaser [**] the [**] demanding payment from the Seller, but the Seller shall remain obligated to indemnify Purchaser to the extent that Purchaser's claims for recovery under the [**] are [**] or [**] as a result of [**], [**] or [**] or [**].

5. Tax Returns

a. The Purchaser will procure that the Acquired Group keeps the Seller or the Seller's duly authorized agent fully informed of its Tax affairs relating to any Tax or any Tax Return for any taxable period (or portion thereof) ended on or before the Completion Date. The Purchaser will not submit any substantive correspondence, or submit or agree to any return or computation for any such period to any Tax Authority, without the Seller's

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consent (not to be unreasonably withheld, conditioned or delayed) and without giving the Seller a reasonable opportunity to comment (subject to the provisions below).

b. Except as required by applicable Law (as reasonably determined by the Purchaser in good faith), the Purchaser will procure that, and shall not take any action or otherwise cause or permit the Acquired Group or any Affiliate thereof to (i) take any action on or after the Completion Date out of the ordinary course of business of the Acquired Group that could reasonably be expected to give rise to any Tax liability or indemnification obligation of the Seller; (ii) amend or withdraw any return or computation or any claim, election, surrender or consent for (or with an effective date on or before the Completion Date) its taxable periods ended on or before the Completion Date, (iii) extend or waive the statute of limitations with respect to any Taxes for which the Seller is liable; (iv) commence or voluntarily submit to a "voluntary disclosure" or similar procedure with respect to any Tax or Tax Return for a taxable period beginning before the Completion Date; or (v) make any election under Code §§ 338 or 336 (or any comparable provisions of state, local or non‑U.S. tax laws) in connection with the transactions contemplated by this Agreement or any other Tax election for the Company or any Subsidiary or its Subsidiary, in each case, without the Seller's consent (not to be unreasonably withheld, conditioned or delayed) and shall give the Seller a reasonable opportunity to comment.

c. The Seller or its duly authorized agent shall, at the Seller's cost and expense, prepare the Tax Returns and computations of income Taxes of the Tax Company Group and all Tax Company Group Members for any Tax period ending on or prior to the Completion Date (to the extent not filed prior to the Completion Date). The Seller shall submit each such Tax Return to the Purchaser not later than [**] days prior to the deadline for filing such Tax Return (taking into account applicable extensions) for its review and consent. The Purchaser shall have [**] days from receipt of each such Tax Return to review and comment thereon. If the Purchaser determines that items reflected on such Tax Return are not permitted by applicable Laws at a [**], the parties shall consult with each other and attempt in good faith to resolve any such issues and, if they are unable to do so, the disputed items on any such Tax Return shall be finally and conclusively resolved by an independent, reputable, U.S. national or regional accounting firm mutually agreed upon by the parties (the "Referee"). The Referee shall be instructed to only permit positions to be taken on ay Tax Return that it concludes are [**] correct. The fees and expenses of the Referee shall be borne by equally by the Purchaser, on the one hand, and the Seller, on the other hand. In the event that any such dispute is not resolved before the due date for filing the applicable Tax Return (following any available extensions), the Purchaser shall timely file, or cause to be timely filed, such Tax Return in the form prepared by the Seller as modified to achieve a [**] standard (but reflecting any changes to which the parties have agreed) and shall, as necessary and to the extent permitted by Law, amend such Tax Return as necessary to properly reflect the resolution of any dispute.

i. At the Purchaser's request (the "Purchaser Request"), the Seller shall, prior to Completion, cause [**] to apply to the [**] for [**] to make a [**] to its [**] for the [**] to [**] by [**] in 2015. If the [**] is made, the [**] shall use [**]

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to cause (i) such change to be automatic and to be made for [**] tax year ended December 31, 2019, and (ii) the [**] to be capitalized and amortized, with a "[**]." The parties shall cooperate and take such actions as may be required by the [**] so that appropriate adjustments resulting from the [**] method consistent with the immediately preceding sentence are allocated by [**] to the Company for the applicable [**] to the extent allowable under applicable Law. The income Tax Returns of the Company for the period ending on the Completion Date shall be prepared in a manner consistent with any [**] ultimately approved (automatically or otherwise) by the [**].

d. The Purchaser shall procure that the Tax Returns and computations referred to in paragraph 6.3 above shall be authorized, signed and submitted to the relevant Tax Authority without amendment or with any amendments as provided in paragraph 6.3 above and shall give the Seller or its agent all reasonable assistance to finalize those Tax Returns and computations.

e. The Seller or its duly authorized agent shall, at the Seller's cost and expense, prepare all documents and shall have conduct of all matters (including correspondence) relating solely to the Tax Returns and computations of the Tax Company Group and the Tax Company Group Members for all taxable periods ended on or before Completion, provided that the Seller has provided adequate assurances that it has the capacity to pay any amount that may become due relating thereto, and provided further that the Seller shall not, without the prior consent of the Purchaser (not to be unreasonably withheld or delayed), transmit any communication (written or otherwise) in contravention of the Tax Covenant.

f. The Purchaser shall procure that the Acquired Group provides such access to its books, accounts and records as is necessary and reasonable to enable the Seller or its duly authorized agent to prepare the Tax Returns and computations of the Tax Company Group and each Tax Company Group Member for all accounting periods ended on or before Completion and conduct matters relating to them in accordance with this paragraph 6.

g. The Purchaser or its duly authorized agent shall, at the Company's or any Subsidiary's cost and expense, prepare the Tax Returns and computations of Taxes of the Acquired Group and Acquired Group Members for any taxable period beginning before the Completion Date, other than the Tax Returns and computations described in paragraph 6.3. Each such Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law). The Purchaser shall provide a pro forma presentation of the items on each such Tax Return that is an income Tax Return that relates solely to the period before the Completion Date to the Seller for the Seller's review and consent at least thirty (30) days prior to the due date of such Tax Return (taking into account applicable extensions) and shall incorporate any reasonable comments from the Seller.

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h. The Seller shall not cause permit or allow an election under Code § 6226 to be made for any Pre-Completion Tax Period by any Retained Group Member which is treated as a partnership for federal income tax purposes, or for any other Person treated as a partnership in which a Retained Group Member has an interest; provided, however, that this restriction shall not apply if (i) the amount of taxable income passed through to the Company as a result of the election is less than the net operating loss carryovers of the Company that carried over to the Purchaser on the Completion Date or (ii) the Seller indemnifies the Purchaser and its Subsidiaries from any Tax resulting from the election

(other than Tax resulting from the reduction in the Company's net operating losses carried over to Purchaser on the Completion Date).

a. The parties hereto agree for purposes of preparing all relevant Tax Returns relating to the Tax Company Group, for determining amounts for which the Seller is liable under this Agreement and for purposes of determining any refunds to which the Seller is entitled to under this Agreement:

i. the election under Revenue Procedure 2011-29 to apply the seventy percent safe-harbor to any "success based fee" incurred in connection with the transactions contemplated hereby shall be made for U.S. federal income tax purposes;

ii. to the extent permitted by applicable Tax Law, the parties shall utilize (and cause their Affiliates to utilize) the "next day rule" in Treasury Regulations Section 1.1502-76(b)(1)(ii)(B) (or any similar provision of foreign, state or local Law) for purposes of reporting any gains or income resulting from any transactions outside the ordinary course of business occurring on the Completion Date but after the Completion on the applicable Tax Returns;

iii. no election under Treasury Regulations Section 1.1502-76(b)(2)(ii) (or any other similar provision of foreign, state or local Law) to ratably allocate items incurred by the Tax Company Group with respect to the transactions contemplated in this Agreement shall be made; and

iv. no election to waive the ability to carry back losses generated in a Pre-Completion Tax Period or otherwise attributable to expense incurred in connection with the Completion to a Pre-Completion Tax Period shall be made.

b. In the case of any Taxes of the Tax Company Group that are payable with respect to any Straddle Period, the portion of any such Taxes that are attributable to the Pre-Completion Tax Period for purposes of this Schedule 8 shall:

i. in the case of the Branded Prescription Drug Fee, the Seller shall be responsible for that portion of the Branded Prescription Drug Fee attributable to the sale of the Products for periods prior to the Completion Date and, if applicable, for the sale of any branded prescription drugs other than the

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Products, and Purchaser shall be responsible for that portion of the Branded Prescription Drug Fee attributable to the sale of the Products from and after the Completion Date;

ii. in the case of Taxes (other than the Branded Prescription Drug Fee) that are either (x) based upon or related to income or receipts, or (y) imposed in connection with any sale, transfer or assignment or any deemed sale, transfer or assignment of property (real or personal, tangible or intangible), be deemed

equal to the amount that would be payable if the taxable year or period ended on the Completion Date; and

i. in the case of Taxes (other than those described in paragraphs 6.10.1 and 6.10.2 above) that are imposed on a periodic basis with respect to the business or assets of the Tax Company Group or otherwise measured by the level of any item, be deemed to be the amount of such Taxes for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding taxable period) multiplied by a fraction the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Completion Date and the denominator of which is the number of calendar days in the entire Straddle Period.

For purposes of paragraph 6.10.2, any exemption, deduction, credit or other item (including, without limitation, the effect of any graduated rates of Tax, but excluding for the avoidance of doubt any transaction‑related Tax deductions) that is calculated on an annual basis shall be allocated to the portion of the Straddle Period ending on the Completion Date on a pro rata basis determined by multiplying the total amount of such item allocated to the Straddle Period times a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on the Completion Date and the denominator of which is the number of calendar days in the entire Straddle Period. The parties shall to the extent permitted by applicable Laws, elect with the relevant Governmental Entity to treat a portion of any Straddle Period as a short taxable period ending as of the close of business on the Completion Date.

a. For the avoidance of doubt where any matter gives rise to a Tax Claim, the provisions of paragraph 7 below shall take precedence over the provisions of this paragraph 6.

1. Conduct of Tax Claims

a. Subject to paragraph 7.2 below, if the Purchaser or any Acquired Group Member becomes aware of a Tax Claim, the Purchaser shall give or procure that notice in writing is given to the Seller or to the Seller's duly authorized agent as soon as reasonably practicable.

b. The Seller shall control any Dispute relating to such Tax Claim (including any audit of **[**]** or [**] under Chapter 63, Subchapter C of the Code, as amended by Chapter Title XI of the Bipartisan Budget Act of 2015, H.R. 1314, Public Law Number 114‑74, and the

corresponding provisions of the Code and Treasury Regulations) and Purchaser shall take and shall procure that the Acquired Group Members shall take any action that the Seller may reasonably request to avoid, dispute, defend, resist, appeal or request a Tax Authority review, or compromise any such Tax Claim, provided that the Seller provides assurances reasonably acceptable to Purchaser that it has and will have the financial ability to satisfy such Tax Claim.

c. The Purchaser shall provide and shall procure that the Acquired Group Members provide to the Seller and the Seller's professional advisors reasonable access to premises and personnel, and to any relevant assets, documents and records in their power, possession or control to investigate the matter and enable the Seller to take any action referred to in this paragraph 7.

d. Where the provisions of this paragraph 7 conflict with the provisions of any relevant policy of insurance, the provisions of the relevant policy shall prevail.

2. Purchaser's Covenant

a. The Purchaser shall pay to the Seller an amount equal to any tax liability falling on the Seller (or any Retained Group Member) which relates to any of the following events occurring or deemed to occur after Completion:

i. Any Acquired Group Member failing to pay any Tax for which it is liable and for which the Purchaser would not have been entitled to make a claim against the Seller under paragraph 2 if the Company or any Subsidiary or the relevant member of the Purchaser's Tax Group had paid that liability; or

ii. failing to comply with its obligations under the Tax Covenant, but only to the extent such failure materially adversely affects Seller or the Retained Group.

b. Any payment made by the Purchaser under paragraph 8.1 of this 0 shall be made five days before the last day on which the relevant payment of Tax is due to be made to the relevant Tax Authority without incurring any liability to interest or penalties.

c. The Purchaser shall pay to the Seller an amount equal to all costs and expenses reasonably and properly incurred by the Seller in connection with any tax liability as described in paragraph 8.1 of this 0.

3. General

All payments made by the Seller to the Purchaser or by the Purchaser to the Seller in accordance with this Tax Covenant (or pursuant to clause 21) will be treated, if possible, as an **[**]** to the [**] for the [**].

4. Refunds and Tax Benefits

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Any refund of Taxes paid by any Tax Company Group Member with respect to Pre-Completion Tax Periods (including any interest in respect thereof) that is received by or with respect to the Purchaser or any of its Affiliates (each, a "Tax Refund") shall be the property of the Seller to the extent it is not reflected on the Completion Accounts. After the Completion Date, Purchaser shall cause the Acquired Group Members to take such commercially reasonable efforts as from time to time requested by Seller to obtain Tax Refunds, provided that Seller shall be responsible for all costs and expenses attributable to seeking Tax Refunds and Purchaser shall not be required to take any actions which reasonably might cause Purchaser or the Acquired Group Members to incur any cost, liability or expense. Absent the consent of the Seller to the contrary, the Purchaser shall request that any Tax Refund be in the form of a refund of Taxes (rather than a credit against future Taxes) to the maximum extent permitted by applicable Law. The Purchaser shall pay or cause to be paid to the Seller the amount of each Tax Refund, within **[**]** days after actual receipt thereof (or, in the case of a credit, the crediting of such amount against Tax otherwise payable).

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Exhibit 10.1

CERTAIN CONFIDENTIAL INFORMATION IDENTIFIED IN THIS DOCUMENT, MARKED BY [**], HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

Private and Confidential

Dated April 21, 2020

NAVITOR PHARMACEUTICALS, INC.

AND

SUPERNUS PHARMACEUTICALS, INC.

DEVELOPMENT AND OPTION AGREEMENT

THIS DEVELOPMENT AND OPTION AGREEMENT (this "**Agreement**"), effective as of April 21, 2020 (the "**Effective Date**"), is entered into by and between **NAVITOR PHARMACEUTICALS, INC.**, a company registered under the laws of the state of Delaware having offices at 1030 Massachusetts Avenue, Suite 410, Cambridge, MA 02138 ("**Navitor**") and **SUPERNUS PHARMACEUTICALS, INC.**, a corporation registered under the laws of the state of Delaware having offices at 9715 Key West Avenue, Rockville, MD 20850 ("**Supernus**").

BACKGROUND

WHEREAS, Supernus is a public, CNS specialty pharmaceutical company with assets in neurology (epilepsy, migraine) and a late‑stage pipeline in psychiatry;

WHEREAS, Navitor owns or Controls the Product IP and Navitor is willing to continue certain research and development activities relating to the Compound during the Option Period and is willing to grant to Supernus the right to perform, and is willing to perform itself or cause to be performed on its behalf, certain activities in accordance with the Development Plan with respect to such Compound;

WHEREAS, Navitor is also willing to grant Supernus an exclusive option to either (a) obtain an exclusive license, with the right to sublicense, to Exploit Products under the Product IP or (b) acquire the Product Specific IP and a license under the Product Useful IP, in each case, on the terms and conditions set forth herein; and

WHEREAS, Supernus is willing to accept such exclusive option to obtain such exclusive license or acquire such assets from Navitor on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. DEFINITIONS

As used in this Agreement, the following initially capitalized terms, whether used in the singular or plural form, shall have the meanings set forth in this Article 1.

a. "**Additional R&D Funding**" has the meaning set forth in Section 8.3(b).

b. "**Affiliate**" means with respect to a Party, any Person that controls, is controlled by, or is under common control with that Party. For the purpose of this definition, "control" shall mean direct or indirect ownership of more than fifty percent (50%) of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or more than fifty percent (50%) of the equity interest in the case of any other type of legal entity, or any other arrangement whereby the Person has the power to elect a majority of the board of directors or equivalent governing body of a corporation or other entity, or the ability to cause the direction of the management or policies of a corporation or other entity. The Parties acknowledge that in the case of certain entities organized under the laws of certain countries, the maximum percentage ownership permitted by law for a foreign investor may be less than fifty percent (50%), and that in such case such lower percentage shall be substituted in the preceding sentence, provided that such foreign investor has the power to direct the management and policies of such entity.

c. "**Agreement**" has the meaning set forth above in the first paragraph.

d. "**Alliance Manager**" has the meaning set forth in Section 5.1.

e. "**Audited Party**" has the meaning set forth in Section 8.4.

f. "**Auditing Party**" has the meaning set forth in Section 8.4.

g. "**Auditor**" has the meaning set forth in Section 8.4.

h. "**Bankruptcy Code**" has the meaning set forth in Section 10.4(b).

i. "**Budget**" has the meaning set forth in Section 1.20.

j. "**Calendar Year**" means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

k. "**Commercialize**" means any and all activities directed to the promotion, marketing, distribution or sale (and offer for sale or import or export for sale or use) for a Product "Commercializing" and "**Commercialization**" have corresponding meanings.

l. "**Commercially Reasonable Efforts**" means with respect to activities of each Party under the Development Plan, the efforts and resources comparable to those undertaken by a biopharmaceutical or biotechnology company of comparable size and resources as the applicable Party relating to the Development of a similar product owned by such company, or to which such company has exclusive rights, with comparable market potential and at a similar stage in development or lifecycle. All relevant factors, as measured by the facts and circumstances at the time such efforts are due, shall be taken into account, including, as applicable and without limitation, stage of development; efficacy and safety relative to competitive products in the marketplace; actual or anticipated Regulatory Approval labeling; the nature and extent of market exclusivity (including patent coverage, proprietary position and regulatory exclusivity); and the cost and time required for and likelihood of obtaining Regulatory Approval.

m. "**Compound**" means NV-5138 including any isomers, esters, salts, hydrates, solvates, and solid forms, including crystalline forms, thereof, including whether or not as the sole active ingredient.

n. "**Confidential Information**" means all secret, confidential or proprietary information, Know-How, whether in written, oral, graphic, video, computer or other form, provided by or on behalf of one Party (the "**Disclosing Party**") to the other Party (the "**Receiving Party**") or its Affiliates pursuant to this Agreement, including information relating to the Disclosing Party's existing or proposed research, development efforts or Patent applications, business or Exploitation of the Compound or Product and any other materials that have not been made available by the Disclosing Party to the general public. Notwithstanding the foregoing sentences, Confidential Information shall not include any information or materials that:

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

ii. were generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party through no breach of this Agreement by the Receiving Party;

iii. became generally available to the public or otherwise part of the public domain after its disclosure, other than through any act or omission of the Receiving Party in breach of its confidentiality or non-use obligations under this Agreement;

iv. were subsequently lawfully disclosed to the Receiving Party by a Third Party who is not bound by any obligation of confidentiality known to the Receiving Party with respect to such information; or

v. were independently discovered or developed by or on behalf of the Receiving Party without the use of or reference to the Confidential Information belonging to the Disclosing Party and the Receiving Party has contemporaneous documentary evidence to that effect.

For purposes hereof, Confidential Information constituting (i) the Compound or Product and Product IP shall be the Confidential Information of Navitor (and Navitor shall be the Disclosing Party and Supernus shall be the Receiving Party with respect thereto) and (ii) the existence, scope and terms and conditions of this Agreement shall be the Confidential Information of both Parties (and both Parties shall be the Receiving Party with respect thereto). Specific aspects or details of Confidential Information shall not be deemed to be within the public domain or in the possession of the Receiving Party merely because the Confidential Information is embraced by more general information in the public domain or in the possession of the Receiving Party. Further, any combination of Confidential Information shall not be considered in the public domain or in the possession of the Receiving Party merely because individual elements of such Confidential Information are in the public domain or in the possession of the receiving Party unless the combination and its principles are in the public domain or in the possession of the Receiving Party.

a. "**Confidentiality Agreement**" means the Confidential Disclosure Agreement entered into by and between the parties on December 18, 2018.

b. "**Control**" or "**Controlled**" means with respect to any [**] or [**] or other intellectual property right, the legal authority or right (whether by ownership, license or otherwise other than by a license, sublicense or other rights granted pursuant to this Agreement) of a Party to grant a license or a sublicense of or under such [**], [**] or other intellectual property right to another Person, without breaching the terms of any agreement with, or misappropriating the proprietary or trade secret information of, or requiring the consent of, a Third Party. Notwithstanding anything in this Agreement to the contrary, Navitor and its Affiliates will not be deemed to Control any [**] or [**] intellectual property rights that are owned or in licensed by an acquirer of Navitor or its Affiliate, except (a) with respect to any such [**] or [**] arising from participation by employees or consultants of such acquirer in furtherance of this Agreement after such acquisition, (b) to

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the extent that any such [**] or [**] are included in or used in furtherance of the this Agreement by such acquirer after such acquisition, or (c) for [**] or [**] constituting improvements (or direct improvements to such improvements) to the [**] in existence prior to such acquisition, in each case, generated, developed or conceived by any employees or consultants of the acquirer.

c. "**Cover**", "**Covering**" or "**Covered**" means with respect to a product, technology, process or method, that in the [**] of [**] of or a [**] a [**], the manufacture, use, offer for sale, sale or importation of such product or the practice of such technology, process or method would [**] such [**] (or, in the case of a [**] that has not yet [**], would [**] such [**] if it were to [**]).

d. "**Development**" means discovery and research activities and any and all development activities, including non-clinical, pre-clinical and clinical trials, post approval studies, supporting manufacturing, production process development and formulation and related regulatory activities, directed to obtaining and maintaining Regulatory Approval for a product. "**Develop**" and "**Developing**" have corresponding meanings.

e. "**Development Costs**" means those costs and expenses directly incurred in connection with the performance of any activities by a Party in accordance with the [**], including [**], [**] paid or payable to [**], and other [**] costs reasonably incurred in connection with the performance of such activities, costs related to [**] and [**] for [**] or [**] to [**] (including associated [**], [**] and [**] and other [**] fees), but excluding (a) [**] costs and [**] unless required to execute activities under the [**] and (b) [**].

f. "**Development Plan**" means the mutually-agreed upon development plan setting forth development activities, and budget for Development Costs therefor (the "**Budget**") on a monthly basis attached at Schedule 1.

g. "**Development Program**" means the program for the Development of the Compound pursuant to the Development Plan.

h. "**Disclosing Party**" has the meaning set forth in Section 1.14.

i. "**Effective Date**" has the meaning set forth above in the first paragraph of this Agreement.

j. "**EMA**" means the European Medicines Agency and any successor or replacement agency.

k. "**Excluded Territory**" means [**], including the [**], [**], [**] and [**].

l. "**Excluded Territory Partner**" has the meaning set forth in Section 4.8.

m. "**Exploit**" means to make, have made, import, have imported, use, sell or offer for sale, including to [**], [**], register, hold or keep (whether for disposal or otherwise), have used, export, have exported, transport, distribute, promote, market, have sold, have offered for sale, or otherwise exploit. "**Exploitation**" means the act of Exploiting the [**], [**] or [**].

n. "**FD&C Act**" means the U.S. Federal Food, Drug and Cosmetic Act, as amended.

o. "**FDA**" means the US Food and Drug Administration, and any successor or replacement agency.

p. "**Field**" means the treatment, prevention or prophylaxis of any and all human diseases or conditions.

q. "**Future Proceeds**" has the meaning set forth in Section 10.6(b).

r. "**Investment Agreements**" has the meaning set forth in Section 8.2.

s. "**Joint Steering Committee**" or "**JSC**" has the meaning set forth in Section 5.

t. "**Know-How**" means all information, materials and know-how including technology, experience, discoveries, improvements, enhancements, modifications, processes, formulae, data (including all preclinical, clinical, toxicological and pharmacological data), proprietary information and applicable trade secrets.

u. "**License Agreement**" has the meaning set forth in Section 2.1.

v. "**License Option**" has the meaning set forth in Section 2.1.

w. "**Navitor**" has the meaning set forth above in the first paragraph of this Agreement.

x. "**Navitor Indemnitees**" has the meaning set forth m Section 1 2.2.

y. "**Option Exercise Notice**" has the meaning set forth in Section 2.2(a).

z. "**Option Fee**" has the meaning set forth in Section 8.1.

aa. "**Option Period**" means the period commencing on the Effective Date and ending at midnight (US Eastern Time) on the [**] of: (a) [**] days following the date that the JSC [**] in accordance with Section 5.3(e) and, if necessary, Section 5.7, either (i) to progress to the [**] (which would be performed pursuant to the terms and conditions of the [**] or [**], as applicable) or (ii) to not progress to a [**] of a [**]; and (b) the date the Parties enter into the [**] or [**], as applicable.

ab. "**Panel**" has the meaning set forth in Section 5.7.

ac. "**Party**" means Supernus or Navitor; "Parties" means Supernus and Navitor.

ad. "**Patents**" means (a) all patents and patent applications (provisional and non-provisional) anywhere in the world, including [**] applications, (b) all divisionals, continuations, continuations in-part thereof, or any other patent application claiming priority, or entitled to claim priority, directly or indirectly to (i) any such patents or patent applications or (ii) any patent or patent application from which such patents or patent applications claim, or is entitled to claim, direct or indirect priority, and (c) all patents issuing on any of the foregoing anywhere in the world (including from [**] applications), together with all registrations, reissues, re-examinations, patents of addition, utility

models or designs, renewals, supplemental protection certificates, or extensions of any of the foregoing and counterparts thereof anywhere in the world.

ae. "**Person**" means any individual or any partnership, limited liability company, firm, corporation, association, trust, unincorporated organization or other entity.

af. "**Personnel Costs**" means, for any period, the [**], based on the specific [**], [**], [**] and [**] and a [**] hour year, multiplied by the [**] of [**] on the Development Plan during such period. Navitor and Supernus will prepare a list of employees anticipated to work on the Development Plan as of the Effective Date and at the beginning of each Calendar Year; such list to specify: name of position, [**], [**], [**] and [**].

ag. "**Phase 2 Studies**" means human clinical studies of a Product, the principal purpose of which is a determination of safety and efficacy in the target patient population, as described in 21 C.F.R. 312.21(b) (as amended or any replacement thereof), or a similar clinical study prescribed by the Regulatory Authority in a country other than the United States.

ah. "**Phase 3 Studies**" means human clinical studies of a Product that incorporates accepted endpoints for confirmation of statistical significance of efficacy and safety with the aim to generate data and results that can be submitted to obtain Regulatory Approval as described in 21 C.F.R. 312.21(c), or a similar clinical study prescribed by the Regulatory Authority in a country other than the United States.

ai. "**Pipeline Product**" means any composition of matter that has a [**] as the Compound (excluding Compound and Product) in the central nervous system for the [**] and, subject to the provisions of Section 3.3, that is Controlled by Navitor or its Affiliates during the Term.

aj. "**Pipeline Product Transaction**" has the meaning set forth in Section 3.1.

ak. "**PK Study**" means a clinical study that generally provides for the first introduction into humans of a pharmaceutical product with the primary purpose of determining safety, metabolism and pharmacokinetic properties and clinical pharmacology of such product, in a manner that is generally consistent with 21 C.F.R. §312.21(a), as amended (or its successor regulation).

al. "**Product**" means any product containing the Compound.

am. "**Product IP**" means, collectively, the Product Patents and Product Know-How.

an. "**Product Know-How**" means collectively, the Product Specific Know-How and Product Useful Know-How.

ao. "**Product Patents**" means, collectively, the Product Specific Patents and Product Useful Patents.

ap. "**Product Specific IP**" means, collectively, the Product Specific Know-How and Product Specific Patents.

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

a. "**Product Specific Know-How**" means any and all Know-How that is [**] to Exploit the Compound or any of the Products in the Field in the Territory and, in each case, is Controlled by Navitor or any of its Affiliates as of the Effective Date or at any time during the Term. "Product Specific Know-How" includes [**] to the extent any such Know-How is [**] to Exploit the Compound or any of the [**] in the Field in the Territory.

b. "**Product Specific Patents**" means any and all Patents that solely Cover the Compound or any of the Products or the Exploitation thereof in the Field in the Territory and, in each case, are Controlled by Navitor or any of its Affiliates as of the Effective Date or at any time during the Term. "**Product Specific Patents**" includes [**] to the extent any [**] Covers the Compound or any the [**] or the [**] thereof in the Field in the Territory.

c. "**Product Useful IP**" means, collectively, the Product Useful Know-How and Product Useful Patents.

d. "**Product Useful Know-How**" means, other than the Product Specific Know-How, any and all Know-How that is necessary or reasonably useful to Exploit the Compound or any of the Products in the Field in the Territory and, in each case, is Controlled by Navitor or any of its Affiliates as of the Effective Date or at any time during the Term. "**Product Useful Know-How**" includes [**] to the extent any such Know-How is [**] to Exploit the Compound or any of [**] in the Field in the Territory and is not Product Specific Know-How.

e. "**Product Useful Patents**" means, other than the Product Specific Patents, any and all Patents that Cover the Compound or any of the Products or the Exploitation thereof in the field in the Territory and, in each case, are Controlled by Navitor or any of its Affiliates as of the Effective Date or at any time during the Term. "**Product Useful Patents**" includes [**] to the extent any such Patents are [**] to Exploit the Compound or any of the [**] in the Field in the Territory and are not Product Specific Patents.

f. "**Purchase Agreement**" means, if Supernus exercises the Purchase Option, the agreement to be negotiated between the Parties, under which (a) Supernus would purchase from Navitor, and Navitor would sell to Supernus, the Product Specific IP, (b) Supernus would receive from Navitor a license under the Product Useful IP to Exploit the Compound and Products in the Territory and (c) Navitor would receive from Supernus a license under the Product Specific IP to (i) use the Compound and Products as tool compounds in internal pre-clinical Development and (ii) Exploit the Compound and Products (A) in all fields in the Excluded Territory and (B) outside the Field in the Territory.

g. "**Purchase Option**" has the meaning set forth in Section 2.1.

h. "**R&D Support Activities**" means all development activities necessary to develop a robust, scalable formulation, including the conduct of one (1) PK Study of the Compound or Product.

i. "**Receiving Party**" has the meaning set forth in Section 1.14.

j. "**Regulatory Approval**" means any and all approvals, licenses, registrations or authorizations of any Regulatory Authority, necessary to commercially manufacture, distribute, sell or market a product in a country, including any ND A Approval. "**NDA Approval**" means a new drug application for a drug filed in accordance with 21 C.F.R. Part 314.

k. "**Regulatory Authority**" means any national, supranational, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity (including the FDA and the EMA and any other agencies in any country) regulating or otherwise exercising authority with respect to the Exploitation of pharmaceutical products.

l. "**Resulting IP**" means the [**] and [**].

m. "**Resulting Know-How**" means, other than [**], any and all Know-How conceived, generated or developed by or on behalf of either Party alone or jointly by or on behalf of the Parties in the performance of the Development Program that is (a) [**] to [**] the [**] or any of the [**] in the [**] in the [**] or (b) [**] to [**] the [**] or any of the [**] in the [**] in the [**].

n. "**Resulting Patents**" means any and all Patents that Cover [**].

o. "**Right of First Refusal**" or "**ROFR**" has the meaning set forth in Section 3.1.

p. "**ROFR Notice**" has the meaning set forth in Section 3.1.

q. "**Supernus**" has the meaning set forth above in the first paragraph of this Agreement.

r. "**Supernus Background IP**" means [**] and [**].

s. "**Supernus Background Know-How**" means any and all Know-How Controlled by Supernus (a) as of the Effective Date or (b) during the Term (solely to the extent arising or acquired other than in the course of the performance of the Development Plan), in each case ((a) and (b)), that relates to Supernus' technologies and expertise in product development and manufacturing.

t. "**Supernus Background Patents**" means any and all Patents that Cover [**].

u. "**Supernus Improvements**" means any derivatives of or improvements to the [**] that are conceived, generated or developed by or on behalf of either Party alone or jointly by or on behalf of the Parties in the performance of the Development Program. For the avoidance of doubt, Supernus Improvements do not include any [**] that is specific to a [**] or [**].

v. "**Supernus Indemnitees**" has the meaning set forth in Section 12.1.

w. "**Supernus ROFR Response**" has the meaning set forth in Section 3.2.

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

y. "**Territory**" means, subject to Section 4.8, the [**], excluding the Excluded Territory.

z. "**Third Party**" means any person who is not a Party or an Affiliate of a Party.

aa. "**Third Party Subcontracts**" has the meaning set forth in Section 4.6.

ab. "**Valid Claim**" means (a) a claim of an issued patent that has not expired or been abandoned, or been revoked, held invalid or unenforceable by a patent office, court or other governmental agency of competent jurisdiction in a final and non‐appealable judgment (or judgment from which no appeal was taken within the allowable time period) and that is not admitted to be invalid or unenforceable through reissue, disclaimer or otherwise (*i.e.*, only to the extent the subject matter is disclaimed or is sought to be deleted or amended through reissue); or (b) a claim of a pending patent application that was filed in good faith and has not been (i) abandoned, finally rejected or expired without the possibility of appeal or refiling, or (ii) pending for more than [**] years since such claim was first presented in unamended form.

1. GRANT OF OPTIONS

a. **Option Grants**. Navitor hereby grants to Supernus and Supernus hereby accepts an exclusive, option for Supernus to negotiate and (a) enter into an agreement with Navitor under which Supernus shall be granted an exclusive license (even with respect to Navitor and its Affiliates), with the right to sublicense (through multiple tiers), under the Product IP to Exploit the Compound and Products in the Field in the Territory on the relevant terms and conditions set forth in Schedule 2 attached hereto and such other terms and conditions to be negotiated in good faith and as are reasonable for agreements of this type (such agreement, the "**License Agreement**") (such option, the "**License Option**"); or (b) enter into the Purchase Agreement on the relevant terms and conditions set forth in Schedule 2 attached hereto and such other terms and conditions to be negotiated in good faith and as are reasonable for agreements of this type (such option, the "**Purchase Option**"). For the avoidance of doubt, Supernus may exercise the License Option or the Purchase Option, but not both.

b. **Option Exercise and Execution of License Agreement or Purchase Agreement**.

i. Supernus may exercise the License Option or the Purchase Option at any time during the Option Period, in its sole discretion, by giving Navitor written notice thereof (an "**Option Exercise Notice**"). Such notice shall indicate whether Supernus is exercising the License Option or Purchase Option.

ii. [**] the Effective Date, Navitor and Supernus shall negotiate the [**] in good faith, with the goal of executing the [**] following the Effective Date. If the Parties execute the [**] prior to Navitor's receipt of Supernus' Option Exercise Notice indicating Supernus is exercising the License Option, then the [**] (i) shall indicate that the [**] set forth therein shall become [**] on the date during the Option Period, if any, on which Navitor receives Supernus' Option Exercise Notice indicating Supernus is exercising the License Option and (ii) if agreed upon by the Parties, the [**] until the date referenced in the foregoing clause (i). Supernus hereby covenants to Navitor not to exercise any of the rights set forth in

the [**], if any, on which Navitor receives Supernus' Option Exercise Notice indicating that Supernus is exercising the License Option.

iii. Upon mutual agreement of the Parties, Navitor and Supernus shall negotiate in good faith the Purchase Agreement with the intention of entering into the same on or about the date of Navitor's receipt of Supernus' Option Exercise Notice indicating Supernus is exercising the Purchase Option.

2. GRANT OF RIGHT OF FIRST REFUSAL

a. **ROFR**. Navitor hereby grants Supernus a right of first refusal to negotiate for rights to Develop and Commercialize any Pipeline Product in the Territory (for each such a grant of rights to a Pipeline Product, a "**ROFR**"). Accordingly, prior to Navitor becoming bound by or a party to any bona fide term sheet, letter of intent, or other document that has been negotiated in good faith by Navitor with a Third Party pursuant to which Navitor proposes to assign, license, or otherwise grant or transfer any rights to a Third Party to Develop and Commercialize any Pipeline Product in the Territory (a "**Pipeline Product Transaction**"), Navitor shall provide written notice to Supernus that includes a written summary of the material terms of such proposed Pipeline Product Transaction (each, a "**ROFR Notice**"). Supernus may use the information contained in the ROFR Notice solely to determine whether to exercise its rights under Section 3.2. Such ROFR Notice shall, subject to confidentiality obligations to such Third Party, include a description of the Pipeline Product, the status of its Development and Commercialization (as applicable), the status of any discussions with Regulatory Authorities with respect to the same, the scope of the contemplated assignment, out license, or other grant of rights (including the territory in which the contemplated grant of rights would apply), and the contemplated commercial and financial terms. Notwithstanding the foregoing, Navitor shall not be obligated to disclose to Supernus the name of the Third Party with which Navitor proposes to enter into the Pipeline Product Transaction.

b. **Exercise of ROFR**. Within [**] days after receipt of a ROFR Notice, Supernus shall give Navitor written notice indicating whether Supernus desires to enter into a transaction with Navitor with respect to the relevant Pipeline Product on substantially the same terms as the proposed Pipeline Product Transaction (the "**Supernus ROFR Response**"). If in a Supernus ROFR Response, Supernus elects to pursue such transaction, then the Parties shall thereafter proceed to negotiate in good faith and finalize definitive agreements with respect to such transaction. If (a) Supernus does not deliver a Supernus ROFR Response with respect to a ROFR Notice indicating its desire to pursue such transaction within such [**] day period, (b) Supernus delivers a Supernus ROFR Response indicating it does not desire to pursue such transaction, or (c) Supernus timely delivers a Supernus ROFR Response indicating that Supernus desires to enter into a transaction with Navitor with respect to the relevant Pipeline Product on substantially the same a commercially reasonable efforts to negotiate the same, do not enter into definitive agreements with respect to such proposed transaction within [**] days following Supernus' delivery of such Supernus ROFR Response, then in any such case ((a), (b) or (c)), Supernus' ROFR with respect to such Pipeline Product shall automatically expire and Navitor shall be free to negotiate and consummate the Pipeline Product Transaction with any Third Party on terms that are substantially the same as, or more advantageous to Navitor than, the terms described in its ROFR Notice to Supernus for a period of one hundred and twenty (120)

days following such expiration of the ROFR. If Navitor and a Third Party do not enter into such Pipeline Product Transaction on such terms within such one hundred and twenty (120) day period, then Navitor will be required to comply with the ROFR procedures set forth in this Section 3.2 again if it desires to enter into any Pipeline Product Transaction with a Third Party for the same Pipeline Product.

c. **Limitations**.

i. For the avoidance of doubt, the ROFR shall apply on a Pipeline Product by Pipeline Product basis, and the failure of the Parties to enter into a definitive agreement with respect to any Pipeline Product shall relieve Navitor of its ROFR obligations (solely to the extent set forth in Section 3.2) with respect to that Pipeline Product only.

ii. In the event Navitor is acquired by a Third Party or acquires a Third Party, the ROFR shall [**] to (i) any products of any such acquired Third Party [**] as of the date of closing of such acquisition or (ii) [**] acquiror of Navitor.

3. ACTIVITIES DURING THE OPTION PERIOD

a. **Activities and Development License**. Subject to the terms and conditions of this Agreement, Navitor hereby grants to Supernus an exclusive, sublicensable (solely pursuant to Third Party Subcontracts in accordance with Section 4.6) license under the Product IP in the Territory in the Field for the sole purposes of enabling Supernus to carry out its activities in accordance with the Development Program and determining whether to exercise the License Option or Purchase Option; provided, however, that Navitor hereby retains on behalf of itself (and its Affiliates, subcontractors, licensees and sublicensees) the rights under the Product IP (i) to perform itself, or have performed by Third Parties, activities in accordance with the Development Program and (ii) to use the Compounds [**] in [**] and [**] in [**]. For the avoidance of doubt, Navitor retains all rights to Exploit the Compounds and Products, excluding any rights under the Supernus Background IP or Supernus Improvements, (A) in all fields in the Excluded Territory and (B) outside of the Field in the Territory.

b. **Development**.

i. During the Option Period, Supernus shall, subject to the limitations set forth in [**], conduct the R&D Support Activities in accordance with the Development Plan at its [**] and [**]. Supernus shall provide its personnel, expertise, technologies, and facilities to conduct such R&D Support Activities.

ii. During the Option Period, each Party shall use [**] to carry out all Development activities, including any preclinical and clinical testing contemplated by the Development Plan, assigned to such Party in the Development Plan.

iii. If a Party wishes to amend the Development Plan, including the Budget, it shall propose such amendment to the JSC for discussion at the next meeting of the JSC.

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

iv. During the Option Period, at each meeting of the JSC, each Party shall provide the JSC with a written report summarizing all activities undertaken and all accomplishments achieved with respect to the Compound and Products and any Resulting Know-How arising therefrom, if any, since the previous meeting of the JSC. Each Party shall consider in good faith any comments provided by the other Party in relation to the activities being conducted. If this Agreement expires or is terminated for any reason without the Parties entering into a License Agreement or Purchase Agreement, promptly following any such expiration and termination, Supernus shall provide to Navitor a final written report detailing all material [**] conceived, generated or developed by or on behalf of Supernus alone or jointly by or on behalf of the Parties.

v. Each Party shall maintain, and cause its employees and subcontractors to maintain, records and laboratory notebooks with respect to its performance of activities hereunder in sufficient detail and in a good scientific manner appropriate for (i) inclusion in filings with Regulatory Authorities, and (ii) obtaining and maintaining intellectual property rights and protections. Such records and laboratory notebooks shall be complete and accurate in all material respects and shall fully and properly reflect all work done, data and developments made, and results achieved. Each Party shall periodically, but not more than [**] per [**] (unless otherwise required by applicable law or as necessary to provide information in response to a request from any Regulatory Authority), allow the other Party or a Third Party acting on its behalf to inspect and, to the extent necessary or useful for such regulatory or intellectual property protection purposes, copy such records and laboratory notebooks.

c. **Technology Transfer**. As soon as reasonably possible after the Effective Date, Navitor shall provide to Supernus copies of all [**] then Controlled by Navitor in order for Supernus to perform its activities under the Development Plan.

d. **Assistance**. During the Option Period, and upon reasonable written notice, each Party shall provide reasonable assistance during normal business hours as reasonably necessary and appropriate to enable the other Party to complete the activities assigned to the other Party in the Development Plan.

e. **Manufacturing**. Navitor shall manufacture sufficient quantities of NV-5138 to conduct the activities contemplated by the Development Plan.

f. **Subcontracts**. Either Party may perform its activities under the Development Plan through Third Party subcontractors pursuant to written agreements (each such agreement, a "**Third Party Subcontract**"), provided that: (a) each Party shall notify the other of the identity of any proposed Third Party subcontractor and take into account the reasonable and timely comments of the other Party with respect to engaging such Third Party as a subcontractor generally; (b) no rights of either Party under this Agreement are diminished or otherwise adversely affected as a result of such subcontracting, (c) the subcontractor undertakes to comply with commercially reasonable obligations of confidentiality and non-use regarding Confidential Information of the Disclosing Party, (d) the subcontractor agrees that any intellectual property developed in the course of the work under such subcontract shall be assigned to the Party engaging the subcontractor or such

Party's designee, so as to permit re-assignment as required by the terms and conditions of this Agreement; provided, however, that a subcontracting Party (i) shall be entitled to grant customary carve-outs such that inventions that are created, conceived or developed in connection with the performance of any subcontracted activities that are solely improvements to the subcontractor's background intellectual property rights do not have to be assigned to such Party engaging such contractor and (ii) shall have the right to enter into clinical trial agreements with academic researchers at clinical trial sites for the conduct of any clinical study contemplated by the Development Plan on customary and reasonable terms, which such clinical trial agreements shall include the assignment to such subcontracting Party of all Resulting IP that is directed specifically to the Compound or Product that is the subject of such study (including the composition, or any method of use or manufacture, of the Compound or Product) or that are anticipated by the protocol for such study, or (e) notwithstanding the foregoing clause (d), solely in the case of a subcontractor that is an academic institution performing activities other than under a clinical trial agreement, the subcontractor must, at a minimum, grant the subcontracting Party an exclusive option to obtain a license to any intellectual property developed in the course of the work conducted under such Third Party Subcontract; provided, however, that a subcontracting Party shall be entitled to grant customary carve-outs with respect to inventions that such option need not include inventions created, conceived or developed in connection with the performance of the relevant subcontracted activities that are solely improvements to such subcontractor's background intellectual property rights. Absent the prior written agreement of the Parties, in no event may either Party allow any academic researcher to conduct an investigator-sponsored trial of the Compound or Product under this Agreement. Each Party shall oversee the performance of its subcontractors and shall at all times remain responsible for, and shall be liable under this Agreement with respect to, any breach of this Agreement resulting directly or indirectly from the performance, or failure to perform, by its subcontractors. Payment of all invoices to support the Development Plan and agreed to by the JSC will be made by [**]. To support those payments, prior to contracting with a subcontractor under this agreement, the contracting Party will provide requisite tax ID and vendor information to [**]. Other than start up fees, [**] for work completed as indicated in the invoice provided by the subcontractor.

g. **Regulatory Affairs**. During the Option Period, Navitor shall, in consultation with Supernus, be responsible for all communications with Regulatory Authorities regarding the Compound and Products. Such activities shall include preparing any regulatory submissions necessary for carrying out the activities set out in the Development Plan. Navitor shall consult with and provide Supernus with an opportunity to review and comment on the draft regulatory filings in the Territory for which Navitor is responsible and all substantive, non-administrative regulatory submissions with respect to the Development Plan reasonably in advance of when Navitor intends to submit such regulatory submissions to a Regulatory Authority in the Territory. Supernus shall provide its comments within [**] days, or such other period of time agreed to by the Parties. Navitor will keep Supernus reasonably informed on regulatory filings that relate to the Compound or Product in the Excluded Territory. Supernus shall not make a regulatory submission related to the Compound or Product. Navitor shall invite at least one (1) representative of Supernus to any meeting or substantive telephone conference call with a Regulatory Authority in the Territory with respect to any matter related to the Compound or Product, or the Development Program to observe and participate in any

such meeting or conference call. To the extent any such draft filings or any interaction with a Regulatory Authority requires information relating to the Compound or Product or development activities undertaken by Supernus, Supernus shall provide such assistance as Navitor reasonably requests in connection with the preparation of such filings or provision of information at no cost. All draft regulatory filings and any regulatory submissions made pursuant to this Agreement shall belong to [**].

h. **Territory Expansion**. If Navitor does not become bound by or a party to a final agreement with a [**] pursuant to which Navitor actually [**], [**], or otherwise [**] or [**] any [**] to a [**] to [**] or [**] the Compound or Product in all or part of the [**] (such [**], the [**]) within [**] months after the Effective Date, then Navitor shall promptly notify Supernus of such fact and, in such case, at midnight, eastern time, of the [**] of the [**] months after the Effective Date, the definition of "**Territory**" in this Agreement shall be automatically amended to include the [**] (*i.e.*, the definition of "**Territory**" shall thereafter be [**]) and all references to the [**] shall automatically be [**] (*mutatis mutandis*).

4. ALLIANCE MANAGERS; JOINT STEERING COMMITTEE

a. **Alliance Managers**. Within [**] days after the Effective Date, each Party shall appoint an employee of such Party or of an Affiliate of such Party who possesses a general understanding of Development issues to act as the facilitator of the meetings of the JSC and the first point of contact between the Parties with regard to questions relating to the conduct of the Development Program (the "**Alliance Managers**"). Each Party may replace its Alliance Manager at any time upon written notice to the other Party. The Alliance Managers shall use good faith efforts to attend all meetings of the JSC, as a non-voting member and may bring any matter to the attention of the JSC where such Alliance Manager reasonably believes that such matter requires attention.

b. **Formation and Purpose**. Within [**] days after the Effective Date, the Parties shall create a joint steering committee (the "**JSC**") to oversee the overall relationship between the Parties pursuant to the terms of this Agreement and to provide a forum for monitoring the activities being conducted by the Parties.

c. **Purpose of the JSC**. The JSC shall, among other things:

i. provide a forum for each Party to keep the other updated with regard to progress made by them under the Development Plan and any Resulting Know-How arising, and to consider the reports provided by each Party pursuant to Section 4.2(d);

ii. oversee the performance of the Development Program, including R&D Support Activities;

iii. review and recommend to the Parties whether to enter into any proposed amendments to the Development Plan, including the Budget;

iv. review any regulatory activities conducted pursuant to Section 4.7;

v. recommend to the Parties either (i) to progress to the first Phase 3 Study (which would be performed pursuant to the terms and conditions of the Purchase Agreement or License Agreement, as applicable) or (ii) to not progress to a Phase 3 Study of a Product; and

vi. act as the initial forum to discuss and resolve disputes arising under this Agreement.

d. **Membership**. The Parties shall each designate [**] of representatives who are employees of such Party or an Affiliate of such Party with appropriate expertise to serve as members of the JSC. The JSC shall be comprised of [**] senior decision making representatives of each Party. Each Party may replace its JSC representatives at any time upon written notice to the other Party, provided that the Parties shall use reasonable endeavors to keep such replacements to a minimum.

e. **Meetings**. The JSC shall hold meetings no less frequently than once every [**] months. Meetings of the JSC may be held in person or by means of telecommunication (telephone, video, or web conferences); provided, however, that at least [**] meeting per year shall be held in person. The meetings shall be [**] by a representative from [**]. In addition, either Party may call an ad‑hoc meeting of the JSC on [**] business days' notice if a Party has a matter that should be considered by the JSC prior to the next regularly‑scheduled meeting. The Parties shall alternate in designating the location for in‑person meetings, with Navitor selecting the first meeting location. Other employees of each Party or any of its Affiliates involved in the activities under the Development Plan may attend meetings of the JSC as participants, and, with the consent of each Party, consultants, representatives, or advisors involved in the activities under the Development Plan may attend meetings of the JSC as observers; provided, however, that such Third Party representatives are under obligations of confidentiality and non‑use applicable to the Confidential Information of each Party that are commercially reasonable, and such Third Party representatives shall have no voting power. Each Party shall be responsible for all of its own expenses of participating in the JSC.

f. **Meeting Agendas**. Each Party shall disclose to the other proposed agenda items along with appropriate information at least [**] days in advance of each meeting of the JSC.

g. **Unresolved Matters; Limitations of Committee Powers**. The JSC shall operate by consensus with each Party having [**]. In the event that the JSC cannot reach consensus within [**] business days after the meeting during which a particular matter was discussed, such matter shall be elevated for discussion and resolution by the Chief Executive Officers of the Parties and such officers shall have a period of [**] calendar days to resolve the same. If the Chief Executive Officers reach consensus, such consensus shall be deemed a "recommendation of the JSC." In the event that the Chief Executive Officers cannot reach consensus on such matter within such period, such matter shall be subject to dispute resolution by a three member panel of independent third party subject matter experts ("**Panel**"), where each Party appoints one (1) expert and the two appointed experts jointly appoint a third expert. The Panel will have a period of thirty (30) days from the date of appointment of the third expert to present its final recommendation by majority vote regarding the unresolved matter(s). Such final recommendation by the Panel shall be deemed a "recommendation by the JSC." Each

Party shall bear the cost of the expert appointed by such Party and shall share equally the cost of the third expert. JSC shall not have any power to amend this Agreement. Any amendment to the terms and conditions of this Agreement shall be implemented pursuant to Section 13.3.

5. CONFIDENTIALITY OBLIGATIONS

a. **Protection of Confidential Information**. The Receiving Party shall not disclose or disseminate Confidential Information of the Disclosing Party to any Third Party unless expressly permitted hereunder, and shall not use such Confidential Information for any purpose other than in performing the Receiving Party's obligations or exercising the Receiving Party's rights hereunder. In addition, the Receiving Party shall take reasonable steps to protect the Confidential Information of the Disclosing Party from unauthorized use or disclosure, which steps shall be no less than those the Receiving Party takes to protect its own confidential and/or proprietary material of a similar nature. The foregoing obligations shall apply equally to all copies, extracts and summaries of the Disclosing Party's Confidential Information.

b. **Certain Permitted Disclosures**.

i. **Disclosure Required by Law**. Notwithstanding the foregoing, each of Navitor and Supernus may disclose Confidential Information of the other Party, including the terms of this Agreement, to a Third Party to the extent such disclosure is made in response to a valid order of a court of competent jurisdiction or other supra‑national, federal, national, regional, state, provincial or local governmental or regulatory body of competent jurisdiction or, if in the reasonable opinion of the Receiving Party's legal counsel, such disclosure is otherwise required by applicable law, including by reason of filing with securities regulators; provided, however, that if a Party is required by applicable law to make any such disclosure of the Disclosing Party's Confidential Information, to the extent it may legally do so it shall give at least [**] business days advance notice to the Disclosing Party of such disclosure and shall consider in good faith any comments made by the Disclosing Party and shall reasonably cooperate with the Disclosing Party to secure confidential treatment of such Confidential Information prior to disclosure (whether through protective orders or otherwise); and provided, further, that the Confidential Information disclosed in response to such court or governmental order shall be limited to that information which is legally required to be disclosed in response to such court or governmental order.

ii. **Disclosure to Certain Third Parties**. The Receiving Party may disclose such of the Disclosing Party's Confidential Information to its Affiliates, employees and permitted subcontractors who have a need to know such Confidential Information for purposes of performing obligations or exercising rights hereunder and who are bound by written obligations of confidentiality and non‑use at least as stringent as those by which the Receiving Party is bound hereunder; provided that subcontractors must be subject to obligations of confidentiality and non‑use to the extent required by Section 4.6.

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

iii. **Disclosure to Investors and Acquirers**. The Receiving Party may disclose such of the Disclosing Party's Confidential Information to potential or actual investors, acquirers or strategic partners as may be necessary in connection with their evaluation of such potential or actual investment or acquisition or relationship; provided, however, that such persons shall be bound by written obligations of confidentiality and non-use at least as stringent as those by which the Receiving Party is bound under this Article 6 (but subject to a shorter period of confidentiality and non-use if customary under the circumstances).

c. **Return of Confidential Information**. Upon expiration or termination of this Agreement, the Receiving Party shall promptly return, or at the Disclosing Party's request, destroy or delete, all of the Disclosing Party's Confidential Information except to the extent that the Receiving Party has a continuing license to use such Confidential Information, provided that the Receiving Party may retain one copy for its legal files, which shall remain subject to the confidentiality and non-use restrictions set forth in this Article 6.

d. **Unauthorized Use**. If either Party becomes aware or has knowledge of any unauthorized use or disclosure of the Disclosing Party's Confidential Information, it shall promptly notify the Disclosing Party of such unauthorized use or disclosure.

e. **Public Disclosure**. Neither Party shall use the name, logo or trademark of the other Party or of any director, officer, employee or agent of the other Party or any adaptation thereof in any advertising, promotional or sales literature, publicity or in any document employed to obtain funds or financing without the prior written approval of the Party or individual whose name is to be used. The restrictions imposed by this Section 6.5 shall not prohibit either Party from making any disclosure identifying the other Party that is required by applicable law or the rules of a stock exchange on which the securities of the disclosing Party are listed (or to which an application for listing has been submitted). Without limiting the foregoing, neither Party shall issue any public announcement, press release or other public disclosure regarding this Agreement or its subject matter without the other Party's prior written consent, except as permitted by Section 6.2(a). Notwithstanding the foregoing, neither Party shall be required to seek the permission of the other Party to repeat any information regarding the terms of this Agreement or any amendment to this Agreement that has already been publicly disclosed by such Party or its Affiliate or by the other Party or its Affiliate, in accordance with this Section 6.5, provided that such information remains accurate as of such time and provided the frequency and form of such disclosure are reasonable.

f. **Survival**. The obligations of confidentiality and non-use shall survive for a period of [**] years after expiry or termination of this Agreement.

6. INTELLECTUAL PROPERTY

a. **Ownership; Disclosure; License**.

i. Except as expressly set forth herein, ownership and inventorship, as applicable, of all [**] created, conceived or developed by or on behalf of either Party alone or jointly by or on behalf of the Parties in the performance of the Development

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

Program, and of all Patents that Cover such [**], shall be determined in accordance with U.S. law.

ii. As between the Parties, Navitor shall own all rights, title, and interest in and to all [**]. Supernus shall promptly disclose to Navitor in writing all [**] created, conceived or developed by or on behalf of Supernus solely or jointly by or on behalf of the Parties.

iii. As between the Parties, [**] shall own all rights, title, and interest in and to all [**] and all [**]. Navitor shall promptly disclose to Supernus in writing all [**]created, conceived or developed by or on behalf of Navitor solely or jointly by or on behalf of the Parties.

b. **Assignment**. Supernus hereby assigns, and agrees to assign, all of its rights, title and interest in and to all [**] to Navitor. Navitor hereby assigns, and agrees to assign, all of its rights, title and interest in and to all [**] and all [**]. Each assigning Party shall take all actions and provide the other Party with all reasonably requested assistance to effect the foregoing assignments. Without limiting the foregoing, the assigning Party shall, and shall procure that any of its employees, agents and subcontractors shall, do all acts and things (including making declarations, oaths and providing assistance in relation to the supply of information for any patent applications) and execute all documents that may be reasonably necessary under the laws of any country for ensuring that all rights held by them in any (a) [**] are assigned to Navitor or (b) [**] or all [**] are assigned to Supernus, as applicable.

c. **Preparation, Filing, Prosecution, Maintenance and Enforcement of Patents**.

i. Navitor shall have the sole right (but not the obligation) to (i) prepare, file, prosecute and maintain all [**]; (ii) defend any proceedings initiated by a Third Party claiming that the [**], is invalid or any patent owned by or licensed to such Third Party is infringed by use of any [**], and (iii) enforce any [**] against any Third Party and shall keep any and all proceeds resulting therefrom.

ii. Navitor shall keep Supernus reasonably informed of all aspects of such preparation, filing, prosecution and maintenance of the [**] in the Territory in the Field, including providing such information and documentation as Supernus may reasonably require from time to time, and Navitor shall in good faith consider Supernus' requests, comments and recommendations regarding the same. In the case of [**], Navitor and Supernus shall seek to agree on the strategy and activities related to the preparation, filing, prosecution and maintenance of the [**] in the Field in the Territory; provided, however, that [**] shall have final decision‐making authority in such matters.

iii. Supernus shall have no right to prepare, file, prosecute, maintain, defend or enforce the [**], including [**].

iv. Navitor shall not abandon any [**] in the Field in the Territory or fail to prosecute, maintain, defend or enforce the [**], including [**], in the Field in the Territory without first giving Supernus sufficient notice to, at its discretion, assume responsibility or take on necessary responsibilities, in Navitor's name, to

prosecute, maintain, defend or enforce such [**] at Supernus' cost. Supernus shall keep Navitor reasonably informed of all aspects of such, prosecution, maintenance, defense or enforcement of such [**].

v. In the event that this Agreement expires or terminates without the Parties entering into a License Agreement or Purchase Agreement, Supernus shall immediately cede to Navitor all right and responsibility to prosecute, maintain, defend or enforce [**] for which Supernus assumed responsibility pursuant to Section 7.3(d). The Parties shall reasonably cooperate with each other in all activities pursuant to Section 7.3(d) and 7.3(e), at Navitor's cost.

7. FINANCIAL PROVISIONS

a. **Option Payment**. In partial consideration of the rights granted to Supernus hereunder, including the License Option and Purchase Option, Supernus shall pay to Navitor a onetime, non‑refundable and non‑creditable option issue fee of Ten Million Dollars ($10,000,000), which amount shall be paid within [**] business days after the [**] (the "**Option Fee**").

b. **Equity Investment**. In partial consideration of the rights granted to Supernus hereunder, Supernus shall within [**] business days after the [**] invest Fifteen Million Dollars ($15,000,000) in the equity of Navitor, pursuant to the Series D documentation attached as Exhibit A (collectively, the "**Investment Agreements**"), which represents Supernus ownership of Navitor of thirteen percent (13%) as of the Effective Date. The shares issued to Supernus shall be subject to the terms and conditions of the Investment Agreements. Such equity consideration is [**] to any [**] under this Agreement.

c. **Development Costs**.

i. Subject to the terms and conditions of this Agreement, Supernus shall bear (i) all Development Costs incurred by Navitor or Supernus up to a maximum of Fifty Million Dollars ($50,000,000); provided that the costs and expenses for [**] shall not count toward such maximum; and (ii) all costs and expenses incurred by Supernus for [**]. Subject to Section 8.3(b), Navitor shall bear the Development Costs in excess of Fifty Million Dollars ($50,000,000). Navitor shall invoice Supernus monthly in arrears for Development Costs incurred by Navitor, within [**] calendar days of the month end.

ii. Notwithstanding the foregoing, at Navitor's request and only with the written consent of Supernus, which consent shall be in its sole and absolute discretion, Supernus shall pay Navitor's Development Costs in excess of Fifty Million Dollars ($50,000,000) ("**Additional R&D Funding**"). Any such Additional R&D Funding shall be [**] any [**] to [**] under this Agreement or, if [**] by the Parties, the [**] or [**]. Navitor shall invoice Supernus monthly [**], within [**] calendar days of the month end, for Additional R&D Funding requested by Navitor and agreed by Supernus to be borne by Supernus.

iii. Each such invoice issued under Section 8.3(a) or 8.3(b) shall specify in reasonable detail all Development Costs, including personnel costs by name of the person, their function, their hourly rate, number of hours worked and a short

description of effort. If reasonably requested by Supernus, Navitor shall promptly provide any invoices or other supporting documentation for any payments to a Third Party or other documentation, for any and all expense in excess of [**] ($[**]). Supernus shall pay each invoice within [**] days of receipt of such invoice.

d. **Records and Audits**. Each Party shall keep complete, true and accurate books and records in accordance with its accounting standards in relation to Development Costs. Each Party shall keep such books and records for at least [**] years following the Calendar Year to which they pertain. Either Party may, upon written request, cause an internationally recognized independent accounting firm (such firm, the "**Auditor**") (such Party, the "**Auditing Party**"), which is reasonably acceptable to the other Party (the "**Audited Party**") to inspect the relevant records of the Audited Party and its Affiliates to verify the Development Costs claimed to be incurred by the Audited Party that apply to the limit set forth in Section 8.3(a)(1) or are subject to reimbursement pursuant to Section 8.3(b) and the related reports, statements and books of accounts, as applicable. Before beginning its audit, the Auditor shall execute an undertaking acceptable to the Audited Party by which the Auditor agrees to keep confidential all information reviewed during the audit. The Auditor shall have the right to disclose to the Auditing Party only its [**] regarding any [**] under this Agreement. The Audited Party and its Affiliates shall make their relevant records available for inspection by the Auditor during regular business hours at such place or places where such records are customarily kept, upon receipt of reasonable advance notice from the Auditing Party. The records shall be reviewed solely to verify the accuracy of the Audited Party's Development Costs that apply to the limit set forth in Section 8.3(a)(1) or are subject to reimbursement pursuant to Section 8.3(b). Such inspection right shall not be exercised more than [**] in any Calendar Year and not more frequently than [**] with respect to records covering any specific period of time. In addition, the Auditing Party shall only be entitled to audit the books and records of the Audited Party from the [**] Calendar Years prior to the Calendar Year in which the audit request is made. The Auditor shall provide its audit report and basis for any determination to the Audited Party at the time such report is provided to the Auditing Party before it is considered final. In the event that the final result of the inspection reveals an underpayment or overpayment by the Auditing Party, the underpaid or overpaid amount shall be settled promptly. The Auditing Party shall pay for such inspections, as well as its expenses associated with enforcing its rights with respect to any payments hereunder; provided that if an [**] of more than [**] percent ([**]%) of the total payments due hereunder for the applicable [**] is discovered, the fees and expenses charged by the Auditor shall be paid by the Audited Party.

e. **Late Payments**. Without limiting any other rights or remedies available to Navitor, Supernus shall pay interest on any payments that are not paid on or before the date such payments are due under this Agreement at a rate equal to the [**] of (a) [**] percent ([**]%) above the prime rate as reported by Citibank, New York, New York on the date such payment was due to be paid, or (b) the [**] applicable [**] on such date, calculated on the total number of [**] payment is delinquent.

f. **Tax Treatment**. For U.S. federal income and other applicable tax purposes, Navitor and Supernus agree to treat the grant of the Purchase Option and the License Option as a separate and independent transaction from the equity investment contemplated by

Section 8.2, and to report the transactions contemplated by this Agreement on U.S. federal income tax and other applicable tax returns in accordance with this Section 8.6 unless otherwise required by applicable law.

8. NOTICES

a. **Notices**. Any notice required or permitted to be given hereunder shall, except where specifically provided otherwise, be given in writing to the person listed below by personal delivery or reputable international business courier with guaranteed three (3) day delivery:

If to Navitor: Navitor Pharmaceuticals, Inc. 1030 Massachusetts Avenue, Suite 410 Cambridge, MA 02138 Attn: CEO [**]	If to Supernus: Supernus Pharmaceuticals, Inc. 9715 Key West Avenue Rockville, MD 20850 Attn: CEO [**]
With copy to (which shall not constitute notice): [**]	With a copy to: [**]

or to such address as a Party designates by written notice to the other. Notices shall be effective upon receipt.

9. TERMINATION

a. **Term**. The term of this Agreement shall commence on the Effective Date, and unless earlier terminated in accordance with Section 10.2, 10.3 or 10.4, shall remain in effect until the expiration of the [**] (the "**Term**").

10.2 **Termination for Breach**. In the event of a material breach by either Navitor or Supernus of any of the obligations contained in this Agreement, the other Party shall be entitled to terminate this Agreement by notice provided that such notice shall specify such breach or breaches, and provided that the Party committing such breach or breaches shall be entitled to a period of [**] days from the delivery of such notice in which to remedy or to undertake to remedy the same. In the case the defaulting Party shall fail to remedy the breach or to undertake to remedy the breach to the reasonable satisfaction of the non-breaching Party, subject to the terms and conditions of this Agreement, the non-breaching Party shall have all rights under law and equity including the rights (i) to terminate this Agreement in whole or in part by notification to the Party in default, (ii) to [**] and [**] to which it is entitled under [**], and [**], including [**]. Failure of a Party to exercise its rights under this Section 10.2 shall not be construed as a waiver as tofuture breaches whether or not they are similar, or waiver of am other remedies to which the terminating Party may be entitled.

a. **Termination by Supernus**. Supernus may terminate this Agreement for any reason following the Effective Date provided that Supernus shall give Navitor [**] of termination.

b. **Termination for Insolvency**.

1. Either Party may terminate this Agreement if, at any time (i) the other Party files in any court or agency pursuant to any statute or regulation of any state or country a petition in bankruptcy or insolvency or for reorganization (save for solvent reorganization or solvent reconstruction) or for an arrangement or for the appointment of a receiver or trustee of the Party or of substantially all of its

assets, (ii) the other Party proposes a written agreement of composition or extension of substantially all of its debts, (iii) the other Party is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed within [**] after the filing thereof, (iv) the other Party proposes to be a party to any dissolution or liquidation or (v) the other Party makes an assignment of substantially all of its assets for the benefit of creditors.

2. **Bankruptcy Protections**. The Parties acknowledge and agree that any [**] entered into in accordance with Section 2(a) of this Agreement will be an [**] under Section [**] of the [**]. The Parties further acknowledge and agree that, in the event that Navitor becomes a debtor in bankruptcy and it or its trustee rejects such [**], Supernus may elect to treat the [**] as terminated by such rejection to the extent provided in Section 365(n)(l)(A) or retain [**] (including a [**] to enforce any [**] but excluding any other [**] under applicable non-bankruptcy law to specific performance) and any agreement supplementary to the [**], as such [**] existed immediately before the bankruptcy case commenced, for the duration of the [**] and any period for which the [**] may be extended under applicable non-bankruptcy law. Moreover, in the event this Agreement is rejected by Navitor or its bankruptcy trustee in a bankruptcy case in which Navitor is the debtor, following such rejection, Navitor irrevocably consents to termination of the automatic stay to the extent necessary to enable Supernus to exercise its Section 365(n) rights relating to this Agreement, any [**] rejected in connection with the rejection of this Agreement, and any [**] to this Agreement or to a [**] rejected in connection with the rejection of this Agreement.

c. **Effects of Expiration or Termination**.

3. **Effects Generally**. Upon expiration or termination of this Agreement for any reason:

i. the Parties' rights and obligations under this Agreement shall terminate, and neither Party shall have any further rights or obligations under this Agreement from and after the effective date of termination, except as set forth in this Article 10;

ii. the [**] and [**] will terminate; and

iii. all [**] and [**] with respect to the Compound or Products granted to Supernus under Section 2.1 shall immediately terminate, and all such rights shall revert back to Navitor.

4. **Development Costs**. Upon expiration of this Agreement or termination (i) by Navitor under Section 10.2, unless to the extent the relevant material breach of Supernus is the result of Navitor's material breach, or (ii) by Supernus under Section 10.3, Supernus shall pay Navitor any unpaid amounts that have been incurred or that have been committed to a Third Party and are non-cancellable or non-refundable as of the date of such expiration or termination.

5. **Investment Agreements**. The Investment Agreements shall survive any expiration or termination of this Agreement in accordance with their terms.

d. **Additional Effects upon Expiration Prior to Option Exercise**.

6. In the event of expiration of this Agreement (but not termination) and Supernus did not exercise the License Option or the Purchase Option as of such date of expiration Navitor shall pay to Supernus [**] percent ([**]%) of any [**] received by Navitor or any of its Affiliates. For clarity, and without limiting the foregoing, in no event shall Navitor pay any percentage of such [**] to Supernus in the event that Navitor terminates this Agreement pursuant to Section [**] or [**]. Navitor shall make payments to Supernus under this Section 10.6(b) within [**] days of receiving the corresponding payment from a [**].

7. "**Future Proceeds**" means (i) if and to the extent Navitor or its Affiliates [**] any [**] to [**] in the [**], Navitor's and its Affiliates [**] from [**] (per U.S. Generally Accepted Accounting Principles or IFRS) of such [**] in the [**] and (ii) if and to the extent Navitor or its Affiliates [**] a [**] in the [**] to a [**] under any [**] or [**] for the purpose of [**] or [**] a [**] in the [**] that was being [**] under this Agreement or [**], directly or indirectly, any [**] or [**] in the [**] to a [**], all [**] (*e.g.*, [**], [**], [**], [**], other similar [**], [**], and/or [**]) received by Navitor and its Affiliates from a [**] directly attributable to such [**] or [**]; provided that, any [**] received from a [**] for such [**] or [**] shall be included in Future Proceeds at the [**] thereof as determined by an [**] or [**] mutually acceptable to the Parties. Future Proceeds [**]: (A) payments made at [**] to [**], [**], [**] and [**] activities; (B) [**]; (C) payments to [**], [**], [**] or other types of [**] of Navitor or its Affiliate at [**] (provided, however, that any [**] in [**] of [**] shall not be [**]); (D) [**] for the [**] of [**] by Navitor or its Affiliate made at prices in compliance with the rules of applicable tax authorities; and (E) payments or reimbursement of [**], [**], [**] and [**] and other related expenses. Notwithstanding the immediately preceding sentence, [**] or [**] set forth in provisos (A) and/or (B) herein, shall not be [**] Future Proceeds, if, based on the facts and circumstances, either of them, or both in the aggregate, are structured to avoid or circumvent proceeds as bona fide Future Proceeds.

8. To the extent that intellectual property rights or other rights or obligations other than [**] or [**] are [**], [**] or [**] by Navitor, in connection with a [**] of any [**] or [**], then, when determining the Future Proceeds, that portion of the [**] by Navitor and included in Future Proceeds shall be [**] between the [**] or [**] and those other rights and obligations, and such [**] shall be reasonable and in accordance with customary standards in the industry. Navitor shall promptly deliver to Supernus a written report setting forth such [**]. In the event Supernus disagrees with the determination made by Navitor, Supernus shall so notify Navitor within [**] days of receipt of Navitor's report and the Parties shall meet to discuss and resolve such disagreement in good faith. If the Parties are unable to agree in good faith as to such [**] within [**] days, then the matter shall be submitted in accordance with the dispute resolution process set forth in Section 13.2.

e. **Survival**. Articles [**], [**] and [**] (but not Section [**]), [**] (but not Section [**]), [**], [**], and [**] (regarding Article [**], for the time period set forth therein) and

Sections [**] (only the last sentence), [**], [**], [**] and [**] shall survive any expiration or termination of this Agreement. Termination or expiration of this Agreement shall not affect either Party's liability for any breach of this Agreement it may have committed before such expiration or termination, and the Parties shall not be relieved of: (a) any obligations accruing before the effective date of termination or expiration, or (b) any other obligation under this Agreement that survives termination or expiration pursuant to the express provisions of this Agreement.

10. REPRESENTATIONS, WARRANTIES AND COVENANTS

a. Navitor hereby represents and warrants to Supernus, as of the Effective Date, that:

9. All Product Patents that exist as of the Effective Date and associated patent applications that may issue as Product Patents are listed in Exhibit B.

10. Navitor or its Affiliates has the right to grant the License Option, the Purchase Option and the licenses referred to herein.

11. No other Person has any option, license or right granted by Navitor or its Affiliates to Exploit the Compound or Product in the Territory in the Field, nor is the Compound or Product subject to any lien, claim, restriction or other encumbrance in the Territory.

(d) *Non-infringement of Third Party Rights*. Navitor has not received in writing any complaint, claim or notice, or threat of any of the foregoing, (including any notification that a license under any patent is or may be required) alleging that the Compound infringes or misappropriates of any Patents or Know-How of any Third Party, and Navitor has not received a written request or demand for indemnification or defense received by Navitor from any Third Party in connection with a Product. To the knowledge of Navitor, the Exploitation of Product by or on behalf of Navitor prior to the Effective Date did not infringe the intellectual property rights of any Third Party.

1. Navitor has no knowledge of any circumstances that may negate the validity or enforceability of any Product Patents that exist of the Effective Date. All issuance, renewal, maintenance and other payments that are or have become due prior to the Effective Date with respect to the Product Patents that exist as of the Effective Date have been timely paid by or on behalf of Navitor. As of the Effective Date, no third party has any right to terminate any license granted to Navitor with respect to any Product Patent.

2. *Prosecution Matters*. To the knowledge of Navitor, there are no inventorship challenges, opposition or nullity proceedings or interferences declared, commenced, provoked, or threatened, with respect to any Product Patents. Navitor and, to the knowledge of Navitor, entities involved in the prosecution of the Product Patents (such as all attorneys, inventors, agents and others involved in prosecution) are in compliance with their duty of candor and disclosure to the United States Patent and Trademark Office and any foreign patent office

requiring such disclosure with respect to all Product Patents and filed by or on behalf of Navitor and have made no material misrepresentation in such

applications. Navitor has no knowledge of any information that would preclude Navitor from having clear title to the Product IP.

1. *Infringement of Navitor's Rights*. To the knowledge of Navitor, no Third Party is as of the Effective Date infringing or misappropriating any of the Product IP or has any right granted by Navitor or its Affiliate to develop or Commercialize the Product in the Field in the Territory without the prior written consent of Navitor, its Affiliates or sublicensees, as applicable.

2. *Employee and Inventor Assignments*. Each employee of Navitor or its Affiliates, and who is an inventor of a Product Patent has executed a valid and binding written agreement expressly assigning to Navitor, or an Affiliate thereof, as appropriate, all right, title and interest in any inventions, whether or not patentable, created, conceived or developed during the term of such employee's employment and all patents and know-how rights therein.

3. *Support and Funding*. Navitor has neither sought, applied for nor received any support, funding, resources or assistance from any federal, state, local or foreign governmental agency or funding source in connection with the development or exploitation of Product.

4. *Debarment*. (i) Navitor is not debarred, has not been convicted, and is not subject to debarment or conviction pursuant to Section 306 of the FD&C Act (21 U.S.C. §335a) and (ii) in the course of the research or development of the Compound, Navitor has not used any employee, consultant, agent or independent contractor who has been debarred by any Regulatory Authority, or, to Navitor's knowledge, is the subject of debarment proceedings by a Regulatory Authority or has been convicted pursuant to Section 306 of the FD&C Act (21 U.S.C. §335a).

a. **Representations and Warranties of Each Party**. Each Party represents and warrants to the other Party, as of the Effective Date, that it has the full right and authority to enter into this Agreement, and that it is not aware of any impediment which would inhibit its ability to perform the terms and conditions imposed on it by this Agreement.

b. **Covenants of Each Party**. Each Party covenants to the other Party, as of the Effective Date:

5. it shall comply with applicable laws in the course of performing its obligations or exercising its rights pursuant to this Agreement; and

6. in the course of the Development of the Compound or Products, it shall not use any employee, consultant, agent or independent contractor who has been debarred by any Regulatory Authority, or, to such Party's knowledge, is the subject of debarment proceedings by a Regulatory Authority or has been convicted pursuant to Section 306 of the FD&C Act (21 U.S.C. §335a).

a. **No Other Representations or Warranties**.

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

EXCEPT AS EXPRESSLY STATED IN THIS ARTICLE 11, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, INCLUDING [**] OF [**], [**] A [**], [**], OR [**] OF [**], IS MADE OR GIVEN BY OR ON BEHALF OF A PARTY. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, ALL REPRESENTATIONS AND WARRANTIES, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXPRESSLY EXCLUDED.

1. INDEMNIFICATION; LIMITATION OF LIABILITY

a. **By Navitor**. Navitor shall indemnify, defend and hold harmless Supernus and its Affiliates and its and their respective directors, officers, employees, and agents (the "**Supernus Indemnitees**") from and against any and all costs, expenses, liabilities, damages, losses and harm (including reasonable legal expenses and attorneys' fees) arising out of or resulting from any third party suits, claims, actions, or demands (collectively, "**Claims**") to the extent resulting from or caused by: (a) the negligence, recklessness or willful misconduct of any Navitor Indemnitee in connection with this Agreement; (b) Navitor's breach of its obligations, warranties, or representations under this Agreement, or Navitor's fraud in making its warranties or representations under this Agreement; or the Development of the Compound or Products by or on behalf of Navitor except in each case ((a) through (c)) to the extent that a Claim arises out of or results from the negligence, recklessness or willful misconduct of any Supernus Indemnitee in connection with this Agreement or Supernus' breach of its obligations, warranties, or representations under this Agreement or is subject to indemnification by Supernus pursuant to Section 12.2.

b. **By Supernus**. Supernus shall indemnify, defend and hold harmless Navitor and its Affiliates and its and their respective directors, officers, employees, and agents (the "**Navitor Indemnitees**") from and against any and all Claims to the extent resulting from or caused by: (a) the negligence, recklessness or willful misconduct of any Supernus Indemnitee in connection with this Agreement; (b) Supernus' breach of its obligations, warranties, or representations under this Agreement or Supernus' fraud in making its warranties or representations under this Agreement; or (c) the Development of Compound or Products by or on behalf of Supernus, except in each case ((a) through (c)), to the extent that a Claim arises out of or results from the negligence, recklessness or willful misconduct of any Navitor Indemnitee in connection with this Agreement or Navitor's breach of its obligations, warranties, or representations under this Agreement or is subject to indemnification by Navitor pursuant to Section 12.1.

c. **Indemnification Conditions and Procedures**. Each Party's agreement to indemnify, defend and hold harmless the other Party is conditioned on the indemnified Party: (a) providing written notice to the indemnifying Party of any claim or demand for which is it seeking indemnification hereunder promptly after the indemnified Party has knowledge of such claim; (b) permitting the indemnifying party to assume full responsibility to investigate, prepare for and defend against any such claim or demand, except that the indemnified Party may cooperate in the defense at its expense using its own counsel; (c) assisting the indemnifying Party, at the indemnifying Party's reasonable expense, in the investigation of, preparing for and defense of any such claim or demand;

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

and (d) not compromising or settling such claim or demand without the indemnifying Party's written consent.

d. **Limitation of Liability**. EXCEPT FOR (A) DAMAGES AVAILABLE FOR [**] OF [**] OBLIGATIONS UNDER ARTICLE [**] AND (B) LIABILITY ARISING OUT OF THE INDEMNIFICATION RIGHTS AND OBLIGATIONS UNDER SECTIONS [**] AND [**], NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY [**], [**], [**] OR [**] OR [**] ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES.

e. **Insurance**. Each Party, at its sole cost and expense, shall secure and maintain in full force and effect during the Term the following minimum insurance coverage with financially sound and nationally reputable insurers: (a) Workers' Compensation insurance with coverage in accordance with statutory limits, (b) Commercial General Liability insurance, including blanket contractual liability with limits of not less than $[**] per occurrence and $[**] aggregate and (c) Product Liability insurance with limits not less than $[**] per occurrence and $[**] aggregate. Certificates evidencing such insurance shall be made available for examination upon request by the other Party.

2. MISCELLANEOUS

a. **Governing Law**. This Agreement and any dispute or claim arising out of or in connection with it (whether contractual or non‐contractual in nature such as claims in tort, from breach of statute or regulation or otherwise) shall be governed by and construed in accordance with the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction; provided that any dispute with respect to infringement, validity, or enforceability of any Patent, which shall be governed by and construed and enforced in accordance with the laws of the jurisdiction in which such Patent is issued or published.

13.2 **Arbitration**. Except for matters that are subject to Section 5.7, any dispute or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination shall be referred to and finally resolved by arbitration under the rules of the Commercial Arbitration Rules of the American Arbitration Association, which only are deemed incorporated into this Section 13.2. The place of arbitration shall be Delaware. The language to be used in the arbitration procedures shall be English. The arbitration proceedings including any outcome shall be confidential. Nothing in this Section 13.2 shall preclude either Party from seeking equitable interim or provisional relief from a court of competent jurisdiction including a temporary restraining order, preliminary injunction or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding. The number of arbitrators shall be three (3) of which each Party shall appoint one (1), the arbitrators so appointed shall select the third and final arbitrator. The arbitrators shall have at least ten (10) years of experience with pharmaceutical option and licensing disputes.

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

a. **Assignment**. This Agreement and the rights and obligations of each Party under this Agreement cannot be assigned or otherwise transferred by either Party without the prior written consent of the other Party; provided, however, that (a) either Party may assign or transfer this Agreement, without such consent (but with written notice to the other Party promptly following such assignment or transfer), to an Affiliate of such Party and (b) either Party may assign or transfer this Agreement, without such consent (but with written notice to the other Party promptly following such assignment or transfer) to a successor in interest to all or substantially all of the business or assets of such Party to which this Agreement relates, whether by merger, consolidation, reorganization, acquisition, sale of stock, sale of assets, royalty factoring or similar transaction or series of transactions. Any permitted assignment of the rights and obligations of a Party under this Agreement shall be binding on, and inure to the benefit of and be enforceable by and against, the successors and permitted assigns of the assigning Party. Any permitted assignee or transferee shall assume all obligations of its assignor or transferor under this Agreement. Any assignment or attempted assignment by either Party in violation of the terms of this Section 13.3 shall be null, void and of no legal effect.

b. **Entire Agreement and Amendment**. This Agreement, including the schedules and appendices hereto set forth the entire agreement and understanding of the Parties as to the subject matter hereof and supersedes all previous agreements with respect to the subject matter hereof, whether written or oral, including, effective as of the Effective Date, the Confidentiality Agreement; provided that all information disclosed or exchanged under such agreement shall be treated as Confidential information hereunder. This Agreement may be amended only by a written instrument duly executed by both Parties.

c. **Waiver**. The waiver by either Party of any right hereunder or the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

d. **Interpretation**. The captions and headings to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement. Unless specified to the contrary, references to Articles, Sections, Schedules or Exhibits mean the particular Articles, Sections, Schedules and Exhibits of or to this Agreement and references to this Agreement include all Schedules and Exhibits hereto. Unless context otherwise clearly requires, whenever used in this Agreement: (a) the words “include” or “including” shall be construed as incorporating, also, “but not limited to” or “without limitation”; (b) the word “day” or “year” means a calendar day or year unless otherwise specified; (c) the word “notice” shall mean notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement; (d) the words “hereof,” “herein,” “hereby” and derivative or similar words refer to this Agreement (including any Schedules); (e) the word “or” shall be construed as the inclusive meaning identified with the phrase “and/or”; (f) provisions that require that a Party or the Parties hereunder “agree,” “consent” or “approve” or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter or otherwise; (g) words of any gender include the other gender; (h) words using the singular or plural number also include the plural or singular number, respectively; (i) the word “will” shall be construed as having the same meaning as the word “shall”; and (j) the word “law” (or “laws”) when used herein means any applicable, legally binding statute,

ordinance, resolution, regulation, code, guideline, rule, order, decree, judgment, injunction, mandate or other legally binding requirement of a government entity, together

with any then‑current modification, amendment and re‑enactment thereof, and any legislative provision substituted therefor. All references to "$" or "Dollar" amounts shall be deemed to be U.S. Dollars. The Parties and their respective counsel have had an opportunity to fully negotiate this Agreement. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall favor or disfavor any Party by virtue of the authorship of any provision of this Agreement. No prior draft of this Agreement shall be used in the interpretation or construction of this Agreement.

a. **Force Majeure; COVID‑19**. Neither Party will be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement to the extent that such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, potentially including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts, or other labor disturbances, pandemics, fire, earthquakes, floods, or other acts of God. The affected Party will notify the other Party of such force majeure circumstances as soon as reasonably practical, and will promptly undertake all reasonable efforts necessary to cure such force majeure circumstances and resume performance of its obligations hereunder. Without limiting the foregoing, the Parties will agree on extensions to timelines set forth in the [**] or in this Agreement to account for delays in carrying out activities set forth in the [**], in each case, to the extent such delays are a result of disruptions to business caused by the COVID‑19 pandemic or related laws and regulations.

[Signature Page Follows]

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

NAVITOR PHARMACEUTICALS, INC.

Signed:/s/ Thomas E. Hughes

Name: Thomas E. Hughes, Ph.D

Title: Chief Executive Office

SUPERNUS PHARMACEUTICALS, INC.

Signed:/s/ Jack A. Khattar

Name: Jack A. Khatta

Title: Chief Executive Office

[Signature Page to Option Agreement]

Exhibit 10.2

CERTAIN CONFIDENTIAL INFORMATION IDENTIFIED IN THIS DOCUMENT, MARKED BY [**], HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

AMENDED AND RESTATED

DISTRIBUTION, DEVELOPMENT, COMMERCIALIZATION & SUPPLY AGREEMENT

BETWEEN

BRITANNIA PHARMACEUTICALS LIMITED

AND

US WORLDMEDS, LLC

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

THIS AGREEMENT, DATED 15, JANUARY, 2016, IS BY AND BETWEEN:

1. **BRITANNIA PHARMACEUTICALS LIMITED** whose registered office is at Park View House, 65, London Road, Newbury, Berkshire RG14 UN ("**BPL**" or "**Britannia**"), and

2. **US WORLDMEDS, LLC**, a Delaware limited liability company, having its place of business at 4441 Springdale Road, Louisville, Kentucky 40241 ("**USWM**"),

each a "**Party**" and together the "**Parties**."

RECITALS

(A) SLOAN PHARMA SARL, a Luxembourg societe a responsibilite limitee and subsidiary of USWM ("**SLOAN**"), and BPL were parties to the Distribution, Development, Commercialization and Supply Agreement dated 22, January, 2015 (the "**Original Agreement**"); and SLOAN has assigned its right, title and interest under the Original Agreement to USWM, and USWM has assumed all of SLOAN's obligations under the Original Agreement, with the consent of BPL in connection with the Parties entering into this Agreement.

(B) BPL is the holder of certain Apokyn Intellectual Property Rights and is willing to appoint USWM as its distributor of the Apokyn [**] Pen Product for resale in the Territory only under the Apokyn US Trade Mark and associated trade dress, which BPL has transferred to the Joint Venture Company, which (in turn) will license the same to USWM for such purposes.

A. BPL develops, manufactures and sells certain pharmaceutical products in respect of which it is the holder of the Intellectual Property Rights worldwide pertaining thereto and wishes to work with USWM and its Affiliates to distribute the Apokyn [**] Pen Product and co-develop new products for the treatment of Parkinson's Disease and other pharmaceutical applications (including the [**] Product) in the Territory, for which BPL intends to supply the Products or have the Products supplied to USWM and/or its Affiliates for resale in the Territory in accordance with the provisions set forth below.

B. USWM and its Affiliates have experience developing pharmaceutical products in the field of Parkinson's Disease, sells and markets pharmaceutical products in the Territory and desires to work with BPL to purchase, market, sell and distribute the Apokyn [**] Pen Product, and USWM further desires (through it or its Affiliates) to co-develop new pharmaceutical products (including the [**] Product) and to purchase, market, sell and distribute the same in the Territory, each on an exclusive basis and under the licensed Apokyn US Trade Mark and associated trade dress on the terms and conditions set forth below.

C. The Parties acknowledge that during the term of this Agreement, new Intellectual Property Rights will be created under the [**] Development and any Joint New Developments to be undertaken by the Parties and BPL and USWM intend that BPL and USWM shall each [**] an [**] respectively in such Intellectual Property Rights for the Territory only, to use the same only in the Territory in connection with the sale of the Products in the Territory only under the Apokyn US Trade Mark, or such other trademarks agreed to by the Parties. Such Intellectual Property Rights that either (a) pertain to the Reserved Territory or (b) are non-severable from the Intellectual Property Rights comprising Excluded IP at paragraphs (i)- (k) are intended to be owned by, and belong to, BPL (exclusively).

D. The Parties also intend that BPL shall have the primary right (but not the obligation) to supply all Products and Peripherals under this Agreement.

OPERATIVE PROVISIONS:

1. Definitions and Interpretation

a. In this Agreement, unless the context otherwise requires, the capitalized terms shall have the following definitions and rules of interpretation apply:

"**Accounting Statement**" means a statement setting out the [**] incurred by the relevant Party during the previous Calendar Quarter.

"**Additional Payment**" has the meaning defined in Clause 12.4.

"**Affiliates**" means, with respect to any Person, any other Person which, directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common control with, that first Person.

"**Agent**" and "**Agents**" have the meanings defined in Clause 22.7.

"**Agent Representative**" has the meanings defined in Clause 22.7.

"**Apokyn Asset Sale**" means, with respect to a Party, the sale, or proposed sale, to a Third Party of all or substantially all of the assets comprising the Party's 'Apokyn' and/or apomorphine related business, but shall not include such sales to an Affiliate of the Party.

"**Apokyn Domain Name Registration**" means the domain name registration in respect of the Apokyn US Domain Name listed on **Schedule 2**.

"**Apokyn** [**] **Pen Product**" means the Apokyn [**] as configured with the [**] marketed by [**] in the [**]. For the avoidance of doubt, any [**] shall be considered a [**] (if agreed to by the Parties and/or the [**] from time to time) and shall constitute [**], unless the same is [**].

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"**Apokyn US Trade Mark**" means the U.S. trade mark Registration No. 2973482 previously registered in the Territory in the name of BPL (and to be registered as soon as reasonably practicable following the date of this Agreement in the name of the Joint Venture Company), details of which are more particularly set out in the [**] which (together with the associated trade dress and goodwill) are to be used on or in relation to the Products at all times during this Agreement to the exclusion of any other mark or device, or any other trade mark belonging to BPL which the Parties agree to be used in connection with the sale of the Products in the Territory.

"**Business Day**" means any day on which the banks are generally open for business in New York & London (other than a Saturday, Sunday or public holiday in New York & London).

"**Calendar Quarter**" means the respective period of three (3) consecutive calendar months ending on 31 March, 30 June, 30 September or 31 December in any given Calendar Year.

"**Calendar Year**" means each period of full twelve (12) months beginning on the 1st of January and ending on the 31st of December of the same year (including any partial calendar year in the case of the first or last calendar year of the term of this Agreement).

"**COGS**" means the cost of goods/service charge for the relevant Products sold in the Territory determined in accordance with Schedule 5, but excludes any [**] due to a [**] in relation thereto.

"**Commencement Date**" means the date that this Agreement is executed by both Parties.

"**Contract Year**" means each period of full twelve (12) months starting on the Commencement Date during the term of this Agreement.

"**Control**" (including, with correlative meanings, "**Controlled by**" and "**under common Control with**") means the possession, directly or indirectly, of power to direct or cause the direction of (a) management or policies of such Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise) or (b) at least fifty percent (50%) of the issued share capital (partnership or other ownership capital (whether directly or pursuant to any option, warrant or other similar arrangement) or otherwise.

"**Cost Sharing Ratio**" means the following ratios by which the Parties agree to share the Shared Development Costs with respect to [**] Development and Joint New Developments, being:

(1) [**]% to USWM and [**]% to BPL in respect of the [**];

(2) [**]% to USWM and [**]% to BPL in respect of a [**] for [**] in the [**] only; and

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(3) [**]% to BPL and [**]% to USWM in respect of a [**] for [**] in both the [**] and the [**] (such allocation to be strictly limited to such part of any program which is in fact used in both the [**] and the [**]).

"**Development Program**" has the meaning defined in Clause 6 (as varied from time to time by agreement of the Parties).

"**Dossier**" means any and all information relating to the Apokyn [**] Pen Product, the [**] Product or any product arising out of a Joint New Development which are contained in the documentation prepared in order to obtain and maintain the Product Licence for the same in the Territory.

"**EEA**" means the European Economic Area (as at the date hereof and as constituted from time to time).

"**Effective Date**" means [**].

"**Excluded IP**" means, unless otherwise agreed by the Parties in an amendment to this Agreement in connection with Joint IP:

a. the [**] (which shall be owned by the Joint Venture Company);

b. the [**];

c. the [**] in the [**], including the right to use and license and apply for, register and maintain the same (or any similar mark) therein;

d. the right to challenge and take assignment of any [**] of [**] as a [**] in the [**];

e. the [**] and the [**] details of which are set out in **Schedule 2** (which shall be owned by the Joint Venture Company);

f. the right to [**] and [**] for any [**] containing the word [**] or similar name;

g. the trade dress for the [**] (which shall be owned by the Joint Venture Company);

h. all Intellectual Property Rights in the [**], and bills of materials relevant to the [**] and [**] of the [**], the [**], the [**] and all [**] relating to the [**], [**], and [**] of the [**], but only with respect to the use or development of such Intellectual Property Rights within the [**], whether or not such Intellectual Property Rights are also developed or used within the [**];

i. all Intellectual Property Rights in (i) the [**] for the [**] and any product referred to in paragraph (j) below, (ii) bills of materials relevant to the [**] and [**] of the [**] and any product referred to in paragraph (j) below, (iii) the [**] and the rights in the [**] to any product referred to in paragraph (j) below, (iv) the [**] and all [**] relating to the [**] or any product referred to in paragraph (j) below,

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(v) any Intellectual Property Rights (including [**] and [**]) which are independently developed or acquired solely by [**] from any [**] (whether such rights are registered or unregistered), and/or (vi) any Intellectual Property Rights which are licensed in solely by [**] from any [**] whether before or after the Effective Date which (in each case) is contained therein or in other [**], provided, for the avoidance of doubt, that as it relates to the use of the same in any [**], the background Intellectual Property Rights contributed by [**] associated with such [**] shall be [**] under this subclause (I) and foreground (meaning newly generated under this Agreement) Intellectual Property Rights associated with such [**] shall, to the extent it is material and severable from the aforesaid [**] (and to the extent that it is not subject to any assignment back undertakings in favour of any [**] or material Intellectual Property Rights relating to a joint [**]) and insofar only as it pertains to the [**], shall be [**];

j. the Intellectual Property Rights in all [**] and [**] of any description marketed by or on behalf of [**] (whether by itself, its Affiliates or any sales agents or distributors) in the [**] (whether now or in the future) (including any Intellectual Property Rights pertaining to the [**] to be transferred to [**] in accordance with Clause 4.1.2);

k. any Intellectual Property Rights which are [**] solely by [**] or its Affiliates from any [**] licensor from time to time and/or any Intellectual Property Rights which under the terms of such licences are expressed to belong to or be [**] back to such [**] licensor; and

l. except for Intellectual Property Rights owned by the [**], any other Intellectual Property Rights that are the property of or used by [**] not exclusively comprising the [**].

"**Field of Use**" means the treatment of Parkinson's Disease and any other field of use agreed to by the Parties in respect of a Joint New Development.

"**Forecast**" means the forecast of USWM as described in Clause 11.8.

"**Formulations**" means all Intellectual Property Rights whether created or arising before or after the date hereof in the formulations, recipes, processing procedures, technology and quality standards used (or to be used) in the manufacture and packaging of the Products, including any product under development.

"**Good Distribution Practice**" means the US FDA (21 CFR 211.150, 21 CFR sections 203 and 205 and NDA/ANDA labelling requirements) legislation and guidelines or any updated or amended version thereof or equivalent in the Territory.

"**Good Manufacturing Practice**" means the principles of good manufacturing practice set out in EU Directive 2003/94/EC (as amended) and current regulatory requirements

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promulgated by the U.S. Food and Drug Administration under the United States' Federal Food, Drug and Cosmetic Act, as amended 21 C.F.R § 210 et seq.

"**Improvement**" means any improvement, enhancement or modification to a Product (or any other product referred to in this Agreement) or their method of manufacture or to the Dossier (and any data or Know How arising in connection with the aforesaid).

"**[**] Development**" means the development as applied of [**] of [**] in a presentation for continuous [**] by [**] for the treatment of Parkinson's Disease using [**] or other [**] in accordance with the Development Program set forth in **Schedule 4**, as amended from time to time. Only upon the granting of a Product Licence in connection with the product so developed shall such product be deemed a Product for the purposes of this Agreement, and may also be referred to as the "**[**] Product**."

"**Insolvency Event**" means an event which occurs when a Party: (a) enters into a compulsory or voluntary liquidation or bankruptcy proceeding; (b) is dissolved, or an order shall have been entered or a resolution is passed for its winding up, insolvency, bankruptcy, reorganization, conservatorship, receivership or liquidation of such Party's respective affairs; (c) compounds with or convenes a meeting of its creditors or has or seeks to have an administrator, receiver, liquidator, or trustee appointed over all or any part of its assets or takes or consents to or fails to object to the appointment of a bankruptcy trustee or conservator, receiver or liquidator in any bankruptcy proceeding or other insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to such Party or of or relating to all or substantially all of such Party's property or suffers any similar action in consequence of a debt; (d) shall admit in writing its respective inability, or shall be unable, to pay its debts generally as they become due; (e) shall file a petition to take advantage of any applicable bankruptcy, insolvency, reorganization, receivership or conservatorship statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations, or such Party shall consent to, or fail to object to, the filing of any such petition, or, if such Party shall so object to the filing of any such petition, such petition shall not have been dismissed within 60 days of the filing thereof; or (f) ceases for any reason to carry on business in a manner not addressed by (a) through (e) above; provided, however, that it shall not be an Insolvency Event if, with the prior written consent of the Agent, an action is taken under (a) through (e) above in order to effect (x) a sale of such Party or all or substantially all of its assets to a Permitted Assignee pursuant to clauses 22.9 and 24.3, and subject to clause 24.4, or (y) a reorganization, reconstruction or amalgamation of such Party, provided that such Party is solvent and a viable business with going concern following such reorganization, reconstruction or amalgamation; and provided further, however, that such action is taken in connection with a "pre-packaged" or "pre-negotiated" bankruptcy, insolvency or reorganization proceeding, and such action under (x) or (y) is completed within 90 days of its commencement.

"**Intellectual Property Rights**" means the statutory, common law, civil law, and proprietary rights throughout the world in any discovery, trade secret, Know-How,

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development, invention, improvement, design, trade dress, process, study results, formula, information, computer program, semi-conductor or other topography, patent, supplementary protection certificate, copyright, registered design, trade mark, utility model, protected geographic origins, logos or other industrial or intellectual property right (whether registrable or not), in each case for the full term of such rights and for all renewals or extensions of such rights, and applications for any of the foregoing.

"**Initial Price**" has the meaning defined in Clause 11.2.

"**Initial Term**" has the meaning defined in Clause 21.1.

"**Joint Development Committee**" or "**JDC**" has the meaning given to it in Clause 6.7.

"**Joint IP**" means any Intellectual Property Rights expressly designated under this Agreement to be held in the joint names of the Parties in connection with the [**] and any [**], which Intellectual Property Rights are subject to the terms and conditions of Clause 4.1 herein, excluding, for the avoidance of doubt, the Excluded IP (subject however to the continued licence to use of certain of the same in accordance with Clause 3.3 & 4.11 to the extent the same would not constitute a [**] of any [**] agreement with a [**]).

"**Joint New Development**" means a new development that the Parties have agreed to jointly develop in accordance with Clause 7.

"**Joint Venture Company**" means the company incorporated (or to be incorporated) on or about the date of this Agreement in accordance with the [**] of the [**], the [**] of which shall be [**] [**]% by [**] of the [**].

"**[**] Licence [**]**" means the licence [**] in the [**] to be [**] into [**] the [**] and [**] pursuant to which the [**] shall grant a licence to the Apokyn US Trade Mark, the Apokyn Domain Name Registration and the trade dress for the Apokyn [**] Pen Products.

"**[**]**" means the agreed form (or substantially the same) [**] for the Joint Venture Company to be entered into between the Parties dated on or about the date hereof which provides, inter alia, for the consequences set forth in Clause 4.6.2 e. and Clause 4.6.3.c.

"**Know How**" means all secret, industrial and commercial information and know how (including but not limited to, a summary of the characteristics of any Product, labelling, package leaflets, scientific documentation, raw material procurement, packaging and production information, formulations, processes, specifications, techniques and methods of quality control, pre-clinical and clinical data, patient data, stability reports and any other information contained in any Product Licence or Dossier) which is necessary and desirable to manufacture, validate, control and release to market the Products.

"**Marketing Plan**" means a plan specifying for each Calendar Year the investments and the promotional activities to be undertaken by USWM and its Affiliates and their

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respective field forces to market the Products within the Territory in order to achieve the objectives agreed in the Sales Budget.

"**Monthly Accounting Report**" means a written accounting report of the Net Sales made or invoiced by or on behalf of USWM and/or its Affiliates for the preceding month in a format reasonably satisfactory to BPL which sets forth the sales figures and the manner in which the relevant [**] or [**] (as the case requires) has been or will be calculated. All amounts referred to in the Monthly Accounting Reports shall be reported in US Dollars.

"**Net Sales**" means the [**] of the Products in the Territory made or billed by USWM and its Affiliates (in which case such sales shall be consolidated for all of USWM and its Affiliates for purposes of calculating Net Sales), less the following ("**Deductions**") to the extent actually incurred, allowed, accrued or specifically allocated to such Product for such period in the ordinary and usual course of its business (and not previously or otherwise deducted in calculating any payments due to BPL under this Agreement): (i) [**] and [**], and other [**] or [**] to its customers [**] and [**]; (ii) [**], [**] or other [**] allowed in amounts [**] in [**], [**], [**] and [**]; (iii) amounts [**] or [**] on [**], [**] or [**]; (iv) [**] over [**] days old (*provided*, *however*, that in the case of such [**], USWM shall credit back to the final calculation of the [**] or [**] (as the case may be) associated with such Net Sales calculation [**]% of the [**] associated with any such [**] and USWM shall account in full for the same which are subsequently [**] in accordance with the rights and obligations of the Parties hereunder and after taking account of any [**] but subject to a [**] of [**] by USWM as aforesaid where any such [**] is only [**]); and (v) [**] to support the following: (1) [**], (2) [**] for [**], and (3) [**] to [**] to support [**] under [**]; and (vi) the [**] of [**] of clearly identified [**] and [**], including reasonable explanation/justification for such [**]. For the avoidance of doubt, the aggregate Deductions in any Calendar Year shall not in any circumstances exceed [**] percent of the afore-mentioned [**] for such Calendar Year.

"**New Development Plan**" has the meaning defined in Clause 7.1.1.

"**Peripherals**" means the [**], [**], [**], and any other peripheral which the Joint Development Committee or the Parties agree to develop or commission to increase or protect sales of the Products.

"**Permitted Assignee**" means a corporation, partnership, association, trust or other legal entity or organization that is reasonably considered by the non-assigning Party to have (i) the expertise, experience, integrity and technical competency in the development and commercialization of pharmaceutical products, and for whom its primary business has been in, the development and commercialization of pharmaceutical products and (ii) sufficient financial strength and liquidity (including capitalization) to enable it to perform all of its obligations under this Agreement and the [**].

"**Person**" means any individual, corporation, partnership, association, trust or other legal entity or organization, having legal personality, or the right to sue in its own name.

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"**PIL**" means Product Information Leaflet, Package Insert, Prescribing Information or Registered Product Labeling, each as applied by applicable laws of the Territory to the Product in connection with marketing and distribution of Products within the Territory.

"**Product Licence**" means the regulatory approval issued or required to be issued by the competent regulatory authority in the Territory (including any renewal or variation thereof and/or any application relating to the aforesaid) which is legally required to promote, market, sell, distribute and otherwise deal with the Products in the Territory.

"**Products**" means the Apokyn [**] Pen Product, the [**] Product and all Peripherals (whether conceived as of now or in the future) relating to the Products, and any other product arising from any [**] following successful completion of the same or the [**] Development or [**] (as the case requires) and such other products as may from time to time be agreed in writing by the Parties, each of which will be set forth on **Schedule 1** as updated from time to time.

"**Promotional Materials**" means any advertising, promotional, marketing and selling materials, including the PIL, relating to the Products.

"**Representatives**" shall have the meaning set out in Clauses 4 & 15.2 respectively.

"**Reserved Territory**" means the whole of the world except the Territory and includes all the countries/areas in respect of which BPL has appointed or may from time to time appoint another distributor or licensee or those which BPL has reserved for itself or its Affiliates, and when used herein includes references to any singular area of the Reserved Territory (and not the whole of the world in all cases).

"**Restricted Information**" means any information of a confidential or proprietary nature which is disclosed by either Party to the other pursuant to or in connection with this Agreement (whether orally or in writing or by electronic means, and whether or not such information is expressly stated to be confidential or marked as such), including the transactions covered by this Agreement, materials delivered under this Agreement and the terms of this Agreement. The following shall also be deemed to be Restricted Information:

a. the Dossier(s), the Marketing Plans, the Sales Budgets and the Development Plan and any New Development Plan from time to time;

b. any information of a technical or scientific nature provided by either Party in connection with any Product which includes data under Article 4.3;

c. any work in progress, technical or scientific information generated through the [**] Development or in connection with any products arising from a Joint New Development;

d. Improvements;

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e. to the extent not covered by sub-paragraphs (a) through (d) above, any other information of a technical or scientific nature contained in any pharmaceutical dossier related to the Products or otherwise used in connection with any application for or maintenance or renewal of any Product Licence in the Territory; and

f. the Intellectual Property Rights to any Product (subject always however to the assignment(s) contemplated by Clause 4.1.2).

Restricted Information shall not include information that:

a. is in or comes into the public domain other than as a direct or indirect result of a breach of this Agreement;

b. is known by either Party or its Affiliates before the date of this Agreement and is not under any obligation of confidence in respect of such information; or

c. lawfully becomes available to either Party or its Affiliates other than from a source which is connected with either Party or any company that is (or was at the date of this Agreement) in its Group and that the source is not under any obligation of confidence in respect of the information;

d. any information which a Party can demonstrate was developed entirely independently from any Restricted Information and not created in breach of Clause 7; and

e. the Parties agree in writing is not confidential.

"**Retained Trade Marks**" means all trademarks, trade dress, logos, designations or other names of any kind whatsoever, whether registered, unregistered or capable of registration, anywhere in the world in which BPL has any interest other than the Apokyn US Trade Mark, and includes the right to use, exploit, enforce and register the trade mark 'Apokyn' or similar mark in all parts of the Reserved Territory.

"**Royalty Payment**" for the purposes of Clause 13, means [**] ([**]%) of [**], less the [**].

"**Sales Budget**" means a budget specifying for each Calendar Year the sales forecast (expressed both in terms of [**] and corresponding [**]) to be targeted by USWM and any relevant Affiliate(s).

"**[**] Development Costs**" means the actual costs, including [**], properly incurred by a Party in connection with a Development Program (to the extent specifically provided for in any development budget or any approved cost-overruns) (excluding any [**] and [**] required to be paid to any [**] in connection with [**] for, [**] and [**] any [**]), as

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approved from time to time by the Joint Development Committee (acting reasonably) and specifically includes the following to the extent so approved:

a. reasonable & direct [**] ([**]) incurred by a Party properly allocable to the development activities directly related to the Development Program, including the costs associated with any required or approved [**] or [**] related to the Products such as [**] or [**] but excluding however [**] and [**] for [**];

b. amounts properly billed to a Party by a Third Party with respect to assistance rendered by such Third Party in connection with the Development Program;

c. amounts paid or accrued by any Party for the [**], by [**], [**], [**] or otherwise, of [**] relating to and properly allocable to the Development Program (which, for the avoidance of doubt, shall constitute [**] - unless the same is [**] - and the Parties shall have regard to clause [**] in this respect);

d. provided such costs are pre-approved by the Joint Development Committee, the cost to a Party of [**] and/or [**] and [**] (excluding [**] of the relevant Party or Affiliate thereof) who will be [**] in a Development Program but only for the actual duration of each [**] therein and at a [**] or [**] to such [**] to such Development Program which is pre-agreed in advance, provided further that:

    1. the Party does not have the relevant [**] or [**] from within its own Development Program [**];

    2. the aforesaid costs of such [**] will be [**] than the cost of [**] the [**] to be [**] by a [**];

    3. in no circumstances will any [**] or [**] and [**] relating to [**] of such [**] constitute Shared Development Costs;

    4. the parties shall use their commercially reasonable efforts to ensure that the Joint Development Committee agrees a system for effectively monitoring [**] by relevant [**] on the Development Program.

e. For the purposes of this definition, the phrase ‘‘executives’’ includes [**], [**], [**], [**], [**] & [**] and their respective successors, and includes any other individuals carrying on an executive function within each Party and/or relevant Affiliates.

Notwithstanding the foregoing, if: (i) any [**] which has been [**] by or on behalf of [**] in relation to its [**] is subsequently [**], following Joint Development Committee Approval of such [**], in any Development Program, [**] shall be entitled to be reimbursed [**]% of the [**] and [**] directly [**] by it in [**] such [**] that is subsequently [**] in a Development Program; and (ii) if any [**] which has been [**] or in connection with a Joint New Development in relation to the Territory only is subsequently used by [**] for its developments in the [**], [**]

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shall be entitled to be reimbursed an amount of the [**] and [**] directly [**] by it in [**] such [**] that is subsequently [**] by [**] in the [**] so as to reflect the [**] for a Joint New Development for the Territory and the Reserved Territory.

"**Specification**" means the specification for a relevant Product as set out in the Technical Agreement relating thereto and the Product Licence therefor.

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

"**Third Party**" means any Person other than a Party or its Affiliates.

b. References to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and include references to any provisions of which they are re-enactments (whether with or without modification); and references to statutes include the Schedules thereto and any regulations or subordinate legislation made thereunder;

c. Words and expressions importing the singular include the plural and vice versa; words importing any gender include every gender; and references to persons include bodies corporate, unincorporated associations, partnerships and individuals;

d. References to Clauses, Recitals and Schedules are references to Clauses hereof and recitals and Schedules hereto; references to sub-Clauses are, unless otherwise stated, references to sub-Clauses of the Clause in which the reference appears; references to this Agreement include the Recitals and Schedules; and the Schedules form part of this Agreement as if set out in the body of this Agreement. A reference to an agreement is a reference to that agreement as varied or novated (in each case, other than in breach of the provisions of this Agreement) at any time;

e. The headings to Clauses, Schedules and paragraphs to Schedules are inserted for convenience only, have no legal effect and shall not affect the construction or interpretation of this Agreement;

f. Any phrase introduced by the terms "including", "include", "in particular", "including, without limitation,", "including but not limited to" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. Reserved

3. Appointment of USWN as Exclusive Distributor of the Apokyn [**] Pen Product

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a. BPL hereby appoints USWM as its exclusive distributor for the promotion and sale of the Apokyn [**] Pen Product in the Territory, and USWM agrees to act in that capacity (subject to the terms of this Agreement).

b. Nothing in this Agreement shall entitle USWM to exploit any of the rights licensed to it under this Agreement or any Intellectual Property Rights or Restricted Information of BPL other than in accordance with this Agreement.

c. Subject to Clause 4.11 and other terms of this Agreement, Britannia hereby grants to USWM an exclusive licence, solely for use in the Territory, of the Excluded IP referred to at paragraph (i) of such definition, for the sole purpose of enabling USWM to exercise its rights and perform its obligations under this Agreement.

d. If USWM wishes to assign its interest and/or subcontract or delegate any of its duties and responsibilities hereunder or under the [**] to an Affiliate of USWM, then (without prejudice to Clause 4.1.4 & 4.1.5) no less than [**] Business Days prior to the effective date of the assignment, sub-contracting or delegation:

i. it shall notify BPL that it desires to do so and shall provide the name of the proposed assignee, sub-contractor or delegate Affiliate; and

ii. (without prejudice to the condition at clause 2.1.6 above) require and ensure that the Affiliate executes and delivers an Assignment and Assumption Agreement of this Agreement and the [**], sub-licence, or sub-contract, as the case may be, to BPL, in a form and content reasonably satisfactory to BPL.

e. Except as provided in Clause 4.11, Clause 5 and Clause 23.1.1, upon termination of this Agreement, USWM shall have no further rights to purchase or distribute the Apokyn [**] Pen Product or to the licence of any Excluded IP, unless otherwise agreed in writing by BPL, except that for a period of [**] days following expiration or termination, USWM may, on a non-exclusive basis, continue to sell, in accordance with the terms and conditions hereof, any inventory of the same in its possession, custody and control (which shall include non- cancellable orders of inventory (if any) and inventory in the possession of Third Party distributors which is subject to a retention of title in favour of USWM) at that time.

4. Ownership of the Joint IP and Commercialization of the Joint IP and the US Apokyn IP

a. <u>Joint Ownership & Excluded IP</u>

i. The Joint IP created under this Agreement (which, save as regards Excluded IP contained therein, includes the [**] and any [**] that does not constitute a [**] of [**] Intellectual Property Rights from any [**] from time to time) shall, subject to any assignment made or to be made in accordance with clause 4.1.2, be jointly owned in [**] and [**] by BPL on

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the one hand and USWM on the other hand, and may be commercialized or transferred only pursuant to the terms and provisions of this Agreement (including any clause which is expressed to survive termination, howsoever arising).

ii. The joint ownership between the Parties of any Joint IP is limited to the US Territory only and excludes the Excluded IP, including all Intellectual Property Rights relating to the Apokyn [**] Pen Product (and any post-approval studies commissioned in relation thereto) (all of which Excluded IP belongs to BPL exclusively, or any Third Party licensor of relevant Intellectual Property Rights to BPL or its Affiliates, as applicable). To the extent that USWM or its Affiliates on the one hand or BPL on the other creates, acquires (other than through an in-licensing arrangement where such rights are expressed to belong to a Third Party) or develops any Intellectual Property Rights in respect of any Product that is or becomes Joint IP hereunder, then: (i) insofar as the same arise or exist or are capable of commercialization, or are applied for, brought or made within the [**] (whether or not they also arise or are capable of commercialization, or are also applied for, brought or made within the [**]) (including any Excluded IP), shall [**] to and [**] in [**], and, to the extent necessary to vest ownership of the same [**] in [**], [**] agrees to (or agrees to procure that any relevant Affiliate agrees to) assign, assigns, and does hereby assign its entire right, title and interest in and to any such Intellectual Property Rights outside of the [**], as such rights are created, acquired or arise, to [**] for all the [**], free of all security interests, claims and encumbrances (and the Agent(s) and the Agent Representative agree and acknowledge that the same is free of all security interests and encumbrances); and (ii) insofar as the same arise or are capable of commercialization, or are applied for, brought or made within the [**], whether or not they also arise or are capable of commercialization, or are also applied for, brought or made within the [**], shall be jointly owned by the Parties and a [**]% [**]in the whole shall be assigned and hereby is assigned irrevocably to belong to and vest absolutely in [**] and [**], and, to the extent necessary to vest interest said [**]% interest ownership of the same absolutely in [**] or [**], as the case may be, [**] and [**], as the case may be, agree to assign, assigns, and does hereby assign an [**]% interest in the whole of such Intellectual Property Rights in the [**], as such rights are created or arise, to the other Party for the [**], free of all security interests, claims and encumbrances (and the Agent(s) and the Agent Representative agree and acknowledge that the same as owned or to be owned by [**] is free of all security interests, claims and encumbrances). Neither [**] nor its Affiliates shall have or retain any rights whatsoever to any such Intellectual Property Rights (i) in the sole name of [**] in the [**], or (ii) that is or becomes Joint IP hereunder in the name of [**] as a [**] of a [**]% [**] interest in

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the [**], other than in the case of (ii) only, in accordance with the remainder of this Clause 4. Accordingly, [**] shall be the [**] of the Intellectual Property Rights to the Products for the [**], and shall be able to commercialize the same fully in the [**] without notice, consent or recourse to [**] or any of its Affiliates. Neither [**] nor its Affiliates shall have or retain any rights whatsoever to any such Intellectual Property Rights that is or becomes Joint IP in the name of [**] as a [**] of a [**]% [**] interest in the [**] other than in accordance with the remainder of this Clause 4.

iii. Neither [**] nor its Affiliates shall assert any rights in relation to the rights owned by [**] or vested in [**] (whether now existing or hereafter created or arising) pursuant to Clause 4.1.2 and [**] acknowledges (and shall procure the acknowledgement of its Affiliates of) [**] full ownership of such rights, to the exclusion of [**] and its Affiliates in the [**]. Furthermore, neither Party shall (and shall procure that none of its Affiliates shall) challenge the ownership of any rights of the other Party under Clause 4.1.2 or any Intellectual Property Rights held by the Joint Venture Company.

iv. Subject to Clause 4.1.5, if a Party ("**Assigning Party**") wishes to assign its interest in some or all of the Joint IP to an Affiliate of the Assigning Party then no less than [**] Business Days prior to the effective date of the assignment:

a. it shall notify the other Party (Non-Assigning Party) that it desires to do so and shall provide the name of the proposed assignee; and

b. require and ensure that the Affiliate (as the case may be) executes and delivers an Assignment and Assumption to the Non-Assigning Party (in a form and content reasonably satisfactory to the Non-Assigning Party).

v. No assignment under clause 4.1.4 shall relieve the Assigning Party from any liability it may have to the Non-Assigning Party under this Agreement. Each Party hereby guarantees the performance of its Affiliates, and the grant of any sub‐licence or transfer of rights to any Affiliate shall not relieve the sub-licensing or transferring Party of its obligations under this Agreement, except to the extent that they are (and continue to be) satisfactorily performed by such Affiliate sub-licensee. Any such sub-licence (or transfer) to an Affiliate shall terminate (or be revoked, as the case may be) automatically in the event of a change of Control of such Affiliate resulting in the latter ceasing to be an Affiliate of the relevant Party and the sub‐licensing (or transferring) Party shall expressly provide for such automatic termination (or revocation, as the case may be) in the sub-licence (or transfer).

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i. If a Party wishes to assign its interest in the Joint IP to an Affiliate then it need not necessarily assign its interest in all the Joint IP throughout its relevant territory, and may assign its interest in only some of the Joint IP, but without prejudice to its obligations under clause 4.1.4 b.

ii. If an assignee under the foregoing provisions ceases to be an Affiliate of the Assigning Party, then the Assigning Party shall procure that such entity shall forthwith re-assign its interest in the Joint IP to the Assigning Party.

iii. For the avoidance of doubt, no assignment or grant of any security interest or encumbrance to any Third Party over the Joint IP and/or any Intellectual Property Rights licensed hereunder by BPL to USWM is permissible without the prior written approval of the other Party (which approval if given is on a case by case basis), except in compliance with Clauses 24.1 thru 24.3. Any secured party granted such a security interest shall be required to sign an acknowledgement in the form of a counterpart signature page to this Agreement evidencing such secured party's acknowledgement of the terms and conditions set forth in Clauses 4.1, 23.1, 24.3 and 24.4.

a. Management of the Joint IP

i. The Parties recognize that for the duration of the protection afforded by the Joint IP and until such time as the Joint IP falls into the public domain (other than through a breach of this Agreement) or is not otherwise registered as a patent or other registered right, decisions will need to be made in relation to management of the Joint IP, including:

a. whether to apply for patent or other registered protection of any of the Joint IP;

b. whether and how to prevent any unauthorized disclosure of misuse of the Joint IP;

c. selection of outside counsel required or prudent to assist in such management;

d. authorizing any expenses in relation to any of the foregoing; and

e. whether and, if so, how and when any of the Joint IP is published other than in applications for patent protection or in respect of an application for a Product Licence (whether in the Territory or the Reserved Territory), (together, the "**JIP Management**").

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i. Each Party shall elect a representative (each a "**Representative**") to be responsible for communicating to the other Party information about, and each Party's comments and decisions relating to, the JIP Management. The Representatives shall correspond and meet as often as required to effectively manage the Joint IP. Comments and decisions of a Party in relation to the JIP Management shall always be communicated to the other Party, and the Representatives shall only act by unanimous consent.

ii. Each Party shall promptly execute any documents required to implement decisions of the Parties in relation to the JIP Management of the Joint IP.

iii. If the Representatives are unable to agree on a matter relating to the JIP Management of the Joint IP then that matter (the "**JIP Management Dispute**") shall be escalated to the CEO (or equivalent) of each Party or a member of the senior management of any ultimate parent company) (the "**Designated Officers**"), who shall meet (in person or by telephone) within [**] days of the matter being escalated to them to discuss the JIP Dispute.

iv. If the Designated Officers are unable to resolve a JIP Management Dispute within [**] days of the dispute having been escalated to them, then any Designated Officer may request that the Parties refer the matter for expert determination in accordance with Clause 6.6 below.

v. Unless otherwise provided for in this Agreement or agreed in writing between the Parties, all costs involved in the JIP Management of any Joint IP shall be shared between the Parties, [**]% to USWM and [**]% to BPL, except any costs which result from any action of a Party which was not pre-agreed by the Representatives, which shall be borne solely by the Party taking such action.

a. Registration

i. No registration of any Joint IP which entails the public disclosure of the Joint IP (such as a patent registration) shall take place without the prior written agreement of both Parties, except for the sole purpose of obtaining any Product Licences for Products in accordance with Clause 5 or as otherwise provided in Clause 4.2.

ii. If the Parties agree to the registration of any Joint IP under Clause 4.2.1 (*JIP Management*) other than in connection with obtaining any aforesaid Product Licence, then (unless otherwise agreed by the Parties in writing and subject to Clause 4.2):

a. such registration(s) shall be owned in [**] by the Parties and shall be deemed to be Joint IP;

b. USWM shall be responsible for duly and timely preparing, filing and prosecuting any application for registration on behalf of the Parties and in their joint names in the Territory (subject to informing the JIP Management of any material information or decision required, and deferring to the JIP Management in respect of such decision);

c. USWM shall be responsible for the proper maintenance and timely renewal of any such registrations in the Territory on behalf of both Parties and in their joint names (except as regards any Product Licence for Products, where USWM shall be able to apply for the same in its own name in the Territory) (subject to informing the JIP Management of any material information or decision required, and deferring to the JIP Management in respect of such decision). BPL shall provide USWM with all assistance, information, and instruction which is reasonably required by USWM to comply with its obligations under this clause 4.3.2; and

d. BPL shall promptly reimburse [**]% of all proper and reasonable third party disbursements incurred by USWM under paragraphs b. and c. above.

iii. Neither Party shall amend or abandon any registration in respect of which the Parties are jointly registered without the other Party's written consent. The Representative of the Party making an application for registration shall consult with the Representative of the other Party at reasonable intervals concerning the application for, prosecution of and maintenance of such registration(s).

b. Infringement

i. Each Party shall inform the other Party promptly in writing if it (or its Affiliates) becomes aware of any actual, threatened or suspected infringement, misuse or challenge of any Joint IP in the Territory.

ii. Without prejudice to clause 15 (*Confidentiality*), further to Clause 4.4.1, each Party (for purposes of this sub-clause a "**First Party**") shall have the right but not the obligation to take action, file suit and enforce the Joint IP against such infringing third party, and to defend an action filed by a third party seeking to declare its rights as to any Joint IP in the Territory and to bring counterclaims to enforce the Joint IP against such third party, at its [**], in its [**] and under its [**] and [**] (with the other Party (for purposes of this sub-clause a "**Second Party**") having the right to participate in any such action and be represented at its [**], if it so desires, by counsel of its own selection therein to the extent legally permissible), save that the First Party electing to take any action shall consult with the

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Second Party with regard to any material aspect of enforcement, shall have due regard to any reasonable representations made by the Second Party and shall not acknowledge Third Party rights or claims, and shall not settle any action, proceeding or dispute without the Second Party's prior written consent (such consent not to be unreasonably withheld or delayed). The Second Party shall in any case assist, and join in any action as requested or required to maintain the action, subject to being indemnified in a reasonable manner as to any costs, damages, expenses or other liability and shall have the right to be separately represented by its own counsel at its own expense. If any damages or other sums are received by the First Party taking action (whether awarded by a court or paid by or on behalf of the infringing third party in an out-of-court settlement) as a result of any action that the First Party may take, suit it may file or other enforcement activity, the Second Party shall be entitled to retain from such damages or other sums paid an amount equal to its [**] and [**] which it has incurred in assisting in such action, suit or enforcement activity together with a sum equal to [**] per cent of the monies so recovered by the First Party. Any remaining sum shall go to the [**] taking such action, provided that if the sum received is insufficient to cover the First and Second Party's [**] and [**] which were incurred in taking such action, then the First and Second Parties shall [**] the sum received [**] according to their [**] and [**]. However, where both Parties have elected to participate in such action, such action shall be managed in accordance with clause and the proceeds so recovered shall be allocated [**]% to USWM and [**]% to BPL in respect of any infringement directly arising in respect of the Territory, or, where the claim against such third party is in respect of an infringement of Joint IP arising with respect to the Territory and an infringement of equivalent Intellectual Property Rights in the Reserved Territory, the proceeds so recovered shall be allocated [**]% to BPL and [**]% to USWM (in each case, after each Party has recovered its respective out of pockets costs and expenses or shared them pro rata).

c. Commercialization & Exclusivity

i. Without prejudice to the rights granted to USWM in Clause 3, USWM shall also have a non-transferable (except in association with a permitted assignment pursuant to Clause 4), exclusive (subject to Clause 4.6) for the Territory, irrevocable and perpetual right in the Territory under the Joint IP to distribute, market, sell, advertise and promote Products manufactured under the Joint IP, subject always to: (i) such commercialization being made solely under the Apokyn US Trade Mark licensed under the [**] (or any other mark agreed to by the Parties, or as otherwise agreed by the Parties as required by the FDA or for an [**] JDC for the Territory from time to time, all (except for [**]) of which are to be owned by the Joint Venture Company); and (ii) compliance by USWM with the provisions of

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this Agreement and the [**] during the term of this Agreement (and thereafter, subject to compliance by USWM with those provisions which are expressed to survive termination, which, for the avoidance of doubt, shall include an obligation on USWM to make continued [**] for such time as the Products (or any other product containing any Joint IP) are sold by it [**] or [**] are [**] by [**] to it under [**]. Subject to Clause 4.6.1, without prejudice to any other provision of this Agreement, neither Party nor its Affiliates shall be entitled to use Joint IP in the Territory in connection with any other product not being an [**] Product or a Product arising from a Joint New Development without the prior agreement of the Parties, which shall be made in good faith, including as to royalties to be paid to the other Party for the use of the same, having regard amongst other factors to the extent of Joint IP comprised in any such other product. For the avoidance of doubt, this Clause is not intended to prohibit either Party from exercising any general know‐how (as distinct from specific scientific information and clinical data) that it has acquired from time to time, or from using any Joint IP derived from a New Development in the event that the other Party abandons that New Development or from using any Joint IP in any development which has been proposed to the other Party in accordance with clause 7, but in which the other Party elects not to participate.

ii. **[Reserved]**

iii. Save as regards the rights and licences expressly granted pursuant to Clauses 3 & 4 which are applicable only in the Territory, USWM acknowledges (and shall procure that its Affiliates acknowledge) that neither it nor any Affiliate thereof has (and shall have) a licence or other right or interest of any nature in the Intellectual Property Rights held or acquired by BPL for the Reserved Territory (including those vested in, assigned or transferred to BPL pursuant to Clause 4.1.2 or constituting Excluded IP). Accordingly, USWM undertakes to BPL that at no time during the term of this Agreement and/or at any time thereafter (irrespective of how or when this Agreement is terminated) (however only up to the time that, and as long as, the Products are covered by Excluded IP):

a. neither it nor its Affiliates shall (directly or indirectly) appoint any other person, firm or company as licensee, distributor or agent for the Products in the Reserved Territory; or

b. neither it nor its Affiliates shall actively market (or permit or facilitate in any way any Third Party to actively market) to any other person, firm or company in the Reserved Territory any of the Products, whether for use or resale; or

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c. neither it nor its Affiliates shall actively market (or permit or facilitate in any way any Third Party to actively market) to any other person, firm or company in the Reserved Territory any other product or services bearing the Apokyn US Trade Mark or any other rights licensed to USWM under the [**]; and/or

d. it shall use all commercially reasonable efforts to enforce such restrictions on any agent, licensee or distributor.

iv. USWM further undertakes to BPL that for the Initial Term and in respect of any extention of the obligations of the Parties under Clause 7 beyond the Initial Term, neither it nor its Affiliates shall be concerned or interested, either directly or indirectly, in the promotion, sale or resale in the Territory and/or any part of the Reserved Territory (excluding the EEA) of (i) any other goods or products which [**], or (ii) any other goods or products which contain any [**] in the [**] or any product in development as contemplated by this Agreement, in each case in the Field of Use (a "**Competing Product**"), other than in accordance with Clause 7 below. Notwithstanding the foregoing, the Parties may mutually agree to extend the scope of this non-compete undertaking beyond the Initial Term for an additional term of [**] years in the event that they have launched an IP protected New Field Product in the Territory in the [**] years immediately preceding the expiry of the Initial Term.

For the avoidance of doubt, USWM shall not be deemed to be in breach of Clauses 4.5.3 or 4.5.4 in the event of a change of Control to a bona fide Third Party that already has a Competing Product on the market or is actively developing a Competing Product as at the date of such change of Control which is subsequently commercialized or in the event that it has fully complied with its obligations in Clause 7 but BPL elects not to participate in the development or commercialization (as the case may be) of a New Field Product.

v. BPL undertakes to USWM that, subject to Clause 4.6 (*loss of exclusivity and rights under the* [**]) or termination by BPL or USWM (as applicable) under Clause 21.1, for the same period as that referred to in Clause 4.5.3:

a. neither it nor its Affiliates shall (directly or indirectly) appoint any other person, firm or company as licensee, distributor or agent for the Products in the Territory; or

b. neither it nor its Affiliates or licensees shall actively market (or permit any Third Party to actively market) to any other person, firm or company in the Territory any of the Products, whether for use or resale; and/or

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c. it shall use all commercially reasonable efforts to enforce such restrictions on any agent, licensee or distributor.

vi. BPL further undertakes to USWM that, for the same period as that referred to in Clause 4.5.4, neither it nor its Affiliates shall be concerned or interested, either directly or indirectly, in the promotion, sale or resale in the Territory of any Competing Product other than in accordance with Clause 7 below. Notwithstanding the foregoing, the Parties may mutually agree to extend the scope of this non-compete undertaking beyond the Initial Term for an additional term of [**] years in the event that they have launched an IP protected New Field Product in the Territory in the [**] years immediately preceding the expiry of the Initial Term.

For the avoidance of doubt, BPL shall not be deemed to be in breach of Clauses 4.5.5 or 4.5.6 in the event of a change of Control to a bona fide Third Party that already has a Competing Product on the market or is actively developing a Competing Product as at the date of such change of Control which is subsequently commercialized or in the event that it has fully complied with its obligations in Clause 7 but USWM elects not to participate in the development or commercialization (as the case may be) of a New Field Product.

vii. Each Party agrees (for itself and on behalf of its Affiliates):

a. to use the Joint IP, the rights covered by the [**], or any similar Intellectual Property Rights which are the subject of Clause 4.1.2, in a professional manner, in accordance with good business practice and in compliance with all applicable laws, standards and guidelines and scientific state of the art in force in the Territory or the Reserved Territory (as the case requires) from time to time.

b. not, by any act or omission, to use any Joint IP, the rights covered by the [**], or similar Intellectual Property Rights which are the subject of Clause 4.1.2, in any manner that tarnishes, degrades, disparages or reflects adversely on the other Party or their respective businesses or reputations; and

c. to provide all reasonable assistance to the other Party in protecting the Joint IP or any similar Intellectual Property Rights which are the subject of Clause 4.1.2 at the other Party's cost, unless otherwise agreed.

viii. Neither Party nor any of its Affiliates shall hold itself out as the other Party's agent for sales of the Products except as provided in this Agreement, pledge the other Party's credit, give any representation, condition or warranty on the other Party's behalf, hold itself out as being entitled to bind the other Party or commit the other Party to any contracts.

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ix. Neither USWM nor any of its Affiliates shall make any promises, guarantees or warranties about the Products beyond those contained in the Promotional Materials, or otherwise incur any liability on behalf of BPL Neither USWM nor any of its Affiliates shall use the word "Agent" or words of similar import, in any and all correspondence, advertising or otherwise in connection with the marketing of the Products.

x. USWM shall in the commercialization of Products and any Infustion Product and Joint New Development in the Territory at all times comply (and procure compliance by its Affiliates) with its obligations under the [**].

xi. Neither USWM nor any of its Affiliates shall sell any of the Products through sub‐licensees without the prior written approval of BPL, which approval shall not be unreasonably withheld, denied or delayed. Notwithstanding the above, USWM shall have the right to sell the Products through any local Affiliate in the Territory in accordance with the terms of this Agreement (including as to compliance with Clause 3.4 and 24.3).

xii. Nothing in this Agreement shall entitle USWM nor any of its Affiliates to:

a. any [**] or [**] against BPL if any of the [**] required to [**], [**], [**] and [**] the [**] in the [**] cannot be [**], [**], [**] or not [**] in the same scope as originally granted; or

b. to [**], [**] and/or [**] any of the rights granted to or acquired by it under this Agreement or any [**] (including any [**]) or [**] other than in accordance with this Agreement.

xiii. Neither Party shall, directly or indirectly, make (or attempt) any alterations to the Dossiers or Product Licences relating to any Joint IP or endeavour to register the same without the prior written approval of the other Party, which written approval shall not be unreasonably withheld, denied or delayed. Neither USWM nor any of its Affiliates shall make (or attempt) any alteration to the Dossier or Product Licence for the Apokyn [**] Pen Product without the prior written approval of BPL, which written approval shall not be unreasonably withheld, denied or delayed.

d. Loss of (i) exclusivity hereunder and (ii) licence rights under the [**]

i. Notwithstanding any rights implied by law (but subject always to Clauses 3.5, 4.6.2, 4.6.3 and 6.9), the right to market, sell and distribute the Products in the Territory under the Joint IP and the Apokyn US Trade Mark and other rights covered by the [**] is exclusive to USWM, and BPL shall not be entitled to assert any rights to commercialise the

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Products (or any product that would otherwise fall within the scope of clause 7.2.6) under the Joint IP in the Territory, until and unless, subject to the Agents' rights under Clause 22.9:

a. USWM or any of its Affiliates [**] the [**] in the [**] under any [**] or [**] other than under the [**] and [**] (or any other [**] owned by the JVC or as otherwise agreed by the Parties as contemplated by Clause 4.5.1, including with respect to an [**] approved by the JDC); or

b. USWM or any of its Affiliates [**] a [**]in the [**] (i) at any time while Clause 7 is applicable, unless it has fully complied with its obligations in Clause 7 but BPL elects not to participate in the [**] or [**] (as the case may be) of a [**], (ii) at any time thereafter;

c. USWM or any of its Affiliates [**] any [**] in the [**] (including the [**]) at any time (including after the [**]);

d. USWM or any of its Affiliates is in [**] of its [**] under this Agreement, which [**] is not [**] within the period referred to in Clause 22.1 or 22.2, as applicable; or

e. Subject to (i) Clause 13.1 or (ii) [**] being in [**] in accordance with Clause 22.1 (which [**] is not [**] pursuant to Clause 22.1 or 22.2, as applicable), USWM or any of its Affiliates [**] to [**] all of its [**] of the [**] from [**] in accordance with the terms of this Agreement (without the prior written agreement of BPL); or

f. USWM or any of its Affiliates takes any steps to [**] or [**] any rights over BPL's interest in the [**], the [**] or any [**] in the [**] reserved to BPL under Clause 4.1.2; or

g. USWM or any of its Affiliates takes any steps to [**] or [**] any rights over the [**] and other [**] to it under the [**] (except in accordance with the terms of the [**] and the [**]); or

h. USWM or any of its Affiliates takes any steps to [**] rights to, and/or does [**] the [**] in the [**]; or

i. USWM or any of its Affiliates takes any steps to [**] rights to, and /or does [**] any [**] or [**] in the [**] under the [**] or other rights [**] to it under the [**]; or

j. USWM or any of its Affiliates [**] any other [**] in the [**] under the rights granted to it in the [**]; or

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k. USWM (or any Affiliate thereof to whom any part of this Agreement or the Joint IP has been assigned or sub-licensed) suffers any Insolvency Event; or

l. Unless otherwise agreed by the Parties, USWM or any of its Affiliates [**] to [**] or [**] the [**] in the [**].

For the avoidance of doubt, in the case of a loss of [**] by USWM on the grounds set forth in this Clause 4.6.1. the consequences set out in Clause 4.6.2 for a BPL termination against USWM under Clause 22.1 shall apply mutatis mutandis.

ii. If USWM terminates this Agreement under Clause 21.1 (a *no fault termination event*), or BPL terminates this Agreement against USWM under Clause 22.1 (including with respect to the events set forth in Clause 4.6.1), then:

a. BPL shall cease to be [**] to any [**] or [**] from USWM (other than in respect of such [**] which have [**] as at the date of termination and in respect of any [**] for the [**] as at such date);

b. Clause 5.2.2 shall apply with immediate effect, and the parties shall use all commercial efforts to initiate and complete the actions contemplated subclauses a., b. and c. thereof at the earliest opportunity;

c. USWM shall be entitled to a [**], [**], [**] (other than to Affiliates), [**] of the [**] as such [**] existed immediately before the date of such termination used in any [**] or [**], but only for the duration of the [**] granted by BPL to USWM under [**] and only to [**] the [**] or [**] in the [**];

d. USWM and its Affiliates shall cease using the [**], [**], and [**] in all circumstances;

e. USWM shall take all steps required of it or its Affiliates under the [**] to [**] the [**] to it by the [**] and further agrees to [**] all of its [**] in the [**] to BPL for [**]. Until such [**] is completed, USWM shall [**] (through the exercise of all [**] and its [**]) that the [**] shall enter into a [**] with [**] on identical terms to the [**] and shall take all such steps which are reasonably required under the constitution of the [**] and the [**] to effect the same;

f. USWM shall procure the [**] of any [**] and [**] of all [**] held by it under this Agreement or the [**] with effect from the expiry of the [**] day period referred to in [**];

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g. the rights of USWM to [**] the [**] in the [**] shall become [**], and each of BPL and USWM shall (respectively) have the right to [**] the [**] in the [**]; and

h. the effective date of the termination (excepting the supply of Products which shall continue until the earlier of [**] years or the date of a [**] for [**] of [**]) giving rise to the foregoing rights shall be:

1. if a termination under Clause 21.1, the [**] of (1) the date of such [**] as determined in accordance with [**], or (2) the date on which the [**] contemplated by [**]. above is [**] by the [**]; and

2. if a termination under Clause 22.1, the [**] of (1) the date of such [**] as determined in accordance with [**], or (2) the date on which the [**] contemplated by [**]. above is [**] by the [**].

iii. If BPL terminates this Agreement under Clause 21.1 (*a* [**] *termination event*), or USWM terminates this Agreement against BPL under Clause 22.1, then:

a. BPL shall cease to be [**] to any [**] or [**] from USWM (other than in respect of such [**] which have [**] as at the date of termination and in respect of any [**] for the [**] as at such date);

b. Clause 5.2.1 shall apply with immediate effect, and the parties shall use all commercial efforts to initiate and complete the actions contemplated by subclauses a., b., c. and d. thereof at the earliest opportunity;

c. USWM shall be entitled to a [**], [**], [**] (other than to Affiliates), [**] of the [**] as such [**] existed immediately before the date of such termination used in any [**] or [**], without [**] as to [**] or [**], and only to [**] the [**] or [**] in the [**];

d. BPL shall [**] all of its [**] in the [**] to USWM for [**], and shall take all such steps which are reasonably required under the constitution of the [**] and the [**] to effect the same;

e. the rights of USWM to [**] the [**] in the [**] shall become [**], and each of BPL and USWM shall (respectively) have the right to [**] the [**] in the [**]; and

f. the effective date of the termination (excepting the supply of Products which shall continue until the earlier of [**] years or the date of a [**] for [**] of [**]) giving rise to the foregoing rights shall be:

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3. if a termination under Clause 21.1, the [**] of (1) the date of such [**] as determined in accordance with [**], or (2) the date on which the [**] by [**] above is [**] by the [**]; and

4. if a termination under Clause 22.1, the [**] of (1) the date of such [**] as determined in accordance with [**], or (2) the date on which the [**] by [**] above is [**] by the [**].

iv. The foregoing provisions of this Clause 4.6 are without prejudice to any other remedy either Party may have against the other Party for breach of this Agreement or any agreement entered into by the Parties pursuant to this Agreement.

e. RESERVED

f. Publication

i. Any publication or other disclosure by any Party, not otherwise permitted under this Agreement, of the Joint IP by whatever means including oral, written, electronic or graphic will require prior review and written approval by the other Party, which may be withheld in the other Party's absolute discretion to the extent that it constitutes Joint IP (or part thereof), including to allow a proper filing of registered Intellectual Property Rights pursuant to Clause 4.3. For the purposes of this Clause 4.8 "disclosure" shall not be taken to include publication of information concerning the Products in ordinary course of business marketing materials which do not include a list of ingredients of the Formulations or the methods of manufacture of the Products or any other Intellectual Property Rights capable of registration. At least [**] days prior to its planned submission for publication the Party which wishes to publish or disclose shall provide the other Party with a copy of any such publication or disclosure for review. Failure of the other Party to respond shall not be deemed consent to publication.

ii. Notwithstanding Clause 4.8.1 or any provision of Clause 15, it is acknowledged that BPL and its ultimate holding company may be required under applicable laws and regulations by which it is bound to report matters pertaining to Joint IP and any joint development activities in its published accounts from time to time and in this respect, USWM shall be deemed to have given its consent to the extent required to enable BPL or its ultimate holding company to comply with such applicable laws and regulations by which it is bound and BPL shall not be obliged to give USWM advanced disclosure of the same.

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g. Liability

In no event shall either Party be liable to the other Party for that other Party's [**], [**], [**], [**] or [**] damages arising out of breach of this Clause 4. Any other liability of the Parties to one another for breach of this Clause 4 shall (notwithstanding any other provision of this Agreement) be limited to [**] in aggregate (save in the case of [**] or [**]), unless the same relates to an obligation to make an [**] or [**] or is a breach of any obligation set forth in clause 4.5.3, 4.5.4, 4.5.5 or 4.5.6 (which, for the avoidance of doubt, does not preclude damages for the [**]).

h. Cross Linking of Web Sites

To the extent necessary, the Parties shall agree in good faith to the suitable cross linking of any websites used by either Party incorporating the domain name 'Apokyn.'

i. Use of certain Excluded IP following termination of this Agreement

Following termination of this Agreement, and only for the periods of time set forth in Clause 4.6.2.c. or Clause 4.6.3.c, as applicable, USWM shall continue to be entitled to use of certain Excluded IP referred to in Clause 3.3 on a non-exclusive basis to the extent necessary to continue without interruption to promote, market, sell and distribute the [**] Product and any other Product arising from a Joint New Development, but only in the Territory and in the manner stated herein.

1. Product Licence

a. USWM shall be responsible for obtaining, maintaining and renewing any Product Licences and all other regulatory approvals, permits and licences required to import, sell, distribute, promote and deal in the Products in the Territory. All regulatory fees and expenses incurred by USWM or its Affiliates in connection with obtaining or renewing any Product Licence (as the case may be) shall be for the account of USWM or its Affiliate.

b. Each Product Licence shall be applied for and held in the name of USWM until and unless any of the events set forth below applies (in which case the consequences set forth below shall also follow):

i. In the case of termination of this Agreement by BPL in accordance with Clause 21.1 (a [**] *termination event*), or upon termination of this Agreement by USWM against BPL under Clause 22.1:

a. the [**] for the [**] and all other [**] held by USWM or its Affiliates from time to time shall continue to be maintained by USWM or its Affiliate thereafter;

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b. USWM shall promptly pay the sum of USD $[**] ([**] or [**]) to BPL;

c. [**] shall cease to be entitled to any [**] or [**] (save in respect of any [**] pursuant to [**]);

d. USWM shall grant BPL an [**] (regardless of any [**] or [**] associated with such [**]) promptly with effect from the date of [**], which BPL shall be entitled to [**] for a [**] of [**]years;

e. BPL shall be permitted to [**] for a [**] for any [**] covered by this Agreement and shall be permitted a [**]to any [**] by (or on behalf of) USWM or its Affiliates;

f. the provisions of Clause 5.3 and 24.11 shall have effect;

g. each Party shall [**] in connection with any of the aforesaid; and

h. each party shall have the right to contract with any Third Party contract manufacturer for the supply of Products, including the then current Third Party suppliers of Products or Peripherals.

ii. In the case of termination of this Agreement by USWM in accordance with Clause 21.1 (a [**] *termination event*), or upon termination of this Agreement by BPL against USWM under Clause 22.1:

a. all [**] held by or on behalf of USWM or any Affiliate shall be promptly [**] to BPL at [**] to BPL save under paragraph b. below;

b. BPL shall promptly reimburse USWM all [**] and [**] paid to the [**] in connection with such [**] (free of [**] or [**]) incurred by it or its Affiliates;

c. Upon receipt of the [**], BPL shall grant USWM an [**] (regardless of any [**] or [**] associated with such [**]) promptly with effect from the date of [**], which USWM shall be entitled to [**] for a [**] of [**] years;

d. USWM shall be permitted to [**] for a [**] for any [**] covered by this Agreement and shall be permitted a [**] to the any [**] then [**] by (or on behalf of) BPL or its Affiliates (subject however to USWM ceasing to use any [**] of BPL after the period referred to in paragraph c. above);

e. the provisions of Clause 5.3 and 24.11 shall have effect;

f. each Party shall [**] in connection with any of the aforesaid; and

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g. each party shall have the right to contract with any Third Party contract manufacturer for the supply of Products, including the then current Third Party suppliers of Products or Peripherals.

c. Without prejudice to the foregoing, where both Parties are entitled to [**] a [**] and/or [**] in the [**], the Parties shall to the extent so required, discuss in good faith and use all commercially reasonable efforts to enter into an agreement to give effect as far as practicable to the agreements in Clause 5.2 above in the event of change in regulatory processes at the relevant termination date. The obligations in Clause 5.2 and this Clause 5.3 shall [**]. In the event of a termination of this Agreement for any reason, the parties will negotiate in good faith a deed of separation or similar termination agreement, subject always being without prejudice to the rights and remedies of the Parties under this Agreement.

d. USWM shall use its commercially reasonable efforts to obtain all Product Licences (or renewals thereof) which are required at the earliest opportunity for the [**] Development or any Joint New Development. USWM shall not submit any application relating thereto with competent regulatory authorities without first delivering to BPL a copy of the Product file for approval by the Joint Development Committee. -USWM shall keep BPL regularly informed of all developments concerning any application for such Product Licences (or renewals). Subject always to clause 5.8 below, any key decisions pertaining to the Product Licence for the [**] Product or any Product arising from a Joint New Development or application therefor shall be for the Joint Development Committee to decide upon. USWM shall also provide to BPL complete copies of all original Product Licences obtained by USWM (or renewals thereof) issued as soon as these become available.

e. USWM shall notify BPL should any additional work be necessary or required by any competent regulatory authority to maintain any Product Licence or obtain any renewal thereof. Unless expressly stated otherwise, all such additional work shall be deemed to be a Development Program as regards the [**] Product or any product arising from any Joint New Development and shall require the prior approval of the Joint Development Committee and be administered in accordance with the provisions of clause 6. However, as regards any additional work as may be required for the Apokyn [**] Pen Product or any Improvement thereon, such work shall only be carried out with the prior approval of BPL, and at [**], and any results of such program shall belong only to BPL.

f. Until such time as any Product Licence is transferred to BPL pursuant to clause 5.2, USWM will accept responsibility for the discharge of all obligations imposed on the holder of the relevant Product Licence by any law, statute, order or regulation including, without limitation, to product recall, advertising, labelling, ensuring the Products distributed are in accordance with the relevant Product specification, adverse event reporting, provision of an information service and Good Distribution Practice and shall otherwise comply with all its obligations under any PVA to be put in place between the Parties pursuant to Clause 19 and any applicable laws in the Territory. USWM shall also be responsible for all Product information (including the contents of any PIL) and any Promotional Materials or marketing materials produced for the Territory (including any materials or information provided by, or which is

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substantially derived from materials or information provided by, BPL pursuant to clause 9 hereof) ("**Product Information**") and shall [**] and keep BPL and its Affiliates [**] and [**] any [**], [**], [**] or [**] arising from such Product Information.

g. USWM shall ensure that in any contact with the competent regulatory authorities, public funds, statutory health insurance, agency, legislative body, commission, official or other instrumentality for the Territory, as the case may be, it and its Affiliates shall refrain from doing anything which will or may impair, damage or be detrimental to the Product Licences.

h. Neither USWM nor any of its Affiliates shall agree to or apply for any Product Licence or any variation of any Product Licence relating to the Products without the written consent of BPL, which shall not be unreasonably withheld, denied or delayed. USWM further agrees to adhere to any proper instruction of BPL regarding the administration of the Product Licence to the Apokyn [**] Pen Product (including any variation or renewal therefor). No change, variation to the Apokyn [**] Pen Product Licence or application for an authorized generic thereof shall be made without the prior approval of the JDC, nor shall USWM or its Affiliates take any steps to abandon such Product Licence. Subject to prior agreement between the Parties on regulatory costs to be incurred (to be discussed in good faith between the Parties), USWM shall comply with (a) any reasonable instruction of BPL with respect to the alteration of the Dossier or Product Licence for the Apokyn [**] Pen Product and (b) any other alteration reasonably required by any duly licenced contract manufacturer of the Products from time to time to ensure compliance with regulatory requirements.

2. Development

a. The Parties shall undertake the [**] Development in accordance with the development program agreed by the JDC from time to time which shall include budgets, timeline and allocation of tasks to each of the Parties, the post-approval activities related to the [**] Product or any product arising from a Joint New Development, and other activities that the Parties agree to add to such development program, as may be subsequently varied by the Joint Development Committee or the Parties in writing from time to time (the "Development Program").

b. Each Party shall cooperate with the other Party in good faith and shall use all commercially reasonable efforts to achieve successful completion of the [**] Development and any Joint New Development as soon as reasonably practicable and in accordance with any timescales agreed in any licence agreement with a Third Party licensor or such other timescales as are agreed in any applicable Development Program or the New Development Plan (as the case requires). Each Party shall contribute to the [**] Development or the Joint New Development such facilities, personnel and resources as are reasonably necessary to achieve the above objectives in a timely manner and, if applicable, as more particularly set forth in the Development Program or the New Development Plan or as the Joint Development Committee may from time to time agree is appropriate to achieve efficiently the objectives of the same. Without prejudice to the generality of the foregoing, in performing the services required of it under this Clause 6, each Party shall (i) act with the all reasonable care, skill and diligence in accordance with best practice and industry scientific standards in the development of

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pharmaceutical products, (ii) devote such of its time, attention and skill as may be necessary for the proper discharge of its duties and responsibilities in connection therewith and (iii) use personnel who are suitably skilled and experienced to perform tasks assigned to them to ensure that its obligations in this Clause 6 are fulfilled in a timely manner in accordance with this Agreement and in order to support the filing of a new drug application with the applicable regulatory authorities.

c. Subject to the terms and conditions of this Agreement (including Clause 4.1.2), any new Intellectual Property Rights generated through the [**] Development or the Joint New Development for the Territory shall constitute Joint IP (unless the same constitutes Excluded IP or is not capable of being severed from the Excluded IP) and shall be administered and assigned in accordance with Clause 4. To the extent required, each Party shall (and shall procure that any relevant Affiliate shall) assign, agrees to assign, and does hereby assign, and shall procure that its (or its Affiliates') involved employees, agents, collaborators and any approved subcontractor engaged in the Development Program or the New Development Plan shall assign, assigns, and does hereby assign their/its rights in relation to all Intellectual Property Rights generated in the same (regardless of the stage of development) to the other Party so as to give effect to this Clause and the provisions of Clause 4. At the other Party's request, each Party shall execute, and shall procure that any such Affiliate, employee, agent, collaborator and/or approved subcontractor shall execute, all such documents and do all such other acts and things as the other Party may reasonably require in order to vest fully and effectively all such Intellectual Property Rights to which such other Party is entitled in accordance with the foregoing provisions. Unless the same constitutes Excluded IP all information, data and study results which are generated in the [**] Development or any Joint New Development (including any Intellectual Property Rights pertaining thereto) for the Territory shall be deemed Joint IP and otherwise belong to the Parties in accordance with the allocation of rights as set forth in this Agreement and shall further constitute Restricted Information for the purposes of this Agreement, and (without prejudice to Clause 4.1.2), subject to Clause 6.3.1, such information, data, results and rights shall be deemed to belong to, and be vested solely in, BPL with respect to the Reserved Territory (free of all security interests and encumbrances) including as regards Joint New Developments initiated for the Reserved Territory and the Territory. Each Party hereby irrevocably appoints any director/officer of the other Party from time to time as its attorney and hereby grants and authorizes such director/officer power of attorney for the sole purpose of effecting the aforesaid documents, assignments and transfers, and hereby undertakes to ratify anything such attorney may do in connection with the exercise by it of such powers.

d. Notwithstanding the foregoing, and BPL's exclusive ownership for the Reserved Territory of all information, data and study results which are generated in the [**] Development or any of the aforesaid which are generated in any other New Development, BPL agrees that (except in the case of a Joint New Development program for the whole world) if BPL commercializes a pharmaceutical product in the Reserved Territory through the use of, or otherwise uses for regulatory purposes, any of the information, data and study results which are generated in the [**] Development, BPL will [**] a [**] only to USWM, within [**] days of [**] of any new such product or within [**] days of first regulatory approval of the data for use with an existing product in any part of the Reserved Territory, of an amount equal to [**]% of

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the [**] expended by the Parties on the relevant portion of the [**] Development used by BPL in the Reserved Territory, [**] any [**] of [**] already [**] by [**] attributable thereto). For the avoidance of doubt, no such [**] obligation arises if the [**] for the relevant program has already been determined in accordance with paragraph (c) of that definition. The Parties shall cooperate to identify and agree all such costs. In the event of failure to agree within [**] days of a dispute arising, the matter shall be referred for determination to an independent firm of accountants appointed by agreement between the Parties (or, failing such agreement, by the president for the time being of the [**] of [**] of [**]), which firm shall act as an expert and not as an arbitrator, and whose decision shall be binding on the parties save in the case of manifest error. The fees and expenses of such independent firm of accountants shall be borne by the Parties as the firm directs.

e. Joint Development Committee:

i. As soon as practicable following the Commencement Date, the Parties shall establish a joint development committee ("**JDC**") to oversee the regulatory and development efforts regarding the [**] Development and any Joint New Development. The JDC shall be comprised of an equal number of representatives of USWM and BPL (who need to be employees of such Party), not to exceed three from each Party, and shall include at least one person who has a technical role and one who has a commercial role within that Party's organisation. At least [**] days prior to the [**] and thereafter in each case of a change of the representative each Party shall give written notice with full details about the name, employer and professional background of each representatives. In case a Party has any serious objections against a representative for a Joint Development Committee named by the other Party, said Party shall make such objections known to the other Party. The other Party shall thereupon in good faith consider said objections and upon such consideration may, at its sole discretion, name another representative. If a Party wishes to appoint a representative who is not an employee of such Party, the other Party may no later than [**] Business Days following notice of such proposed appointment veto the appointment of such consultant, but such veto shall not be unreasonably exercised. The appointing Party shall ensure that such consultant is bound by agreements (in particular confidentiality and assignment of Intellectual Property Rights obligations) containing provisions which are consistent with the terms and conditions of this Agreement. The Party appointing such consultant shall be liable for any breach of this Clause 6.5.1.

ii. The JDC shall agree on the regulatory and development efforts regarding the [**] Development and any Joint New Development, as well as any Peripherals to be marketed with other Products, which shall include:

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a. the receipt of regular reports from each Party's Project Leader on, and monitor, the conduct, nature, progress and results of the [**] Development or Joint New Development (recognising that the day-to-day monitoring of data and results from the same shall be the responsibility of such Project Leader);

b. defining the milestones and objectives of the [**] Development or the Joint New Development and determine if each milestone or objective in respect thereof has been met;

c. supervising the work of any Project Leader and authorising the commencement of the subsequent development milestone (which for the avoidance of doubt shall not commence until the previous milestone is achieved to the reasonable satisfaction of the Joint Development Committee);

d. periodic review the overall goal and strategy of the [**] Development or the Joint New Development and/or propose amendments to the Development Program or the New Development Plan;

e. allocation of resources and tasks in relation to the [**] Development/Joint New Development between the Parties and record such allocation in revisions to the Development Program/New Development Plan from time to time;

f. agreement as to the milestone budgets/Shared Development Costs for each milestone of the Development Program/New Development Plan (or any variations thereto);

g. agreement at least Quarterly in advance as to the Shared Development Costs that the Parties are entitled to incur;

h. approving or declining any costs overruns (acting reasonably and in accordance with the provisions of this Agreement);

i. monitoring the overall agreed budget for the [**] Development or any Joint New Development and any variations to it;

j. subject to the provisions of Clause 6.6, reviewing and approving the Accounting Statements and undertaking the balancing of Shared Development Costs between the Parties on a [**] basis, so that each Party is liable for the Development Costs according to the Cost Sharing Ratio;

k. having considered (but not being bound by) any recommendations from the Project Leader, deciding whether (and if so on what terms) any aspects

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of the [**] or Joint New Development should be carried out by a third party;

l. meeting Quarterly or at such intervals as it considers appropriate (acting reasonably) to undertake its obligations. Meetings may take place by video conference or telephone conference or such other means as the Joint Development Committee shall decide; and

m. performing any other function specified in this Clause 6 or agreed by the Parties.

iii. The chairman of the JDC throughout the duration of this Agreement shall be such individual selected by [**] from time to time. The chairman shall be responsible for calling meetings and leading meetings. Meetings shall be convened by the chairman with at least [**] days' prior written notice, accompanied by an agenda. Any other member of the JDC may request for an item to be added to such agenda by giving to each member of the JDC (with a copy of the secretary) at least [**] days' prior written notice to the date of such proposed meeting. A secretary shall be appointed from among the JDC members. The secretary shall be responsible for preparing and distributing (within [**] days following each meeting) to all members of the Joint Development Committee the minutes of the meeting. Such minutes shall provide a description in reasonable detail of the discussions held at the meeting and a list of any actions, decisions or determinations approved by the JDC. Final minutes of each meeting shall be distributed to the members of the JDC as soon as reasonably practicable by the Chairman.

iv. All decisions of the JDC shall be made by the vote, approval or affirmation of a majority of the members of the JDC, with each member having one vote on any matter requiring the approval of the JDC. No decision shall be effective unless approved by at least one representative of each Party.

v. Subject to Clause 6.5.1, if a Party's representative is unable to attend a meeting, such Party may designate an appropriate alternative representative to attend such meeting in place of the absent representative or shall be entitled to procure that the absent representative grants to another of such Party's representative a power of attorney authorising the latter to act in his/her place. In addition and subject to Clause 6.5.1, each Party may (at its discretion and with the consent of the other Party, not to be unreasonably withheld, denied or delayed) invite additional employees, consultants or scientific advisors, to attend the JDC meetings (who for the avoidance of doubt shall have no voting rights and shall participate either as observers or to answer questions put by the JDC).

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vi. If a deadlock in the decision making process of the JDC arises (a "**Deadlock**"), then either Party may, within [**] Business Days of the event that has given rise to the Deadlock, serve notice (a "**Deadlock Notice**") on the other Party stating that in its opinion a Deadlock has occurred and identifying the matter over which the Parties are deadlocked. The Parties undertake that following service of a Deadlock Notice, they shall forthwith refer the matter which has given rise to the Deadlock to, in the case of BPL, [**], [**], [**] and, in the case of USWM, [**], [**], and shall each use all commercially reasonable efforts in good faith to resolve the Deadlock.

vii. If the Parties are unable to resolve the Deadlock within [**] Business Days of the Deadlock Notice (acting at all times in accordance with Clause 5.3), then the Parties shall endeavour to resolve the Deadlock through expert determination in accordance with Clause 6.6 below.

f. Expert Determination

i. Where, under any provision of this Agreement, any matter is to be determined by an expert, each Party shall nominate an independent expert, and the experts nominated by the Parties shall nominate a third independent expert, who shall together resolve the matter in dispute in accordance with this Clause 6.6 (together the "**Experts**").

ii. Any persons nominated in accordance with Clause 6.6.1 shall act as experts and not as arbitrators and shall be entitled to appoint such technical persons as they consider necessary to assist them in determining the matter referred to them for expert determination. The Experts shall act by majority decision, and their decision (which shall be given by them in writing stating their reasons therefore) shall be final and binding on the Parties (save in the event of fraud or manifest error).

iii. Each Party shall provide the Experts with such information as they may reasonably require for the purposes of their determination.

iv. The costs of any Expert (including the costs of any technical expert appointed by them) shall be borne in such proportions as the Experts may determine to be fair and reasonable in all the circumstances or, if no such determination is made by the Experts, by the Parties in equal proportion.

g. Project Management:

The day-to-day conduct and management of each component project of the [**] Development, the Development Program, Joint New Development and any New Development Plan (as the case may be) will be managed by a designated project leader of the Party assigned the tasks/responsibilities outlined in the relevant

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Development Program or New Development Plan (a "**Project Leader**''). [**] Development and Joint New Developments shall be discussed and appropriate updates provided via periodic (e.g. monthly or bi-monthly as appropriate based on activity relative to development projects) teleconferences with relevant employees and consultants from each Party as necessary to the objectives of the current development status. The Project Leader shall share all relevant material information reasonably in advance of such teleconferences/meetings. The Project Leader will be designated to run the meeting and issue minutes for each development update call. The Project Leader will be responsible for identifying materials issues which need to be referred to the Joint Development Committee for decisions regarding any changes necessary to the technical design or regulatory strategy of the [**] Development or Joint New Development. The Project Leader will issue a summary of key progress updates and agenda topics to be considered for Joint Development Committee review on a quarterly basis, reasonably in advance of any planned JDC meeting, but for the avoidance of doubt, the JDC shall not be limited in any aspect of its review of the [**] Development or Joint New Development. The Project Leader shall operate in accordance with the JDC's assigned plan and shall refer to the JDC any matter exceeding the responsibility or authority of the Project Leader, or any material disagreement between the Parties discussed in the aforesaid telephone conferences/meetings.

h. Costs:

i. The JDC shall agree to the overall budget for: (i) the post-marketing costs associated with the Products, (ii) the [**] Development and (iii) any Joint New Development. Should any Party reasonably consider that it is likely to exceed the value of the Shared Development Costs to be assumed by it, it shall promptly notify the other Party of the same as soon as reasonably possible together with details of the additional Shared Development Costs that it expects to incur and the reason for such increase. The JDC shall then review the information submitted by the relevant Party and take such action as it considers reasonable. Neither Party shall be entitled to be reimbursed any Shared Development Costs incurred by it which are in excess of budget or constitute a cost overrun without the prior written approval of the JDC.

ii. [**] days after the approval by the JDC of the Shared Development Costs incurred by each Party for the relevant Calendar Quarter, each Party shall deliver a detailed invoice to other Party for the Shared Development Costs due from such other Party in accordance with the Cost Sharing Ratio. Any such invoice is due and payable within [**] days of receipt. USWM shall be entitled to deduct any unpaid invoice under this Clause 6.7.2 from any Additional Payment then due and owing to BPL.

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iii. Each Party shall at all times keep and retain for a period of at least [**] years, accurate accounts and records and full supporting documentation containing all data reasonable required for the computation and verification of the Shared Development Costs that it represents it has paid in its Accounting Statements. Each Party agrees that the other Party, upon reasonable request, shall have the right to have conducted, in a manner reasonably acceptable to the Parties, an audit of the other Party's Shared Development Costs (but subject to any confidentiality obligations by which the Parties are bound). The provisions of Clause 12.7 shall apply mutatis mutandis to any such audit carried out under this Clause 6.7.3. Should such audit reveal that any invoice raised by a Party exceeds its Shared Development Costs for the relevant period, the excess shall be promptly repaid to the other Party together with interest due thereon which shall accrue on a daily basis at the annual rate of [**]% above [**] base rate from time to time, and any [**] incurred by the other Party in connection with such [**].

i. Withdrawal from a Joint Development

i. Either Party may withdraw at any time from the [**] Development or a Joint New Development (an "**Abandoned Development**"), in which case the other Party shall be free to pursue the same alone or with any Third Party and commercialise the results of such Abandoned Development as it sees fit. If a Party has withdrawn from an Abandoned Development, the following consequences apply:

a. the withdrawing Party shall assign to the other Party such withdrawing Party's [**]% [**] in any Joint IP generated in the Abandoned Development, free of all security interests and encumbrances, for the sum of [**];

b. the withdrawing Party shall not be entitled to [**] of any [**] incurred to date by it in connection with the Abandoned Development, and shall furthermore pay to the other Party its share of any outstanding [**] incurred up to and including the date of [**] from the Abandoned Development; and

c. Notwithstanding the foregoing, if any Joint IP that should otherwise be assigned pursuant to Clause 6.6.5a. above is used in any other Product being developed or manufactured by the Parties hereunder, the withdrawing Party shall not be required to assign such Joint IP to the other Party, but shall grant the other Party such perpetual licences (with right to grant sub-licences) from its share of the Joint IP as are required by the other Party to continue with the development and subsequent commercialization of the Abandoned Development.

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3. New Developments

a. **RESERVED**

b. New Developments within the Field of Use

i. Subject to Clauses 7.2.2, 7.2.4 and 7.2.6, if either Party (or any of its Affiliates) intends to develop any pharmaceutical products, medical devices or containers within the Field of Use (a "**New Field Product**") for either (i) the Territory or (ii) any part of the Reserved Territory and the Territory (together), it shall notify the other Party of such proposed new development of a New Field Product giving all reasonable details available to it, and the Parties shall discuss in good faith for a period of [**] months of such proposal being presented on any joint participation in such New Field Product with the intention that, if the other Party is interested in pursuing the New Field Product jointly with the proposing Party:

a. the proposed New Field Product shall constitute a Joint New Development for the purposes of this Agreement;

b. the Intellectual Property Rights arising therefrom shall be allocated in accordance with Clause 4;

c. the Joint New Development shall be administered by the JDC and funded by the Parties in accordance with the provisions of Clause 6 and the Shared Development Costs shall be administered in accordance with the Cost Sharing Ratio, which shall apply to such Joint New Development;

d. the [**] relating to the exploitation and commercialization of the resulting New Field Product shall be as set forth in [**]; and

e. save as aforesaid, the remaining provisions of this Agreement shall apply to the Joint New Development and commercialization of any New Field Product (which shall be deemed to be a Product).

If the other Party fails to respond within this period with a positive affirmation to participate in the development of the proposed New Field Product, then unless the proposed New Field Product falls within the scope of the veto grounds set forth in Clause 7.2.6, the proposing Party shall be free to proceed (whether independently or with Third Parties) with the development opportunity and shall not be obliged to involve the other Party any further in the proposed New Field Product, save as set forth in Clause 7.2.4 (*Qualified Right of First Refusal*).

ii. Where, however, a Party (or its Affiliates) intends to acquire a licence of Intellectual Property Rights to develop a New Field Product or in relation

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to an already developed New Field Product for (i) the Territory or (ii) any part of the Reserved Territory and the Territory (together) (as applicable) from a Third Party licensor, the proposing Party shall be entitled to serve written notice on the other Party (which shall include all relevant information available to such Party at that time) and the other Party is obliged to indicate within [**] Business Days of the date of such notice whether or not it is interested in pursuing the New Field Product with the proposing Party. If the other Party fails to respond within this period, then unless the proposed New Field Product falls within the scope of the veto grounds set forth in Clause 7.2.6, the proposing Party shall be free to proceed (whether independently or with Third Parties) with the in-licensing opportunity and shall not be obliged to involve the other Party any further in the proposed New Field Product, save as set forth in Clause 7.2.4 (Qualified Right of First Refusal). Where, on the other hand, the other Party has expressed a good faith interest within the aforesaid timescale in pursuing the New Field Product jointly with the first Party, the proposing Party shall be entitled to execute the licence agreement with the Third Party licensor and shall, within [**] Business Days of entering into a binding agreement with such Third Party licensor, give notice of the same to the other Party, following which the Parties will negotiate in good faith and use all commercially reasonable efforts to agree within a period of [**] Business Days the terms of a sub-licence agreement for the Territory, which shall:

a. reflect the [**] relating to the [**] or [**] of the resulting New Field Product set forth in [**];

b. reflect the salient terms of the relevant head licence agreement;

c. if applicable, the mechanisms for the [**] and [**] of [**] set forth in Clause 6 which shall be incorporated in so far as practicable into the sublicence agreement, having regard however to the first Party's obligations to the Third Party licensor and save as regards to ownership of Intellectual Property which is expressed to belong to or revert to the licensor;

d. if the first Party is BPL, the product licenses for the resulting product shall be held by USWM on behalf of BPL, and USWM shall deal with the same in a manner consistent with the terms of the head licence agreement;

e. provide that the salient terms set forth in clauses 8 to 19 of this Agreement (except for the consideration set forth in Clause 12, which shall be replaced in accordance with sub-Clause 7.2.2 (a) above) shall be incorporated into the terms of such sub-licence (to the extent applicable, reasonably feasible and not prohibited by or inconsistent with the terms of the relevant head licence).

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iii. Subject to Clauses 7.2.6 (*Veto*) & 7.2.4 (*Qualified Right of First Refusal*), if despite such good faith efforts, the Parties are unable to agree on (i) their joint participation on the proposed Joint New Development or (ii) the terms of any applicable sub-licence (as applicable) within the aforesaid timescales, the proposing Party shall (subject to it not being in breach of its obligations of good faith hereunder) be entitled to proceed independently or with a Third Party (as applicable) with the development and subsequent commercialization of any New Field Product in the Territory and/or the Reserved Territory (as the case requires) (but without prejudice to Clause 4.6.1), in its own name or through any Third Party appointed by it, but, unless otherwise agreed pursuant to Clause 4.5.1, shall not be entitled to use the [**] (or any [**] similar [**]) and/or (if USWM is the developing party) any other rights licensed to it by BPL under this Agreement to commercialize the same (whether in the Territory or the Reserved Territory). Subject to the aforesaid, the Parties acknowledge and agree that any such new development that does not result in a Joint New Development shall be the sole and exclusive property of the Party that pursues such development independently of the other Party, including any Intellectual Property Rights related thereto or derived therefrom with the exception of any Joint IP incorporated therein in accordance with Clause 4.5.1. or Clause 6.9.

iv. Notwithstanding the foregoing, where BPL intends to launch in the Territory, or USWM intends to launch in the Reserved Territory, any product of the type referred to in Clause 7.2.1 which is not jointly developed or acquired by the Parties in accordance with this Clause 7.2, and further where that Party has not co-developed or co-funded the development of the resulting product with a strategic Third Party (which for the avoidance of doubt, excludes any financial institution), then the proposing Party will discuss in good faith with the other Party the appointment of that other Party as the proposing Party's distributor for such product in the Territory (if BPL is the developer or lawful licensee) or Reserved Territory (if USWM or its Affiliates is the developer or lawful licensee) and, subject as aforesaid, neither Party shall appoint a distributor, licensee or sales agent (whether a Third Party or an Affiliate of the proposing Party) without giving the other Party a right of first refusal by communicating to that other Party a pre-emption notice which shall set out the salient terms of any such appointment (and related business case prepared in good faith). The other Party shall then have [**] Business Days of receipt of such pre-emption notice to confirm its acceptance of the salient terms contained in such notice and the proposed business case, in which case the Parties shall then negotiate in good faith a formal agreement and use their best commercial efforts to execute such a formal agreement within a further [**] Business Days.

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v. Notwithstanding any other provision of this Clause 7.2, BPL shall be free to pursue any new development in the Field of Use which is intended for the Reserved Territory only and shall not be obligated to propose the same as a Joint New Development to, or cooperate with, USWM in respect of same.

vi. Either Party shall be entitled to veto any new development proposed by the other Party under the foregoing provisions of this Clause 7.2 only if: (i) the following grounds for objecting to the same apply; and (ii) it has given written notice to the other Party that it is exercising its veto prior to the expiry of the timescales set forth in Clause 7.2.1 and provides detailed explanation of why, in its reasonable opinion, the proposed development should not proceed, with the effect that the other Party and its Affiliates shall be prohibited from directly or indirectly pursuing the proposed new development in question:

a. the proposed new development is substantially similar to an existing Product or Joint New Development (or, in the case of BPL, is similar to any product independently developed or acquired by BPL for the Reserved Territory, but only with respect to such proposed new development being proposed for development in the Reserved Territory) in terms of design, composition or indication - for the avoidance of doubt, any new formulation or new route of administration shall not be deemed to be substantially similar for this purpose; and

b. either;

5. the potential benefits to patients are unlikely to be enhanced under the proposed development compared to existing Products (or products in development through this Agreement) (or, in the case of a development proposed by USWM for the Reserved Territory, any product independently developed or acquired by BPL for the Reserved Territory); or

6. the risk to patients is unlikely to outweigh any potential health benefits to patients; or

7. the product being proposed for development would both (1) [**] (or to be) generated from existing Products (or products in development through this Agreement or any agreement entered into in pursuance of this Agreement) (or, in the case of a development proposed by USWM for the Reserved Territory, any product independently developed or acquired by BPL for the Reserved Territory), and (2) [**].

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Where a Party has exercised its veto under this Clause 7.2.6, the other Party shall be entitled to require the Parties to endeavour to resolve the Deadlock through expert determination in accordance with Clause 6.6.

vii. Unless otherwise agreed by the Parties, the economic allocation resulting from the development or acquisition of a New Field Product jointly by the Parties shall be: (I) with respect to the [**], [**]% for the benefit of [**]; and (ii) with respect to the [**], consistent with the provisions set forth in [**] and [**]. Notwithstanding the foregoing, in the event of a dispute between the Parties as to the application of this allocation, the Parties shall appoint the Experts to resolve the same in accordance with Clause 6.6.

viii. The Parties shall procure that regular or emergency meetings of the Joint Development Committee (which telephonic meetings may be called upon five Business Days' prior written notice by a Party in the case of an emergency), and otherwise as provided for in Clause 6) shall take place to discuss and agree potential strategies regarding competition in the Territory (which may or may not include a decision as to the launch of authorized generics of the Products). The JDC shall also be responsible for deciding on all Peripherals to be marketed in the Territory. Any Deadlock of the JDC shall be resolved in accordance with Clause 6.6.

ix. Notwithstanding any other term of this Agreement, USWM shall not be entitled to use any [**] or adapt any of the aforesaid in any development which BPL elects not to participate in. Furthermore, USWM shall not be entitled to adapt any [**] for use in the [**].

c. <u>Acquisitions and in-licensing of finished product Inside the Field of Use</u>

i. For the avoidance of doubt, any acquisition of a Third Party that owns any product that would constitute a New Field Product, or an acquisition from any Third Party of assets that would include a product that would be considered a New Field Product for commercialisation in (i) the Territory exclusively or (ii) any part of the Reserved Territory together with the Territory, shall be treated as a proposed development for the purpose of this Clause 7, and the Parties shall address such acquisition that is a proposed development as follows, but only with respect to those assets resulting from the acquisition that would be considered a New Field Product:

a. the Party proposing such acquisition shall provide written notice to the other Party (which shall include all relevant information available to the Party proposing to enter into the acquisition) and the other Party is obliged to indicate within [**] Business Days of the date of such notice whether or

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not it is interested in pursuing the acquisition of the New Field Product jointly with the proposing Party.

b. If the other Party fails to respond within this period, then unless the proposed New Field Product falls within the scope of the veto grounds set forth in Clause 7.2.6, the acquiring Party shall be free to proceed with the acquisition opportunity and shall not be obliged to involve the other Party any further in the proposed acquisition. Where, on the other hand, the other Party has expressed a good faith interest within the aforesaid timescale in participating jointly with the acquiring Party in the proposed acquisition, the acquiring Party shall be entitled to proceed with the acquisition from the Third Party and shall, within [**] Business Days of consummating such acquisition, give notice of the same to the other Party, following which the Parties will negotiate in good faith and use all commercially reasonable efforts to agree within a period of [**] Business Days the terms of the Parties' joint participation in such acquisition, which shall (unless otherwise agreed):

8. reflect the [**] relating to the [**] or [**] in the [**] of the acquired New Field Product set forth in [**];

9. if applicable, the mechanisms for the [**] and [**] of [**] set forth in Clause 6 shall be incorporated in so far as practicable into the agreement between the parties regarding the acquired New Field Product;

10. if the acquiring Party is BPL, the product licenses for the acquired New Field Product shall be held by USWM on behalf of BPL, and USWM shall deal with the same in a manner consistent with the terms of this Agreement;

11. reflect a [**] with respect to such acquisition, but only as it relates to a product or products that would be considered a New Field Product, consistent with the [**]; and

12. in the event of disagreement between the Parties on the [**] and [**] as set forth above, either Party shall be entitled to refer such dispute to the Experts to be appointed pursuant to clause 6.6 (and the timelines shall be adjusted accordingly).

d. Third Party Milestones & Royalties

The Parties agree that if a New Field Product or Joint New Development is subject to or requires payment to a Third Party of any milestone payment, royalty or similar payment in respect of achievement of a development or sales milestone and/or sales of New Field Product in the Territory, USWM shall pay [**]% of such milestone and/or royalty

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payment to BPL (if BPL has the liability to account for the same to the relevant Third Party licensor) or BPL shall pay to USWM for [**]% of such milestone and/or royalty payment (if USWM has the liability to account for the same to the relevant Third Party licensor). In the event that any development milestone pertains to the Territory and the Reserved Territory together, the same shall be accounted for in accordance with the [**]. For the avoidance of doubt, the same shall be further specified in any sub-licence agreement entered into between the Parties in accordance with clause 7.2.2.

e. Duration of Obligation

Subject to any such Joint New Developments becoming subject to Clause 6 and the development, commercialization and supply of any resulting Product that survives the termination of this Agreement, the rights and obligations of the Parties under Clause 7 are limited to the [**] only, and shall not be deemed to be extended by virtue of Clause 21, unless otherwise expressly and specifically agreed to in writing by the Parties.

f. Good faith undertakings

Each Party agrees, in good faith, to cooperate with the other Party in connection with the implementation of the Shared Development Costs, for the [**] Development and Joint New Developments, in accordance with the Cost Sharing Ratio.

4. Operations, Commercialization and Medical Affairs

a. USWM shall (or shall procure that any relevant Affiliate shall) ([**] and [**]):

i. employ sufficient resources and shall comply with all rules and regulations pertaining to the Products and distribution of the same in the Territory (including Good Distribution Practice);

ii. use its all commercially reasonable efforts to promote and extend the sale of the Products and improve the goodwill of the Apokyn US Trade Mark throughout the Territory; and

iii. launch and commence marketing of each Product within [**] months after receipt of the Product Licences, adequate reimbursement approvals by private and government payors for the Product and its administration by patients and prescribers, and availability of Product (including supply by BPL) relating thereto.

b. Without prejudice to clause 8.1, USWM shall (or shall procure that any relevant Affiliate shall):

i. maintain all Product Licences in force relating to the Products and comply with all applicable laws in force in the Territory;

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ii. to the extent reasonably necessary, participate in [**], [**], [**] or [**] at which [**] are present which relate [**] or [**] the Products and/or their indication in the Territory and [**] or any other [**] at [**];

iii. to the extent reasonably necessary, develop and maintain [**] in the Territory and use its [**] to [**] with [**] to the [**];

iv. maintain adequate warehouse, storage and other facilities in the Territory and ensure delivery of the Products to its customers in good and saleable condition;

v. keep all stocks of the Products which it holds in conditions appropriate for their storage, and provide appropriate security for the Products, all at its own cost;

vi. reasonably assist BPL in clearing the Products through customs and other import formalities into the Territory and ensuring that the Products are stored appropriately;

vii. comply with all applicable laws and relevant good practices from time to time in force in the Territory relating to the storage, handling, promotion and sale of the Products, including Good Distribution Practice;

viii. provide to BPL copies of its up to date price lists, provided always that USWM shall be entitled to resell the Products to its customers at such prices as it may determine at its free and absolute discretion;

ix. consult with BPL's representatives (at BPL's reasonable request and in a reasonable location or manner) for the purpose of assessing the state and condition of the market in the Territory and permit such representatives to inspect any premises, documents & records and materials used by USWM (or any relevant Affiliate) in connection with the storage, marketing and sale of the Products;

x. upon reasonable request by BPL, provide BPL copies of its latest Promotional Materials and sales aids, including (without limiting the foregoing) catalogues, sales brochures and sales manuals, as relate to the Products (and have regard to any reasonable recommendations made by BPL in connection with such Promotional Materials);

xi. keep full and proper books of account and records clearly showing all enquiries, quotations, transactions and proceedings relating to the Products and allow BPL, on reasonable notice and during normal business hours, access to its accounts and records relating to the Products for inspection;

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xii. supply to BPL such reports, returns and other information relating to orders or projected orders for the Products or as set out in Clause 8.2.11 as BPL may reasonably request;

xiii. insure at its own cost with a reputable insurance company all stocks of the Products as are held by it against all risks which would normally be insured against by a prudent businessman to at least their full replacement value, and produce to BPL upon reasonable request evidence of the same.

xiv. without prejudice to Clause 12.2, promptly inform BPL of any facts or information of which USWM becomes aware is likely to become relevant in relation to the commercialization of the Products in the Territory which are dangerous or disadvantageous to the interests of BPL, including in respect of [**] relating to the Products [**] by more than [**] days and reasonable details of steps being undertaken by USWM or its Affiliates to [**];

xv. at all times conduct its business in a manner that will reflect favourably on the Products and the Apokyn US Trade Mark; and

xvi. except as contemplated by this Agreement, undertake not to copy, produce, make, modify or manufacture the Products or the Dossier (including any dossier relating to any [**] Product or being prepared in connection with any [**] Development) or assist any other Person to do any of the foregoing for its use or for any other purpose.

c. USWM shall maintain a minimum of [**] months inventory for the Products in order to promptly satisfy demand for the Products in the Territory, and shall use its commercially reasonable efforts to maintain a minimum of [**] months inventory for such Products (which obligation is absolute if BPL is able to meet USWM's requirements to supply sufficient Product quantities to ensure compliance with this obligation).

d. USWM undertakes to maintain appropriate, up-to-date and accurate records to enable the immediate recall of any Products or batches of Products from the market. These records shall include records of deliveries to customers (including batch numbers, delivery date, name and address of customer, telephone number, fax number and e-mail address).

e. The Parties shall also co-operate with respect to any recall, market withdrawals and post-sale warning (including "dear doctor" letters, warnings or any alert whatsoever relating to an alleged lack of safety, efficacy of quality of the Products) in the Territory in the following manner: If a Party or any of its Affiliates: (i) receives any communication by a competent authority in the Territory suggesting or requesting a recall, market withdrawal or said post sale warning; and/or (ii) if a Party reasonably considers it necessary to initiate the same, in particular for safety reasons, to protect the patients' health and/or to prevent an order of any court or competent authority requiring a mandatory recall, market withdrawal or post sale warning of a Product, such Party shall promptly notify and reasonably consult with the other Party in order to

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minimize patient risk and the proper and timely compliance with all applicable laws relating thereto. The co□ordination and communication with the competent authorities shall be the responsibility of US WordMeds as the Product License holder, subject to the provisions set out in this Agreement.

f. Any decision to initiate a recall, market withdrawal or a post-sale warning of a Product and any communication relating thereto shall be made by USWM in accordance with all reasonable instructions provided to USWM by BPL and after prior consultation with BPL, where possible, except where the urgency or severity of the recall, market withdrawal or a post-sale warning requires immediate and undeferrable action; in which case USWM shall nevertheless promptly notify BPL of the actual or proposed recall, market withdrawal or a post-sale warning, its status and implementation, the reasons of its urgency and all circumstances reasonably necessary or useful for BPL to know and shall forward copies of all relevant correspondence and documentation.

g. Without prejudice to any other rights available to the Parties at law or under this Agreement, the costs of any recall, market withdrawal or post sale warning shall be borne by the Party who is responsible for, or has given cause to, the recall or post sale warning, or from whose breach of this Agreement, breach of duty, negligent act, omission or wrongdoing (howsoever arising) the recall, market withdrawal or post sale warning results. In all other cases the costs of any recall or market withdrawal in the Territory shall be borne in the proportions of [**]% to USWM and [**]% to BPL.

5. Marketing

a. USWM and any relevant Affiliate shall meet at least [**] with representatives of BPL at a time, location and manner mutually agreed to by the Parties.

b. Without prejudice to any other provision of this Agreement, the Parties have agreed for the first Contract Year on a Sales Budget and Marketing Plan which is set forth in **Schedule 3** and which contains promotional activities, sales plan, investments and other measures intended to increase the market recognition and the sales of Products in the Territory to be implemented by USWM.

c. The Parties shall discuss and agree in good faith by [**] in each Calendar Year USWM' proposed updated Sales Budget for the following Calendar Year, and a Marketing Plan by [**] of each Calendar Year. Pending such agreement by the Parties, the Sales Budget and Marketing plan for the previous Calendar Year shall continue in force for the next Calendar Year.

d. As it relates to the Apokyn [**] Pen Product, BPL may but shall not be obligated to provide USWM with a reasonable quantity of BPL catalogues, leaflets, posters, films, and other advertising or marketing materials, either in bulk or as specimens, and with pertinent knowledge and assistance concerning promotional and marketing activities of USWM. It shall be USWM's responsibility to determine that descriptions contained in any such advertising or marketing materials supplied by BPL are in compliance with local laws, regulations and codes of

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practice in force in the Territory and USWM shall not hold BPL liable for any damage suffered by USWM as a result of non-compliance with such laws, regulations and codes of practice as regards such materials. USWM shall use its reasonable efforts to display all advertising materials and other signs provided by BPL in this regard that are in compliance with applicable laws, regulations and codes of practice.

e. Without prejudice to Clause 5.6, USWM shall be responsible for any measures instigated and/or advice given by it to patients or medical intermediaries and shall keep BPL indemnified against any claims demands liabilities or expenses arising from such measure and/or advice and shall not give or make any representation or warranties about the Products other than in accordance with the relevant Product License.

f. Save as expressly provided, each Party shall bear its own costs under this Clause 9.

6. [SECTION RESERVED]

7. Supply of the Products

a. The Parties acknowledge and agree that BPL has the primary right (but not the obligation) to supply Products under this Agreement. Subject to Clause 11.2 and provided BPL has agreed or elected to supply the same, for the Initial Term and thereafter until such time as USWM loses its exclusivity to Joint IP under Clauses 4.6.1, 4.6.2 or 4.6.3, unless either Party has terminated this Agreement in accordance with its terms, USWM shall purchase all of its requirements of: (i) the Apokyn [**] Pen Product; (ii) the [**] Product; (iii) Peripherals (or any replacement peripherals where any agreed supplier resolves no longer to supply the same to BPL for the Territory) and (iv) any other Product arising from any Joint New Development, exclusively from BPL, and BPL shall use commercially reasonable efforts to supply same to USWM, on the terms and conditions provided herein. Subject to USWM agreeing in its discretion to satisfy any minimum order quantities requested by any existing supplier and proposed new supplier (for which BPL must provide USWM adequate notice and an opportunity for input on such quantities), BPL shall use its commercially reasonable efforts to have in place FDA approved back-up supply for the Apokyn [**] Pen Product within thirty months following the date hereof, and back up supply for the [**] Product within thirty months following launch of the [**] Product in the Territory. In either case where BPL has not secured FDA approved backup supply in breach of the aforesaid, the provisions of Clause 11.15 shall apply. If BPL elects not to supply any Product, then the payments due to BPL hereunder for such Product shall be determined in accordance with Clause 13.2.2. Where BPL is supplying, payments shall be calculated in accordance with Clause 12.

b. **Schedule 6** sets forth all agreements which USWM or its Affiliates has in place with Third Parties for the supply of Products or any Peripherals not included therein, including such agreements related to [**] Development or proposed Joint New Developments (the "**Current Supply Agreements**"). From the date hereof, unless otherwise permitted under Clause 11.1, neither USWM nor its Affiliates shall enter into any agreement, arrangement or

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understanding with any Third Party for the supply of Products or Peripherals (whether or not approved by the JDC). As regards any Current Supply Agreement:

i. each of USWM and BPL shall use their respective commercially reasonable endeavours to obtain the relevant Third Party's consent to the assignment or novation of the Current Supply Agreement;

ii. from the date this Agreement becomes unconditional and until the Current Supply Agreement is novated or assigned, USWM shall be treated as holding the benefit of that Current Supply Agreement in trust for BPL and:

a. BPL shall perform all the obligations of USWM under the Current Supply Agreement if and to the extent that such performance does not constitute a breach of the Current Supply Agreement;

b. USWM shall, at BPL's expense, do all such acts and things as BPL may reasonably request to enable performance of the Current Supply Agreement and to provide BPL with the benefit of the Current Supply Agreement;

c. USWM shall account to BPL for all moneys, goods or other benefits received by it or its Affiliates under the Current Supply Agreement in respect of the period after the date hereof as soon as reasonably practicable; and

d. USWM shall not agree to any amendment or termination of the Current Supply Agreement or any waiver by it or its (or its Affiliates') rights under the Current Supply Agreement

iii. In the event any Current Supply Agreement cannot be or is not assigned to BPL under Clause 11.2.1 within [**] days of the date hereof, the Parties shall consult, cooperate and shall use all commercially reasonable endeavours to achieve an alternative solution under which BPL shall both receive the full benefit of that Current Supply Agreement or to procure that the Current Supply Agreement is terminated without liability to either of them as soon as BPL is able to secure a separate agreement with a Third Party regarding the supply of replacement materials covered by such Current Supply Agreement.

iv. With respect to any payment due to BPL for the sales of the current inventory of Products maintained by USWM and its Affiliates, such payments shall be determined and paid in accordance with Clause [**].

c. Following assignment under Clause 11.2 and otherwise in respect of any other Product agreed to be supplied by BPL, BPL shall use its commercially reasonable efforts to supply the Products to USWM in accordance with USWM's orders and within a lead time of

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[**] months , save that where BPL is able to obtain a shorter lead time on an order by order basis from any FDA approved Third Party manufacturer appointed by it (a "**Third Party CMO**"), BPL shall pass on the benefit of such shorter lead time to USWM.

d. BPL may delegate any or all of its supply activities to USWM under this Agreement to its Affiliates and/or any Third Party CMO, provided, that BPL shall remain fully liable towards USWM for the performance of said activities. In carrying out its activities and obligations with respect to the supply of Products to USWM, BPL shall:

a. consult with USWM regarding the selection of vendors for the supply of raw materials;

b. consult with USWM prior to the entry into any new material agreement with any third party for the supply of the Products or related raw materials;

c. notify and consult with USWM of any proposed Product price increase by any relevant third party supplier engaged by BPL;

d. provide USWM with reasonably requested manufacturing reports (where permissible absent confidentiality obligations) and use commercially reasonable efforts to facilitate joint access to manufacturing facilities (of BPL or Third Party CMOs where permissible) so as to permit USWM to evaluate manufacturing performance for the supply of Products; and

e. consult with USWM on manufacturing instructions provided by BPL to Third Party GMOs related to the manufacture and supply of the Products as it relates to FDA requirements.

e. BPL shall only be entitled to make alterations to the Specifications of the Products and the Peripherals upon the written consent of USWM, which shall not be unreasonably withheld, conditioned or delayed, and in any event subject at all times to the Products supplied complying with all applicable regulations and Specifications contained in the respective Product Licence (or after any relevant change of the Product License). For the avoidance of doubt, it shall not be deemed unreasonable for BPL to make any alteration to the same if reasonably required by it or requested by any Third Party [**] to ensure compliance with applicable regulatory requirements.

f. Each order for the Products shall be made by USWM in writing and shall constitute a separate contract, and any default by BPL in relation to any one order shall not entitle USWM to terminate this Agreement. No order shall be deemed to be accepted by BPL unless it has issued an order confirmation.

g. USWM shall, in respect of each order for the Products to be supplied hereunder, be responsible for:

i. ensuring the accuracy of the order;

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ii. providing BPL with any information which is reasonably necessary to enable BPL to fulfil the order and to comply with all labelling, marketing and other applicable legal requirements in the Territory.

h. With a view to enabling BPL to make appropriate plans for obtaining supplies of the Products USWM shall not less than [**] Business Days before the beginning of each month, provide BPL with a written rolling-forecast of the quantities of the Products (and any other information BPL reasonably requires) it expects to purchase during the [**] months following that month ("**Forecast**"). The first [**] months of this Forecast are binding on USWM with respect to the supply thereof. For the first Contract Year, the Forecast shall be as set forth in the Forecast delivered on or about the date this Agreement becomes unconditional. USWM shall prepare the Forecast based upon an evaluation and analysis of projected sales within the Territory and the operations and distribution network to be managed by USWM within the Territory.

i. Upon receipt and confirmation of each order BPL shall as soon as is reasonably practicable inform USWM of BPL's estimated delivery date for the consignment. BPL shall use all commercially reasonable efforts to meet the delivery date but time shall not be of the essence.

j. Material compliance with estimated deadlines for deliveries by BPL requires the timely receipt of all documents to be provided by USWM, required approvals and releases, including compliance with the agreed payment terms and other obligations of USWM and with Clause 11.7. In the event that these requirements are not met, the deadlines shall be extended accordingly.

k. All shipments of Product to USWM shall be on the basis of [**] at BPL's (or its Third Party [**]) warehouse ([**]) in the EU as notified to USWM from time to time.

l. The Parties agree that if, in respect of an order, BPL delivers up to and including [**] percent more or less than the quantity of Products ordered, USWM shall not be entitled to reject an order, but a pro rata adjustment shall be made to the order invoice.

m. No standard terms of either Party shall be applicable to such supply.

n. In case of genuine dispute concerning the quality of the Product, BPL and USWM agree to consult with each other in order to explain and resolve the dispute. If such consultation does not resolve the discrepancy within [**] Business Days of the first communication, BPL and USWM agree to [**] the [**] in [**], whose decision shall be binding on both parties. The Party [**] to be [**] the [**] for the analysis.

o. The Parties shall provide each other with prompt written notice of any event or condition of any character (whether actual, threatened or contemplated) pertaining to the supply

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of Products hereunder of which it becomes aware and which could adversely affect, or has a substantial possibility of adversely affecting, the supply of any Product.

i. If any such event or condition shall occur, the Parties shall cooperate in good faith to resolve the matter (it being acknowledged however that nothing herein shall oblige BPL to take any steps that could result in a liability to any Third Party [**] and that BPL shall be the party responsible for communicating with the same), having all regard for the potential commercial effects on a Party of such adverse event or condition, of such event or condition so as to reduce to the fullest extent possible the occurrence or possible occurrence of a delay in the supply of Products or an out of stock scenario related to the Products.

ii. If BPL is in breach of its obligation with respect to seeking an FDA approved back up supply in accordance with Clause 11.1, or Clause 20.4 shall apply in relation to any matter, event or circumstance due to the actions or omissions of any Third Party [**], the Parties shall further cooperate to initiate a technology transfer to another Third Party [**] mutually acceptable to both Parties, the costs of which shall be borne by BPL. Nothing herein shall obligate BPL to terminate any arrangement in force with any non-performing Third Party [**] if to do so would result in a liability to BPL, nor shall BPL be obligated to initiate a new technology transfer as aforesaid if it has reasonable grounds for believing that (i) any delays in obtaining back-up supply or resulting from an event under Clause 20.4 can be overcome prior to any proposed technology transfer being completed, or (ii) that another technology transfer will not overcome the relevant issues relating to the particular Third Party [**] without undue costs and delays. Unless otherwise agreed, BPL shall be the party contracting with any alternative Third Party [**].

8. Payment for the products

a. All Products to be supplied by BPL pursuant to this Agreement shall be sold in accordance with the [**] as agreed in Clause 11.11 (as varied by the terms of this Agreement).

b. The initial prices for all Products to be supplied hereunder to USWM shall include [**] but be exclusive of any [**], [**], [**] or other [**] (if applicable) and shall payable in [**] or in such [**] as BPL reasonably determines (the "**Initial Price**"). BPL may revise its prices at any time by giving USWM not less than three months' prior written notice but the Parties agree that the Initial Price for any Product to be supplied hereunder shall not exceed [**]% of the [**] by BPL for the [**] or [**] of the [**] (the "[**]"). Upon reasonable request by USWM (not more than [**] a year), BPL shall provide proper documentation with respect to the [**], and USWM shall have the right to have conducted, in a manner reasonably acceptable to the Parties, an audit of the same (but subject to any confidentiality obligations by which BPL is bound). The provisions of Clause 12.7 shall apply mutatis mutandis to any such audit carried out under this Clause 12.2.

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c. Both Parties have the joint aim to be successful in respect of supplying the market in the Territory with the Products and understand that continuous cost improvements are an important element to achieve competitiveness. Therefore BPL shall use its commercially reasonable efforts to reduce the [**] to the extent the same are within its control. Without prejudice to the foregoing provisions, in the event that the [**] charged by BPL in any [**] month period would [**] the [**] received by, or due to, BPL from USWM under this Agreement (including any Additional Payment) in the preceding [**] month period, the Parties shall meet to discuss in good faith any revisions to the [**] and sourcing an alternative source of supply for the Products for the Territory to enable the Parties to remain competitive. USWM shall likewise use its commercially reasonable efforts to reduce its [**] (or reduce proposed increases in [**]) which are within its control.

d. USWM shall also make quarterly additional payments to BPL which are equal to [**] ([**]%) of [**], less the [**] in US Dollars. BPL shall not be required to [**] the [**] or [**] of any [**] received by it in any circumstances.

e. USWM shall provide BPL with a Monthly Accounting Report within [**] days following the end of each month. BPL shall issue to USWM within [**] days of the end of each Calendar Quarter an electronic invoice for the Additional Payment due in US Dollars per the Monthly Accounting Reports for the preceding Calendar Quarter.

f. BPL Invoices for the Additional Payments shall be paid by USWM in US Dollars to BPL within [**] days of the relevant invoice date.

g. Each Party (the "**Requesting Party**") shall have the right to have conducted at its discretion an [**] audit by a reputable, independent accounting firm reasonably acceptable to the other Party of aspects of compliance with this Agreement relating to the calculation of the [**] or [**] (as the case requires), [**], and any [**] due under this Agreement. The other Party shall (and shall procure that its Affiliates shall) afford its full co-operation to the Requesting Party or such accounting firm. Any of the Big Four accounting firms (currently Deloitte Touche Tohmatsu, PricewaterhouseCoopers (PwC), Ernst & Young & KPMG) (or their respective successors and assigns) shall be deemed acceptable to USWM and BPL to the extent none of such accounting firms have a conflict of interest with a Party to this Agreement. The Requesting Party shall bear the costs if the annual audit concludes that any relevant payments made to it was [**] by [**] percent ([**]%) or [**] than those due for such annual period or if any relevant payment made by it was [**] by [**] percent ([**]%) or less for such annual period. The other Party shall bear the costs if the annual audit concludes that any payment made to the Requesting Party was [**] by more than [**] percent ([**]%) due for such annual period or any payment made by the Requesting Party was [**] by more than [**] percent ([**]%) for such annual period. In addition, any shortfalls in any payments due shall be paid, or overpayments made shall

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be reimbursed (as the case requires), within [**] Business Days of the conclusion of such annual audit.

h. If either Party fails to make when due any payment owed to the other Party (including, for the avoidance of doubt, any Additional Payment) in full by the due date, the non-offending Party shall be entitled (without prejudice to any other right or remedy it may have) to:

i. In the case of BPL being the non-offending Party, [**] or [**] any [**] of [**] to [**] under any [**]; and

ii. [**] the offending Party [**] in the amount of [**] percentage points ([**]%) over the respective [**] by the [**] beginning with the [**] day after end of the above defined payment terms (irrespective of whether the date of payment is before or after any judgement or award in respect of the same).

i. BPL's supply of Products to USWM, and the passing of title to any of the Products to USWM shall be on an "ex works" basis.

j. All prices for the Products are [**] of any applicable [**] or any other [**], for which USWM shall be additionally liable, if applicable.

k. All payments to be made under this Agreement shall be made in cleared funds, without any [**] or [**] except as set forth herein and free and clear of and without [**] for or on account of any [**], [**], [**], [**], [**], [**] and [**] of any nature now or hereafter imposed by any [**], [**] or other [**] save as required by law. If a Party to this Agreement is compelled to make any such [**], it will pay to the receiving Party such additional amounts as are necessary to ensure receipt by the receiving Party of the full amount which that Party would have received but for the [**].

9. Termination of Supply by BPL and Royalty Payment

a. BPL shall be entitled by the giving of at least [**] months' written notice to USWM to cease supplying the Products for resale in the Territory, save that the notice period shall be reduced in the event that BPL is able and willing to procure earlier assignment or novation to USWM of any relevant supply agreement it has in place with at least one Third Party CMO for the supply of each Product supplied by BPL hereunder in circumstances where such Third Party CMO is not in material breach or subject to a force majeure event under the relevant supply agreement.

b. Following such cessation, USWM shall be free to source its supply of the Products from any Third Party subject to the following adjustments to this Agreement:

i. USWM shall not be liable for any [**], and shall instead be liable to BPL for the [**], and the provisions of Clause 12 shall apply mutatis mutandis

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as if references to [**] is a reference to [**] instead, including specifically with respect to Clause 12.4.

ii. Except for the remaining [**] of [**] by BPL, BPL shall have no liability whatsoever under this Agreement for any [**] of the [**] which is out of [**] or contains any [**], and USWM shall assume full responsibility therefor vis-a-vis Third Parties (including the use thereof by patients) and shall indemnify BPL as a result of any loss suffered or incurred by it in connection therewith.

iii. In exercising its rights to manufacture or have the Products manufactured under this Clause 13, USWM shall support all reasonable endeavours of BPL to [**] (or [**] in [**]) and shall cooperate with BPL to achieve the same result, and USWM shall use its commercially reasonable efforts to [**] its [**] (or [**] in [**]) which are within its control.

iv. USWM shall consult with and obtain the prior written consent of BPL, such consent not to be unreasonably denied or delayed, prior to the entry into any new agreement with any third party for the supply of the Product.

v. USWM shall notify BPL of any proposed [**] by any relevant third party supplier engaged by USWM and, if BPL so requests and the terms of an applicable supply agreement so permit, USWM shall enter into good faith negotiations with an alternative third party supplier identified by BPL for production of the [**] as an alternative source of supply.

vi. These rights and obligations shall [**] and [**] for such time as a [**] falls due to BPL under this Agreement.

10. Support and Information

a. Each Party shall procure that its representatives make themselves available at all reasonable times and upon reasonable notice to the other Party by telephone or video conference for the purposes of consultation and advice relating to this Agreement and the Products as such other Party may reasonably require from time to time. The Parties shall endeavour to meet at least once per annum.

b. Each Party shall keep the other informed of any changes in regulatory agency requirements and applicable laws and regulations which are relevant for the development of any [**] Product or any Joint New Development and/or the sale and distribution of Products in the Territory.

c. Each Party shall also keep the other fully informed of any changes of local or general conditions which may affect the market for the Products in the Territory, including the sale of any counterfeits of the Products which may come to a Party’s attention.

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11. Confidentiality

a. Except as provided by Clauses 15.3, 15.4, and 15.7, each Party shall for a period of fifteen (15) years after termination or expiry of this Agreement:

i. keep all Restricted Information of the other Party confidential and accordingly not to disclose any such Restricted Information to any other person; and

ii. not use any such Restricted Information for any purpose other than the performance of its obligations under this Agreement or the exercise of its rights under this Agreement.

b. Any Restricted Information of the other Party may be disclosed by either Party to any employees officers, agents, consultants or subcontractors ("**Representatives**") of either Party or of its Affiliates (in which case the Party receiving the Restricted Information shall be responsible for its Representatives' compliance with the confidentiality obligations set out in this Clause 15) to such extent only as is necessary for the purposes contemplated by this Agreement, and subject to the receiving Party using its best efforts to ensure that the person in question keeps the same confidential and does not use such Restricted Information for any purpose other than that for which the disclosure is made.

c. Subject to Clause 4.8.2, in case Restricted Information of the other Party must be disclosed to any court, governmental and/or regulatory authority, or is otherwise required to be disclosed by law, the receiving Party shall be entitled to do so to the extent required by law; provided, however, that if either Party is so required, such Party shall give to the extent possible the other Party reasonable advance notice in written form of such disclosure and use reasonable efforts to secure confidential treatment of such Restricted Information (whether through protective order or otherwise). Such disclosure shall, however, not relieve disclosing Party of its other confidentiality obligations contained herein.

d. In addition, any Restricted Information of one Party may be used or disclosed by the other Party to the extent only that:

i. it is at the date hereof, or hereafter becomes, public knowledge through no fault of the receiving Party or its Affiliates or Representatives (provided that in doing so the receiving Party shall not disclose any Restricted Information which is not public knowledge); or

ii. it can be shown by the receiving Party, to the reasonable satisfaction of the disclosing Party, to have been known to it or its Affiliates prior to its being disclosed.

e. Each Party reserves all rights in its Restricted Information. No rights or obligations in respect of a Party's Restricted Information other than those expressly stated in this Agreement are granted to the other Party or to be implied from this Agreement. In particular,

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unless otherwise stated herein no licence is hereby granted directly or indirectly under any Intellectual Property Right or patent, invention, discovery, copyright or other intellectual property right held, made, obtained or licensable by either Party now or in the future. For the avoidance of doubt, the Dossier for the Apokyn [**] Pen Product (and all information contained therein, to the extent not in the public domain) shall be considered Restricted Information of BPL.

f. Restricted Information shall be immediately returned to the disclosing Party upon termination or expiry of this Agreement, along with any copies, reproductions, digests, abstracts or the like of all or any part thereof in the receiving Party's possession or under receiving Party's control, except for one copy which might be retained by the receiving Party for documentation purposes only.

g. To the extent that any Restricted Information is a trade secret of the disclosing Party, the receiving Party agrees to maintain such trade secret Restricted Information confidential and not to use or disclose it except as permitted for purposes of undertaking its obligations under the Agreement, for so long as the information remains a trade secret.

12. Warranties

a. Subject as herein provided, BPL warrants to USWM as at the date hereof as regards Clause 16.1.3 and for so long only as BPL is responsible for supply of the Products under this Agreement as regards the other warranties in this Clause 16.1:

i. that all Product(s) supplied hereunder will comply with the Specification(s) therefor;

ii. so far as it is actually aware, the manufacture of the Product(s) in accordance with this Agreement does not and will not infringe the registered Intellectual Property Rights of any Third Party in the country of manufacture. To the extent BPL is able to obtain any warranties from any Third Party CMO regarding infringement of Third Party intellectual Property Rights, BPL shall warrant in identical terms, save that in no circumstances (except [**] or [**] on the part of BPL or [**] or [**]) shall the liability of BPL under any such warranty to USWM [**] the [**] that a Third Party CMO has to BPL for breach of its corresponding warranty;

iii. it is not aware of any rights of any third party in the Territory which would or might render the sale of the Products under the Excluded IP referred to in paragraph (i) of that definition unlawful;

iv. that there shall be no defects other than deviations from the description of features in such Specification(s) provided in the Product Licences for each Product. Such description of features of the Product(s) shall not be construed as a guarantee;

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v. that the Product(s) shall be manufactured in accordance with applicable laws and regulations inforce in the country of manufacture and Good Manufacturing Practice and all generally accepted industry standards and practices that are applicable, and that the Products shall be delivered by BPL in accordance with this Agreement and not be adulterated in violation of legal requirements applicable in the Territory; and

vi. that BPL has not been, and will not become, debarred under Sections 306 (a) or (b) of FDA Generic Drug Enforcement Act of 1992, as amended, and shall not use in any capacity any other person or Third Party that or who has been so debarred.

b. All other representations and warranties, express or implied, are to the fullest extent permissible by law expressly excluded.

c. Furthermore, notwithstanding the aforesaid provisions of this Clause 16, BPL does not give any representation or warranty as to the:

i. scope and duration of any [**] and that any [**] for a [**] will be [**];

ii. the [**] of any [**];

iii. [**] or [**] of any [**] and other characteristics of the [**];

iv. consequences of the [**] of any [**];

v. the [**] or [**] of the [**] for any [**]; and

vi. [**] or [**] of any [**] at the market or its [**] for [**].

Any such claims, regardless of their legal basis, are expressly excluded.

d. Without prejudice to Clause 17.2, in the event of any breach of BPL's warranties in this Clause 16.1.1, 16.1.4 & 16.1.5 (whether by reason of defective materials, production faults or howsoever arising), BPL's total liability to USWM shall be limited to:

i. [**] of the [**]; or

ii. at BPL's option, [**] of the [**] (where this has been [**]).

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e. BPL's [**] of [**] in accordance with Clause 16.4.1 or [**] of the [**] in accordance with Clause 16.4.2 shall not be construed independently as an acknowledgement of USWM's underlying claim for breach based on defects or any legal duty owed by BPL.

f. Any claim of breach of the warranties set forth above shall be allowed only when submitted to BPL in writing:

i. with respect to apparent defects of the Products (e.g. identity, transportation damages, quantity etc.) within [**] Business Days after [**] of Products to USWM; and

ii. with respect to hidden or latent defects, USWM shall give written notice of such hidden defects to BPL within [**] Business Days of [**] the [**], and in any case within the [**] of the Product

g. No claim shall be allowed in respect of any Products which have been [**], [**], [**], [**] or [**] by USWM in any manner which adversely affects them. USWM shall return such defective Products to BPL, if requested to do so by BPL.

13. Indemnities & Limitation of Liability

a. USWM shall keep BPL, its Affiliates and their respective officers, directors, employees and representatives (each a "BPL Indemnified Person") fully and effectually indemnified against all Third Party claims that may be asserted against or suffered by any BPL Indemnified Person and which relate to or arise in connection with:

i. [**] to [**], [**] or [**] arising from any [**] or [**] in the [**] resulting from USWM's (or its Affiliates') [**] or [**];

ii. [**] to [**], [**] or [**] arising from the [**] of the [**] by any party (appointed by USWM) other than BPL, its Affiliates or any [**] appointed by BPL;

iii. any breach by USWM of [**] or any of its obligations under the [**] to be entered into by USWM pursuant to [**]; and

iv. any reasonable [**], [**], [**] and [**] (including [**]) arising out of or in connection with that [**] (together with subclauses 17.1.1 through 17.1.4 above, a "**USWM Relevant Claim**").

This indemnity shall not apply to the extent that any such third party claim is determined to have resulted from any [**], [**], [**] or the [**] of BPL or any person appointed by it (including any [**] for the [**] appointed by BPL) or for which BPL is obligated to indemnify the USWM Indemnified Person pursuant to clause 17.2.

b. BPL shall keep USWM, its Affiliates and their officers, directors, employees and representatives (each a "**USWM Indemnified Person**") fully and effectually indemnified against

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all Third Party claims that may be asserted against or suffered by any USWM Indemnified Person and which relate to or arise in connection with:

i. [**] to [**], [**] or [**] arising from any [**] or [**] in the [**] resulting from BPL's (or any contract manufacturer appointed by BPL's) [**] or [**];

ii. any [**] to [**], [**] or [**] arising from any breach of the warranties given by BPL under Clause 16.1.1, 16.1.4 & 16.1.5 (inclusive);

iii. any breach of warranty given by BPL under [**]; and

iv. any [**], [**], [**] and [**] (including [**]) arising out of or in connection with that [**] (a "**BPL Relevant Claim**").

This indemnity shall not apply to the extent that any such third party claim is determined to have resulted from any breach of contract, breach of statutory duty, negligence or the willful misconduct of USWM or any person appointed by it (including any contract manufacturer for the Products appointed by USWM), or for which USWM is obligated to indemnify the BPL Indemnified Persons pursuant to clause 17.1.

c. Each Party shall, as soon as it becomes aware of a matter which may result in a Relevant Claim (a "**Relevant Claim**" shall mean, as the case may be, a USWM Relevant Claim or a BPL Relevant Claim):

i. give the other Party written notice of the details of the matter;

ii. give the other Party reasonable access to and allow copies to be taken of any materials, records or documents as the other Party may reasonably require to take action under this clause; and

iii. allow the other Party, at its sole cost and expense, the exclusive conduct of any proceedings and take any reasonable action that the other Party directs to defend or resist the matter, including using professional advisers nominated by such other Party.

iv. not admit liability or settle such Relevant Claim without the prior written consent of the other Party against whom such Relevant Claim has been made.

d. If a third party bring or asserts any claim against either Party for death or personal injury in connection with the use by patients in the Territory of the Products which does not otherwise fall within the scope of Clause 17.1 or 17.2, then the Parties shall share any liability to such third party (and any reasonable [**], [**], [**] and [**] arising out of or in connection with that [**]) in the following proportion: [**]% for the account of USWM and [**]% for the account of BPL. Either Party shall, as soon as it becomes aware of a matter that could result in a

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liability in the circumstances set out in this Clause 17.4 give the other Party written notice of the details of the matter and conduct of such claim shall be handled by the Parties in accordance with the provisions of Clause 4.2 (*JIP Management*).

e. Each Party hereby agrees that, when in defence of the other Party in accordance with the indemnification provisions set forth herein, such Party will not confess judgment on the indemnified Party (or, in case of any Party which is a defendant to such an action referred to in Clause 17.4) or otherwise settle in a manner that admits fault of the indemnified Party any matter giving rise to such indemnification obligation without the express written consent of the indemnified Party (not to be unreasonably withheld or denied).

f. This Clause 17 and Clause 4.9 sets out the entire financial liability of the Parties (including any liability for the acts or omissions of their respective employees, agents and subcontractors) to each other in respect of:

i. any breach of this Agreement however arising;

ii. any [**] and [**] of [**] by BPL;

iii. any [**] or [**] of the [**] by USWM; and

iv. any [**], [**] or [**] or [**] (including [**]) arising under or in connection with this Agreement.

g. Nothing in this Agreement shall limit or exclude the liability of either Party for:

i. [**] or [**] resulting from [**]; or

ii. [**] or [**]; or

iii. the indemnities contained in Clauses [**], [**] or [**].

h. Without prejudice to Clause 17.7 or Clause 4.9, except as otherwise set forth elsewhere in this Agreement, neither Party shall under any circumstances whatever be liable to the other, whether in contract, tort (including negligence) or restitution, or for breach of statutory duty or misrepresentation, or otherwise, for any of the following losses or damage suffered by the other Party that arises under or in connection with this Agreement:

i. loss of [**]; or

ii. loss of [**]; or

iii. loss of [**]; or

iv. loss of [**]; or

v. loss of [**]; or

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vi. loss or [**] of [**] or [**]; or

vii. [**], [**], [**] or [**] damage.

i. Without prejudice to Clauses 4.9, 17.1, 17.2 and 17.8, and except as otherwise set forth elsewhere in this Agreement, each Party's total liability arising under or in connection with this Agreement or any agreement entered into pursuant to this Agreement, whether arising in contract, tort (including negligence) or restitution, or for breach of statutory duty or misrepresentation, or otherwise, shall (unless the same relates to any Additional Payment or Royalty Payment due) in all circumstances be limited to the [**] of (i) $[**] (U.S. Dollars) or (ii) the amount of any [**] made by a Party in breach which is applicable to such [**] as provided for in [**] (based on the assumption that the [**] has complied with all duties owed to the [**] or necessary to preserve the full amount of [**] such as to notify any [**] within the [**] agreed with the [**]), and any Party found to be in breach shall in addition pay to the other Party its reasonable costs and expenses (including legal costs) incurred in recovering the same.

14. Insurance

a. During this Agreement and until the [**] of [**] by USWM has [**] or for a period of [**] years after [**], whichever is the greater, USWM shall maintain in force (i) a product liability insurance policy and (ii) a professional indemnity insurance policy for an amount equaling [**]% of the total [**] for the [**], (i) subject to a [**] of [**] dollars for claims arising from any single event and not less than [**] dollars in the aggregate arising in a [**], and (ii) subject to a [**] of [**] dollars for claims arising from any single event and not less than [**] dollars in the aggregate for all claims arising in a [**]. BPL shall be named as an additional insured under each such policy procured by USWM.

b. Notwithstanding the foregoing, the Parties shall use their commercially reasonable endeavours to amend their insurance requirements in line with any requirement imposed by any Third Party CMC or counterparty to any Current Supply Agreement from time to time as a precondition to supplying Products or assigning or novating any Current Supply Agreement.

15. Technical and Pharmacovigilance Agreements

The Parties agree to provide each other with copies of all safety data relating to the Product in their possession or control from time to time. USWM shall enter into a Technical Agreement / Pharmacovigilance Agreement ("TA / PVA") reasonably acceptable to BPL and USWM, which includes, without limitation, procedures for the collection, review, assessment tracking and filing of information related to adverse events associated with Products in the Territory, in such reasonable form as BPL may specify in writing as soon as reasonably practicable.

16. Force majeure

a. Neither Party shall be liable for delay or failure to perform hereunder due to any contingency beyond its control, including, but not limited to acts of God, fires, floods, wars, civil

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wars, sabotage, strikes, governmental laws, ordinances, rules or regulations, failure of third party supplier or subcontractor or shortage of raw materials ("**Force Majeure**").

b. If either Party is affected by any Force Majeure event, it shall forthwith notify the other Party of the nature and extent thereof.

c. A Party shall not be deemed to be in breach of this Agreement, or otherwise be liable to the other, by reason of any delay in performance, or non-performance, of any of its obligations hereunder to the extent that such a delay or non-performance is due to any Force Majeure of which it has notified the other Party, and the time for performance of that obligation shall be extended accordingly.

d. If the Force Majeure in question has prevented or is likely to prevent a Party from performing its obligations for a period of more than [**] and [**] days and such Party is not exerting its [**] to comply with this Agreement such that compliance can be achieved upon cessation of the Force Majeure event, then the other Party may terminate this Agreement upon written notice at any time after expiry of the said period (unless Clause 11.15 applies).

17. Duration

a. This Agreement shall enter into force on the date of signature hereof by both Parties (the "**Commencement Date**") and shall continue thereafter for a period of [**] Contract Years (the "**Initial Term**"); and thereafter shall automatically continue for successive [**] terms (each a "**Renewal Term**") unless one Party terminates this Agreement by giving at least [**] prior written notice to expire at the end of the relevant Initial Term or Renewal Term (as the case requires) or unless terminated sooner in accordance with Clauses 22.1, 22.3 or 22.4 below.

18. Termination

a. Either Party shall be entitled forthwith to terminate this Agreement by written notice to the other if,

i. that other Party commits a [**] of any of the provisions of this Agreement or any agreement entered into pursuant to this Agreement and, in the case of a [**] capable of [**], [**] to [**] the same within [**] Business Days after receipt of a written notice giving full particulars of the [**] and requiring it to be [**]; provided, however, that if such [**] is not capable of [**] within such [**] Business Day period, such period shall be extended if the [**] Party is exerting its [**] to [**] such [**] within the time period in which such [**] may be [**];

ii. subject to Clauses 22.9, 23.1, 24.3 and 24.4, the other Party enters into or suffers an Insolvency Event;

iii. [RESERVED];

iv. [RESERVED];

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v. [RESERVED];

vi. that other Party ceases, or formally threatens to cease, to carry on business; or

vii. anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to that other Party.

b. For the purposes of Clause 22.1, a breach shall be considered capable of remedy if the Party in breach can comply with the provision in question in all respects except as to the time of remedy in Clause 22.1.1, provided that time of performance is not of the essence and the defaulting Party is using its best efforts to remedy such breach.

c. Either Party shall be entitled forthwith to terminate this Agreement by written notice to the other Party if the other Party is in material breach of the [**] (which is not duly remedied in accordance with its terms).

d. BPL shall also be entitled forthwith to terminate this Agreement by written notice to USWM if USWM is in material breach of the [**] (which is not duly remedied in accordance with its terms).

e. Any waiver by either Party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision thereof.

f. The rights to terminate this Agreement given by this Clause shall be without prejudice to any other right or remedy of either Party in respect of the breach concerned (if any) or any other breach.

g. that USWM and such Affiliates will become parties) to a [**] (as may be amended from time to time) dated [**] (such [**], together with any other similar [**] amending, modifying, amending and restating, replacing or [**] such [**], the "[**]"), providing for a [**] from certain [**] and [**], as agent for such [**], (such [**] acting as agent for such [**] together with any successor or replacement [**], "[**]") and (ii) is a party to that certain [**] (as amended) dated as of [**] (such [**], together with any other similar [**] amending, modifying, amending and restating, replacing or [**] such [**], the "[**]"), among USWM, certain of its Affiliates, certain [**] and [**], as agent for such [**] (together with any successor or replacement agent, "[**]" and together with the [**], each an "[**]" and collectively the "[**]"). For purposes of this Agreement, the term "[**]" means [**] until such time as [**] notifies [**] in writing that the [**] shall be the [**], and on and after delivery of such notice from the [**] to [**], the term "[**]" shall mean the [**].

h. BPL will promptly forward to each Agent a copy of any written notice sent by BPL to USWM under Clause 22 or 23 of this Agreement. However, the termination of this Agreement by BPL shall not affect the rights of either Agent pursuant to this Clause 22.8, Clause 22.9 and Clause 23 hereof. No termination may be effective prior to the [**] day after the receipt

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by each Agent of a notice from BPL of its intent to terminate this Agreement and any such termination shall be suspended if either Agent delivers to BPL a Transfer Notice (defined below) in accordance with Clause 22.9.

i. After BPL's delivery of a notice of intent to terminate to each Agent, in the event that either Agent undertakes to transfer USWM's rights (or undertakes to cause USWM to transfer such rights) under this Agreement, the [**] and all related rights under ancillary agreements related to this Agreement, such Agent shall deliver to BPL a notice of such intent to transfer (a "**Transfer Notice**") within [**] days of receiving a notice of intent to terminate from BPL. In the event that an Agent timely delivers a Transfer Notice, BPL's right to terminate this Agreement shall be suspended for a period of [**] days (the "**Transfer Period**") commencing on the date of such Transfer Notice to allow such Agent to transfer, or cause USWM to transfer, this Agreement, the [**] and the agreements related to this Agreement so long as the transfer would qualify as a Permissible Assignment. During the Transfer Period (i) BPL will suspend any exercise of its rights under Clause 22 of this Agreement to repurchase any of the Products, (ii) BPL will suspend the exercise of its rights hereunder to revoke the licences granted to USWM under this Agreement, (iii) the Agent delivering the Transfer Notice shall have the right to market and sell USWM's and its Affiliates' rights in and to this Agreement, the [**] and the other ancillary agreements related to this Agreement, and (iv) Agent Representative shall have the right to take control of the Products, take any action available to Agent Representative as a secured creditor with respect to the Products, and exercise any rights Agent Representative has to sell, market, deal with and dispose of any Products and to use USWM or its Affiliates' licence rights granted by BPL under this Agreement or by the JVC under the [**], all conditional on the prompt payment to BPL of all Additional Payments due under Clause 12 of this Agreement in connection with the sale of such Products by Agent Representative, and compliance with the Net Sales and Additional Payment provisions (including with respect to maximum Deductions) set forth in this Agreement, but only with respect to those Products sold or disposed of by Agent Representative, The rights of Agent Representative under this Clause 22.9 to sell, market, deal with and dispose of Products shall not be exclusive in nature. Notwithstanding anything to the contrary set forth in this Clause 22.9, neither Agent shall be deemed to have assumed any of USWM's or any of its Affiliates' other obligations or liabilities under this Agreement, including without limitation any amounts accrued and owing, whether Additional Payments, Royalty Payments or any other amount owed, at the time that a Transfer Notice is received by BPL, which obligations and liabilities shall not be deemed to be discharged by the exercise of any rights of any Agent hereunder. In the event that any Agent finds a transferee meeting the requirements of a Permitted Assignee for USWM's and its Affiliates rights under this Agreement, the [**] and the other agreements related hereto within the Transfer Period, then BPL agrees to accept performance from and render performance to such Agent's Permitted Assignee, provided that, at the time of such Transfer, (x) such Permitted Assignee or Agent shall cure all Material Defaults under this Agreement, other than a Material Default arising from the existence of an Insolvency Event, by (i) on or before such Transfer date, making payment in such amounts as are necessary to cure Material Defaults that are capable of being cured by the payment of money and (ii) with respect to any Material Default that is not capable of being cured merely by the payment of money, promptly and diligently undertaking all actions necessary to restore all of BPL's rights under the Agreement at the time of such Transfer and compensating

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BPL for its losses resulting from any default resulting in BPL's loss of material rights or that materially prejudices BPL's rights under the Agreement on a going forward basis and (y) such Permitted Assignee shall enter into an Assignment and Assumption Agreement of this Agreement and the [**] and the then current Marketing Plan and New Development Plan, to BPL, in a form and content reasonably satisfactory to BPL. Each Agent and the Parties agree that a transfer under this Section 22.9 shall be deemed an Apokyn Asset Sale and shall be subject to 24.4.2. As used herein, a "Material Default" shall mean (i) a default that is curable or (ii) an uncurable default that (a) results in BPL's loss of material rights or (b) materially prejudices BPL's rights under the Agreement on a going forward basis.

19. Consequences of Termination; Consent to Security Interest

a. Upon the termination of this Agreement by BPL under Clauses 21.1, 22.1, 22.3 or 22.4 or termination of this Agreement by USWM under Clause 21.1, 22.1 or 22.3, then without prejudice to any other remedy available to the terminating Party:

i. If BPL provides notice of its intent to do so to USWM at least [**] days prior to termination of this Agreement (the "**First BPL Notice**"), but only so long as no Agent has previously elected to exercise its rights under Clause 23.1.1.d, Clause 23.1.3 or Clause 22.9 as set forth herein, BPL shall be entitled, but not obligated, for a period of [**] working days after such termination, to repurchase from USWM or its Affiliates all or any part of any stocks of the Products then held by USWM or its Affiliates at their original invoice value and sell such stocks whether or not it is in USWM or its Affiliates' livery or packaging until such time as any relevant Marketing Authorization is varied; provided, that:

a. BPL shall be responsible for arranging the cost of [**] and [**];

b. USWM or its Affiliates may sell stocks for which it has accepted orders from customers prior to the date of termination, or in respect of which BPL does not, by written notice given to USWM within [**] working days after the date of termination exercise its right of repurchase (the "**Second BPL Notice**"), and for those purposes and to that limited extent only the provisions of this Agreement shall continue in full force and effect (but without prejudice to the right of BPL to appoint any other party as its new licensee for the Products in the Territory or take any other steps it deems appropriate as from the date of termination);

c. if BPL fails to provide USWM with timely notice of its intent to repurchase such stock pursuant to this Clause 23.1.1, then USWM or its Affiliates shall be permitted to continue to sell such stock for a period of [**] days after the date of termination, subject to USWM or its Affiliates selling such stock on an arms' length basis and in accordance with the Net Sales, Additional Payment and Royalty Payment requirements (including with respect to maximum Deductions) set out in this Agreement;

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d. if Agent Representative sends written notice to BPL within [**] working days after its receipt of the First BPL Notice that Agent Representative is exercising its rights hereunder (the "**Agent Notice**"), for a period of [**] days from the date on which BPL receives such Agent Notice (the "**Sell-Out Period**"), and notwithstanding anything to the contrary contained in this Clause 23.1.1, Clauses 23.1.5 through and including 23.11 hereof, or any other provision of this Agreement, (i) BPL will suspend any exercise of its rights under Clause 22 of this Agreement to repurchase any of the Products, (ii) BPL will suspend the exercise of its rights hereunder to revoke the licences granted to USWM under this Agreement and the [**] to the extent necessary to permit Agent Representative to sell, market, deal with and dispose of any Products, and (iii) Agent Representative shall have the right to take control of the Products, take any action available to Agent Representative as a secured creditor with respect to the Products, and exercise any rights Agent Representative has to sell, market, deal with and dispose of any Products and to use USWM or its Affiliates' licence rights under this Agreement and the [**] solely in connection with any or all of the foregoing actions, all conditional on the prompt receipt by BPL of all Additional Payments due under Clause 12 of this Agreement in connection with the sale of such Products by Agent Representative, and compliance by any Agent with the Net Sales and Additional Payment provisions (including with respect to maximum Deductions) set forth in this Agreement, but only with respect to those Products sold or disposed of by Agent Representative. The rights of Agent Representative under this Clause 23.1.1 .d to sell, market, deal with and dispose of Products shall not be exclusive in nature. Notwithstanding anything to the contrary set forth in this Clause 23.1.1, neither Agent shall be deemed to have assumed any of USWM's or any of its Affiliates' other obligations or liabilities under this Agreement, including without limitation any amounts accrued and owing, whether Additional Payments, Royalty Payments or any other amount owed, at the time that an Agent Notice is received by BPL, which obligations and liabilities shall not be deemed to be discharged by the exercise of any rights of any Agent hereunder; and

e. Unless coupled with a Transfer Notice (defined below); any Agent's exercise of its rights under Clause 23.1.1.d or Clause 23.1.3 shall not limit BPL's ability pursuant to this Agreement to terminate the Agreement (save in respect of any rights expressly granted to the Agents hereunder, which shall survive termination during the Sell-Out Period) and appoint a new licensee to replace USWM, whether during the Sell-Out Period or otherwise, and to provide such new licensee with such rights as BPL sees fit (other than in respect of the actual Products that are under the control of an Agent).

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ii. BPL consents to the grant by USWM and its Affiliates to each Agent of a security interest in and to all of USWM's and its Affiliates assets, including, without limitation, in (a) all stocks of Products, (b) the Joint IP rights of USWM (but not BPL), (c) this Agreement and the [**], and (d) any licenses granted to USWM or its Affiliates by BPL under this Agreement or by the JVC under the [**], in each case for the purpose of securing all amounts owing by USWM and its Affiliates under the Term Credit Agreement and related loan documents and the Revolving Credit Agreement and related loan documents, and BPL agrees that the granting of such security interest shall not constitute a breach of or default under this Agreement. In furtherance of the forgoing, BPL consents to each Agent recording a memorandum of license or other notice as deemed appropriate by the Agents against the Joint IP rights of USWM and the rights granted by BPL and the JVC to USWM for the Territory for purposes of satisfying notice requirements or otherwise perfecting the security interests granted by USWM and its Affiliates under subparts (b)-(d) of this Clause 23.1.2 under applicable laws.

iii. If Agent Representative wishes to exercise its rights and remedies as a secured party with respect to the Products in any circumstances other than as set forth in Clause 23.1.1.d above, Agent Representative shall notify BPL in writing thereof prior to any such exercise (the "**Agent Alternative Notice**"). Agent Representative's exercise of such secured party rights and remedies may permit BPL to exercise its right under Clause 22.1.2 to terminate this Agreement. Upon receipt by BPL of the Agent Alternative Notice or a Transfer Notice (defined below), whether or not BPL subsequently terminates this Agreement, Agent Representative will have the same rights, subject to the same conditions and limitations, as set forth in Clause 23.1.1.d above with respect to the Products and the Intellectual Property Rights and BPL shall have the right to terminate and appoint a new licensee as provided in Clause 23.1.1.e (unless the limitations on termination in Clause 22.9 then apply).

iv. Each Agent shall be a third party beneficiary of Clause 22.8 and this Clause 23 and, as such, shall be entitled to enforce the provisions of Clause 22.8 and this Clause 23 against BPL and USWM as if such Agent were a party to this Agreement. No amendment or modification of the rights granted to any Agent under this Agreement shall be effective without the prior written consent of each Agent.

v. Notwithstanding the foregoing and subject to Clauses 4.11, 5.2 and 5.3, in the case of termination by either Party under Clause 21.1, or termination by USWM under Clauses 22.1 or 22.3, references in this Clause 23.1 to the "Products" shall be deemed to be limited to the Apokyn [**] Pen Product and any other Product affected by the withdrawal of the licence to

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the Excluded IP referred to in paragraph (i) of such definition in accordance with Clause 4.11.

b. USWM shall [**] within [**] days send to BPL or otherwise dispose of in accordance with the directions of BPL all samples of the Products and any advertising, promotional or sales material relating to the Products then in the possession of USWM;

c. Outstanding unpaid invoices rendered by BPL in respect of the Products shall become immediately payable by USWM and invoices in respect of Products ordered prior to termination but for which an invoice has not been submitted shall be payable immediately upon submission of the invoice;

d. USWM shall cease to make any use of the Apokyn US Trade Marks and associated trade dress in accordance with the [**] other than for the purpose of selling stock in respect of which BPL does not exercise its right of repurchase;

e. USWM shall at its own expense join with BPL in procuring the cancellation or the transfer of any licences entered into pursuant to the [**] to the [**] representative nominated by BPL;

f. the provisions of Clauses 15, 12.4 (as applied to ongoing Additional Payments), 23 through 26 (inclusive), as well as the indemnities in Clause 17 for such time as Products are being sold in the Territory, shall continue in force in accordance with their respective terms except as otherwise set forth in Clause 23.1;

a. USWM shall forthwith return to BPL all Promotional Materials as well as all documents and material containing Restricted Information belonging exclusively to BPL if requested to do so in writing by BPL;

b. USWM shall have no claim against BPL for compensation for loss of distribution rights, loss of goodwill or any similar loss, and to the extent USWM has any such claim(s), it hereby irrevocably agrees to waive the same and release BPL from all liability relating thereto;

c. [**RESERVED**],

d. Subject as otherwise provided herein and to any rights or obligations which have accrued prior to termination, neither Party shall have any further obligation to the other under this Agreement.

e. With effect from termination, the Product Licences and any applications relating thereto granted under the stipulations of this Agreement shall be addressed in accordance with Clauses 4.6.2, 4.6.3, 5.2 and 5.3. If USWM or any Party nominated or designated by USWM is the holder of any Product Licence to be transferred to BPL or any other Intellectual Property Rights belonging exclusively to BPL, subject to and in accordance with Clauses 4.11, 4.6.2, 4.6.3, 5.2 and 5.3, it shall take all necessary and desirable steps to transfer and assign the same

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back to BPL (or as it directs) in accordance with such aforementioned Clauses, in each case to the fullest extent permitted by law. USWM agrees further to co-operate with BPL in the case of non-assignable Product Licences that are the exclusive property of BPL under the terms of this Agreement by not taking and not omitting to take any action which may cause such Product Licences to lapse or be cancelled, and if required under Clause 5 to do so, shall co-operate with and assist BPL (or as it directs) in obtaining an orderly and prompt transition and issuance of new Product Licences for the Product(s) on behalf of BPL (or as it directs).

1. Nature of Agreement; Change of Control; Other Provisions

a. Either Party shall be entitled to perform any of the obligations undertaken by it and to exercise any of the rights granted to it under this Agreement through any other company which at the relevant time is an Affiliate and any act or omission of any such company shall for the purposes of this Agreement be deemed to be the act or omission of the relevant Party.

b. [**Reserved**]

c. Except as set forth in this Agreement, neither Party may assign, mortgage, charge or dispose of its rights hereunder, except: (i) so long as no Insolvency Event or Material Default (as defined in Clause 22.9) has occurred and is continuing with respect to such Party, with the prior written consent of the other Party, which consent shall not be unreasonably withheld, denied or delayed; or (ii) in connection with a Permissible Assignment (subject to Clause 22.9 if applicable); *provided*, *however*, that the rights of the Parties hereunder are not divisible or subject to partition, and with respect to an assignment, transfer or other disposition under clause (i) or (ii) herein, such Party must be assigning, transferring or otherwise disposing of all of its rights under this Agreement. Notwithstanding the foregoing, subject to sections 4.1.4 and 4.1.5, each Party may, upon notice to the other Party (but not the consent of the other Party), assign,

delegate, sub‐contract or sublicense any right, obligation or duty of the first mentioned Party arising under this Agreement or the agreements, documents and instruments contemplated by this Agreement (including without limitation the [**] and Technical Agreement (TA) and Pharmacovigilance Agreement (PVA) contemplated in Clause 19), to any Affiliate of the first mentioned Party, and the consent of the other Party shall be deemed as having been given by execution of this Agreement, subject to no change of Control occurring in respect of such Affiliate and in such eventuality, the first mentioned Party shall procure that such Affiliate shall forthwith transfer back any rights transferred hereunder. At all times during the continuance of this Agreement, the first mentioned Party shall remain liable to the other Party for any act or omission or breach of duty by its Affiliates in connection with the performance of, and transactions contemplated by, this Agreement. In any such case, the first mentioned Party shall immediately notify the other Party of such assignment, sub-contract or delegation and shall at the same time notify the new address for notices as agreed in Clause 24 of this Agreement. For purposes of this Agreement, a "**Permissible Assignment**" shall mean the assignment, sub-contracting, delegation or transfer to a Permitted Assignee. Notwithstanding any other provision of this Agreement, no Party shall pledge, mortgage or grant any encumbrance or security

interest over any Joint IP or any Intellectual Property Rights licensed to it, except as permitted by Clause 23.1.2.

a. **Certain Rights Related to Changes of Control and** [**]**.**

i. Prior to a change of Control of any Party to any Third Party being proposed, the relevant Party (the "**First Party**") undertakes to give the other Party (the "**Other Party**") advance notice of the same and to afford the Other Party a non-exclusive opportunity to discuss any potential transaction for [**] Business Days following the date of such notice. If the Parties have not executed within such period a non-binding offer letter agreeing a process for the sale of Control of the relevant entity to the Other Party, the First Party shall be free to pursue any permitted transaction; *provided, further*, that if the First Party shall then be engaging in an organized sale process conducted by a broker, investment banker or similar adviser, the First Party shall procure that the Other Party be provided notice of and the opportunity to participate in the same, subject to customary confidentiality obligations. Notwithstanding the foregoing provisions of this Clause 24.4.1, the foregoing obligation to provide advanced notice or allow the Other Party a non-exclusive opportunity to discuss a potential transaction shall not in any event apply to BPL's ultimate parent company STADA Arzneimittel AG.

ii. Subject to and without prejudice to Clause 22.9, prior to a First Party effecting an [**] to a Third Party pursuant to a bona fide offer, the First Party shall give written notice (the "**Seller's Notice**") to the Other Party stating that the First Party intends to accept such offer, identifying the party who made the bona fide offer (subject to any confidentiality restrictions thereon), and providing a copy of the bona fide offer (redacting any identifying information of the Third Party if required under confidentiality obligations). Upon delivery of the Seller's Notice, the Other Party shall have the first right to purchase, within [**] days of its receipt of the Seller's Notice, the assets of the First Party upon the same terms and conditions set forth in the bona fide offer provided in the Seller's Notice. Such right shall be exercisable by written notice to the First Party within [**] days of receipt of the Seller's Notice (which shall not extend the [**] day period above) stating that the Other Party is willing to purchase, and such notice shall constitute an irrevocable commitment to purchase from the First Party, subject only to the conditions contained in the bona fide offer. If the Other Party does not elect to purchase upon the terms of the bona fide offer, then the First Party shall be free, for a period of [**] days from the date of the Seller's Notice, to sell to the Third Party upon terms no more favorable to the Third Party than those specified in the Seller's Notice. Any [**] by the First Party after the end of such [**]-day period or any change in the terms of the sale

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as set forth in the Seller's Notice that are more favorable to the Third Party shall be deemed to be a new offer and the First Party shall be required to comply with the provisions of this clause 24.4.2 for such new offer.

b. Nothing in this Agreement shall create, or be deemed to create, a partnership or the relationship of principal and agent or employer and employee between the Parties. The relationship of the Parties under this Agreement is that of independent contractors.

c. If any term or provision of this Agreement in whole or in part shall be held by any court of competent jurisdiction to be illegal or unenforceable under any enactment or rule of law such term or provision or part shall to that extent be deemed severable and not to form part of this Agreement and the validity and enforceability of the remainder of the Agreement shall not be affected.

d. This Agreement (and any other agreements or documents referred to herein) comprises the entire agreement between the Parties relating to the subject matter hereof to the exclusion of all prior or collateral agreements, negotiations, notices of intention, promises, warranties, undertakings, arrangements, understandings and representations, whether written or oral (collectively "Representations") other than those Representations expressly included in this Agreement; the Parties agree and warrant to each other that they have not relied upon or been induced to enter into this Agreement on the basis of any Representations other than those expressly included in this Agreement; and neither Party shall be bound by or be liable for any Representations of any kind or nature not expressly included in this Agreement. This Clause shall not affect any confidentiality or secrecy agreement entered into by the Parties prior to this Agreement.

e. The exercise or partial exercise of or any delay or omission in exercising any right conferred by this Agreement on either Party shall not constitute a waiver of that or any other right or remedy available to that Party nor affect the right or remedy at a later time and the rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

f. No modification of this Agreement shall be effective unless it is made in writing and agreed by an authorised representative of each Party. This also applies to modifications of this Clause.

g. Save as otherwise provided in this Agreement, each Party shall pay its own costs in connection with the negotiation, preparation, execution and performance of this Agreement, and all documents ancillary to it.

h. Each Party shall (at its own expense) promptly execute and deliver all such documents, and do all such things, or procure the execution and delivery of all documents and

doing of all such things as are required to give full effect to this Agreement and the transactions contemplated by it.

i. Neither Party to this Agreement shall employ or use the name of the other Party in any publication of promotional materials or in any form for public distribution without prior written consent of said other Party.

1. Notices

a. Any notice to be given or served under or in connection with this Agreement shall be in the English language and in writing and may be:

i. delivered by hand; or

ii. sent by registered mail, special delivery or recorded delivery post (in each case, pre-paid);

b. Notices hereunder shall be addressed as follows:

To BPL:

FAO: [**]
[**]
Fax: [**]
To USWM:

FAO: [**]
United States of America
Phone: [**]
Fax: [**]
[**]

c. A notice is deemed to be given or served at the time it is left at the address.

a. In the case of a notice given or served by hand, where this occurs after 5.00 pm on a Business Day, or on a day which is not a Business Day, the date of service shall be deemed to be the next Business Day.

1. Law & Arbitration

a. This Agreement shall be governed by and constructed in all respects in accordance with the Laws of New York.

b. Any disputes, claims or controversies arising out of, relating to or in connection with the present Agreement, including any question regarding its formation, existence, validity, enforceability, performance, interpretation, breach or termination, shall be submitted to

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arbitration according to the Rules of Arbitration of the International Chamber of Commerce (ICC) and shall be finally settled under such rules by a panel of three (3) arbitrators.

c. Each party shall nominate one (1) arbitrator and shall obtain its nominee's acceptance of such nomination within thirty (30) days after delivery of the request for arbitration. In the event a party fails to nominate an arbitrator within this time period upon request of any party, such arbitrator shall instead be appointed by the ICC in accordance with its rules within thirty (30) days of receiving such request. The third arbitrator, who shall act as chairman of the arbitration panel, shall be nominated by the two (2) arbitrators nominated by the parties. If he is not so nominated within thirty (30) days of the date of nomination of the later of the two (2) party-nominated arbitrators, he shall be chosen in accordance with the ICC rules by the ICC.

d. The place of arbitration shall be New York.

e. The language of the arbitration shall be English.

f. The scope of the authority of the arbitrators shall be limited to the strict application of law, the award of damages and the making of any emergency orders (whether interim or final). The arbitrators shall not have the right to award or make an order for any punitive damages.

g. The parties are entitled either prior to or during or after arbitration to seek and obtain interim injunctive or other interim equitable relief in any court of competent jurisdiction to preserve the status quo, to prevent the breach of this Agreement, or to enforce the orders of arbitration.

h. Except as may be required by law, neither a party nor its representatives nor a witness nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

i. The International Bar Association Rules of Evidence shall apply together with the rules governing any submission to arbitration in this agreement. Where they are inconsistent with the aforesaid rules, the IBA Rules of Evidence shall prevail but solely as regards the presentation and reception of evidence. In limitation of the foregoing, and not in amplification thereof, neither Party shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant or considered relevant by the arbitrators.

j. Each of the parties hereto irrevocably und unconditionally waives trial by jury in any legal action or proceeding relating to this Agreement.

k. Each party participating in an arbitration pursuant to the terms of this Agreement shall, subject to the award of the arbitrators, pay an equal share of the arbitrator's fees. The arbitrators shall have the power to award recovery of all costs (including reasonable attorney's fees, administrative fees, arbitrator's fees and court costs) to the prevailing party.

l. The arbitrators' award will be final and binding. The parties expressly exclude any and all rights to appeal, set aside or otherwise challenge an award by the arbitrators, insofar as such exclusion can validly be made.

[REMAINDER OF PAGE BLANK INTENTIONALLY; SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed and delivered this Distribution, Development, Commercialization & Supply Agreement by their duly authorized representatives on the date set forth below.

BRITANNIA PHARMACEUTICALS LIMITED

Acting by:

Name: /s/ [**] Name: /s/ [**]

Title: Managing Director Title: Director

Date: January 15, 2016 Date: January 15, 2016

US WORLDMEDS, LLC

Acting by:

Name: /s/ [**] Name: /s/ [**]

Title: CEO Title: CFO

Date: January 15, 2016 Date: January 15, 2016

Exhibit 10.3

CERTAIN CONFIDENTIAL INFORMATION IDENTIFIED IN THIS DOCUMENT, MARKED BY [**], HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

FIRST AMENDMENT TO AMENDED AND RESTATED DISTRIBUTION, DEVELOPMENT, COMMERCIALIZATION & SUPPLY AGREEMENT

This FIRST AMENDMENT TO AMENDED AND RESTATED DISTRIBUTION, DEVELOPMENT, COMMERCIALIZATION & SUPPLY AGREEMENT (this "**Amendment**"), is entered into and effective as of February 19, 2020 (the "**Amendment Effective Date**"), by and between **US WorldMeds, LLC**, a Delaware limited liability company with its principle place of business at 4441 Springdale Road, Louisville, KY 40241 ("**USWM**"), and **Britannia Pharmaceuticals Limited**, whose registered office is at Park View House, 65, London Road, Newbury, Berkshire RG14 1JN ("**BPL**" or "**Britannia**"). Each of USWM and BPL may be referred to individually herein as a "**Party**" and, collectively, as the "**Parties**."

RECITALS

WHEREAS, USWM and BPL entered into that certain Amended and Restated Distribution, Development, Commercialization & Supply Agreement dated January 15, 2016 (the "**Existing Agreement**");

WHEREAS, the Parties desire to amend the Existing Agreement to modify (i) the "Field of Use" definition therein and (ii) certain supply matters as set forth herein; and

WHEREAS, pursuant to Section 24.9 of the Existing Agreement, the amendment proposed by the Parties must be made in writing and agreed by an authorized representative of each Party.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. **Definitions**. Capitalized terms used and not defined in this Amendment have the respective meanings assigned to them in the Existing Agreement.

2. **Amendment to the Existing Agreement**. As of the Amendment Effective Date, the Existing Agreement is hereby amended as follows:

(a) The defined term "**Field of Use**" in Section 1.1 is deleted in its entirety and replaced with the following:

""**Field of Use**" means (i) the treatment of Parkinson's Disease [**] of any [**], and (ii) the treatment of off episodes in advanced Parkinson's Disease [**] of any [**]."

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(b) Section 11.1 is deleted in its entirety and replaced with the following:

"The Parties acknowledge and agree that BPL has the primary right (but not the obligation) to supply Products under this Agreement. Subject to Clause 11.2 and provided BPL has agreed or elected to supply the same, for the Initial Term and thereafter until such time as USWM loses its exclusivity to Joint IP under Clauses 4.6.1, 4.6.2 or 4.6.3, unless either Party has terminated this Agreement in accordance with its terms, USWM shall purchase all of its requirements of: (i) the Apokyn [**] Pen Product; (ii) the [**]; (iii) Peripherals (or any replacement peripherals where any agreed supplier resolves no longer to supply the same to BPL for the Territory) and (iv) any other Product arising from any Joint New Development, exclusively from BPL, and BPL shall use commercially reasonable efforts to supply same to USWM, on the terms and conditions provided herein. If BPL elects not to supply any Product, then the payments due to BPL hereunder for such Product shall be determined in accordance with Clause 13.2.1. Where BPL is supplying, payments shall be calculated in accordance with Clause 12.

The Parties acknowledge that as of the Amendment Effective Date, BPL has delegated responsibility for the final packaging of the Apokyn [**] Pen Product to USWM. Notwithstanding anything in this Agreement to the contrary, the Parties agree that such delegation of the final packaging responsibilities of the Apokyn [**] Pen Product to USWM shall not, for purposes of this Agreement, be deemed to represent that BPL is not supplying Product. BPL reserves its primary right (but not its obligation) to assume final packaging responsibilities for any Product, including the Apokyn [**] Pen Product, Joint New Developments (including [**] containing the [**] (*e.g.*, the [**])), and the [**]. For purposes of clarity, in the event BPL elects to assume final packaging responsibility for any Product, such final packaging responsibilities shall be deemed a supply activity and the Parties' rights and obligations with respect to the same shall be as otherwise set forth in this Clause 11."

(c) Section 11.15.2 is deleted in its entirety and replaced with the following:

"[Intentionally Omitted.]"

3. **Governing Law**. This Amendment is governed by, and construed in accordance with, the laws of New York.

4. **Counterparts**. This Amendment may be executed simultaneously in three counterparts, each of which shall be deemed an original and both of which, together, constitute a single agreement.

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1. **Effectiveness and Entire Agreement**. This Amendment is effective as of the Amendment Effective Date. Except as expressly provided in this Amendment, all of the terms and provisions of the Existing Agreement are and will remain in full force and effect and are hereby ratified and confirmed by the Parties. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the Existing Agreement or as a waiver of or consent to any further or future action on the part of either Party that would require the waiver or consent of the other Party. On and after the Amendment Effective Date, each reference in the Existing Agreement to "this Agreement," "the Agreement," ''hereunder," "hereof," "herein" or words of like import will mean and be a reference to the Existing Agreement as amended by this Amendment. This Amendment constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives.

Britannia Pharmaceuticals Limited	**US WorldMeds, LLC**
By: /s/ [**]	By: /s/ [**]
Name: [**]	Name: [**]
Title: Managing Director	Title: CEO
Date: February 19, 2020	Date: February 19, 2020

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Exhibit 10.4

CERTAIN CONFIDENTIAL INFORMATION IDENTIFIED IN THIS DOCUMENT, MARKED BY [**], HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

[**]

Re: Memorandum of Understanding for the Supply of [**] Pens [**]

Dear Ms. [**],

Pursuant to the terms of this letter, US WorldMeds, LLC ("USWM"), Britannia Pharmaceuticals Ltd. ("BPL") (collectively the "Purchasers"), and [**], acting through its [**] business unit ("[**]") (each, a "Party" and collectively, the "Parties") hereby agree and acknowledge the intent by the Parties to move forward in good faith toward [**] providing the Purchasers certain services (the "Services") related to (i) the recommissioning of [**] pen line for the supply of [**] pens ("[**] Pens"), (ii) the supply of USWM's requirements of [**] in the quantities and at the prices set forth herein, and (iii) the [**] and [**] of [**] for [**] with [**].

In regard to the development and supply of [**], the following terms shall apply:

- [**]. Within [**] days of the date of last signing below, the Parties shall resolve a [**] and associated agreement which shall contain the essential elements of the [**] of the [**], including details concerning the [**], [**], [**] and [**], [**] and [**] obligations and other requirements (as set forth in the attached [**] to [**] (the [**])) (the [**]). At the time of signing, it is believed by [**] that [**] represents an [**] for the [**] with a number of [**] other [**] and a [**] and [**]. While it is the intention of all the Parties to proceed to seeking [**] for [**], [**] will additionally have the right, but not the obligation, to pursue [**] projects with the [**].
- Terms of [**]. The [**] shall include key terms of [**] for the [**]. Furthermore, promptly following the completion of the [**] of the [**], the Parties shall negotiate and agree in good faith on a [**], which shall include the key terms of [**] from the [**], amended as necessary to comply with laws then applicable and any changing conditions and to reflect such other customary terms and provisions as the parties may agree.
- Payment Terms. [**] will issue periodic invoices to [**] for all amounts due to [**] hereunder, setting forth in reasonable detail the amounts payable by [**] under this letter. [**] invoices will be payable within [**] days of [**] receipt of the respective invoice.
- Deposit. In order to commence work on an expeditious basis and ensure that all timelines are met, the [**] agree to paying $[**] of the [**] (total $[**]) for the [**] of [**] within [**] business days of the last signing of this agreement.
- Non-Assurance. The Parties acknowledge that [**] of the [**] by the [**] is not assured. As long as a Party uses its commercially reasonable efforts to perform its obligations under this letter and the [**], that Party shall not be in default for any failure to achieve any particular result or [**]. For purposes of clarity, the [**] shall

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not be financially accountable for [**] of [**] or additional [**] beyond this letter and/or the [**] (but shall remain accountable, for the avoidance of doubt, for payments through [**] totaling $[**] in the [**]), in the event the [**] are not [**] by the [**].

- Termination. The Parties will use their commercially reasonable best efforts to seek [**] and [**] of [**] in the [**]. [**] obligation to deliver [**] will remain in place until [**].

In regard to [**] to be supplied to USWM by [**], the following terms shall apply:

- RLP Recommissioning. Promptly following the date of last signing below, [**] will recommission its manufacturing of [**] as set forth in the attached "Proposal for recommissioning of [**] ([**]) to deliver Apomorphine hydrochloride" (the "Recommissioning Proposal").
- Payment Terms. [**] will issue periodic invoices to USWM for all amounts due to [**] hereunder, setting forth in reasonable detail the amounts payable by USWM under this letter. [**] invoices will be payable within [**] days of USWM's receipt of the respective invoice.
- Deposit. In order to commence work on an expeditious basis and ensure that all timelines are met, the Purchasers agree to paying [**]% of the cost for the recommissioning of the [**] line [**] within [**] business days of the last signing of this agreement.
  - The total price for the recommissioning of the [**] line under the Recommissioning Proposal shall be $[**]; the amount of the deposit is therefore $[**].
- Price and Quantity. The purchase price of [**] will be $[**] and quantities of [**] to be produced will be mutually agreed by the Parties based on the outcome of the [**] and [**] of the [**], with a reasonable amount of [**] produced to account for the [**] for [**] in [**] of the [**].
- Delivery Date. [**] will target the first delivery of [**] to occur on [**]. [**] agrees that first delivery of [**] shall occur no later than [**] ("Delivery Date"), though [**] shall endeavor to accelerate such delivery if reasonably possible. Notwithstanding the foregoing, the Purchasers hereby agree to pay [**] an additional [**] and [**] ($[**]) as an incentive bonus to [**] if the [**] are delivered prior to [**] in sufficient quantity to avoid an out of stock situation.

For further clarity, neither BPL nor USWM assume any liability to [**] in respect of the obligations of the other Purchaser beyond the [**] this MOU and any joint liability of the Purchasers hereunder shall be extinguished upon the [**] of the [**] of the [**] to which such liability relates and the [**] of a [**] (if applicable) with respect to the events, obligations or milestones to which such liability relates. Except as expressly set forth in this letter, the sale and purchase of [**] and [**] shall be governed by [**] Terms and Conditions of Sale in effect from time to time or such other contractual terms as the Parties may have agreed or in the future agree in writing.

[*Signature Page Follows*]

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

Acknowledged and agreed upon by:

/s/ [**]
[**]
on behalf of
[**]
Date: February 25, 2019

/s/ [**]
[**]
on behalf of
US WorldMeds, LLC
Date: February 22, 2019

/s/ [**]
[**]
on behalf of
Britannia Pharmaceuticals Ltd.
Date: February 20, 2019

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

[**] MEDICAL - PHARMACEUTICAL SYSTEMS, SELF-ADMINISTRATION INJECTION SYSTEMS

Proposal for recommissioning of [**]
to deliver
Apomorphine hydrochloride
Feb 14th 2019

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

Proposal for recommissioning of [**] pens

1. Impacted Products:

Catalog No.:	Description	Customer
[**]	[**]	**US WorldMeds**

2. Project Description

The [**] is designed to provide a convenient means for multiple injections for the delivery of apomorhine drug. By easy [**] adjustments, the [**] can be [**] from injection to injection.

The system consists of the following separately supplied components:

- [**]
- Drug Cartridge
- Needle

[**] has been discontinued via project [**], but US WorldMeds has informed [**] that they would like to restore the [**] to produce additional inventory to avoid an [**] until the [**] to [**].

Work estimations included in this statement of work:

Development Work:	
SAP Material Updates	Material Updates:
	ACR(s)
Design Control Deliverables	• Process Validations • Risk Management (Design FMEA & Risk Management Report) • Design & Development Plan • Design Output Documentation • Design Verification ([**]), Accelerated Age Testing ([**]), Real-Time Age Testing & Ship Testing (*Vibration, etc.*) • Design Verification Design Review • Design Transfer Design Review • ECO release(s) • ECO104: SAP Data & Document Updates
Customer Deliverables	• Biocompatibility ISO 10993 Compliance Statement • Material Certifications
	Risk Management Summary Report (RMSR)
	• Customer External R&D Documents • Material Statement Quality Statement for Customers

Manufacturing Work:	
Customer Deliverables	Customer External Process Validation Document (VESR)

External Deliverables:

- External R&D Document (ERD) for DV Summary
- Process Validations Molding & Assembly
- External Operations Document (VESR) for Process Validation
- Biocompatibility ISO 10993 Compliance Statement

3. Project costs

The proposal below includes [**] ***release, and*** [**] ***closure for*** [**]

Project Costs for [**] Production	Total: $[**] $[**] Plus $[**] incentive bonus for delivering up to [**] pens by [**]. Final quantity to be determined.
Unit Cost per [**]	$[**] (per [**] units)

*****Execution of the** [**] **project is contingent upon** [**] **commitment**

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

Exhibit 1: Project Payment Milestones (Draft To be finalized at Kick-off meeting)

Milestone	Timelines*	Invoice Amount:
#1: MoU execution for Recommission [**] project • US WorldMeds to issue a PO for $[**]	[**]	$[**] ([**]% of [**])
#2: Kick-off Meeting to align on project plan and deliverables for [**] activities	[**]	$[**]
#3: Process Validation – Body, Vial Retainer, Cap	[**]	$[**]
#4: Assembly Validation	[**]	[**]
#5: Design Verification Testing – Accelerated Aging	[**]	[**]
#6: Design Review, Customer Notification of Change	[**]	[**]
#7: Completion of project and release of [**] code for sale	[**]	$[**]
TOTAL FEE		$[**] Plus [**] of [**] for [**] + $[**] incentive bonus for [**] delivery of [**]

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

Exhibit 10.5

CERTAIN CONFIDENTIAL INFORMATION IDENTIFIED IN THIS DOCUMENT, MARKED BY [**], HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

September 20, 2019

[**]

Re: Exclusive Supply of [**] Pens for Apomorphine

Dear [**],

Reference is made to that certain Memorandum of Understanding for the Supply of [**] Pens and [**] of [**] for [**] (the "**MOU**") executed February 25, 2019 by and among US WorldMeds, LLC ("**USWM**"), Britannia Pharmaceuticals Ltd. ("**BPL**"), and [**] ("[**]") (USWM, BPL, and [**] each a "**Party**" and collectively, the "**Parties**"). Capitalized terms used but not otherwise defined herein have the respective meanings assigned to the same in the MOU.

In regard to the supply of [**] pens for the administration of apomorphine to treat symptoms of Parkinson's disease (hereinafter, "**RLPs**"), the Parties, intending to be legally bound, hereby agree as follows:

[**] shall not, and shall not authorize or permit any of its affiliates, representatives, or agents to, directly or indirectly, (i) enter into or participate in any discussions or negotiations with any person or group of persons other than USWM, BPL or either of their respective affiliates regarding a Restricted Transaction, (ii) furnish any non-public information relating to USWM, BPL or either of their respective affiliates or businesses, in all cases for the purpose or with the effect of assisting with or facilitating a Restricted Transaction, or (iii) enter into a Restricted Transaction or any agreement, arrangement or understanding, including without limitation, any legally binding agreement, letter of intent, term sheet or similar document relating to a Restricted Transaction. Immediately upon execution of this letter agreement, [**] shall, and shall cause its affiliates, representatives, and agents to, terminate any and all existing discussions or negotiations with any person or group of persons other than USWM, BPL or either of their respective affiliates regarding a Restricted Transaction.

As used herein, a "**Restricted Transaction**" means the [**], [**], [**], [**], [**] or [**] of RLPs in the United States market during the Exclusivity Period (as defined below).

As used herein, "**Exclusivity Period**" means, together with any Extended Exclusivity Periods, the period of time commencing on the date of last signing below and continuing for [**] thereafter; provided, however, that USWM shall be entitled to extend the Exclusivity Period for up to [**] successive [**] periods (each an "**Extended Exclusivity Period**") upon USWM and/

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

or BPL (x) providing [**] written notice of their intent to extend the Exclusivity Period (or an Extended Exclusivity Period, if applicable) at least [**] days prior to the end of the then-current Exclusivity Period and (y) paying [**] $[**] within [**] days prior to the end of the then-current Exclusivity Period (or an Extended Exclusivity Period, if applicable). For purposes of clarity, (i) if the Exclusivity Period is extended pursuant to this paragraph, the terms and conditions of this letter agreement during each such Extended Exclusivity Period shall be the same as the terms and conditions in effect immediately prior to such extension and (ii) the aggregate Exclusivity Period including all Extended Exclusivity Periods shall not exceed [**] from the date of last signing below. In addition, [**] agrees to support USWM by maintaining sufficient manufacturing capabilities to ensure commercial supply to USWM of additional RLPs until the [**] of (i) [**] (under terms to be negotiated in good faith), or (ii) for so long as the [**] of [**] (as defined in the MOU) is delayed beyond [**] due to [**] related to [**], but no [**] than [**].

As sole consideration for [**] obligations hereunder, USWM shall make the following [**], [**] payments to [**] (which [**] hereby acknowledges constitutes good and valuable consideration) within [**] business [**] of the occurrence of the following Milestone Events:

Payment	**Amount**	**Milestone Event**
1	$[**]	Prior to [**]
2	$[**]	[**] months elapse from the date Payment 1 above is made
3	$[**]	[**] months elapse from the date Payment 2 above is made
4, 5 and 6, each only if there is a corresponding [**]	$[**]	[**] days before expiration of the [**] or then-current [**]

Miscellaneous

The Parties hereto acknowledge that a breach of this letter agreement would cause irreparable harm for which monetary damages would be an inadequate remedy. Accordingly, the Parties hereby agree that USWM may seek equitable relief in the event of any breach or threatened breach of this letter agreement, including injunctive relief against any breach thereof and specific performance of any provision thereof, in addition to any other remedy to which USWM may be entitled.

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

This letter agreement shall be governed by and construed in accordance with the internal laws of the state of Delaware, United States of America, without giving effect to any choice or conflict of law provision or rule (whether of the state of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the state of Delaware. The prevailing party in any dispute arising under this letter agreement and/or the subject matter set forth herein shall be entitled to recover all reasonable attorney's fees and costs incurred by the prevailing party due to any such dispute.

No Party hereto may assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that any Party hereto may assign its rights or delegate its obligations, in whole or in part, without such consent, to an entity that acquires all or substantially all of the business or assets of such Party to which this letter agreement pertains, whether by merger, reorganization, acquisition, sale, or otherwise. Any purported assignment or delegation in violation hereof shall be null and void. This letter agreement shall be binding upon and inure to the benefit of any permitted assignee or delegate.

Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this MOU.

This letter agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. This letter agreement, together with the MOU, constitute the entire contract among the Parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. Delivery of an executed counterpart of a signature page to this letter agreement by facsimile or in electronic ("pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this letter agreement.

[Signature Page Follows]

Acknowledged and agreed upon by:

/s/ [**]
[**]
on behalf of
[**]
Date: September 23, 2019

/s/ [**]
[**]
on behalf of
US WorldMeds, LLC
Date: September 20, 2019

/s/ [**]
[**]
on behalf of
Britannia Pharmaceuticals Ltd.
Date: September 23, 2019

[**] = CERTAIN CONFIDENTIAL INFORMATION OMITTED

EXHIBIT 31.1

CERTIFICATION

I, Jack A. Khattar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Supernus Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 17, 2020

By: /s/ Jack A. Khattar

Jack A. Khattar
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Gregory S. Patrick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Supernus Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 17, 2020

By: /s/ Gregory S. Patrick

Gregory S. Patrick

Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

SUPERNUS PHARMACEUTICALS, INC.

CERTIFICATION PURSUANT TO

18 U.S.C. sec. 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Supernus Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack A. Khattar, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 17, 2020

By: /s/ Jack A. Khattar

Jack A. Khattar
President and Chief Executive Officer

EXHIBIT 32.2

SUPERNUS PHARMACEUTICALS, INC.

CERTIFICATION PURSUANT TO

18 U.S.C. sec. 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Supernus Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory S. Patrick, Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 17, 2020

By: /s/ Gregory S. Patrick

Gregory S. Patrick
Senior Vice President and Chief Financial Officer