

ALKEM General Terms and Conditions

PART I: GENERAL PROVISIONS FOR GOODS AND SERVICES

1.APPLICABILITY

1.1 These General Terms and Conditions of Purchase ("Conditions") apply to the purchase by ALKEM of (i) any services ("Services") and/or (ii) any goods and materials, including, without limitation, products, equipment, and parts or components specifically developed or customized for ALKEM, and deliverables resulting from a Service ("Goods"). "ALKEM" means the legal entity incorporated under the Companies Act, 1956 bearing CIN L00305MH1973PLC174201 and having its registered office at Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 (www.alkemlabs.com) issuing a Purchase Order for Goods and/or Services to the Supplier of such Goods and/or Services ("Supplier"), as set forth in the Purchase Order into which these Conditions are incorporated by reference. "Purchase Order" means a request (in whatever form) of ALKEM to the Supplier for the supply of Goods and/or Services, which is deemed to always include the Conditions.

1.2 Standard terms of the Supplier (including any pre-printed standard terms and conditions on the reverse of, or attached to, any offer, invoice, delivery note or any other correspondence issued by the Supplier in connection with the Contract (as defined below) shall not apply unless ALKEM expressly consents thereto in writing.

2.PURCHASE ORDERS, CONFIRMED PURCHASE ORDERS

2.1 Within 5 days (or any other period specified in the Purchase Order) of receiving a Purchase Order ("Confirmation Period"), the Supplier shall confirm acceptance of such Purchase Order in writing ("Confirmed Purchase Order") and such Confirmed Purchase Order, shall form a binding contract between Supplier and ALKEM for the supply of the Goods and/or Services so ordered ("Contract").

2.2 Any comments and/or changes to the Contract by the Supplier after the acceptance of the Purchase Order by the Supplier require ALKEM's written acceptance. Until a Purchase Order has been duly accepted by the Supplier, ALKEM may revoke, modify or change the Purchase Order at any time. Fulfillment by Supplier of the Purchase Order shall be deemed as acceptance by Supplier of the Purchase Order.

2.3 Any specifications for the Goods and/or Services contained in or incorporated in the Contract by reference, or any other specifications agreed in writing between ALKEM and the Supplier from time to time are referred to as "Specifications".

3. DELIVERY OF GOODS AND PERFORMANCE OF SERVICES

3.1 The Supplier shall supply the Goods and perform the Services within regular business hours on the Delivery Date at the Delivery Point and in accordance with the Specifications, good industry practice, cGMP (as applicable), the terms of the Contract, any Applicable Law (as defined in Section 22.1), and any reasonable direction given by ALKEM in writing from time to time. Unless otherwise agreed in writing, delivery of the Goods shall be according to FCA (Incoterms 2010) or the delivery terms specified in the Purchase Order.

3.2 Delivery Date means the date(s), and Delivery Point means the location(s) for the delivery of the Goods and/or the performance of the Services, as specified in the Purchase Order under: "Deliver To/Ship To" or as otherwise reasonably notified by ALKEM in writing from time to time.

3.3 Time shall be of the essence in relation to the delivery of the Goods and the performance of the Services. The Supplier shall inform ALKEM in writing as soon as it is aware of any events or circumstances, which may, or have, adversely affect(ed) the supply of the Goods and/or performance of the Services. The Supplier shall use best efforts to minimize any adverse effects that could arise from any actual or potential delay, including the use of the fastest possible method of delivery or performance of the Goods and/or Services at the Supplier's sole cost and expense.

3.4 If the Supplier fails to deliver the Goods or fail to perform the Services as ordered and on the Delivery Date, ALKEM may, after the expiry of a reasonable extension granted to the Supplier, and without prejudice to any other rights and remedies of ALKEM and without liability to the Supplier: (i) immediately terminate the Contract for cause by giving written notice to the Supplier, (ii) request a refund of the purchase price, if already paid by ALKEM, and (iii) claim compensation for all costs, expenses, damages and other direct losses suffered by ALKEM due to the Supplier's failure to perform the Services or deliver the Goods. Acceptance by ALKEM of portions of Goods or Services under the Contract shall not oblige ALKEM to accept later delivery of Goods / Services, nor affect ALKEM's right to return Goods / Services already accepted.

3.5 ALKEM shall not be obligated to receive deliveries in excess of the quantity ordered or after the specified delivery date. ALKEM reserves the right, at its sole discretion, to return any such excess, or to receive the same and charge Supplier with all storage charges incurred by ALKEM. All expenses of transportation and storage, if any, resulting therefrom shall be applied against Supplier's account. Partial shipments of Goods, or deliveries of Goods after to the Delivery Date, require ALKEM's prior written approval. In the event of a delivery after the Delivery Date, ALKEM may, at its discretion, at the Supplier's risk and expense, either return the Goods to the Supplier or store the Goods until the Delivery Date.

3.6 If, for any reason, ALKEM is unable to accept the Goods on the Delivery Date, the Supplier shall, if requested by ALKEM, delay the delivery for a reasonable period of time and store and maintain the Goods in good order and condition. ALKEM shall reimburse the Supplier for the reasonable, actual and documented costs of such storage and maintenance.

3.7 All Goods must be packaged (i) securely so as to prevent damage during loading, transportation and off-loading and (ii) in compliance with Supplier's Warranties and the Specifications.

3.8 The Supplier shall provide to ALKEM, upon request, with certificates of origin, certificates of analysis, certificates of conformance (as applicable), declarations, documents and data pertaining to trade requirements and, inform ALKEM in detail and in writing of any potential export restrictions or approval obligations in the country of origin of the Goods, and/or Services or their destination. Supplier shall provide to ALKEM all information related to the safety, safe handling, environmental impact, and disposal of the Goods including, without limitation, material safety data sheets (as applicable). Supplier shall promptly deliver to ALKEM, as it becomes available to Supplier, any updates or amendments to the information, including those made to address the United Nations Globally Harmonized System of Classification and Labeling of Chemicals' requirements, provided pursuant to this Section and any new information relating to the safety, safe handling, environmental impact, or disposal of the Goods.

4. TRANSFER OF RISK AND TITLE

4.1 Subject to Sec. 7.3 and unless otherwise specified in the Contract or agreed in writing, the risk of loss and damage to the Goods passes to ALKEM at the time of receipt of the Goods at the Delivery Point.

4.2 Unless otherwise specified in the Contract or agreed in writing, title to the Goods passes to ALKEM on the delivery of such Goods at the Delivery Point.

5.PRICE AND PAYMENT

5.1 Unless otherwise specified in the Contract or agreed in writing, the price(s) for the Goods and/or Services specified in the Purchase Order remain fixed for the term of the Contract.

5.2 ALKEM shall pay, in addition to the price(s) for the Goods and Services, for the Supplier's expenses (e.g. for accommodation, travel and subsistence), only if ALKEM has agreed in writing in advance to pay the expense(s) and reimbursement shall be made in accordance with ALKEM's expense reimbursement policy.

5.3 Unless otherwise agreed in the Contract and/or the relevant Purchase Order, the price(s) payable for the Goods and/or Services are:

5.3.1 exclusive of Goods and Services Tax (GST); and

5.3.2 inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the Goods, all travel expenses, food and beverage, accommodation and other costs related to the Goods and/or Services and all duties, licenses, permits and taxes (other than GST or other sales tax) as may be payable for the Goods and/or Services from time to time.

5.3.3 The applicable GST or other sales tax rate (if any) shall be paid to Supplier only if Supplier provided ALKEM with a valid GST or other sales tax invoice (applicable in accordance with the relevant GST or other sales tax legislation) in relation to that amount.

5.4 Unless otherwise agreed in writing, and subject to the Supplier complying with its obligations under the Contract, ALKEM shall pay for the Goods and/or the Services within the number of days specified in the Purchase Order from the date of receipt of the valid Supplier's invoice and required documentation at the "send invoice to" address stated on the Purchase Order. The Supplier may not issue the invoice until the relevant Goods have been received by ALKEM or the relevant Services have been completed. Invoices shall include ALKEM's Purchase Order number and comply with all applicable laws and any specifications reasonably requested in writing by ALKEM.

5.5 Payment of an invoice by ALKEM does not constitute acceptance of the Goods and/or Services and is without prejudice to any other rights or remedies of ALKEM.

6. QUALITY REQUIREMENTS

6.1 The Supplier (i) shall provide Goods of the highest quality and in accordance with the Supplier's Warranties, Specifications, all Applicable Law and good industry practice and standards and (ii) shall develop, manufacture and test the Goods prior to their delivery to ensure they comply with the requirements set forth in the Contract collectively "Quality Requirements".

6.2 The Supplier shall not make any changes to or modifications of the Goods without ALKEM's prior written approval.

6.3 If ALKEM becomes aware or has reasons to believe that the Goods or Services do not or may not comply with the Quality Requirements, ALKEM shall promptly notify the Supplier thereof in writing and shall advise on the further steps to be taken.

7.INSPECTION, TESTING

7.1 Any obligation of ALKEM under the Applicable Law or otherwise to inspect the Goods and/or Services or to notify the Supplier of any defects within a certain period of time is hereby excluded to the extent legally possible. If such obligation cannot be excluded under the Applicable Law, the following shall apply: (i) ALKEM shall only be required to visually inspect the Goods for variations in identity and quantity and obvious transport damage and (ii) ALKEM shall notify the Supplier of any such discrepancies and damages within a reasonable period of time (not to exceed 14 days) after receipt of the Goods at the Delivery Point. With regard to latent defects of the Goods, ALKEM shall notify the Supplier within a reasonable period of time after ALKEM becomes aware of a latent defect. ALKEM reserves the right to reject, or refuse acceptance of, Goods or Services which do not comply with the Quality Requirements. Acceptance of all or part of the Goods or Services, use thereof and payment therefore, or failure to notify the Supplier promptly, shall not waive, nor affect ALKEM's right to cancel, all or part of the Contract, or to return all or part of the Goods, recover damages, or pursue any other remedy ALKEM may have.

7.2 If, according to the Contract or under the Applicable Law, ALKEM is allowed or required to test and approve the Goods and/or Services to confirm their compliance with the Quality Requirements, the Supplier shall request ALKEM in writing to carry out such acceptance test ("Acceptance Procedure"). The Supplier shall make such request in accordance with the dates as specified in the Contract or, if no dates are specified, as soon as practicable after delivery of the Goods or completion of the Services. Upon request by ALKEM, the Supplier shall provide suitable Supplier Personnel (as defined in Section 20.1) to attend any such tests at its own cost. ALKEM may reject the Goods and/or Services in whole or in part if they are not proven by the Supplier to comply with the Quality Requirements and/or any acceptance criteria. If ALKEM does not accept the Goods and/or Services in whole or in part, the Supplier shall promptly investigate the non-conformity, correct such non-conformity and repeat the Acceptance Procedure. If the Goods or Services fail to pass the repeated Acceptance Procedure, ALKEM may at its discretion choose whether to repeat the Acceptance Procedure or to claim the remedies as set forth in Section 9 hereof.

8.SUPPLIER WARRANTIES AND OBLIGATIONS

8.1 The Supplier warrants that the Goods and the Services and any parts or materials used in the manufacture or performance of any work related to the Goods and/or Services will:

8.1.1 be free from any defects in design, materials, and workmanship;

8.1.2 be fit for any special purpose required by ALKEM as reasonably known by or notified to the Supplier;

8.1.3 be of the highest quality and professional standards and be performed with a degree of high professional skill, sound practices and good judgment normally exercised by recognized professional firms providing goods and/or services of a similar nature;

8.1.4 conform to the Specifications in all respects and, where applicable, to any samples or drawings. In particular, the weights, measures, signs, legends, words, particulars, or descriptions (if any) stamped, printed, or otherwise attached to the Goods or their packaging (including any required country of origin markings) or referring to the Goods will be true and correct and comply with all Applicable Law;

8.1.5 be – in relation to Goods – new and unused;

8.1.6 be – in relation to pharmaceutical goods – not adulterated or misbranded within the meaning of any Applicable Law;

8.1.7 conform to all Applicable Law and standards (including International Standards Organization (ISO) standards as applicable);

8.1.8 be accompanied by all information, warnings, instructions and documentation relevant and appropriate for the use, storage, operation, consumption, transportation and disposal of such Goods and/or Services;

8.1.9 not infringe any third party rights (including intellectual property rights);

8.1.10 conform to the representations and warranties in the Supplier's literature and advertising materials; and

8.1.11 be delivered free of liens and encumbrances, and with clear transfer of title to the Goods.

8.2 The Supplier's warranties as set forth in Sec. 8.1 and any other warranty of the Supplier under the Contract, under Applicable Law and otherwise (collectively, the "Supplier's Warranties") shall apply through any expiration or re test date applicable to the Goods/Services, or, if no expiration date is applicable, then for a period of 12 months commencing with the latest of (as applicable to the Goods/Services): (i) the delivery of the Goods to the Delivery Point, (ii) completion of the Services, (iii) final acceptance of the Goods and/or Services by ALKEM according to Sec. 7.2., or any longer period provided by Applicable Law or as specified in the Contract and/or Purchase Order, including in Sec. 8.3 below ("Warranty Period").

8.3 The Warranty Period shall be extended by a period equal to the period that any Goods and/or Services or portions thereof cannot reasonably be used by reason of a breach of the Supplier's Warranties.

8.4 Any repaired, corrected, replaced or re-performed Goods and/or Services (as applicable) are subject to a warranty on the same terms as the Supplier's Warranties and to a new Warranty Period.

8.5 This Section is without prejudice to any other rights and remedies ALKEM may have under the Contract, Applicable Law or otherwise.

9.REMEDIES

9.1 If the Goods fail to comply with the Quality Requirements ("Defective Goods") within the Warranty Period, or thereafter in case of latent defects, ALKEM may, without prejudice to any other rights and remedies of ALKEM, at its discretion, elect to:

9.1.1 refuse to accept the Defective Goods; and/or

9.1.2 require the Supplier to repair, correct or replace the Defective Goods at the Supplier's expense, within 14 days of receipt of ALKEM's request or any other (longer or shorter) period reasonably specified by ALKEM; and/or

9.1.3 in case of imminent danger or urgency, carry out (or have carried out by a third party) the repair instead of the Supplier, at the Supplier's sole cost and expense; and/or

9.1.4 require the Supplier to reimburse ALKEM for all costs and expenses associated with the repair or replacement, including, without limitation, costs for investigation and analysis of the defect, for installation/de-installation for the use of its own or external personnel, costs for parts, attorneys' fees, accommodation, travel or transportation costs; and/or

9.1.5 claim compensation for all costs, expenses, damages and other losses incurred by ALKEM due to the Defective Goods.

9.2 If the Supplier fails to provide a remedy with respect to the Defective Goods within the period according to Sec. 9.1.2, or if the Supplier is not able to or rejects the repair or replacement of the Defective Goods, ALKEM may, without prejudice to any other rights and remedies of ALKEM and in addition to the remedies as set forth in Sec. 9.1, at its discretion:

9.2.1 terminate the Contract and request a refund of the purchase price, if already paid, in which case ALKEM shall return the Defective Goods to the Supplier at the Supplier's sole cost and expense; or

9.2.2 claim a reduction or refund (as the case may be) of the purchase price in the amount of the reduced value of the Defective Goods; or

9.2.3 return the Defective Goods to the Supplier at the Supplier's risk and expense and obtain identical or similar goods from an alternative supplier and claim reimbursement from the Supplier for any additional costs and expenses reasonably incurred by ALKEM;

9.2.4 carry out the repair instead of the Supplier, or may have it carried out by a third party at the Supplier's sole cost; and

9.2.5 claim compensation for all costs, expenses, damages and other losses incurred by ALKEM due to the Defective Goods.

9.3 If the Services performed fail to comply with the Quality Requirements ("Defective Services") within the Warranty Period, ALKEM may, without prejudice to any other rights and remedies of ALKEM, at its option elect to:

9.3.1 require the Supplier to re-perform the Services within any reasonable period specified by ALKEM; and/or

9.3.2 require the Supplier to provide such additional Services as are necessary to remedy the failure of the Services to comply with the Quality Requirements; and/or

9.3.3 require the Supplier to reduce the purchase price for the Services pro-rata based on the amount of the purchase price allocable to the Defective Services; and/or

9.3.4 obtain the Services from a third party and require the Supplier to reimburse ALKEM for all reasonable costs and expenses incurred by ALKEM in connection therewith; and/or

9.3.5 terminate the Contract and refuse to accept any further performance of Services under the Contract; and/or

9.3.6 claim compensation for all costs, expenses, damages and other losses incurred by ALKEM due to the Defective Services.

10.LIABILITY, INDEMNIFICATION

10.1 The Supplier shall indemnify and hold harmless ALKEM and its affiliates, and its and their employees, officers, directors, agents, advisors, customers, suppliers, consultants, contractors, and successors and assigns against any liability, loss, costs (including legal fees, costs for recalls, and costs for its own employees), damages and injury in consequence of:

10.1.1 any Defective Goods or Defective Services;

10.1.2 any breach by the Supplier or its suppliers or subcontractors of the Contract (including any late delivery of Goods or failure to complete the Services by the Delivery Date),

10.1.3 any negligence, willful default or wrongful act or omission of the Supplier or its suppliers or subcontractors; and

10.1.4 an infringement or alleged infringement of any third party right (including intellectual property rights and know-how) made by any person as a result of the manufacture, provision, receipt, importation, export, distribution, offer for sale, sale, use or possession of any Goods and/or Services provided by or on behalf of the Supplier.

10.2 In case of Section 10.1.4, the Supplier shall inform ALKEM promptly thereof and Supplier shall at its own cost and expense (including any royalty) and at ALKEM's option:

10.2.1 procure for ALKEM an unconditional, irrevocable, perpetual license to use the Goods and/or Services and to exercise its other rights granted with regard to the Goods and/or Services under the Contract; or

10.2.2 modify or replace the Goods and/or Services so that they comply with the Quality Requirements and do not infringe any third party rights without impairing in any material respect the functionality or performance of the Goods and/or Services. Any such replacement or modification shall be approved in writing by ALKEM in advance (ALKEM will not unreasonably withhold the approval).

10.3 In the event none of the options specified in Section 10.2 is implemented, ALKEM may, at its sole discretion cancel all outstanding Purchase Orders and Confirmed Purchase Orders for each such Goods and/or Services that is subject to the claim and have any infringing or possibly infringing Goods returned to the Supplier at the Supplier's expense; the Supplier shall repay to ALKEM the full price paid by ALKEM for any affected Goods and/or Services, plus GST or other sales taxes (if applicable), that is returned or is, in ALKEM's opinion, not useable by ALKEM and/or its customer.

10.4 ALKEM's rights under this Section 10 shall be without prejudice to any other rights and remedies of ALKEM.

11.INTELLECTUAL PROPERTY RIGHTS OWNERSHIP

11.1 "Intellectual Property Right" ("IPR") means any patent, copyright, database right, design right, registered design, trade mark, service mark, domain name, know-how (including without limitation the Know-How), utility model, unregistered design or, where relevant, any application for such right, or other industrial or intellectual property right. "Know-How" means all technology, data, processes, formulae, information and methods, whether patentable or not, owned or used by the Supplier and incorporated into Goods and/or necessary to obtain and maintain regulatory approvals and/or any other knowledge relating to the manufacture, importation, distribution, marketing and sales of the Goods.

11.2 All right, title and interest under or control in a party's Background IPR shall remain vested in the respective party and nothing in the Contract shall operate to assign any right, title or interest in such Background IPR to the other party (save as otherwise provided below).

Background IPR means any IPR (as defined above) owned and/or controlled by a party prior to the date of the Purchase Order.

11.3 ALKEM hereby grants to the Supplier a non-exclusive right to use Background IPR of ALKEM solely to the extent necessary or useful, if at all, for Supplier to supply, the Goods or perform the Services, as applicable, and such grant shall terminate upon the earlier of (i) the Supplier satisfying its obligations under the Contract and (ii) termination of the Contract.

11.4 Supplier hereby grants to ALKEM a royalty free, non-exclusive, worldwide, perpetual and irrevocable (except for breach by ALKEM) sub-licensable and transferable right and license to use the Supplier's Background IPR:

11.4.1 for use of any Goods and/or Services in a manner that is consistent with ALKEM's intended purpose; and/or

11.4.2 to commercially exploit such Goods and/or Services.

11.5 All Foreground IPR, whenever created at any stage and in its actual state, shall become the sole and exclusive property of ALKEM with the right to use and exploit the Foreground IPR in any desired way and is covered by the payment of the purchase price for the Goods and/or Services.

Foreground IPR means any IPR, conceived, discovered, created, produced, developed or reduced to practice by the Supplier specifically for ALKEM in connection with the Goods and/or Services.

11.6 In the event that, for legal reasons, exclusive right, title and interest in and to the Foreground IPR does become vested in ALKEM pursuant to the Contract, the Supplier agrees to do, or procure to be done, all such things, and execute, or procure to be executed, all such documents, as ALKEM may require to vest in ALKEM all Foreground IPR.

11.7 If the Foreground IPR consist of copyrights, know-how or other proprietary rights and if for legal reasons ALKEM cannot become the owner of such copyrights or other proprietary rights, the Supplier shall irrevocably grant to ALKEM and hereby irrevocably grants to ALKEM - with regard to location and time - unrestricted, exclusive, world-wide, royalty free, perpetual, sublicenseable, transferable right to use such Foreground IPR in their original or in any modified form and in any known or unknown way in connection with the Goods and/or Services.

12.INSURANCE

The Supplier shall arrange and maintain, at its own cost, all insurance customary and on terms common in the industry for the value of the goods and/or Services, availed by ALKEM. The Supplier shall produce evidence of such insurance to ALKEM upon request and will include ALKEM as additional insured for any act and/or omission of the Supplier. Should any required insurance be written on a claim made policy form, the first named insured shall ensure continuity of cover for claims which might be presented following the term of the insurance. The insurance coverage or the failure to maintain insurance shall not waive nor limit in any way the Supplier's responsibility and liability for its Goods delivered and Services performed to ALKEM.

13.CONFIDENTIALITY

13.1 The Supplier shall keep confidential all information and documents that ALKEM makes or has made available to the Supplier, or that it otherwise acquires relating to ALKEM's business, or that Supplier creates or produces, or has created or produced, in connection with the supply of the Goods and/or the performance of the Services, provided that the Supplier may disclose such confidential information to its employees and subcontractors (together, "Supplier's Representatives") solely on a need to know basis in order for the Supplier to satisfy its obligations under the Contract. The Supplier shall not use or cause to be used such information or documents other than for the purpose of performing its obligations under the Contract. Such confidentiality obligation will continue in force notwithstanding delivery of the Goods, completion of the Services or termination of the Contract, although such provisions do not apply to any information or document in the public domain or coming into the public domain other than through the Supplier's or the Supplier's Representatives violation of its confidentiality obligations.

13.2 The Supplier shall not make any reference to the ALKEM Group in its advertising, literature or correspondence without ALKEM's prior written consent. Nothing in the Contract shall entitle the Supplier to use any name, trademark or logo of the ALKEM Group.

13.3 In the event that the Parties have concluded or hereafter conclude a separate confidentiality agreement with respect to the subject matter of the Contract, the provisions of this confidentiality agreement shall take precedence over the confidentiality provisions in Sections 13.1 and 13.2.

14.DATA PROTECTION

14.1 When the parties process personal data in connection with their management of, or performance of their obligations under, the Contract, they do so as separate controllers. Each party shall comply with all Applicable Law, including, without limitation, applicable data protection regulations. At the reasonable request of a party, the other party shall demonstrate to it that it has complied with its obligations under this clause. In the event that either party reasonably considers that longer form data protection provisions are needed (for example, if the relationship between the parties is no longer that of separate controllers), then the parties agree to negotiate such longer form terms in good faith. For information as to how ALKEM will process personal data about Supplier's Personnel, as required by Article 13 of the General Data Protection Regulation, please reach out to your contact person in the ALKEM company entering this Contract. In the event Personal Data of Supplier's employees is made available to ALKEM in the course of fulfilling the Contract, Supplier shall inform its affected employees accordingly and make ALKEM's data protection declaration available to them.

15.SPARE PARTS

The Supplier shall, for a period of at least 10 years after discontinuation of the production of each of the Goods, have available compatible spare parts substantially equivalent in terms of function and quality to the parts contained in the Goods, or shall provide equivalent solutions on commercially reasonable terms to ALKEM, for repairing or replacing the Good. However, the Supplier shall inform ALKEM at the time of purchase of goods/ rendering of Services the model life cycle schedule.

16.TOOLS

16.1 Any material, software, equipment or tools (i) provided by ALKEM to the Supplier or (ii) purchased or manufactured or used by the Supplier in connection with this Contract and paid for by ALKEM ("Tools") shall remain or become, as the case may be, the property of ALKEM, and may only be used by the Supplier for the sole purpose of performing the Supplier's obligations under the Contract.

16.2 The ownership of all Tools described in (ii) of Section 16.1 above is transferred to ALKEM by the Supplier on the date of the acquisition of the Tool by the Supplier, or in the case of Tools manufactured by the Supplier, on the date of the completion of the manufacturing by the Supplier. No further action by any party is required to make such transfer effective.

16.3 The Supplier shall mark all Tools as being ALKEM's property. Upon request, the Supplier shall provide reasonable evidence of such marking to ALKEM. The Supplier shall, at its own expense, insure the Tools belonging to ALKEM at the replacement value on appropriate terms. The Supplier shall carry out timely inspection, servicing, maintenance and repair work at its own expense. Upon request of ALKEM, the Supplier shall, at ALKEM's option, deliver the Tools to ALKEM or provide representatives of ALKEM access to the Supplier's premises to permit the removal of the Tools by such representatives.

17.SUBCONTRACTORS

The Supplier shall not engage subcontractors without ALKEM's prior written consent. To the extent ALKEM consents to the use of a subcontractor, the Supplier shall require the subcontractor to comply with all obligations under this Contract. The Supplier shall at all times remain liable to ALKEM for any acts or omissions of any subcontractors to the same extent as if the Supplier were performing such activities.

18.ENVIRONMENTAL, SAFETY AND INDUSTRIAL HYGIENE MATTERS

18.1 With respect to all environmental, safety and industrial hygiene matters related to Supplier's (including Supplier Personnel, as defined in Section 20.1.) activities in providing Goods and/or Services to ALKEM, Supplier shall: (a) inform ALKEM promptly of any significant adverse event (e.g., fires, explosions, accidental discharges) that have affected or could affect (i) the quality, quantity and delivery/completion schedule of the Goods and/or Services to be delivered/performed and/or (ii) any ALKEM facility, property or asset and any individual located at those locations; (b) inform ALKEM promptly of any allegations or findings of violations of Applicable Law that have affected or could affect (i) the quality of the Goods and/or Services to be delivered/performed and/or (ii) any ALKEM facility, property or asset and any individual located at those locations; and (c) implement promptly any corrective action which may be reasonably requested by ALKEM, including, without limitation, adhering to reasonable and significant elements of the environmental, safety and industrial hygiene program adhered to by ALKEM in its own operations.

18.2 Supplier shall have and implement a documented, comprehensive health and safety policy which addresses, among other things, elimination of workplace injuries. Supplier shall be responsible for the health and safety of Supplier Personnel, including providing necessary training and other requirements of Applicable Law, while present at any ALKEM facility, property or asset. Supplier shall immediately notify ALKEM of any health and safety incidents or any non-compliance with health and safety Laws while performing Services at any ALKEM facility, property or asset. All Goods and Services shall be subject to environmental, safety and industrial hygiene inspections at all times by ALKEM.

18.3 Hazardous materials and substances: Unless otherwise specified in the Contract or agreed in writing by the parties, hazardous materials and substances must be correctly classified and marked by Supplier with international danger pictograms (s) and display the proper shipping name of the material in English and/or any other language which is required by the Applicable Law independently of the mode of transport. Transport and other documents must include a declaration of the hazard and name of the material in English and/or any other language which is required by the applicable laws and rules. Hazardous materials and substances must be accompanied by all mandatory documents such as, but not limited to, emergency information in English and/or any other language, which is required by the Applicable Law in the form of written instructions, labels and markings. The Supplier shall observe the requirements of International Agreements relating to the packing, labelling and carriage of hazardous materials and substances.

19.ALKEM SUPPLIER CODE

19.1 The Supplier represents and warrants that it will:

familiarize itself with the requirements of the ALKEM Supplier Code of Conduct found at: <https://www.alkemlabs.com/pdf/policies/CoC%20Suppliers%20Vendors%20and%20Stakeholders%20May%202017.pdf> (the "ALKEM Supplier Code");

19.1.1 answer any reasonable inquiry regarding the Supplier's compliance with the ALKEM Supplier Code;

19.1.2 allow reasonable audits during regular business hours to assess the Supplier's compliance with the ALKEM Supplier Code;

19.1.3 train any representative of the Supplier who is involved with the performance of Services and/or delivery of Goods on Anti-Corruption Laws, and the standards set out in ALKEM's Ethical Business Provisions and the ALKEM Supplier Code;

19.1.4 provide ALKEM with prompt written notice of any facts or circumstances (whether occurring prior to or after the date of the Purchase Order) which cause or could cause the Supplier or any of its subcontractors to be in violation of any Anti-Corruption Laws or in non-compliance with ALKEM's Ethical Business Provisions or the ALKEM Supplier Code; and

19.1.5 acknowledge that failure to adhere to these standards shall entitle ALKEM to terminate the Contract.

20.WORK ON ALKEM'S PREMISES

20.1 The Supplier shall be solely responsible for its personnel, including its employees, officers, directors, subcontractors, suppliers, agents, consultants and representatives performing or assigned to perform any activities in connection with the Goods and/or Services (collectively, "Supplier Personnel"), and in particular for obtaining, at its expense, any and all visas, permits or other authorizations required for Supplier Personnel to travel to and work at premises owned or controlled by ALKEM ("ALKEM Premises").

20.2 Employee Compensation: Supplier represents, warrants and covenants that Supplier is responsible for the payment of compensation to Supplier's Personnel, federal and state income tax withholding, social security taxes, and unemployment insurance applicable to such personnel as employees of Supplier.

20.3 Supplier shall ensure that no Supplier Personnel, in particular when working on ALKEM's premises, is considered to enter into, or be entitled to enter into, an employment relationship with ALKEM; and no Supplier Personnel will hold any right, title or interest whatsoever in or to the premises of ALKEM. The Supplier shall indemnify ALKEM from all related costs, expenses, damages and other losses arising from Supplier Personnel working at any ALKEM Premises.

20.4 ALKEM may refuse to allow any Supplier Personnel to access ALKEM Premises at any time, for reasons of security or on any other reasonable grounds. While accessing any ALKEM Premises, the Supplier shall ensure that neither it nor any Supplier Personnel unnecessarily interferes with ALKEM's business activities.

20.5 While accessing any ALKEM Premises, the Supplier shall comply with, and procure that all of Supplier Personnel comply with, Applicable Law, including health and safety legislation, ALKEM's health and safety policies, and any instructions provided to the Supplier. While accessing any ALKEM Premises, Supplier Personnel shall not engage in any inappropriate conduct, such as (i) use or possession of alcohol, illegal drugs or any other controlled substance, except for approved medical purposes; (ii) use or possession of a weapon of any sort; (iii) harassment, threats or disorderly, disruptive or violent behavior, or (iv) any other behavior which may reflect adversely on ALKEM's business or reputation.

20.6 ALKEM may require Supplier to conduct one or more criminal or other background checks, drug tests and similar tests of Supplier Personnel.

21.TERMINATION

21.1 ALKEM may terminate the Contract, without liability to the Supplier and while preserving to itself any accrued rights or remedies, by giving written notice to the Supplier with effect from the date specified in the termination notice, if:

21.1.1 the Supplier commits a breach of any provision of the Contract and, in the case of a breach capable of remedy, fails to remedy the breach within a reasonable time but in no case longer than within 30 days of being notified by ALKEM of such breach ;

21.1.2 the Supplier files a petition in bankruptcy or has such a petition filed against it or is subject to an insolvency proceeding or a proceeding giving protection against creditors, or if an order is issued appointing a receiver or trustee or a levy or attachment is made against a substantial portion of its assets, or if any assignment for the benefit of its creditors is made; or

21.1.3 the Supplier suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business.

21.2 ALKEM may forthwith terminate the Contract at any time without assigning any reason.

21.3 ALKEM shall make the payment to the Supplier on a proportionate basis for the goods and/or service provided till the date of termination.

21.4 Any rights and obligations that have an effect beyond fulfillment, expiration or termination of the Contract, including the provisions regarding confidential information, insurance, warranty, indemnifications, governing law, payment due and owed, shall survive such fulfillment, expiration or termination.

22.GOVERNING LAW AND JURISDICTION

22.1 The Contract, and any supply of Goods and/or performance of Services thereunder shall be governed by the laws of India, without regard to its principles of conflicts of laws ("Applicable Law").

22.2 The Parties shall submit any dispute, controversy or claim arising out of or in connection with the Contract, including any dispute as to the validity of the Contract, to arbitration. Such arbitrator shall be conducted by a single arbitrator mutually appointed by the parties. The arbitration proceedings shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The seat of arbitration shall be Mumbai and the proceedings shall be held in English, the

23.MISCELLANEOUS

23.1 Modification. The Contract may only be amended, modified or supplemented by an instrument in writing signed for and on behalf of each of the parties. Such writing requirement may only be waived through an instrument in writing signed for and on behalf of each of the parties.

23.2 Form. If the Contract requires a notice or document to be "written", "in writing" or "in written form", such notice or document shall be duly signed by a person or persons duly authorized to legally bind the respective party. Electronic communication shall qualify as a written notice or document, unless otherwise explicitly specified by written agreement or prohibited by Applicable Law.

23.3 In the event of any discrepancy between ALKEM and Supplier with respect to the terms and conditions enumerated herein and that of the Contract executed between them, the terms and conditions of the Contract shall prevail.

23.4 Set-Off. The Supplier may not set-off any claims it may have under the Contract against any other claims it may have against ALKEM or refuse to perform any obligation on the grounds that it has a right of retention, unless the rights or claims of the Supplier are not disputed by ALKEM or have been confirmed by a final decision of a court of competent jurisdiction.

23.5 Independent Contractor Status. Supplier is an independent contractor under the Contract, and nothing herein shall be construed to create a partnership, joint venture or agency relationship between Supplier and ALKEM. Neither party shall have the authority to enter into agreements of any kind on behalf of the other party and shall have no power or authority to bind or obligate the other party in any manner to any third party. Supplier has the sole right and obligation to supervise, manage, contract, direct, procure, perform or cause to be performed all work to be carried out by Supplier and its personnel hereunder, unless otherwise provided herein.

23.6 Waiver. No failure or delay on the part of ALKEM to exercise any right or remedy under the Contract shall be deemed as a waiver thereof nor shall any single or partial exercise by ALKEM of any right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. No waiver by ALKEM of any breach of any of the terms or conditions of the Contract shall be construed as a waiver of any subsequent breach whether of the same or of any other term or condition thereof. No waiver by ALKEM is validly made unless made in writing and signed by ALKEM.

23.7 Without Prejudice. The rights and remedies available to ALKEM under this Contract are without prejudice to any and all other rights and remedies available to ALKEM at law or in equity.

23.8 Assignment. Supplier shall not, without the prior written consent of ALKEM, assign, transfer or sub-contract any rights or obligations under the Contract to any third party. ALKEM may at any time assign the Contract or any rights or obligations under the Contract to any affiliate of ALKEM or to any third party without the prior written consent of the Supplier.

23.9 Severability. If any term or provision of the Contract is void or unenforceable, the remainder of the provisions of the Contract shall remain in full force and effect to the fullest extent permitted by Applicable Law. In place of the invalid or unenforceable provision, or to fill a contractual lacuna, such valid and enforceable provision shall apply which reflects as closely as possible the commercial intention of the parties as regards the invalid, unenforceable or missing provision.

PART II: SPECIFIC PROVISIONS FOR SOFTWARE

1.APPLICABILITY

1.1 The provisions of this Part II apply to the delivery of Software and supplement the provisions of Part I and, if there is an inconsistency, take precedence over the provisions of Part I.

1.2 Software means any computer program developed and/or licensed by the Supplier, together with any software which has been produced primarily to overcome defects in that program ("Update") or software which has been provided primarily to provide an extension, alteration, improvement or additional functionality to that program ("New Release"), and in particular Standard Software and Specific Software.

1.3 Standard Software means the Software (excluding Specific Software) being the Supplier's or a third party's standard Software that is or could be offered by the Supplier or the third party to customers generally. Specific Software means Software that has been customized, developed or otherwise created by the Supplier to specific requirements of ALKEM, as specified by the Parties in the Contract or elsewhere.

2.STANDARD SOFTWARE

2.1 The Supplier shall and hereby grants (or procure the grant) to ALKEM a license to use, copy and distribute the Standard Software and any related documentation in the course of its business and the business of any entity of the ALKEM Group and for purposes reasonably incidental thereto, on the following terms:

2.1.1 non-exclusive, worldwide, irrevocable, sublicensable and transferable; and

2.1.2 except for the license fee, royalty-free and fully paid up.

2.2 ALKEM may make such copies of the Standard Software and related documentation as are reasonably required for operational use, backup and security and in-house educational and training purposes.

2.3 ALKEM shall be entitled to appoint a third party to run or host the Software for the benefit of ALKEM or any entity of the ALKEM Group under the terms and conditions of this Sec. 2.

2.4 The license commences on the Delivery Date and shall, as specified by the Parties, either (i) continue in effect for the duration of the license term or (ii) be for perpetual use by ALKEM.

2.5 Unless the Parties have specified a maximum number of permitted users of the Standard Software, the Standard Software shall be licensed to ALKEM on the basis of an enterprise license, i.e. allowing ALKEM an unlimited use of the Standard Software throughout its organization.

3.SPECIFIC SOFTWARE

3.1 The Supplier will provide ALKEM with detailed specifications of the Specific Software. ALKEM will review the specifications and, after its review, either approve each of the specifications, if satisfied that each is consistent with ALKEM's requirements, or notify the Supplier in writing of its reasons for rejecting any part of the specifications. The Supplier will accommodate any request for alteration reasonably made by ALKEM in writing.

3.2 The Supplier shall strictly adhere to the agreed timeframes and milestones dates for the Specific Software. Each development stage shall be subject to a successful acceptance testing by ALKEM. ALKEM may at any time request the Supplier to provide interim reports in writing, stating the present status of development of the Specific Software.

3.3 Specific Software shall be delivered by the Supplier in unprotected form and in source code and object code form and the Supplier will ensure that both source code and object code form of the Specific Software is written and documented in a way which would enable future modifications by a competent developer without further reference to the Supplier or its personnel.

3.4 The intellectual property rights in the Specific Software shall follow Section 11 of Part I. In any event, ALKEM shall be granted, at a minimum, the license rights pursuant to Section 2 for Standard Software.

4.DELIVERY, INSTALLATION

4.1 Unless otherwise agreed in writing, the Supplier shall deliver to ALKEM the Software in its latest release on a magnet medium in machine-readable object-code form, and/or source code form, if licensed, or in any other format as agreed by the Parties, e.g. by download.

4.2 If so agreed, the Supplier shall install the Software on the designated equipment on the date or period for the assembling, erection, control and test of the Software or any component thereof as specified by the parties. For the avoidance of doubt, ALKEM may, at no additional charge to the Supplier and without consent of the Supplier, change the designated equipment, i.e. the hardware configuration, operating system, network structure, or transfer the Software from the designated equipment to any new equipment.

5.UPDATES AND NEW RELEASES

5.1 Unless otherwise agreed in writing, the Supplier will offer to ALKEM all Updates and New Releases immediately after becoming available.

5.2 ALKEM may require that the Update or New Release be implemented by the Supplier at no additional charge to ALKEM and without increase of the license fee. Notwithstanding the foregoing, ALKEM shall not be obligated to accept an Update or New Release, and a refusal by ALKEM to acquire an Update or New Release shall not affect its right to receive ongoing support services relating to the Software which are to be performed by the Supplier as specified by the parties and shall not relieve the Supplier from the Quality Requirements.

6.SUPPORT SERVICES

6.1 If the parties have agreed on the provision of support services, the support services shall commence on the day following expiry of the Warranty Period, unless otherwise specified by the Parties, and shall continue in effect for the duration of the support term.

6.2 The Supplier shall provide the support services in response to a report by ALKEM of a suspected malfunction, defect or error in the Software or at such frequency and duration as are reasonably necessary to ensure:

6.2.1 malfunction, defects or errors in the Software identified by ALKEM or which otherwise come to the attention of the Supplier are rectified; and

6.2.2 the Software remains in conformity with the Quality Requirements and continues to comply with the minimum performance level(s) of the Goods and Services to be achieved by the Supplier as specified by the parties ("Key Performance Indicator(s)").

6.3 The support services include provision of the following services:

6.3.1 telephone, remote and online support in the form of consultations, assistance and advice;

6.3.2 if such telephone, remote and online support fails to remedy any defect or error notified by ALKEM, on-site correction of errors or defects in the Software;

6.3.3 such services as the Supplier considers more effectively provided off-site; and

6.3.4 training necessitated by such advice or corrections.

6.4 Upon receipt of a request for support services, the Supplier shall provide such services within the time within which the Supplier must respond to a request and successfully complete the support services as specified by the parties in writing ("Support Response Time" and "Remedial Time").

6.5 The Supplier shall ensure that Supplier Personnel will use work-around solutions and similar measures to the maximum extent possible to enable ALKEM to continue to use the Software during the performance of any support services.

7.KEY PERFOMANCE INDICATORS

7.1 Where the parties have agreed on Key Performance Indicators for the support services (including the Support Response Times and Remedial Times), the Supplier shall provide the support services so as to meet or exceed the Key Performance Indicators, and time shall be of the essence.

7.2 Where the Supplier fails to meet any Key Performance Indicator, the Supplier shall:

7.2.1 correct the failure as soon as possible and resume the performance of the support services in accordance with the Key Performance Indicators; and

7.2.2 credit the service credits (if any) or at the request of ALKEM pay the service credits (if any) in order to reflect the reduced level of Service provided to ALKEM. Where a sum is expressed to be payable as a service credit, the parties agree that (i) such sums are a price adjustment and do not represent an estimate of the loss or damage that may be suffered by ALKEM in respect of the breach of the Key Performance Indicators; and (ii) the crediting of such sums is without prejudice to ALKEM's other rights and remedies, and such service credits are not to be taken into account for the purposes of any limitation of liability of the Supplier (if any).

7.3 Without prejudice to any other rights and remedies available to ALKEM, ALKEM may terminate the Contract if the Supplier fails to achieve the minimum standard for any specific Key Performance Indicator in any two consecutive months.

8.TRAINING

If so agreed, the Supplier shall provide ALKEM's personnel with such training as ALKEM considers necessary or useful to enable operation of the Software in the manner contemplated by the ALKEM.

9.WARRANTIES

9.1 In addition to any specific warranties, in particular in addition to the Supplier's Warranties, the Supplier represents and warrants it is the owner or authorized distributor of the Software and has the right and authority to grant the license granted under the Contract to ALKEM. Without limiting the foregoing, the Supplier represents and warrants that there are no existing restrictions or constraints on its right and authority to supply, install and license the Software.

9.2 The Supplier represents and warrants that the Software will (i) be free from viruses, defects and errors and free from any built-in, automatic and/or random expiry dates; (ii) be properly installed; (iii) be compatible with the designated equipment; and (iv) perform in accordance with the Quality Requirements.

10.ESCROW OF SOURCE CODE

10.1 Unless it is agreed in writing that the Supplier is not required to deposit the Standard Software into escrow (in which case this entire clause will not apply), the Supplier shall within 14 days upon the written request of ALKEM deposit a complete copy of the source code of the Standard Software, together with any additional items agreed by the parties (if any), into escrow with an independent escrow agent and on terms and conditions reasonably acceptable to ALKEM.

10.2 The escrow agreement shall be in a form approved by ALKEM and shall provide for the release of the source code by the escrow agent to ALKEM in the event, inter alia, that ALKEM has a right to terminate the Contract pursuant to Section 21 of Part I.