

SECURITIES AND EXCHANGE COMMISSION

FORM S-1/A

General form of registration statement for all companies including face-amount certificate
companies [amend]

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FILER

Insys Therapeutics, Inc.

CIK: **1516479** | IRS No.: **510327886** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **S-1/A** | Act: **33** | File No.: **333-173154** | Film No.: **11893868**
SIC: **2834** Pharmaceutical preparations

Mailing Address

10220 SOUTH 51ST STREET
SUITE 2
PHOENIX AZ 85044

Business Address

10220 SOUTH 51ST STREET
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PHOENIX AZ 85044
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Insys Therapeutics, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

2834
(Primary Standard Industrial
Classification Code Number)

51-0327886
(I.R.S. Employer
Identification Number)

10220 South 51st Street, Suite 2
Phoenix, AZ 85044-5231
(602) 910-2617

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Michael L. Babich
President and Chief Executive Officer
Insys Therapeutics, Inc.
10220 South 51st Street, Suite 2
Phoenix, AZ 85044-5231
(602) 910-2617

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

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San Diego, CA 92130
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Approximate date of commencement of proposed sale to the public:

As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), check the following box. ☐

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

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

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

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

Large accelerated filer☐

Non-accelerated filer☐ (Do not check if a smaller reporting company)

Accelerated filer☐

Smaller reporting company☐

CALCULATION OF REGISTRATION FEE

	Proposed maximum aggregate offering price(1)	Amount of registration fee
Title of each class of securities to be registered		
Common Stock, \$0.0002145 par value per share	\$55,000,000	\$6,386(2)

- (1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act. Includes the offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.
- (2) Previously paid.

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

EXPLANATORY NOTE

Insys Therapeutics, Inc. has prepared this Amendment No. 2 to the Registration Statement on Form S-1 (File No. 333-173154) for the purpose of filing Exhibits 10.13, 10.14 and 10.15 to the Registration Statement and updating Item 16 of the Registration Statement and the Exhibit Index accordingly. This Amendment No. 2 does not modify any provision of the Prospectus that forms a part of the Registration Statement and accordingly such Prospectus has not been included herein.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of the common stock being registered. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the Nasdaq Global Market filing fee.

	Amount paid or to be paid
SEC registration fee	\$ 6,386
FINRA filing fee	6,000
Nasdaq Global Market filing fee	125,000
Blue sky qualification fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	\$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

We are incorporated under the laws of the State of Delaware. Section 145 of the Delaware General Corporation Law provides that a Delaware corporation may indemnify any persons who were, are, or are threatened to be made, parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation, or is or was serving at the request of such corporation as an officer, director, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who were, are, or are threatened to be made, a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses (including attorneys' fees) actually and reasonably incurred.

Our amended and restated certificate of incorporation and amended and restated bylaws, each of which will become effective upon the closing of this offering, provide for the indemnification of our directors and officers to the fullest extent permitted under the Delaware General Corporation Law.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of a director's duty of loyalty to the corporation or its stockholders.

Our amended and restated certificate of incorporation includes such a provision. Expenses incurred by any officer or director in defending any such action, suit or proceeding in advance of its final disposition shall be paid by us upon delivery to us of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified by us.

Section 174 of the Delaware General Corporation Law provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

As permitted by the Delaware General Corporation Law, we have entered into indemnity agreements with each of our directors and executive officers, that require us to indemnify such persons against any and all costs and expenses (including attorneys' , witness or other professional fees) actually and reasonably incurred by such persons in connection with any action, suit or proceeding (including derivative actions), whether actual or threatened, to which any such person may be made a party by reason of the fact that such person is or was a director or officer or is or was acting or serving as an officer, director, employee or agent of Insys or any of its affiliated enterprises. Under these agreements, we are not required to provided indemnification for certain matters, including:

- indemnification beyond that permitted by the Delaware General Corporation Law;
- indemnification for any proceeding with respect to the unlawful payment of remuneration to the director or officer;
- indemnification for certain proceedings involving a final judgment that the director or officer is required to disgorge profits from the purchase or sale of our stock
- indemnification for proceedings involving a final judgment that the director's or officer's conduct was in bad faith, knowingly fraudulent or deliberately dishonest or constituted willful misconduct or a breach of his or her duty of loyalty, but only to the extent of such specific determination;
- indemnification for proceedings or claims brought by an officer or director against us or any of our directors, officers, employees or agents, except for claims to establish a right of indemnification or proceedings or claims approved by our board of directors or required by law;
- indemnification for settlements the director or officer enters into without our consent; or
- indemnification in violation of any undertaking required by the Securities Act or in any registration statement that we file.

The indemnification agreements also set forth certain procedures that will apply in the event of a claim for indemnification thereunder.

Except as otherwise disclosed under the heading “Legal Proceedings” in the Business section of this registration statement, there is at present no pending litigation or proceeding involving any of our directors or executive officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

We have an insurance policy in place that covers our officers and directors with respect to certain liabilities, including liabilities arising under the Securities Act or otherwise.

We plan to enter into an underwriting agreement which provides that the underwriters are obligated, under some circumstances, to indemnify our directors, officers and controlling persons against specified liabilities, including liabilities under the Securities Act.

Reference is made to the following documents filed as exhibits to this registration statement regarding relevant indemnification provisions described above and elsewhere herein:

<u>Exhibit Document</u>	<u>Number</u>
Form of Underwriting Agreement	1.1
Form of Amended and Restated Certificate of Incorporation to become effective upon the closing of this offering	3.2
Form of Amended and Restated Bylaws to become effective upon the closing of this offering	3.4
Form of Indemnity Agreement	10.1

Item 15. Recent sales of unregistered securities.

The following sets forth information regarding all unregistered securities sold by us since January 1, 2008:

- (1) Between February 12, 2009 and November 8, 2010, we granted stock options to purchase up to an aggregate of 842,500 shares of our common stock to employees, consultants and directors under our 2006 Equity Incentive Plan at exercise prices ranging from \$0.29 and \$0.415 per share. Except for options to purchase 27,000 shares of our common stock, all of these options have since vested. Of these options, as of March 31, 2011, no options to purchase shares of common stock have been exercised and options to purchase 811,000 shares of common stock remain exercisable.
- (2) In November 2010, we acquired Insys Pharma, Inc. in the Merger. In connection with the Merger, we issued 19,499,989 shares of our common stock and 14,864,607 shares of our convertible preferred stock to the stockholders of Insys Pharma, and also assumed stock options of Insys Pharma, which were converted into stock options to purchase up to an aggregate of 68,922,237 shares of our common stock.
- (3) On January 24, 2011, we and Insys Pharma issued demand notes to The John N. Kapoor Trust dated September 20, 1989 in an aggregate principal amount of \$1.5 million.
- (4) On February 11, 2011, we issued a demand note to The John N. Kapoor Trust dated September 20, 1989 in an aggregate principal amount of \$2.0 million.
- (5) On March 21, 2011, we issued a demand note to The John N. Kapoor Trust dated September 20, 1989 in an aggregate principal amount of \$1.5 million.
- (6) On March 28, 2011, we granted stock options to purchase up to an aggregate of 31,018,442 shares of our common stock to employees, consultants and directors under our 2006 Equity Incentive Plan at an exercise price of \$0.08 per share.
- (7) On April 27, 2011, we issued a demand note to The John N. Kapoor Trust dated September 20, 1989 in an aggregate principal amount of \$1.0 million.
- (8) On May 27, 2011, we issued a demand note to The John N. Kapoor Trust dated September 20, 1989 in an aggregate principal amount of \$1.0 million.

All of the offers, sales and issuances of the securities described in paragraph (1), and the offers and issuances of options to purchase an aggregate of 12,080,866 shares of our common stock described in paragraph (6), were deemed to be exempt from registration under the Securities Act in reliance on Rule 701 in that the transactions were under compensatory benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of such securities were our employees, directors or bona fide consultants and received the securities under our 2006 Equity Incentive Plan. Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

The offers, sales, and issuances of the securities described in paragraph (2) were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act as transactions by an issuer not involving a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof.

The offers, sales, and issuances of the securities described in paragraphs (3), (4) and (5) and the offers and issuances of options to purchase an aggregate of 18,937,576 shares of our common stock described in paragraph (6), were deemed to be exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act and Rule 506 promulgated under Regulation D promulgated thereunder as transactions by an issuer not involving a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an accredited investor within the meaning of Rule 501 of Regulation D under the Securities Act and had adequate access, through employment, business or other relationships, to information about us.

Item 16. Exhibits and financial statement schedules.

(a) Exhibits.

Exhibit number	Description of document
1.1†	Form of Underwriting Agreement.
2.1(1)	Agreement and Plan of Merger Among the Registrant, Insys Therapeutics, Inc. and ITNI Merger Sub Inc. dated October 29, 2010.
3.1(1)	Registrant' s Amended and Restated Certificate of Incorporation, as amended and as currently in effect.
3.2†	Form of the Registrant' s Amended and Restated Certificate of Incorporation to become effective upon the closing of this offering.
3.3(1)	Registrant' s Bylaws, as currently in effect.
3.4†	Form of the Registrant' s Amended and Restated Bylaws to become effective upon the closing of this offering.
3.5(1)	Amended and Restated Certificate of Designations, Preferences and Rights of Convertible Preferred Stock of Insys Therapeutics, Inc.
3.6(1)	Certificate of Amendment of Amended and Restated Certificate of Designations, Preferences and Rights of Convertible Preferred Stock of Insys Therapeutics, Inc.
4.1†	Form of Common Stock Certificate of the Registrant.
5.1†	Opinion of Cooley LLP.

Exhibit number	Description of document
10.1+(1)	Form of Indemnity Agreement by and between the Registrant and its directors and officers.
10.2+(1)	Insys Therapeutics, Inc. 1998 Equity Incentive Plan, as amended.
10.3+(1)	Insys Therapeutics, Inc. 2006 Equity Incentive Plan, as amended.
10.4+(1)	Insys Pharma, Inc. Amended and Restated Equity Incentive Plan.
10.5+†	2011 Equity Incentive Plan and Form of Stock Option Agreement and Form of Stock Option Grant Notice thereunder.
10.6+†	2011 Non-Employee Directors' Stock Award Plan and Form of Stock Option Agreement and Forms of Stock Option Grant Notice thereunder.
10.7+†	2011 Employee Stock Purchase Plan and Form of Offering Document thereunder.
10.8+(1)	Employment Agreement by and between the Registrant and Michael Babich dated April 29, 2011.
10.9+(1)	Employment Agreement by and between the Registrant and Larry Dillaha dated April 29, 2011.
10.10(1)	Lease dated as of March 12, 2007 between the Insys Pharma, Inc. and First Industrial, L.P. as predecessor in interest to Kachina Investments, LLC.
10.11(1)	Lease Agreement dated as of December 20, 2007, as amended, between the Registrant and Chicago Title Land Trust Company, as successor trustee to LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated March 16, 1987 and known as Trust No. 10207306.
10.12*(1)	Softgel Commercial Manufacturing and Packaging Agreement dated as of March 21, 2011 between the Registrant and Catalent Pharma Solutions, LLC.
10.13*	Supply and Distribution Agreement dated as of May 20, 2011 by and between the Registrant and Mylan Pharmaceuticals Inc.
10.14*	Manufacturing Agreement dated as of May 24, 2011 by and between the Registrant and DPT Lakewood, LLC.
10.15*	Supply Agreement dated as of March 7, 2011 by and between the Registrant and AptarGroup, Inc.
21.1(1)	Subsidiaries of the Registrant.
23.1(1)	Consent of BDO USA, LLP Independent Registered Public Accounting Firm
23.2†	Consent of Cooley LLP. Reference is made to Exhibit 5.1.
24.1(1)	Power of Attorney.

† To be filed by amendment.

+ Indicates management contract or compensatory plan.

* Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the SEC.

(1) Previously filed.

(b) Financial statement schedules.

No financial statement schedules are provided because the information called for is not required or is shown either in the financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The Registrant hereby undertakes that:

- (a) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (b) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Phoenix, State of Arizona, on the 6th day of June, 2011.

INSYS THERAPEUTICS, INC.

By: /s/ MICHAEL L. BABICH

Michael L. Babich

President and Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/S/ MICHAEL L. BABICH</u> Michael L. Babich	President, Chief Executive Officer and Member of the Board of Directors (Principal Executive Officer)	June 6, 2011
<u>/S/ MARTIN MCCARTHY</u> Martin McCarthy	Chief Financial Officer (Principal Financial and Accounting Officer)	June 6, 2011
<u>/S/ JOHN N. KAPOOR*</u> John N. Kapoor, Ph.D.	Executive Chairman of the Board of Directors	June 6, 2011
<u>/S/ PATRICK P. FOURTEAU*</u> Patrick P. Fourteau	Member of the Board of Directors	June 6, 2011
<u>/S/ STEVEN MEYER*</u> Steven Meyer	Member of the Board of Directors	June 6, 2011
<u>/S/ BRIAN TAMBI*</u> Brian Tambi	Member of the Board of Directors	June 6, 2011
<u>/S/ PIERRE LAPALME*</u> Pierre Lapalme	Member of the Board of Directors	June 6, 2011

* Pursuant to Power of Attorney

By: /S/ MICHAEL L. BABICH

Michael L. Babich

Attorney-in-Fact

EXHIBIT INDEX

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23.1(1)	Consent of BDO USA, LLP, Independent Registered Public Accounting Firm.
23.2†	Consent of Cooley LLP. Reference is made to Exhibit 5.1.
24.1(1)	Power of Attorney.

† To be filed by amendment.

+ Indicates management contract or compensatory plan.

* Confidential treatment has been requested with respect to certain portions of this exhibit. Omitted portions have been filed separately with the SEC.

(1) Previously filed.

*****Text Omitted and Filed Separately
with the Securities and Exchange Commission.
Confidential Treatment Requested
Under 17 C.F.R. Sections 200.80(b)(4)
and 230.406.**

SUPPLY AND DISTRIBUTION AGREEMENT

This Supply and Distribution Agreement is entered on this 20th day of May, 2011 (the “Effective Date”) between Mylan Pharmaceuticals Inc., a West Virginia corporation having its corporate offices at 781 Chestnut Ridge, Morgantown, West Virginia 26505, USA (“Mylan”); and Insys Therapeutics, Inc., a Delaware corporation having its corporate offices at 10220 South 51st Street, Suite 2, Phoenix, AZ 85044 (“Insys”).

WHEREAS, Insys has developed the ANDA for the Product, as defined below, which it will have manufactured under a separate contract by Catalent Pharma Solutions, Inc. (“Catalent”), a Third Party Manufacturer using Insys’ ANDA, and Insys desires to engage Mylan to distribute it; and

WHEREAS, Mylan is willing to distribute the Product, as produced by Catalent for supply to Mylan and/or its Affiliates for sale in the Territory, all in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, intending to be legally bound and in consideration of the mutual promises, covenants and conditions set forth herein, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Mylan and Insys agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 “Adverse Drug Experience” shall mean an adverse event associated with the use of the Product in humans, whether or not considered drug related, including the following: an adverse event occurring in the course of the use of a drug product in professional practice; an adverse event occurring from drug overdose whether accidental or intentional; an adverse event occurring from drug abuse; an adverse event occurring from drug withdrawal; and any failure of expected pharmacological action. The above definition of “Adverse Drug Experience” is intended to be synonymous with 21 C.F.R. § 314.80(a) and will be deemed to be changed to reflect any changes to that section of the U.S. Code of Federal Regulations.

1.2 “Affiliate” shall mean any corporation, association, partnership, company, organization, or other entity which directly or indirectly controls, is controlled by, or is under common control with Mylan or Insys as the case may be. For purposes of this definition, control means the ability, directly or indirectly, through ownership of securities or other equity interests, by agreement, or by any other lawful method, to direct more than fifty percent (50%) of the outstanding equity votes of any entity, whether or not represented by securities, or to otherwise control the management decisions of any entity.

1.3 “Agreement” shall mean this Supply and Distribution Agreement.

1.4 “ANDA” shall mean an Abbreviated New Drug Application within the meaning of Section 505(j) of the U.S. Food, Drug and Cosmetic Act.

1.5 “cGMPs” shall mean all laws and regulations relating to the manufacture of the Product, including, without limitation, the current Good Manufacturing Practices as specified in the United States Code of Federal Regulations (the “CFR”) and any other applicable Laws, guidelines and/or regulations.

1.6 “COA” shall have the meaning ascribed to it in Section 5.1.

1.7 “COC” shall have the meaning ascribed to it in Section 5.1.

1.8 “Commercially Reasonable Efforts” shall mean that degree of effort, expertise and resources which a person of ordinary skill, ability and experience in the matters addressed in this Agreement would utilize and otherwise apply with respect to fulfilling the obligations assumed under this Agreement.

1.9 “Competing Product” shall mean [...***...].

1.10 “Components” shall mean the Active Ingredients, excipients, and any other product or material used in the manufacture of the Products including the packaging materials.

1.11 “DEA” shall mean the Drug Enforcement Administration of the United States Department of Justice.

1.12 “FDA” shall mean the United States Food and Drug Administration.

1.13 “Force Majeure” shall mean any circumstances reasonably beyond a Party’s control including, without limitation, acts of God, civil disorders or commotions, acts of aggression, fire, explosions, floods, hurricanes, drought, war, sabotage, terrorism, embargo, utility failures, supplier failures, material shortages, labor disturbances, strikes, a national emergency or appropriations of property.

1.14 “GAAP” means generally accepted accounting principles, consistently applied.

1.15 “Indemnified Party” shall have the meaning ascribed to it in Section 9.4.

1.16 “Indemnifying Party” shall have the meaning ascribed to it in Section 9.4.

1.17 “Law” shall mean any rule, regulation, statute, ordinance or other rule of law, including but not limited to cGMPs, relevant to the manufacture, distribution, storage, testing, shipping, marketing and/or sale of any or all of the Product(s), or to any other matters covered by this Agreement.

1.18 “Legal Expenses” shall have the meaning ascribed to it in Section 8.2.

1.19 “Losses” shall mean liabilities, damages, costs or expenses, including reasonable attorneys’ fees, incurred by either Party which arise from any claim, lawsuit or other action by a Third Party.

***Confidential Treatment Requested 2

1.20 “Insys” shall mean Insys Therapeutics, Inc. and its Affiliates.

1.21 “Manufacture” or “Manufacturing” shall mean the production of finished Product(s) in accordance with applicable Specifications.

1.22 “MSDS” shall have the meaning ascribed to it in Section 4.1.

1.23 “Mylan” shall mean Mylan Pharmaceuticals Inc. and its Affiliates.

1.24 “Mylan Distribution and Storage Fee” shall mean Mylan’s applicable distribution and storage costs to get the Product to market, and shall be [...***...].

1.25 “Mylan Royalty” shall be equal to [...***...].

1.26 “Net Sales” shall mean [...***...].

1.27 “Package” or “Packaging” shall mean packaging finished Drug Product(s) in accordance with applicable Specifications, including, without limitation, executed batch records.

1.28 “Parties” shall mean Mylan and Insys.

1.29 “Product” shall mean the Product set forth on Schedule A.

1.30 “Product ANDA” shall mean the ANDA owned by Insys which has been issued by the FDA specifically for marketing the Product in the Territory.

1.31 “Product Net Price” shall mean [...***...].

1.32 “Specifications” shall mean [...***...].

1.33 “Term of this Agreement” shall have the meaning ascribed to it in Section 11.1.

1.34 “Territory” means [...***...].

1.35 “Third Party” shall mean any entity or person other than Mylan or Insys.

1.36 “Third Party Manufacturer” shall mean Catalent Pharma Solutions, Inc., or any successor manufacturer of the Product acceptable to MYLAN under a written agreement between MYLAN and Insys.

1.37 “Transfer Price” shall mean the transfer price for the Product, [...***...].

ARTICLE 2 - INSPECTION

2.1 Condition Precedent Facility Audit. As a pre-requisite to this Agreement, MYLAN may perform a quality audit of Insys’s, and/or its Third Party Manufacturer’s facilities, which shall include the inspection of each physical plant and documentation (“Condition Precedent Facility Audit”). Mylan shall provide Insys a minimum of fourteen (14) calendar days

***Confidential Treatment Requested 3

before any Condition Precedent Facility Audit. The Condition Precedent Facility Audit will have the purpose of verifying compliance with GMP rules and Mylan's quality requirements.

2.2 Negative Outcome of Condition Precedent Facility Audit. If the results of the Condition Precedent Facility Audit are not, in the sole opinion of Mylan, satisfactory, Insys shall perform, at its own expense, the requested or appropriate modifications of its facilities or its Third Party Manufacturer's facilities reasonably necessary to cure the deficiencies identified during the Condition Precedent Facility Audit. Insys shall provide satisfactory evidence of these modifications to Mylan and Mylan shall be entitled to perform an additional Condition Precedent Facility Audit with prior notice to ensure that the deficiencies identified during the Condition Precedent Facility Audit have been cured ("Additional Condition Precedent Facility Audit").

2.2.1 The Parties agree and acknowledge that a satisfactory outcome of either the Condition Precedent Facility Audit or the additional Condition Precedent Facility Audit if applicable is a condition precedent to the formation and validity of this Agreement.

2.3 Continuing Right to Audit. [...***...]. During such an inspection or audit the inspectors may inquire about the progress of the work being carried out by Insys or its Third Party Manufacturer, and are in particular but not exclusively authorized to:

- 2.3.1 Inspect or audit the facilities, documents, cost records and equipment used in the manufacture, packaging, storage, shipping and quality control of the Product and the Components; and
- 2.3.2 Verify the qualifications of the employees carrying out such work and their use of the relevant equipment; and
- 2.3.3 Evaluate all scientific techniques used by Insys or any Third Party Manufacturer's employees in the execution of this Agreement and the procedures used in the creation and storage of samples of the Product.
- 2.3.4 Verify and evaluate information relating to the utilization of the Manufacturing and Packaging capacity of Insys's or its Third Party Manufacturer's facilities, including its physical plant, or its Third Party Manufacturer's facilities including its physical plant.

2.4 Access. Insys agrees that it shall provide Mylan's inspectors with unfettered access to all of the facilities and information related to all of the facilities, in order that the inspectors may carry out the inspections or inquiries referred to in the provisions of this Article.

2.5 Corrective Action Plan. Insys on behalf of itself and its Third Party Manufacturer agrees that it shall use its best endeavors to ensure that within thirty (30) calendar days after receipt of an audit report signed by an authorized representative of Mylan, Insys and/or its Third Party Manufacturer shall respond to the audit report with a written corrective action plan that includes a detailed timeline. Upon receipt of Mylan's approval of the written corrective action plan, Insys shall, or shall cause its Third Party Manufacturer to remediate any

***Confidential Treatment Requested 4

and all discrepancies set forth in the audit report. The cost of such remediation shall be born by Insys or its Third Party Manufacturer.

2.6 Supplier Audits. Insys is responsible for auditing the facilities of the suppliers of Components that are supplied to the Third Party Manufacturer, and Insys agrees to provide Mylan, upon Mylan' s request with a current copy of the audit report of these facilities.

ARTICLE 3 - EXCLUSIVITY

3.1 Exclusive Supply. During the Term of this Agreement and subject to the terms hereof, Insys will be fully responsible for supplying the Product [...***...].

3.2 No Sales Outside the Territory. During the Term of this Agreement, Mylan shall not promote or distribute the Product supplied to Mylan under this Agreement by Insys outside the Territory, nor shall Mylan sell such Product to any purchaser that Mylan knows, or reasonably ought to know, intends to resell or redistribute the Product outside the Territory. For avoidance of doubt, nothing in this Agreement shall preclude or limit Mylan from marketing, promoting, manufacturing, purchasing, packaging, re-packaging, distributing, or selling another product that contain the same active ingredients as the Product outside the Territory.

3.3 Right of First Refusal For Other Territories. During the Term of this Agreement, if at any time Insys desires to market the Product in any other territory in addition to the Territory as defined herein, Mylan shall have the right of first refusal to market the Product in the new territory or territories. [...***...].

ARTICLE 4 - SUPPLY

4.1 Production by Third Party Manufacturer. It is understood and agreed between Insys and Mylan that the Product shall be manufactured by a Third Party Manufacturer under a written agreement between Insys and that Third Party Manufacturer. Insys shall at all times during the term hereof be responsible for the performance of the Third Party Manufacturer, and shall be responsible to Mylan for performance of all of the duties and obligations hereunder which may actually be performed on behalf of Insys by said Third Party Manufacturer, including but not limited to, meeting the specifications, timely delivery, etc.

4.2 Delivery and Risk of Loss. Insys shall make deliveries of Product(s) to Mylan' s [...***...] facility within the period that is no more than [...***...] days before or [...***...] calendar days after Mylan' s specified delivery date. [...***...]. The terms and conditions of this Agreement shall be controlling over any conflicting terms and conditions stated in Mylan' s purchase order or Insys' invoice or confirmation. Any other document which shall conflict with or be in addition to the terms and conditions of this Agreement is hereby rejected, unless the Parties shall have mutually agreed to the contrary in writing in respect of a particular instance.

4.3 Forecasts. [...***...].

4.4 Conformance to Specifications. Insys will order the Product from a third party manufacturer for shipment to Mylan in accordance with the Specifications set forth in the

***Confidential Treatment Requested 5

ANDA, as such regulatory approval may be amended or supplemented from time to time, and applicable Law. Mylan shall be promptly and fully advised of any new instructions or Specifications required by the FDA or by Law and the Parties shall confer with respect to the best mode of compliance with such requirements.

4.5 Alternate Manufacture Site(s). Mylan shall have the right, at its own expense, to qualify one or more Mylan facilities as an alternate site of manufacture for the Product set forth herein and for other products as may be later added to this Agreement by way of an addendum or amendment. Mylan may use such alternative site(s) for the actual manufacture of the Product only if (i) Insys cannot supply Mylan's requirements of the Product in accordance with Sections 4.1, 4.2, 4.7 and other applicable provisions herein (for reasons other than Insys' inability to obtain adequate quota of API from the DEA to supply the Third Party Manufacturer through no fault of Insys), and (ii) Insys consents in writing to the use of each alternative site, which written consent shall not be unreasonably withheld.

4.6 Active Pharmaceutical Ingredients. For the Product, Insys make certain that the Third Party Manufacturer uses Commercially Reasonable Efforts to maintain a rotating inventory of the required active pharmaceutical ingredients ("API") and inactive pharmaceutical ingredients ("IPI") in sufficient quantities to satisfy binding purchase orders provided by Mylan to Insys (the "API and IPI Rotating Inventory"). Insys will also make certain that the Third Party Manufacturer manages the API and IPI Rotating Inventory on a "First-In First-Out" (FIFO) basis, in accordance with cGMPs. Insys, as the API supplier, shall perform an audit of its facility supplying the API, and shall certify the results to Mylan, and shall supply Mylan with a copy of the certified audit report within five (5) calendar days of its completion. Insys shall be responsible for the performance of the Third Party Manufacturer under this Section 4.6, and shall provide reports regarding the regular and successful completion of all of these obligations regarding API to Mylan on a timely basis.

4.7 Late Delivery and Failure to Supply. Upon failure by Insys to supply binding quantities of the Product(s) within the time limits set forth in Section 4.2 above, Mylan may elect to manufacture for itself or purchase the amount of the shortfall from a third party for the period that Insys is unable to timely deliver the full amount of the quantities set forth in then current and subsequent purchase orders. In such case, for the shortfall quantity as per the purchase orders, if Mylan chooses to manufacture the same itself or at a third party, Insys will reimburse Mylan the difference between the Price of such undelivered Product(s) manufactured at Insys and the same Product manufactured at Mylan or by a third party. Insys will provide Mylan written notification when it is able to supply the Product(s) in accordance with Mylan's purchase orders, to enable Mylan to resume obtaining Product from Insys. However, Insys shall not be responsible for failure to supply the Product(s) at the agreed timeline if the same is due to the existence of Force Majeure conditions. For any such failure to supply, Insys shall be liable for: (a) [...***...]; (b) the cost of delivery to Mylan by air freight, if required to meet Mylan's commitments to its customers; and (c) any third party customer penalties levied against Mylan arising from its failure to supply Product(s) in accordance with binding purchase orders, subject to receipt by Insys of appropriate evidence thereof. The rights of Mylan set forth in this Section 4.7 are in addition to any other rights set forth in this Agreement.

***Confidential Treatment Requested 6

5.1 Testing and Inspections. Insys shall make certain that the Third Party Manufacturer performs quality assurance testing with respect to the Product, including stability testing, so that the Product conforms to the Specifications and applicable Law. Insys shall make certain that the Third Party Manufacturer provides the results thereof to Mylan in the form of a Certificate of Analysis (“COA”) and a Certificate of Conformance (“COC”). Insys will also make certain that the Third Party Manufacturer provides Mylan with Material Safety Data Sheets (“MSDS”) as required for the Product, and updates of the same as necessary. Insys will make certain that the Third Party Manufacturer arranges for Mylan’s personnel, upon reasonable notice, to visit for reasonable durations during regular business hours its facility or any other third party manufacturer facility used for the manufacture, packaging, storage, testing or release of the Product, including to observe the manufacture, testing and release of the Product, and will arrange that such Mylan personnel may review and make copies of any relevant records in connection therewith. Any deficiencies in cGMPs as practiced at any such facility and noted by Mylan during such inspection will be communicated to Insys and Insys will make certain that the Third Party Manufacturer uses reasonable efforts to remediate such deficiencies. In the event that Insys or the Third Party Manufacturer disputes that such deficiencies relate to cGMPs, then Insys may refer the matter to the dispute resolution process provided by Section 12.8 of this Agreement. Mylan’s right to inspect production facilities under this Section 5.1 shall be limited to one (1) inspection per calendar year, unless deficiencies in cGMPs are being remediated pursuant to the immediately preceding sentence, in which case Mylan may conduct additional inspections upon reasonable notice until such deficiencies are remediated. Mylan agrees that it will not, directly or indirectly (through any other persons, entity or otherwise) develop, manufacture, sell, or market, any generic pharmaceutical product which has the same active ingredients and strength as the Drug Product using the information provided in the Insys ANDA or other confidential information provided to Mylan by Insys or by the Third Party Manufacturer pursuant to this paragraph.

5.2 Rejection of Non-Conforming Goods. Mylan shall have a period of thirty (30) calendar days from the later of (a) the date of Mylan’s receipt of the Product at the designated Mylan facility, or (b) the date of Mylan’s receipt of the COAs and COCs applicable to such Product, to inspect any shipment of Product to determine whether such Product conform to the Specifications. If Mylan determines that the Product does not conform to the Specifications, it shall immediately notify Insys. Mylan’s failure to notify Insys of the non-conformity within the thirty (30) calendar day period specified above will be deemed for purposes of this Agreement as Mylan’s acceptance of such Product, and shall constitute a waiver of any claims Mylan may have with respect to the non-conformity of such shipment to the Specifications, subject to Mylan’s right to reject Product for latent defects discovered by Mylan or Mylan’s customers after such period has expired. If Insys agrees that the Product does not conform to the Specifications, Mylan shall return the non-conforming Product to Insys at a location designated by Insys and at Insys’ expense. Insys shall use Commercially Reasonable Efforts to replace any non-conforming Product within the shortest possible time. Mylan shall have no responsibility to Insys for the amounts invoiced for the replacement Product, but shall pay Insys the applicable amounts for the original non-conforming Product.

5.3 Disputes. [...***...].

***Confidential Treatment Requested 7

6.1 ANDA Holder' s Responsibilities. As the owner and holder of the ANDA, Insys shall be responsible for preparing and filing the ANDA for the Product, and for any new temperature stable version which Insys may develop. Insys shall own the ANDA and shall perform all regulatory functions in accordance with applicable Law and requirements of the FDA, including the filing of all annual and other reports or filings required by the FDA, and all other regulatory and governmental permits, licenses and approvals for the Product in accordance with the terms of this Agreement. Both the Parties will communicate with each other with regard to any regulatory issues that may arise before or after the final approval.

6.2 NDC Codes. Mylan shall obtain its own labeler code, drug listing and NDC for use in connection with the sale of Product.

6.3 Adverse Drug Experiences. Unless otherwise set forth on Schedule B, attached hereto, and made a part hereof, Mylan shall have responsibility for all pharmacovigilance activities associated with the marketing and sale of the Product in the Territory. Insys will submit to Mylan any and all reports of Adverse Drug Experiences that Insys or its third party manufacturer receives, together with all relevant information possessed by either within three (3) business days of receipt. Insys shall also promptly submit to Mylan any product complaints for investigation within three (3) business days of receipt. Mylan shall acknowledge receipt of Insys-submitted Adverse Drug Experiences and product complaints within one (1) business day of receipt. Each Party shall cooperate with the other and provide information in its possession to the extent necessary for the other Party to comply with all legal requirements relating to the manufacture or marketing of the Product in the Territory.

6.4 Recalls. The Parties agree that the procedure for a Product recall and FDA notifications shall depend on whether the issue arose from activities performed by Mylan or from activities performed by Insys. Only Mylan can initiate a recall. In the event of a product recall, Mylan shall provide all necessary lists; Insys shall be responsible for all FDA contacts. In the event that the FDA or other governmental body orders a recall with respect to any Product supplied hereunder or a recall is voluntarily initiated by Mylan, and the cause of such recall is due to (a) a breach by Insys of any of its representations, warranties, obligations, covenants or other agreements contained herein or in other written agreements between the Parties, then Insys shall be liable, and shall reimburse Mylan for the reasonable Losses, Legal Expenses and other out-of-pocket costs and expenses relating to or arising out of such recall, or (b) a breach by Mylan of any of its representations, warranties, obligations, covenants or other agreements contained herein, then Mylan shall be liable and shall reimburse Insys for its reasonable Losses, Legal Expenses and other out-of-pocket costs and expenses relating to or arising out of such recall; provided that if both parties share responsibility with respect to such recall, the costs shall be shared in the ratio of the Parties' contributory responsibility. Insys and Mylan agree to abide by all Healthcare Distribution Management Association published guidelines for product recall reimbursement. The Parties shall each maintain traceability records as are sufficient and as may be necessary to permit a recall. The Parties agree that if either Party shall discover or become aware of any fact, condition, circumstance or event (whether actual or potential) concerning or related to the Product which may reasonably require a recall, such Party shall promptly communicate such fact, condition, circumstance or event to the other Party. In the event (a) the FDA or other governmental body requests that the Product be recalled or (b) a court of competent jurisdiction orders such a recall, the Parties shall take all appropriate remedial actions

with respect to such recall. The obligations under this Section shall survive the complete or partial termination of this Agreement. Each Party shall make every reasonable effort to mitigate any Losses, Legal Expenses and other out-of-pocket costs and expenses to be reimbursed by the other Party pursuant to this Section.

6.5 Retention of Samples. The Parties shall keep such samples and records in respect of the Product as are required by applicable Law for such period of time as may be required by Law.

6.6 FDA Correspondence. Each of Mylan and Insys shall promptly inform the other of any correspondence from the FDA regarding the Product that would materially affect its ability to meet its obligations under this Agreement. Each of Mylan and Insys shall notify the other promptly of any materially adverse inspections by the FDA or other regulatory authorities which pertain to the Product or to the facilities of such Party or its Affiliate where the Product are being manufactured or stored, or any occurrences or information that arise out of Insys' manufacturing activities that have or could reasonably be expected to have adverse regulatory compliance or reporting consequences concerning the Product or which might otherwise be reasonably expected to adversely affect the supply by Insys of Product to Mylan.

6.7 Technical and Pharmacovigilance Agreements. Within ninety (90) calendar days following mutual signature of this Agreement, if possible, the Parties shall enter into a Technical Agreement in form and content reasonably acceptable to the Parties and containing protocols and specific responsibilities for handling Product quality complaints, in accordance with Mylan's and/or Insys' standard operating procedures and in conformity with applicable Law. A breach by a Party to the terms of the Technical Agreement shall be considered a breach of this Agreement. The Pharmacovigilance responsibilities of the Parties are set forth in Section 6.3 above, and on Schedule B. Until such a Technical Agreement is entered into between the Parties, this Agreement in conjunction with all applicable Regulatory Authority requirements, and Applicable Law shall govern the Parties' responsibilities with respect to procedures impacting the identity, strength, quality and purity of the Product(s).

6.8 Artwork and Packaging. Mylan shall provide or approve, prior to the procurement of applicable components, all artwork, advertising and Packaging information necessary to process or Package the Product. Such artwork, advertising and Packaging is and shall remain the exclusive property of Mylan, and Mylan shall be solely responsible for the content thereof. Such artwork, advertising and Packaging information or any reproduction thereof may not be used by Insys or by the Third Party Manufacturer following the termination of this Agreement, or during the Term of this Agreement in any manner other than solely for the purpose of performing obligations pursuant to this Agreement.

6.9 Drug Enforcement Agency ("DEA") Requirements. Insys shall be responsible for and shall secure at its sole expense any required DEA API quota, clearances or permits.

7.1 Transfer Pricing. The initial Transfer Price for the Product shall be as set forth on Schedule A. [...***...].

7.2 Transfer Pricing Invoicing. Insys shall invoice Mylan [...***...] each shipment at the time of such shipment. Mylan will pay such invoices within [...***...] of receipt by Mylan of those orders received by Insys prior to commercial launch of the Product and for [...***...] after commercial launch of the Product. For all orders of Product received more than [...***...] after commercial launch, Mylan will pay those invoices within [...***...] of receipt by Mylan of the orders.

7.3 Distribution and Storage Fee. Insys shall pay to Mylan a Distribution and Storage Fee in the amount of [...***...].

7.4 Mylan Deductions. Mylan shall deduct and retain:

(a) [...***...]

(b) [...***...].

7.5 Insys Revenue. Insys Revenue is defined as [...***...]. Insys Revenue will be determined on a calendar quarterly basis and shall be paid by Mylan to Insys within thirty (30) calendar days of the end of the subject calendar month. [...***...]. Each Party shall have the right to terminate this Agreement, upon written notice of no less than ten (10) calendar days to the other Party, if [...***...].

Upon approval and subsequent launch of the Product, Mylan will deduct its Distribution and Storage Fee along with its royalty on a monthly basis and send the remaining [...***...] of Net Sales to Insys via a wire to an institution designated by Insys. At the end of each calendar quarter, the Parties will determine if there were any rebates or returns that may need to be accounted for in the three (3) prior month' s Net Sales, and either Party will reconcile with a payment to the other Party within thirty (30) days of the discovery.

7.6 Record Keeping. During the Term of this Agreement and for two (2) years thereafter, or for such longer period as may be required by Law, Mylan shall prepare and retain accurate books and records as are needed to determine Net Sales and Net Profits. Such records shall be made available for reasonable review, audit and inspection upon reasonable notice, upon Insys' request for the purpose of verifying Mylan' s calculations, payments made and due, and the basis for such calculations or payments. Audits and inspections shall be conducted by an independent Third Party who agrees to be bound by a reasonable confidentiality agreement. Insys' right to review, audit and inspect Mylan' s books and records under this Section 7.6 shall be limited to one (1) inspection per calendar year.

***Confidential Treatment Requested 10

ARTICLE 8 - PRODUCT DISTRIBUTION

8.1 Promotion of the Product. During the Term of this Agreement, Mylan shall use Commercially Reasonable Efforts to promote the Product in the Territory in order to maximize economic benefit to both parties to the fullest extent possible; provided, however, that Mylan shall not be deemed to have failed to abide by or have failed to perform in accordance with the foregoing standard if Mylan is prevented from performing or is hindered in its performance by any act or omission of Insys or by Force Majeure.

8.2 Joint Steering Committee. During the launch and throughout the Term of this Agreement, the Parties shall act jointly through a Joint Steering Committee ("JSC") for certain matters that require cooperation beyond normal business dealings. [...***...].

8.3 Launch Decisions and Timing. The decision when and whether to launch the Product in the Territory shall be made jointly by Insys and Mylan, acting through the JSC. In order for Mylan to be in a position to timely and effectively launch the Product, the Parties will cooperate in good faith through the JSC to determine and prepare for the launch date, including communicating with one another on an ongoing basis any developments which may reasonably affect the timing of the Product launch.

ARTICLE 9 - OWNERSHIP OF APPLICATIONS, INTELLECTUAL PROPERTY AND LEGAL EXPENSES

9.1 Ownership of ANDAs. Insys shall own and maintain at its own cost all ANDAs and associated regulatory filings made in the Territory for the Product, or for any alternate version of the Product that Insys may develop and have approved during the term hereof.

9.2 Legal Expenses. If Mylan and Insys or either of them is sued for patent infringement in connection with the filing of an ANDA for the Product in the Territory during the Term of this Agreement, then Insys shall have the right to control the defense of such litigation, to select and direct counsel, and to decide whether to settle or try any case. [...***...] discovery requests and producing documents and things as may be necessary, and Insys bear the cost of such activities.

ARTICLE 10 INSURANCE AND INDEMNIFICATION

10.1 Product Liability Insurance. Each Party shall, during the Term of this Agreement and for two (2) years after termination or expiration of this Agreement, obtain and maintain at its own cost and expense from a qualified captive insurance company (provided however that Mylan may satisfy all or part of its obligation through its insurance carrier) product liability insurance providing protection against any and all claims, demands, and causes of action arising out of any defects, alleged or otherwise, of the Product or its use, design, labeling or manufacture, or any material incorporated in the Product. [...***...]. Each Party agrees, upon request, to name the other Party as an additional insured on such policy and to furnish the other Party with a certificate of insurance evidencing such insurance coverage (at the execution of this Agreement and at each subsequent renewal with [...***...] notice of cancellation or non-renewal), and the insured Party shall not at any time act pursuant to this Agreement unless such insurance is in effect.

***Confidential Treatment Requested 11

10.2 Indemnity by Insys. Insys agrees to indemnify, defend and hold harmless Mylan and its Affiliates and their respective directors, officers, employees, consultants, representatives and agents from and against any and all Losses relating to: (i) any material breach by Insys of its representations, covenants or warranties in this Agreement; (ii) any negligence or willful misconduct of Insys or its Affiliates and their respective directors, officers, employees, consultants, representatives and agents, in the exercise of any of Insys' rights or the performance of any of Insys' obligations under this Agreement; (iii) any failure to perform whatsoever regarding the manufacture or supply of the Product or any other obligations on the part of the Third Party Manufacturer; and (iv) all claims made by a Third Party relating to patent infringement associated with Mylan's sale of the Product in the Territory.

10.3 Indemnity by Mylan. Mylan agrees to indemnify, defend and hold harmless Insys and its Affiliates and their respective directors, officers, employees, consultants, representatives and agents from and against any and all Losses relating to (i) any material breach by Mylan of its representations, covenants or warranties in this Agreement, and (ii) any negligence or willful misconduct of Mylan or its Affiliates and their respective directors, officers, employees, consultants, representatives and agents, in the exercise of any of Mylan's rights or the performance of any of Mylan's obligations under this Agreement, and (iii) Mylan's commercialization of the Product in violation of this Agreement.

10.4 Procedure. A Party seeking indemnification under this Agreement ("Indemnified Party") shall promptly notify, in writing, the other Party ("Indemnifying Party") of the assertion of any claim or discovery of any fact upon which the Indemnified Party intends to base a claim for indemnification. An Indemnified Party's failure to so notify the Indemnifying Party shall not, however, relieve such Indemnifying Party from any liability under this Agreement to the Indemnified Party with respect to such claim except to the extent that such Indemnifying Party is actually denied, during the period of delay in notice, the opportunity to remedy or otherwise mitigate the event or activity(ies) giving rise to the claim for indemnification and thereby suffers or otherwise incurs additional Losses as a result of such failure. The Indemnifying Party, while reserving the right to contest its obligations to indemnify, shall be responsible for the defense of any claim, demand, lawsuit or other proceeding in connection with which the Indemnified Party claims indemnification. The Indemnified Party shall have the right at its own expense to participate jointly with the Indemnifying Party in the defense of any such claim, demand, lawsuit or other proceeding, but with respect to any issue involved in such claim, demand, lawsuit or other proceeding with respect to which the Indemnifying Party has acknowledged its obligation to indemnify the Indemnified Party, the Indemnifying Party shall have the right to select counsel, settle, try or otherwise dispose of or handle such claim, demand, lawsuit or other proceeding on such terms as the Indemnifying Party shall deem appropriate, subject to any reasonable objection of the Indemnified Party. An Indemnifying Party's right to control, select counsel for, settle, defend, try or otherwise dispose of or handle a claim, demand, lawsuit or other proceeding, does not give the Indemnifying Party the right: (i) to admit wrongdoing of any kind by or on behalf of the Indemnified Party; (ii) to falsely disparage the reputation of the Indemnified Party; (iii) to cause the Indemnified Party to be debarred; or (iv) to agree by or on behalf of the Indemnified Party to the imposition upon it of any monetary or other liability or obligation which cannot and/or will not be fully assumed and performed by the Indemnifying Party.

10.5 The Parties' indemnification obligations under this Agreement shall survive termination or expiration of this Agreement for the period of the statute of limitations, as

ARTICLE 11 REPRESENTATIONS AND WARRANTIES

11.1 Mylan warrants and represents the following:

11.1.1 Mylan is a corporation duly organized, validly existing and in good standing under the laws of the State of West Virginia, U.S.A.

11.1.2 Mylan has all requisite power and authority to enter into this Agreement and has the requisite skill, knowledge, staffing, financial resources and ability to carry out its obligations hereunder. The person signing this Agreement has the necessary corporate authority to legally bind Mylan to the terms set forth herein.

11.1.3 Mylan's execution of this Agreement and performance of the terms set forth herein will not cause Mylan to be in conflict with or constitute a breach of any agreement or understanding with any Third Party.

11.1.4 To Mylan's knowledge and belief, there are no suits, actions, claims, proceedings, or investigations pending or threatened by or before any court, by any governmental agency or any person or entity relating to the matters set forth herein.

11.1.5 Mylan's execution of this Agreement and performance hereunder do not and will not be in material conflict with any law, ordinance, statute or regulation.

11.1.6 Mylan is not debarred and Mylan has not and will not knowingly use in any capacity the services of any person debarred under subsection 306(a) or (b) of the U.S. Generic Drug Enforcement Act of 1992.

11.1.7 Mylan has and will maintain throughout the Term of this Agreement all permits, licenses, registrations and other forms of governmental authorization and approval as required by applicable laws in order for Mylan to execute and deliver this Agreement and to perform its obligations hereunder in accordance with all laws that are applicable to Mylan.

11.1.8 If at any time any of these representations and warranties is no longer accurate, Mylan shall immediately notify Insys of such fact.

11.2 Insys warrants and represents the following:

11.2.1 Insys is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

11.2.2 Insys has all requisite power and authority to enter into this Agreement and has the requisite skill, knowledge, staffing, financial resources, facilities and ability to carry out its obligations hereunder. The person signing this Agreement has the necessary corporate authority to legally bind Insys to the terms set forth herein.

11.2.3 Insys' execution of this Agreement and performance of the terms set forth herein will not cause Insys to be in conflict with or constitute a breach of any agreement or understanding with any Third Party.

11.2.4 To Insys' knowledge and belief, there are no suits, actions, claims, proceedings, or investigations pending or threatened by or before any court, by any governmental agency or any person or entity relating to the matters set forth herein.

11.2.5 Insys' execution of this Agreement and performance hereunder do not and will not be in material conflict with any law, ordinance, statute or regulation.

11.2.6 Insys is not debarred and Insys has not and will not knowingly use in any capacity the services of any person debarred under subsection 306(a) or (b) of the U.S. Generic Drug Enforcement Act of 1992.

11.2.7 Insys has and will maintain throughout the Term of this Agreement all permits, licenses, registrations and other forms of governmental authorization and approval as required by applicable laws in order for Insys to execute and deliver this Agreement and to perform its obligations hereunder in accordance with all laws that are applicable to Insys.

11.2.8 That the Product does not violate or infringe the intellectual property rights of any Third Party.

11.2.9 Insys' s third party manufacturer' s facility and all Product supplied hereunder shall comply with all Applicable Laws and the Technical Agreement and meet all Specifications, and **Insys** shall perform and document all manufacturing and supply activities contemplated herein in compliance with all Applicable Laws. Without limiting the foregoing, at the time of delivery to Mylan, none of the Product shall be adulterated or misbranded within the meaning of the U.S. Food, Drug and Cosmetic Act, or equivalent regulations promulgated by the applicable Regulatory Authority in the Territory, as amended and in effect at the time of shipment.

11.2.10 All Product(s) supplied by **Insys** under this Agreement shall least eighty five (85%) percent shelf life remaining at the time of delivery of such Product(s) to Mylan or its designee.

11.2.11 Title to all Product(s) provided to Mylan under this Agreement shall pass as provided in this Agreement, free and clear of any security interest, lien, or other encumbrance.

11.2.12 The manufacture and supply of Product(s) hereunder shall not infringe or misappropriate any intellectual property right of any third party.

ARTICLE 12 TERM AND TERMINATION

12.1 Term. The Term of this Agreement shall commence on the Effective Date and shall continue until the [...***...] of the first commercial sale of the Product in the Territory by Mylan, unless earlier terminated in accordance with the provisions of this Agreement. This Agreement shall automatically be extended for an additional [...***...] following the [...***...]

***Confidential Treatment Requested 14

of the first commercial sale of the Product in the Territory, unless either Party gives written notice to the other of its intention not to extend the Term of this Agreement at least one hundred and eighty (180) calendar days prior to the end of the initial [...***...].

12.2 Termination.

12.2.1 This Agreement may be terminated by mutual written agreement of the Parties or by either Party upon forty-five (45) calendar days' prior written notice to the other Party if such other Party breaches any material provision or warranty of this Agreement and fails to cure that breach within such forty-five (45) calendar day period; provided, however, that if the breaching Party is diligently pursuing a cure in good faith, the cure period shall be extended for such reasonable time as may be necessary to enable the breaching Party to complete such cure. In the event that a cure period relevant to a breach by Insys is extended beyond the forty-five (45) calendar day period as set forth in the previous sentence, then Mylan shall have the right to use alternative site(s) for the manufacture of the Product subject to the provisions of Section 4.4 of this Agreement. Upon the cure of the breach by Insys, Insys shall resume manufacturing subject to the mutual agreement of the Parties, which shall not be unreasonably withheld. Any notice of material breach under this Section shall specify the default complained of, setting forth the underlying reasons for its belief a default has occurred and the remedy sought. The Party allegedly in default may cure the asserted breach or pursue the dispute resolution and arbitration process specified in Section 12.8 within the notice period. If arbitration is demanded the Agreement shall continue in full force and effect as if the alleged breach had not occurred, pending the outcome of such arbitration.

12.2.2 Either Party may terminate this Agreement on immediate notice if at any time the other Party: (a) voluntarily files in any court pursuant to any statute of any governmental authority a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of such Party or of its assets; (b) shall be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within sixty (60) calendar days after the filing thereof; (c) shall be a Party to any dissolution or liquidation; or (d) makes a general assignment for the benefit of creditors.

12.2.3 Insys may terminate this agreement if Mylan fails to launch the Product one hundred and twenty (120) calendar days after the Product is approved by the FDA, provided Insys has made the Product available for launch to Mylan.

12.2.4 Mylan may terminate this Agreement immediately upon notice, in the event of a negative outcome of a quality audit under Section 2.1 of this Agreement.

12.2.5 Termination of this Agreement for any reason shall be without prejudice to: (a) Insys' right to receive all payments due from Mylan, if any, as of the effective date of such termination; (b) Mylan' s right to receive all payments due from Insys, if any, as of the effective date of such termination; (c) Mylan' s right to sell such Product remaining in its inventory, and at Mylan' s option, Mylan may elect to take delivery of and sell Product covered by any purchase order issued by Mylan prior to the effective date of termination; and (d) any other legal, equitable, or administrative remedies as to which either Party is or may become entitled. Also Mylan shall be entitled to fulfill all existing contracts and all existing purchase

***Confidential Treatment Requested 15

ARTICLE 13 MISCELLANEOUS PROVISIONS

13.1 Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

13.2 Confidentiality. The existence of this Agreement and its terms, and all communications between the Parties and their representatives relating to the subject matters of this Agreement shall be considered Confidential Information under the existing Confidentiality Agreement between Mylan (or its Affiliate) and Insys, and shall not be disclosed by either Party except as authorized by the Confidentiality Agreement or required by law. All confidential communications between the Parties pertaining to legal matters shall be conducted subject to a Common Interest Privilege Agreement between the Parties.

13.3 Licenses and Permits. Each Party shall, at its sole cost and expense, maintain in full force and effect all necessary licenses, permits, and other authorizations required by law in order to carry out its duties and obligations hereunder.

13.4 Independent Contractors. This Agreement shall not constitute or give rise to any employer-employee, agency, partnership, or joint venture relationship among or between the Parties, and each Party's performance hereunder is that of a separate, independent entity in pursuit of a common purpose.

13.5 No Modification. None of the terms of this Agreement shall be amended or modified except in writing signed by both Parties.

13.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Mylan and Insys and their successors and assigns of all or substantially all of either Party's business or assets. Any change of control of either Party shall not affect either Party's rights or obligations under this Agreement. Except for an assignment to an Affiliate of a Party, neither Party shall assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld. Each Party shall be entitled to assign all or any of its rights or obligations under this Agreement to an Affiliate or to a successor entity by way of merger or acquisition of substantially all of the assets of the assigning Party; provided the Affiliate or other successor entity expressly assumes those rights, duties and obligations under this Agreement and the Agreement itself, and the Affiliate or other successor is a financially capable business entity. The assigning Party shall provide the other Party written notice of any such assignment pursuant to this Section as soon as practicable thereafter. Any assignment or transfer in contravention of this Agreement shall be null and void.

13.7 Entire Agreement. This Agreement constitutes the entire agreement between the Parties respecting the subject matter hereof and supersedes all previous term sheets, correspondence and any and all other writings and understandings.

13.8 Dispute Resolution / Arbitration. All disputes between the Parties relating to or arising out of this Agreement, including but not limited to disputes, claims, defenses involving or requiring the interpretation, validity, enforceability, alleged breach or performance of this Agreement, shall be subject to the following dispute resolution procedure.

[...***...].

If the Parties cannot resolve their dispute through non-binding mediation, then the matter shall be finally settled under the auspices of and in accordance with the then-current Commercial Rules of the American Arbitration Association. The arbitration proceedings shall be conducted at a location, date and time determined by the arbitrator(s). In the event of a conflict between the procedures set forth herein and the Commercial Rules, the procedures set forth in this Section shall take precedence.

If monetary claims asserted in the arbitration are less than \$100,000, the dispute shall be heard and decided by a single arbitrator, but if any monetary claim is in excess of \$100,000, the dispute shall be heard and decided by a panel of three arbitrators. If a three-person panel of arbitrators is employed, then all decisions by the panel shall be by a majority of the arbitrators.

The arbitrator(s) shall allow the parties to obtain discovery as may reasonably be requested by a Party, including use of interrogatories, depositions, and inspections of things or land.

The arbitration shall be conducted over the course of consecutive business days and weeks. The hearing shall be recorded stenographically and a transcript prepared if requested by either Party. The expense of such hearing shall be borne equally by the Parties. Not less than ten (10) calendar days prior to the hearing, the Parties shall submit briefs to the arbitrator(s) setting forth each Party's contentions concerning the facts and the law. Within thirty (30) calendar days following the close of the hearing, the Parties shall submit post-hearing briefs to the arbitrator(s). Within thirty (30) calendar days after the timely submission of post-hearing briefs, the arbitrator(s) shall enter a written award concisely setting forth the grounds for the decision.

The arbitrator(s) shall decide the dispute by applying the law selected by the Parties in this Agreement.

The decision of the arbitrator(s) shall be final and binding and any award rendered thereon may be entered in any court having jurisdiction.

Nothing in this Section restricts either Party's freedom to seek urgent relief to preserve a legal right or remedy, or to protect a proprietary or trade secret right, or to otherwise seek emergency legal or equitable remedies necessary to preserve or restore the *status quo ante* pending the outcome of arbitration.

13.9 Limitation of Liability. With the exception of matters of confidentiality or indemnification, in no event shall either Party or their respective Affiliates be liable to the other Party or its Affiliates for special, punitive, indirect, incidental, exemplary or consequential loss or damage, or for lost profits, based on a contract, tort, or any other legal theory, arising out of any breach of this Agreement or otherwise relating to the subject matter of this Agreement, except as may be specifically and expressly stated in this Agreement.

***Confidential Treatment Requested 17

13.10 Severability. To the extent any provision or Term of this Agreement is or becomes unenforceable or invalid by operation of Law, such unenforceability or invalidity shall not affect the remaining provisions of this Agreement. The Parties agree to renegotiate in good faith a substitute provision that to the extent possible accomplishes the original business purpose of the provision held to be unenforceable or invalid.

13.11 Construction. The language in all parts of this Agreement shall be construed, in all cases, according to its plain meaning. The Parties acknowledge that each Party and its legal counsel have reviewed this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement. The Article and section headings and captions are placed herein merely as a matter of convenience and shall not affect the construction or interpretation of any of the provisions of this Agreement.

13.12 No Third Party Benefit. This Agreement shall be binding upon and inure solely to the benefit of the Parties, their respective Affiliates, and their successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any Third Party any right, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

13.13 Further Acts. Each of the Parties shall do, execute and perform and shall procure to be done and perform all such further acts, deeds, documents and things as the other Party may reasonably require from time to time give full effect to the terms of this Agreement.

13.14 Press Releases. All press releases and other public announcements relating to this Agreement or the transactions contemplated hereby will be prepared and issued only with the prior mutual consent of Mylan and Insys, except that Mylan may disclose freely that Insys is the manufacturer of the Product, and the Parties may otherwise make such disclosures as are required by Law.

13.15 Costs. Each Party will pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this Agreement, except as otherwise provided herein.

13.16 Notices. Any notices given under this Agreement shall be in writing, sent by overnight delivery by a nationally recognized service (e.g. FedEx) and shall be deemed effective on the date of mailing. Unless otherwise changed by notice in writing, notices may be served at the following addresses:

If to Mylan:

Mylan Pharmaceuticals Inc.
781 Chestnut Ridge Road
Morgantown, WV 26505
United States of America
Attn: Lynn Cayton
Exec. Director, Business Dev

If to Insys:

Insys Therapeutics, Inc.
10220 South 51st Street, Suite 2
Phoenix, AZ 85044
Attn: Mike Babich
President and CEO

With a copy to:

Mylan Inc.
1500 Corporate Drive
Canonsburg, PA 15317
United States of America
Attn: Global General Counsel

13.17 Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be considered an original and taken together as one and the same document. Faxed or electronic images of signatures shall be effective as an original.

13.18 Survival. Any provision of this Agreement, which by its nature must survive termination or expiration in order to achieve the fundamental purposes of this Agreement, shall survive any termination or expiration of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXECUTED AND AGREED ON THE EFFECTIVE DATE FIRST SET FORTH ABOVE:

INSYS THERAPEUTICS, INC.

MYLAN PHARMACEUTICALS INC.

By: /s/ Michael Babich

By: /s/ Anthony Mauro

Printed Name: Michael Babich

Printed Name: Anthony Mauro

Title: Chief Executive Officer

Title: President MPI

SCHEDULE A

PRODUCT

[... *** ...]

***Confidential Treatment Requested 21

SCHEDULE B

PHARMACOVIGILANCE RESPONSIBILITIES

[... *** ...]

***Confidential Treatment Requested 22

Routing Guide

&

Delivery Instructions

November 5, 2010

23

***Text Omitted and Filed Separately
with the Securities and Exchange Commission.
Confidential Treatment Requested
Under 17 C.F.R. Sections 200.80(b)(4)
and 230.406

MANUFACTURING AGREEMENT

DPT LAKEWOOD, LLC

AND

INSYS THERAPEUTICS

Table of Contents

I - DEFINITIONS	4
1.1 ACT	4
1.2 FDA	4
1.3 FORECASTED NEEDS	4
1.4 LABEL, LABELED, OR LABELING	5
1.5 MANUFACTURING FEE	5
1.6 LAUNCH YEAR	5
1.7 MATERIALS FEE	5
1.9 PACKAGING	6
1.10 PRODUCT(S)	6
1.11 SPECIFICATIONS	6
II - PRODUCT MANUFACTURE AND SUPPLY	6
2.1 MANUFACTURE AND PURCHASE	6
2.2 SUPPLY OF MATERIALS	7
(a) <i>Materials Supplied by COMPANY</i>	7
(b) <i>Materials Supplied by DPT</i>	8
(c) <i>Packaging and Labeling</i>	8
2.3 MATERIALS TESTING	8
2.4 MATERIAL SAFETY DATA SHEETS	9
2.5 COMMENCEMENT OF MANUFACTURING FOR NEW PRODUCTS	9
2.6 PURCHASE ORDERS	9
(a) <i>Purchase of Products</i>	9
(b) <i>Forecasted Needs</i>	9
(c) <i>Time of Issuance</i>	10
(d) <i>Contents of Purchase Orders</i>	10
2.7 REJECTED PRODUCTS	11
(a) <i>Rejection of Product by COMPANY</i>	11
(b) <i>Replacement of Rejected Product</i>	11
(c) <i>Responsibility for Costs</i>	11
(d) <i>Resolution of Conflict</i>	12
2.8 PRODUCT PRICE	13
(a) <i>Manufacturing Fees</i>	13
(b) <i>Materials Fees</i>	13

2.9	PAYMENT	14
2.10	LATE PAYMENT	14
2.11	DISPOSAL COSTS	15

III - SHIPMENT AND RISK OF LOSS	15
3.1 SHIPMENT	15
3.2 DELIVERY TERMS	15
3.3 CLAIMS	15
IV - TERM AND TERMINATION	16
4.1 TERM	16
4.2 TERMINATION	16
4.3 PAYMENT ON TERMINATION	16
4.4 SURVIVAL	16
V - CERTIFICATES OF ANALYSIS AND MANUFACTURING COMPLIANCE	17
5.1 CERTIFICATES OF ANALYSIS	17
5.2 STABILITY TESTING	17
5.3 VALIDATION WORK OR ADDITIONAL TESTING	17
5.4 FDA INSPECTION	17
5.5 REGULATORY FILINGS	18
VI - WARRANTIES	18
6.1 CONFORMITY WITH SPECIFICATIONS	18
6.2 COMPLIANCE WITH THE ACT	18
6.3 CONFORMITY WITH FDA REGULATIONS AND CGMP' S	18
6.4 COMPLIANCE OF PACKAGING AND LABELING WITH LAWS AND REGULATIONS	18
6.5 ACCESS TO DPT' S FACILITIES	19
6.6 DISCLAIMER	19
VII - FORCE MAJEURE	19
VIII - CHANGES TO PROCESS OR PRODUCT	20
8.1 CHANGES BY COMPANY	20
8.2 CHANGES BY DPT	20
8.3 CHANGES BY REGULATORY AUTHORITIES	20
8.4 OBSOLETE INVENTORY	21
IX - CONFIDENTIAL INFORMATION	21
9.1 CONFIDENTIAL INFORMATION	21
(a) <i>Obligations of Confidentiality</i>	21
(b) <i>Exceptions</i>	22
(c) <i>DPT Business Model</i>	22
9.2 TRADEMARKS AND TRADE NAMES	22
9.3 INVENTIONS AND PATENTS	23
SECTION 8 REGARDING COLLABORATIVE EFFORTS OF THE RESEARCH AND DEVELOPMENT SERVICES AGREEMENT BETWEEN DPT AND COMPANY DATED APRIL 17, 2009, IS HEREBY INCORPORATED IN ITS ENTIRETY BY ITS REFERENCE AND SHALL REMAIN IN EFFECT FOR THE TERM OF THIS AGREEMENT	23
X - RESEARCH & DEVELOPMENT SERVICES	23
10.1 R&D SERVICES	23
(a) <i>Research Products</i>	23
(b) <i>Project Protocol</i>	23
(c) <i>Costs</i>	24
(d) <i>Obsolete Inventory</i>	24
XI - INDEMNIFICATION	25

11.1	INDEMNIFICATION BY DPT	25
11.3	INDEMNIFICATION BY COMPANY	25
11.6	PATENT AND OTHER INTELLECTUAL PROPERTY RIGHTS	26

(a)	<i>Warranty by COMPANY</i>	26
(b)	<i>Warranty by DPT</i>	26
11.7	CONDITIONS OF INDEMNIFICATION	27
XII - GENERAL PROVISIONS		27
12.1	NOTICES	27
12.2	ENTIRE AGREEMENT; AMENDMENT	27
12.3	WAIVER	28
12.4	OBLIGATIONS TO THIRD PARTIES	28
12.5	ASSIGNMENT	28
12.6	GOVERNING LAW AND ARBITRATION	28
(a)	<i>Governing Law</i>	28
(b)	<i>Arbitration</i>	28
(c)	<i>Mediation</i>	30
(d)	<i>Costs</i>	32
12.7	SEVERABILITY	32
12.8	HEADINGS, INTERPRETATION	32
12.9	COUNTERPARTS	32
12.10	INDEPENDENT CONTRACTOR	32

This Manufacturing Agreement (the "Agreement") is made as of this 24th day of May, 2011 (the "Effective Date") by and between Insys Therapeutics, a corporation organized under the laws of the State of Delaware with its principal place of business at 10220 South 51st Street, Suite 2, Phoenix, AZ 85044 (hereinafter referred to as "COMPANY") and DPT Lakewood, LLC, a corporation organized under the laws of the State of Delaware with a place of business at 1200 Paco Way, Lakewood, New Jersey, 08701, including its affiliate DPT Laboratories, Ltd. (hereinafter collectively referred to as "DPT").

WITNESSETH:

WHEREAS, COMPANY is engaged in the distribution and sale of certain pharmaceutical and/or cosmetic products; and

WHEREAS, DPT owns and has a broad spectrum of technologies for the development, formulation, testing, control, manufacture, filling and distribution of pharmaceutical, over-the-counter and cosmetic products; and

WHEREAS, COMPANY desires DPT to manufacture and sell the Products hereinafter defined to COMPANY, and DPT desires to do so.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter expressed, the parties agree as follows:

I - DEFINITIONS

1.1 Act

"Act" means the Federal Food, Drug and Cosmetic Act, as amended, and regulations promulgated thereunder.

1.2 FDA

"FDA" means the United States Food and Drug Administration, or any successor entity thereto.

1.3 Forecasted Needs

"Forecasted Needs" means COMPANY's estimate of Products to be ordered from DPT for each of the eighteen (18) months following the month in which such estimate is provided.

1.4 Label, Labeled, or Labeling

“Label”, “Labeled”, or “Labeling” means all labels and other written, printed, or graphic matter upon: (i) Product or any container or wrapper utilized with Product or (ii) any written material accompanying Product.

1.5 Manufacturing Fee

“Manufacturing Fee” means the fee paid by COMPANY to DPT for services required to manufacture and package Products. The Manufacturing Fee is quoted in single final Product unit increments (i.e. by the bottle or tube). The Manufacturing Fee shall include services for incoming inspection and testing of materials, compounding of bulk, packaging Product, testing Product for release, making Product ready for shipment, and minimum product documentation (one copy of Certificate of Analysis.) The Manufacturing Fee does not include, without limitation, any research & development support, package engineering studies, validation support, FDA audit support, extensive reporting requirements, or additional laboratory testing performed by an outside testing laboratory or testing beyond that required in the Specifications. These services are in addition to the Manufacturing Fee and shall be billed by the hour at DPT’ s then-prevailing R&D hourly rate in accordance with Section XI contained herein. In addition, the Manufacturing Fee does not include warehousing or distribution of Product, any materials costs or costs associated with establishing or manufacturing new materials such as art charges, die costs, plate costs, and packaging equipment change parts.

1.6 Launch Year

“Launch Year” means a period of a variable number of months commencing on the first day of the month following the initial invoicing of Product which has been commercially manufactured by DPT in accordance with the terms and conditions of this Agreement and ending on December 31 of the year of the initial invoicing.

1.7 Materials Fee

“Materials Fee” is quoted in single final Product unit increments and is defined as DPT’ s Standard Cost (“Standard Cost” is the average actual cost to DPT of materials plus incoming freight, scrap/yield loss adjustments and any other recurring costs directly attributable to acquiring the material) [...***...] for administration and carrying costs. Materials Fee does not include, without limitation, costs associated with establishing, testing or manufacturing components or new materials such as reference standards, reagents, art charges, die costs, mold or tooling costs, plate

costs, and packaging equipment change parts. These items will be invoiced to COMPANY at DPT' s cost on a net thirty (30) basis and COMPANY agrees to reimburse DPT for any such authorized expenditures made on COMPANY' s behalf.

1.8 Material Safety Data Sheet

“Material Safety Data Sheet” (“MSDS”) means written or printed material concerning a hazardous chemical which is prepared in accordance with the regulations promulgated by the Occupational Safety & Health Administration, or any successor entity thereto.

1.9 Packaging

“Packaging” means all primary containers, cartons, shipping cases, inserts or any other like material used in packaging, or accompanying, Product.

1.10 Product(s)

“Product(s)” means product(s) (as listed in Schedule A) manufactured, packaged, labeled and/or finished by DPT to meet the Specifications (as hereinafter defined).

1.11 Specifications

“Specifications” means the (i) raw material specifications (including chemical, micro, and packaging specifications); (ii) sampling requirements (i.e., lab, chemical, and micro); (iii) compounding module, including compounding process and major equipment; (iv) intermediate specifications; (v) packaging module (including packaging procedures, torque and fill weights); and (vi) finished Product specifications release criteria including DPT' s Acceptable Quality Limits (“AQL’ s”). Specifications shall be established and/or amended from time to time upon the written agreement of both DPT and COMPANY via a Change Control Request (“CCR”) in accordance with Section IX below.

II - PRODUCT MANUFACTURE AND SUPPLY

2.1 Manufacture and Purchase

Subject to the terms and conditions of this Agreement, DPT agrees that it will manufacture for and provide to COMPANY, and COMPANY agrees that it will purchase from DPT, one hundred percent (100%) of the

COMPANY' s requirements of the Products. COMPANY shall pay DPT for Products according to paragraph 2.8 below. DPT shall manufacture Products in accordance with the Specifications or pursuant to exceptions approved by COMPANY, and in sufficient quantity to meet COMPANY' s Forecasted Needs for the length of this Agreement.

2.2 Supply of Materials

(a) Materials Supplied by COMPANY

If COMPANY is to supply any material for manufacture of Products as set forth under this Section, COMPANY shall notify DPT, in writing, specifying which materials it will supply. COMPANY shall provide DPT with said materials at COMPANY' s expense along with Certificates of Analysis and MSDS sheets relating to same, at a minimum of thirty (30) days prior to DPT' s scheduled production of Product requiring said materials and in sufficient amounts for DPT' s manufacture of Product but not to exceed quantities necessary to support four (4) months of the most recently supplied Forecasted Needs or the minimum order quantity whichever is greater. COMPANY supplied material in excess of these amounts shall be either subject to storage fees or returned to COMPANY. All COMPANY supplied material shall be shipped to DPT freight prepaid. In the event COMPANY ships or causes to ship such material freight collect, DPT shall invoice COMPANY for the cost of the freight plus a reasonable administrative fee which invoice shall be paid promptly upon receipt. DPT is hereby authorized by COMPANY to return any portion of COMPANY supplied material for which no future production is planned. COMPANY shall be responsible for the quality of all COMPANY-supplied materials. COMPANY shall be responsible for the payment of all personal property and other taxes incident to the storage of COMPANY-owned material at DPT. For each lot of materials supplied by COMPANY, DPT shall perform the quality control and inspection tests as agreed to in the Specifications unless COMPANY has made arrangements in writing for pre-approved material. DPT shall have the right to reject any pre-approved material which does not meet the Specifications in accordance with paragraph 2.3 below. DPT warrants that it will maintain, for the benefit of COMPANY, complete and accurate records of the inventory of all such COMPANY-supplied materials. If requested by COMPANY, DPT will provide to COMPANY a monthly report of ending monthly inventory balance of each COMPANY supplied/owned materials stored at DPT. This reporting will be supplied exclusively on DPT forms.

(b) *Materials Supplied by DPT*

DPT shall be responsible for supply, at the expense of COMPANY of all other commodities necessary for the manufacture of Products. All DPT supplied materials will be billed to COMPANY on the respective invoice for Product, into which the DPT supplied materials was converted, as part of the Materials Fee, and in addition to the Manufacturing Fee, all in accordance with the provisions of paragraph 2.8 below.

(c) *Packaging and Labeling*

COMPANY shall provide DPT with Specifications (including art proofs) for Packaging and Labeling, and DPT shall purchase, at the expense of COMPANY, Packaging and Labeling in accordance with the Specifications.

(d) *Additional Charges*

COMPANY shall be responsible for any additional charges (including, but not limited to, items such as brokerage fees, courier expenses, duty fees payable, etc.) that are incurred in the procurement of any materials and/or Packaging and Labeling components as detailed in the immediately preceding sub-sections (a), (b) and (c); required for the manufacture of the Products, irrespective of which party to the Agreement is responsible for supplying such items.

(e) *Safety Stock*

At least annually, and more frequently depending on business conditions, COMPANY shall determine and inform DPT of the level of safety stock inventory for API and Materials, by Product, that DPT shall hold in its warehouse. COMPANY shall pay for such safety stock inventory for API and Materials and associated storage fee as agreed upon in writing between the parties.

2.3 Materials Testing

All materials and packaging supplies shall, when received by DPT, be submitted to analysis and evaluation in accordance with DPT' s SOP' s to determine whether or not said materials meet the Specifications. The cost of all such analyses and evaluations shall be borne by DPT, except as otherwise provided in paragraph 2.2 of this Agreement. DPT agrees to maintain and, if necessary, make available records of all such analyses and evaluations.

2.4 Material Safety Data Sheets

Prior to DPT' s receipt and testing, and as a condition precedent of any testing or formulation work by DPT pursuant to this Agreement, COMPANY shall provide MSDS sheets to DPT for finished products and all components necessary for the manufacture of Products. Any components or Products requiring disposal shall be presumed hazardous unless otherwise provided in the MSDS information provided.

2.5 Commencement of Manufacturing for New Products

No later than four (4) months prior to the initial calendar year of a new Product added to this Agreement, COMPANY agrees to notify DPT of its delivery requirements, including firm orders for same, for the four (4) months and shall provide its Forecasted Needs for the first calendar year in order to ensure timely delivery of Product for initial sale and marketing.

2.6 Purchase Orders

(a) Purchase of Products

COMPANY agrees to purchase from DPT all Products manufactured for COMPANY by DPT in accordance with COMPANY' s purchase orders or Forecasted Needs to the extent such Products meet the Specifications or exceptions approved by COMPANY. Products shall be ordered by COMPANY by the issuance of separate, pre-numbered purchase orders in increments of full batches and in minimum order quantities.

(b) Forecasted Needs

COMPANY shall provide DPT with a written, non-binding eighteen (18) month projection with specific data as to its Forecasted Needs. Such Forecasted Needs shall be updated by COMPANY monthly on or before the 10th day of each calendar month on a rolling eighteen (18) month basis. It is understood and agreed that with respect to all Forecasted Needs issued to DPT by COMPANY

pursuant to the terms hereof, the forecast for the first four (4) months thereof shall constitute a firm order for Products, regardless of receipt of COMPANY' s actual purchase order. Thereafter, COMPANY shall provide DPT with a Purchase Order on or before the 10th day of each calendar month. DPT may produce Product up to thirty (30) days prior to the requested delivery date in order to accommodate fluctuations in production demands. The remaining fourteen (14) months of the Forecasted Needs shall be utilized by DPT for purposes of material acquisition on behalf of COMPANY and DPT production planning. DPT shall attempt to minimize the material inventory purchased on behalf of COMPANY. Certain materials, however, may have long lead times and/or require a minimum order quantity. Therefore, DPT may order the chemical and packaging components necessary to support up to six (6) months of COMPANY' s Forecasted Needs, or the applicable minimum order quantity, whichever is greater. Should COMPANY subsequently reduce its Forecasted Needs, COMPANY will be financially responsible for any material purchased by DPT on COMPANY' s behalf. Any such material which is subsequently rendered in excess of that required to support up to six (6) months of COMPANY' s Forecasted Needs may be subject to storage and inventory caring fees. DPT may require a deposit for such materials and such materials may also be subject to storage and inventory carrying cost fees.

(c) *Time of Issuance*

COMPANY shall issue written purchase orders for Products to DPT at least one hundred twenty (120) days prior to the requested delivery dates if the requirements are at or below one hundred twenty-five percent (125%) of the applicable Forecasted Needs, and at least one hundred fifty (150) days prior to the requested delivery dates if the requirements exceed the Forecasted Needs by more than one hundred twenty-five percent (125%).

(d) *Contents of Purchase Orders*

COMPANY' s purchase orders shall designate the desired quantities of Products, delivery dates and destinations. This Agreement allows for up to three (3) shipping destinations per batch of Product. Additional destinations can be accommodated for a shipping preparation fee to be negotiated by DPT and COMPANY.

2.7 Rejected Products

(a) *Rejection of Product by COMPANY*

COMPANY may reject any Product which fails to meet the Specifications, provided that such failure impairs the safety or efficacy of the Product ("Rejected Product"). COMPANY shall, within twenty (20) days after its receipt of any shipment of Product and related Certificate of Analysis of Product batch (as described in paragraph 5.1 hereof), notify DPT in writing of any claim relating to rejected Product batch and, failing such notification, shall be deemed to have accepted such Product batch. Such notice to DPT shall specify why the Product batch failed to perform to Specifications. COMPANY shall grant to DPT the right to inspect or test said Product batch. All Products shall be submitted to inspection and evaluation in accordance with DPT's SOP's to determine whether or not said Products meet the Specifications.

(b) *Replacement of Rejected Product*

As to any Rejected Product pursuant to paragraph 2.7(a) above (including phases of or complete batches of bulk product), DPT shall replace such Rejected Product (in an agreed upon batch order quantity, but in no event less than full batch increments) promptly after all materials are available to DPT for the manufacture. If requested, DPT shall make arrangements with COMPANY for the return or disposal of Rejected Product.

(c) *Responsibility for Costs*

For the initial three (3) commercial batches and all validation batches of a Product produced by DPT, or in the event a Rejected Product is due to COMPANY supplied information, formulations or materials, COMPANY shall bear one hundred percent (100%) of all costs directly related to and invoiced for Rejected Product including cost of destruction of the Rejected Product, which shall be conducted by COMPANY in accordance with all applicable laws and regulations. Upon the completion of all necessary validation batches and in the event a validated Product is rejected due to DPT's failure to follow cGMP's and/or comply with applicable written procedures and such failure renders the Product unmarketable, DPT shall bear one hundred percent (100%) of the manufacturing fees, costs of all materials (except for the Aptar device) supplied by DPT and cost of destruction. [...***...]. In the event a validated Product does not meet final Specifications and results in a Rejected Product, but such failure is not due to either COMPANY supplied information or DPT's failure to follow written

procedures, the COMPANY shall bear all Materials Fees with DPT bearing all Manufacturing Fees related to Rejected Product, and with destruction to be paid by the COMPANY. Destruction of Rejected Product shall be in accordance with all applicable laws and regulations and the party conducting the destruction shall indemnify the other party hereto for any liability, costs or expenses, including attorney' s fees and court costs, relating to a failure to dispose of such Product in accordance with such laws and regulations. The party conducting the destruction shall also provide to the other party hereto all manifests and other applicable evidence of proper destruction as may be requested by applicable law.

(d) Resolution of Conflict

In the event of a conflict between the test results of DPT and the test results of COMPANY with respect to any shipment of Product batch, a sample of such Product batch shall be submitted by DPT to an independent laboratory or recognized industry expert acceptable to both parties for testing against the Specifications utilizing the methods set out in the Specifications. The fees and expenses of such laboratory testing shall be borne entirely by the party against whom such laboratory' s findings are made. If results from the independent laboratory are inconclusive, final resolution will be settled in accordance with paragraph 12.6 (b) below.

(e) Recalled Product

In the event (i) any government authority issues a request, directive or administrative order that Product be recalled, or (ii) a court of competent jurisdiction orders a Product recall, or (iii) the COMPANY reasonably determines that the Product should be recalled, the parties shall take all appropriate corrective actions which are reasonable under the circumstances. In the event that such recall results solely from the breach of DPT' s warranties under this Agreement, DPT shall be responsible for the administrative expenses of the recall in any case not to exceed [...***...] per recall incident as well as for the cost of replacing the recalled Product. In the event the recall results from the breach of COMPANY' s warranties under this Agreement, COMPANY shall be responsible for all of the expenses of the recall. For the purposes of this Agreement, administrative expenses of the recall shall be

the expenses of notification, destruction or return of the recalled Product; including any reasonable out-of-pocket costs incurred by the parties in connection with any corrective action.

2.8 Product Price

(a) Manufacturing Fees

The initial Manufacturing Fees to be paid by COMPANY to DPT are listed in Schedule A. The parties hereto agree that the Manufacturing Fees set out in Schedule A shall be re negotiated, in good faith, at the beginning of each calendar year. If the parties are unable to agree on a re-negotiated price at least thirty (30) days prior to the start of a new twelve (12) month period, then this Agreement, effective the first day of January of the new twelve (12) month period, shall continue in force with prices being adjusted to reflect the change in the most recently published monthly “Producer Price Index for Pharmaceutical Preparation Manufacturing”, issued by the Bureau of Labor Statistics, US Department of Labor (“PPI”), or comparable successor index, in July of the preceding year as compared to the same month of the year prior thereto until such time as to when price negotiation can be completed.

In addition, Manufacturing Fees are based on annual volumes for Products. DPT reserves the right to re-evaluate Manufacturing Fees at the beginning of the second calendar year (and each calendar year thereafter) in the event that actual volumes differ from those volumes listed in Schedule A. by more than ten percent (10%).

Prices for new Products or new Product sizes, new batch sizes or product configuration changes not initially included in Schedule A, shall be negotiated and DPT and COMPANY shall arrive at a mutual agreement with respect to prices at the time said new Products or new Product sizes are added to Schedule A.

If a negotiated price cannot be agreed upon, final pricing for any of the above will be settled in accordance with paragraph 12.6 (b) below.

(b) Materials Fees

The Materials Fee to be paid by COMPANY to DPT shall be listed in Schedule A within one hundred twenty (120) days of commencement of the initial commercial products of the applicable Product. The Materials Fee will be adjusted once annually at the

beginning of each calendar year and Schedule A shall be amended accordingly based on changes in DPT' s standard costs for materials. In the event, however, the cost of a material increases during any calendar year greater than ten percent (10%), DPT may promptly upon the effective date of such increase adjust its invoice price for said material to COMPANY to compensate for the increase.

Material Fees for new Products or new Product sizes, new batch sizes or product configuration changes not initially included in Schedule A, shall be established at the time of first production.

2.9 Payment

Payment for all deliveries of Product and services shall be made in U.S. Dollars (USD), net thirty (30) days after the date of DPT' s invoice therefor. Invoices shall be generated upon shipment of Product from DPT. Total invoice price shall be equal to the quantity of Product times the Total Price per unit effective on the date of Product release, as listed in Schedule A. Payments shall be made by certified check, via wire transfer or through other instrument accepted by DPT. Fund transfers by wire should be made to the following:

Account name:	[...***...]
Account number:	[...***...]
Bank name:	Bank of America
ABA routing number:	[...***...]
SWIFT code (US\$)	[...***...]
Bank location:	901 Main Street, 8 th Floor Dallas, Texas 75202
Contact:	[...***...] [...***...]

2.10 Late Payment

A late fee of one and one-half percent (1.5%) of total invoice can be added each month for late payments. DPT, at its sole discretion, has the right to discontinue COMPANY' s credit on future orders and to put a hold on any production or shipment of Product if COMPANY' s account is not current. Such hold on production or shipment shall not constitute a breach of this Agreement by DPT. In the event credit is discontinued, a one hundred percent (100%) material deposit paid by COMPANY to DPT will be required prior to DPT ordering materials. In addition, a fifty

percent (50%) Manufacturing Fee deposit will be required prior to DPT manufacturing any Product and the balance of the invoice must be paid in full prior to shipment.

2.11 Disposal Costs

DPT reserves the right to invoice COMPANY for all disposal costs, related to manufacture of the Products, unless the disposal relates to a Rejected Product caused by the failure of DPT to follow established written procedures.

III - SHIPMENT AND RISK OF LOSS

3.1 Shipment

Shipment of Product shall be in accordance with COMPANY instructions, provided that shipment is made in accordance with all relevant statutory requirements. Product will be shipped to COMPANY or its designee immediately upon release, freight collect. At COMPANY' s request, DPT may hold Product in DPT' s warehouse for a storage fee. Product held at DPT will be subject to payment as if the product was shipped in accordance with paragraph 2.9 above. If COMPANY requests DPT to make any miscellaneous small shipments of Product, material, or other items on COMPANY' s behalf, COMPANY agrees to reimburse DPT for any shipping charges incurred.

3.2 Delivery Terms

The delivery terms of the Products detailed in Schedule A hereof shall be Ex Works ("EXW" Incoterms 2010) DPT' s plant of manufacture, freight collect. Title to, and risk of loss for, Product, shall transfer from DPT to COMPANY when DPT makes the Product available to COMPANY at its plant of manufacture. COMPANY shall bear all risk of loss, delay, or damage in transit, as well as cost of freight and insurance.

3.3 Claims

The weights, tares and tests affixed by DPT' s invoice shall govern unless established to be incorrect. Claims relating to quantity, weight and loss or damage to any Product sold under this Agreement shall be waived by COMPANY unless made within thirty (30) days of receipt of Product by COMPANY.

4.1 Term

The initial term of this Agreement shall commence on the Effective Date hereof and will continue until December 31 of the fifth (5th) calendar year following the Launch Year, unless sooner terminated pursuant to paragraph 4.2 below. This Agreement shall thereafter automatically renew for periods of twenty-four (24) months, unless any party shall give notice to the other to the contrary at least twenty four (24) months prior to the expiration of the initial term or any renewal term of the Agreement.

4.2 Termination

This Agreement may be terminated at any time upon the occurrence of either of the following events:

- (a) The failure of either party to comply with its obligations herein, which failure is not remedied within sixty (60) days after written notice thereof.
- (b) Notice by either party to the other upon the insolvency or bankruptcy of the other party.

4.3 Payment on Termination

In the event of the termination or cancellation of this Agreement for any reason besides DPT termination, and without prejudice to any other rights and remedies available to DPT hereunder, COMPANY agrees to reimburse DPT the Materials Fee directly ordered for the manufacture of Products based on COMPANY' s Forecasted Needs as well as for work-in-process and finished Products.

4.4 Survival

Termination of this Agreement under paragraph 4.2 or due to expiration or cancellation shall not relieve either party of obligations or liability for breaches of this Agreement incurred prior to or in connection with termination, expiration or cancellation. Sections VI, VII, IX, X, XI and XII hereof shall survive the termination or cancellation of this Agreement for any reason.

5.1 Certificates of Analysis

DPT shall test each lot of Product purchased pursuant to this Agreement before delivery to COMPANY. Each Certificate of Analysis shall set forth the items tested, specifications and test results for each lot delivered. DPT shall send one (1) Certificate of Analysis to COMPANY at the time of the release of Product. Extraordinary reporting or documentation, outside this Agreement, may be subject to an additional charge by DPT.

5.2 Stability Testing

DPT shall perform its standard stability test program as defined in DPT' s SOP' s or as separately agreed to in accordance with a CCR for each of the Products contained herein. COMPANY shall receive a copy of DPT' s Annual Product Review for each Product as long as DPT is continuing to produce such Product for COMPANY and for as long as COMPANY' s account is current. If COMPANY elects to perform its own stability testing on Product, COMPANY agrees to provide DPT with a copy of the results from such testing on an annual basis.

5.3 Validation Work or Additional Testing

It is understood by the parties hereto that the responsibility for any validation work shall be the sole responsibility of COMPANY. The parties agree that for any validation work or additional testing in connection with the Product, DPT and COMPANY shall enter into a specific written Project Protocol establishing methodology and pricing for such services. It is understood between the parties hereto that if DPT is required by regulatory authority to perform validation studies or additional testing in order to legitimately continue to engage in the manufacture of the Product for COMPANY and DPT and COMPANY cannot reach an agreement on a written Project Protocol, then DPT shall be under no obligation to continue the manufacture of the Product affected by said regulation.

5.4 FDA Inspection

DPT shall advise COMPANY if an authorized agent of the FDA or other governmental agency visits DPT' s manufacturing facility and requests or requires information or changes which specifically pertain to the Products. FDA audit time specific to Products will be billed to COMPANY from DPT at the then-prevailing QA hourly rate.

5.5 Regulatory Filings

COMPANY agrees to provide DPT with copies of any sections of NDA' s, ANDA' s, 510(k)' s or other regulatory filings applicable to the Products manufactured and/or tested by DPT, and copies of any changes in or updates of same as they, from time to time, hereafter occur.

VI - WARRANTIES

6.1 Conformity with Specifications

DPT warrants that all Products sold pursuant to this Agreement will have been manufactured in accordance with the Specifications for the release of the Product or pursuant to exceptions approved by COMPANY at the time of manufacture.

6.2 Compliance with the Act

COMPANY shall bear sole responsibility for the validity of all test methods and appropriateness of all Specifications. In addition, COMPANY shall bear sole responsibility for all regulatory approvals, filings, and registrations and adequacy of all validation, stability, and preservative efficacy studies. COMPANY further warrants that it has obtained any and all necessary approvals from all applicable regulatory agencies necessary to manufacture and distribute all Products under this Agreement.

6.3 Conformity with FDA regulations and cGMP' s

Subject to the provisions set forth in paragraph 6.2 and 6.4 hereof, DPT warrants that all Products shall have been manufactured by DPT in compliance with applicable FDA regulations and current Good Manufacturing Practices as that term is defined under the Act.

6.4 Compliance of Packaging and Labeling with Laws and Regulations

COMPANY warrants that all Labeling copy and artwork approved, designated or supplied by COMPANY shall be in compliance with all applicable laws and governmental regulations. Compliance with all federal, state, and local laws and regulations concerning Packaging and Labeling shall be the sole responsibility of COMPANY, provided that DPT purchases such Packaging and Labeling as provided in paragraph 2.2 (c) hereof. COMPANY hereby represents and warrants to DPT that all COMPANY designated formulas, components and artwork related to the

Product do not violate or infringe any patent, copyright or trademark laws, and agrees to indemnify DPT, its employees, officers, directors and representatives for any claim, loss or damage including reasonable attorney' s fees paid or incurred by any of them in connection therewith.

6.5 Access to DPT' s Facilities

COMPANY shall have access to DPT' s facilities at a mutually agreeable time for the sole purpose of auditing DPT' s compliance with current Good Manufacturing Practices and the Act. Such access shall in no way give COMPANY the right to any of DPT' s confidential or proprietary information. Further, such audits shall normally be limited to every eighteen (18) months and three (3) employees of COMPANY who are subject to the same requirements of confidentiality as COMPANY.

6.6 Disclaimer

DPT AND COMPANY MAKE NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCT, LABELING OR PACKAGING; EXCEPT AS DETAILED HEREIN. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY DISCLAIMED. IN NO EVENT WILL DPT BE LIABLE FOR ANY LOSS OF PROFITS, LOSS OF USE, BUSINESS INTERRUPTION, COST OF COVER, OR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND IN CONNECTION WITH OR ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT, WHETHER ALLEGED AS A BREACH OF CONTRACT OR TORTIOUS CONDUCT, INCLUDING NEGLIGENCE, EVEN IF DPT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. DPT' S LIABILITY UNDER THIS AGREEMENT FOR FIRST PARTY DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, RESTITUTION, WILL NOT EXCEED, THE AMOUNT OF MANUFACTURING FEES PAID BY COMPANY TO DPT UNDER THIS AGREEMENT UP TO A MAXIMUM AMOUNT OF [...*...].**

VII - FORCE MAJEURE

Failure of either party to perform its obligations under this Agreement shall not subject such party to any liability to the other if such failure is caused

by acts such as, but not limited to, acts of God, acts of terrorism, fires, explosion, flood, drought, war, riot, sabotage, embargo, strikes, compliance with any court order or regulation of any government entity acting with color of right or by any other cause beyond the reasonable control of the parties, whether or not foreseeable.

VIII - CHANGES TO PROCESS OR PRODUCT

8.1 Changes by COMPANY

If COMPANY at any time requests a change to Product and DPT agrees such change is reasonable with regard to Product manufacture; (i) such change shall be incorporated within the Master Batch Record and/or Specifications via a written CCR reviewed and agreed upon by both DPT and COMPANY; (ii) The parties shall adjust the price of Product, if necessary, and Schedule A shall be amended accordingly; and (iii) COMPANY shall pay DPT for the costs associated with such change including, but not limited to, any additional development or validation work required, charged at DPT's then-prevailing R&D rates in accordance with Section XI contained herein.

8.2 Changes by DPT

DPT agrees that any changes developed by DPT, which may be incorporated into the Product shall require the written approval of COMPANY via a CCR prior to such incorporation. At the time of such incorporation, such changes shall become part of the Specifications. It is also agreed that any regulatory filings incident to any such change shall be the sole responsibility of COMPANY.

8.3 Changes by Regulatory Authorities

The parties agree that any changes required by regulatory authority, shall be incorporated into the Product as evidenced by the written approval of COMPANY via a CCR prior to such incorporation. At the time of such incorporation, such changes shall become part of the Specifications. If DPT is required by regulatory authority to perform validation studies for purposes of validating new manufacturing process or cleaning procedures or new material and finished Product assay procedures with respect to Product in order to continue to engage in the manufacture of said Product for COMPANY, such studies shall be conducted in accordance with paragraph 5.3 herein. Any costs to DPT resulting from the operation of this paragraph shall be reimbursed by COMPANY.

8.4 Obsolete Inventory

Any COMPANY-specific inventory including, but not limited to, materials, work-in-process, and Products rendered obsolete as a result of formula, artwork or packaging changes requested by COMPANY or by changes required by regulatory authority shall be reimbursed to DPT by COMPANY at DPT's Materials Fee. At such time and unless otherwise instructed by COMPANY agreed by DPT, DPT will ship the obsolete inventory to COMPANY for destruction by COMPANY. COMPANY shall bear one hundred percent (100%) of all shipping and destruction costs related to said obsolete inventory. The destruction shall be in accordance with all applicable laws and regulations and COMPANY shall indemnify DPT for any liability, costs or expenses, including attorney's fees and court costs, relating to COMPANY's failure to dispose of such inventory in accordance with such laws and regulations. COMPANY shall also provide DPT with all manifests and other applicable evidence of proper destruction as may be requested by DPT or required by applicable law. If DPT does not receive disposition instructions from COMPANY within ninety (90) days from date of obsolescence, obsolete inventory remaining at DPT's facilities shall be subject to a deposit covering the standard cost of the obsolete inventory and storage fees.

IX - CONFIDENTIAL INFORMATION

9.1 Confidential Information

(a) Obligations of Confidentiality

All confidential information furnished by COMPANY to DPT, or by DPT to COMPANY, during the term of this Agreement, relating to the subject matter hereof, shall be kept confidential by the party receiving said confidential information, except for purposes authorized by this Agreement, and shall not be disclosed to any person or firm, unless previously authorized in writing to do so, for a period of not less than five (5) years following the date of disclosure. The party receiving said confidential information may, however, disclose the same to its responsible officers and employees who require said information for the purposes contemplated by this Agreement, provided that said officers and employees shall have assumed like obligations of confidentiality. It is understood that all confidential information provided by either party shall be identified or marked as such. Any oral communications which are to be considered confidential shall be reduced to writing and identified as confidential within thirty (30) days after disclosure.

(b) Exceptions

Any other provisions hereof to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the obligations of confidence and nonuse herein assumed shall not apply to any information which:

- (1) is at the time of disclosure or thereafter so becomes a part of the public domain; or
- (2) was otherwise in the receiving party's lawful possession prior to disclosure as shown by its written record; or
- (3) is hereafter disclosed to the receiving party by a third party purporting not to be in violation of an obligation of confidentiality to the disclosing party relative to said information; or
- (4) is by mutual agreement of the parties hereto released from a confidential status; or
- (5) is required to be disclosed pursuant to regulatory or legal requirements.

(c) DPT Business Model

COMPANY acknowledges that as a contract manufacturing organization, DPT's business involves the application of its expertise, technology and know-how to numerous pharmaceutical and other products and that DPT retains the right (subject to its obligations under the applicable confidentiality provision or agreement) to apply such expertise, technology and know-how to a variety of products or services.

9.2 Trademarks and Trade Names

- (a) Each party hereby acknowledges that it does not have, and shall not acquire any interest in any of the other party's trademarks or trade names unless otherwise expressly agreed.
- (b) Each party agrees not to use any trade names or trademarks of the other party, except as specifically authorized by the other party in writing both as to the names or marks which may be used and as to the manner and prominence of use.

9.3 Inventions and Patents

Section 8 regarding Collaborative Efforts of the Research and Development Services Agreement between DPT and COMPANY dated April 17, 2009, is hereby incorporated in its entirety by its reference and shall remain in effect for the term of this Agreement.

X - RESEARCH & DEVELOPMENT SERVICES

10.1 R&D Services

(a) Research Products

From time to time, COMPANY may request, in writing, that DPT evaluate, develop, manufacture, test and/or provide price quotations for certain new items which may become Products (hereinafter referred to as "Research Products") on behalf of COMPANY. If DPT agrees to perform such services, DPT shall so notify COMPANY within sixty (60) days of its receipt of COMPANY' s request. To the extent that DPT agrees to perform any services hereunder for COMPANY, DPT shall only be obligated to act in good faith and to use reasonable efforts to accomplish the desired results as outlined in a mutually agreed upon Project Protocol. Nothing herein shall obligate DPT to achieve any specific results and DPT makes no warranties or representations that it will be able to achieve the desired results.

(b) Project Protocol

Should DPT agree to perform any services hereunder, DPT shall submit a written development proposal in the form of a Project Protocol to COMPANY identifying DPT' s best estimate of the development costs. This estimate shall include, but not be limited to, labor hours for development, testing, scale up, stability, report writing, etc., as well as all reasonably foreseeable associated tasks and expenses. If this estimate is acceptable to COMPANY and COMPANY so notifies DPT by approving the Project Protocol in writing, DPT shall begin work as outlined in the Protocol. It is understood between both parties that during any development project unforeseen circumstances may evolve, including, but not limited to, termination of any further activity due to unacceptable results, significant reevaluation due to marginal results, etc. DPT will promptly notify COMPANY of any such unforeseen circumstances before proceeding at which time either COMPANY or DPT may terminate the project or mutually agree to amend or

completely revise the Project Protocol. In the case where the project is terminated or revised, COMPANY will be obligated to pay for all of the work performed by DPT up to that point.

(c) Costs

Material costs involved will be billed to COMPANY at DPT' s cost [...***...] for administration and carrying costs. The foregoing development costs shall be paid to DPT in accordance with DPT' s standard invoicing procedures regardless of whether DPT is able to accomplish the results which COMPANY requested. All invoices shall be paid by COMPANY in accordance with paragraph 2.7 above. On or before sixty (60) days of the development of a finished product prototype (which shall include final primary container selection filled with Research Product), DPT will provide an estimate of the Manufacturing Fee. DPT may also provide an estimate of the Materials Fee, should specifications be known for these items at such time. The estimated Manufacturing Fee shall automatically be adjusted annually based upon CPI adjustments pending commencement of Production.

(d) Obsolete Inventory

Any COMPANY-specific inventory including, but not limited to, materials, bulk Research Product, waste by-products, testing supplies, stability samples, work-in-process, and finished goods rendered obsolete at the conclusion, revision or termination of the development project shall be shipped to COMPANY or, at DPT election destroyed by DPT. COMPANY shall bear one hundred percent (100%) of all destruction costs related to said obsolete inventory. The destruction shall be in accordance with all applicable laws and regulations and COMPANY shall indemnify DPT for any liability, costs or expenses, including attorney' s fees and court costs, relating to COMPANY' s failure to dispose of such inventory in accordance with such laws and regulations. COMPANY shall also provide DPT with all manifests and other applicable evidence of proper destruction as may be requested by DPT or required by applicable law. DPT shall notify COMPANY of its intention to dispose of inventory. If DPT does not receive disposition instructions from COMPANY within ninety (90) days from date of obsolescence, obsolete inventory remaining at DPT' s facilities shall be subject to storage fees.

11.1 Indemnification by DPT

Subject to paragraph 6.6 above, DPT will indemnify and hold COMPANY harmless against any and all liability, damage, loss, cost, or expense (including reasonable attorney' s fees) resulting from any third party claims made or suits brought against COMPANY which arise from DPT' s breach of its warranties set forth in Section VI hereof, up to the amount of insurance coverage as provided for herein.

11.2 Insurance by DPT

While this Agreement is in full force and effect, DPT shall furnish COMPANY with evidence of Commercial General Liability insurance (including endorsements for Products and Contractual Liability) coverage affording a minimum amount of [...***...] per occurrence combined single limit, bodily injury/property damage and [...***...] aggregate liability limits. Such evidence of insurance coverage can be in the form of the original policy or a Certificate of Insurance which shall name the COMPANY as an additional insured and provided that DPT has assumed the liability as provided for herein.

11.3 Indemnification by COMPANY

COMPANY will indemnify and hold DPT harmless against any and all liability, damage, loss, cost or expense (including reasonable attorney' s fees) resulting from any third party claims made or suits brought against DPT which are related to the breach of any of COMPANY' s warranties provided for herein or which arise out of the promotion, distribution, use, testing or sales of Products, including, without limitation, any claims, express, implied or statutory, made as to the efficacy, safety, or use to be made of Products, and claims made by reason of any Product Labeling or any Packaging containing Product (provided such packaging and Labeling was purchased by DPT as provided in paragraph 2.2 (c) hereof), unless such liability, damage, loss or expense is caused by the breach of DPT' s warranties under Section VI hereof.

11.4 Insurance by COMPANY

While this Agreement is in full force and effect, COMPANY shall furnish DPT with evidence of Commercial General Liability insurance (including endorsements for Products and Contractual Liability) coverage affording a minimum amount of [...***...] per occurrence combined single limit, bodily

injury/property damage and [...***...] aggregate liability limits. Such evidence of insurance coverage can be in the form of the original policy or a Certificate of Insurance which shall name DPT as an additional insured and provide that COMPANY has assumed the liability as provided for herein.

11.5 Stacking of Insurance

Neither COMPANY nor DPT intend for their respective insurance policies to stack on top of each other. To that end, both parties agree that if a loss is incurred, for which DPT has an obligation under Section 11.1 to indemnify COMPANY hereunder, DPT' s policies will be triggered and DPT will defend COMPANY under the additional insured endorsement. Furthermore, if a loss is incurred for which Company has an obligation under Section 11.3 to indemnify DPT hereunder, then COMPANY' s policies will be triggered and COMPANY will defend DPT under the additional insured endorsement.

11.6 Patent and Other Intellectual Property Rights

(a) Warranty by COMPANY

COMPANY warrants that use of Products or sales of Products will not infringe any patent or other proprietary rights and that COMPANY will indemnify, defend and hold DPT harmless from any damage, judgment, loss, cost or other reasonable expense (including reasonable attorney' s fees) arising from claims that Products or the use of the Product names and any other trademarks, trade names, or trade dress used by COMPANY in connection with Products infringes patent or other proprietary rights of a third party.

(b) Warranty by DPT

DPT shall indemnify and hold COMPANY harmless from all costs, damages and expense (including reasonable attorney' s fees) arising out of any suit or action brought against COMPANY based upon a claim that any process or technical data furnished or utilized by DPT infringes any patent or other proprietary rights.

11.7 Conditions of Indemnification

If either party expects to seek indemnification from the other under paragraphs 11.1 or 11.3 hereof, it shall promptly give notice to the other party of any such claim or suit threatened, made or filed against it which forms the basis for such claim of indemnification and shall cooperate fully with the other party in the defense of all such claims or suits. No settlement or compromise shall be binding on a party hereto without its prior written consent.

XII - GENERAL PROVISIONS

12.1 Notices

Any notices permitted or required by this Agreement shall be sent by certified or registered mail with a copy by fax and shall be effective the earlier of the date received or three (3) days after deposit in the U.S. mail, if sent and addressed as follows or to such other address as may be designated by either party in writing:

If to DPT: DPT Lakewood, LLC
 c/o: DPT Laboratories, Ltd.
 Attention: President
 318 McCullough Ave.
 San Antonio, Texas 78215
 Fax: (210) 227-6132
 with a copy to the General Counsel' s Office

If to COMPANY: Insys Therapeutics
 10220 South 51st Street, Suite 2
 Phoenix, AZ 85044
 Attention: President
 Fax: (602) 910-2627
 with a copy to the General Counsel' s Office

12.2 Entire Agreement; Amendment

The parties hereto acknowledge that this document sets forth the entire agreement and understanding of the parties and supersedes all prior written or oral agreements or understandings with respect to the subject matter hereof, and shall supersede any conflicting portions of DPT' s quotation, acknowledgment and invoice forms and COMPANY' s Purchase Order and other written forms. No modification of any of the terms of this

Agreement, or any amendments thereto, shall be deemed to be valid unless in writing and signed by the party against whom enforcement is sought. No course of dealing or usage of trade shall be used to modify the terms and conditions herein.

12.3 Waiver

No waiver by either party of any default shall be effective unless in writing, nor shall any such waiver operate as a waiver of any other default or of the same default on a future occasion.

12.4 Obligations to Third Parties

Each party warrants and represents that proceeding herein is not inconsistent with any contractual obligations, express or implied, undertaken with any third party.

12.5 Assignment

This Agreement shall be binding upon and inure to the benefit of the successors or permitted assigns of each of the parties and may not be assigned or transferred by either party without the prior written consent of the other, which consent will not be unreasonably withheld. No such assignment shall release the original party hereto from its duties and obligations under this Agreement.

12.6 Governing Law and Arbitration

(a) Governing Law

The validity, interpretation and effect of this Agreement shall be governed by and construed under the substantive laws of the State of New Jersey, excluding any conflicts of law provisions contained therein.

(b) Arbitration

- (i) ANY DISPUTE, CLAIM OR CONTROVERSY ARISING FROM OR RELATED IN ANY WAY TO THIS AGREEMENT OR THE INTERPRETATION, APPLICATION, BREACH, TERMINATION OR VALIDITY THEREOF, INCLUDING ANY CLAIM OF INDUCEMENT OF THIS AGREEMENT BY FRAUD OR OTHERWISE, WILL BE SUBMITTED FOR RESOLUTION TO ARBITRATION PURSUANT TO THE**

COMMERCIAL ARBITRATION RULES THEN PERTAINING OF THE CENTER FOR PUBLIC RESOURCES (“CPR”), EXCEPT WHERE THOSE RULES CONFLICT WITH THESE PROVISIONS, IN WHICH CASE THESE PROVISIONS CONTROL. SUCH ARBITRATION SHALL BE HELD IN (I) COMPANY’ S HOME COUNTY, IF THE DEMAND FOR ARBITRATION IS INITIATED BY DPT OR (II) OCEAN COUNTY, NEW JERSEY, IF THE DEMAND FOR ARBITRATION IS INITIATED BY COMPANY.

- (ii) The panel shall consist of three arbitrators chosen from the CPR Panels of Distinguished Neutrals each of whom is a lawyer specializing in business litigation with at least 15 years experience with a law firm of over 25 lawyers or was a judge of a court of general jurisdiction. In the event the aggregate damages sought by the claimant are stated to be less than \$5 million, and the aggregate damages sought by the counterclaimant are stated to be less than \$5 million, and neither side seeks equitable relief, then a single arbitrator shall be chosen, having the same qualifications and experience specified above.
- (iii) The parties agree to cooperate (1) to obtain selection of the arbitrator(s) within 30 days of initiation of the arbitration, (2) to meet with the arbitrator(s) within 30 days of selection and (3) to agree at that meeting or before upon procedures for discovery and as to the conduct of the hearing which will result in the hearing being concluded within no more than 9 months after selection of the arbitrator(s) and in the award being rendered within 60 days of the conclusion of the hearings, or of any post-hearing briefing, which briefing will be completed by both sides within 20 days after the conclusion of the hearings. In the event no such agreement is reached, the CPR will select arbitrator(s), allowing appropriate strikes for reasons of conflict or other cause and three peremptory challenges for each side. The arbitrator(s) shall set a date for the hearing, commit to the rendering of the award within 60 days of the conclusion of the evidence at the hearing, or of any post-hearing briefing (which briefing will be completed by both sides in no more than 20 days after the conclusion of the hearings), and provide for discovery according to these time limits, giving recognition to the understanding of the parties hereto that they contemplate reasonable discovery, including document demands and depositions, but that such discovery be limited so that the time limits specified herein may be met without undue difficulty. In no event will the arbitrator(s) allow either side to obtain more than a total of 40 hours of

deposition testimony from all witnesses, including both fact and expert witnesses. In the event multiple hearing days are required, they will be scheduled consecutively to the greatest extent possible.

- (iv) The arbitrator(s) shall render an opinion setting forth findings of fact and conclusions of law with the reasons therefor stated. A transcript of the evidence adduced at the hearing shall be made and shall, upon request, be made available to either party.
- (v) To the extent possible, the arbitration hearings and award will be maintained in confidence.
- (vi) Any court of competent jurisdiction may enter judgment upon any award. In the event the panel's award exceeds \$5 million in monetary damages or includes or consists of equitable relief, then the court shall vacate, modify or correct any award where the arbitrators' findings of fact are clearly erroneous, and/or where the arbitrators' conclusions of law are erroneous; in other words, it will undertake the same review as if it were a federal appellate court reviewing a district court's findings of fact and conclusions of law rendered after a bench trial. An award for less than \$5 million in damages and not including equitable relief may be vacated, modified or corrected only upon the grounds specified in the Federal Arbitration Act.
- (vii) Each party has the right before or during the arbitration to seek and obtain from the appropriate court provisional remedies such as attachment, preliminary injunction, replevin, etc. to avoid irreparable harm, maintain the status quo, or preserve the subject matter of the arbitration.
- (viii) **EACH PARTY HERETO WAIVES ITS RIGHT TO TRIAL OF ANY ISSUE BY JURY.**

(c) Mediation

- (i) **ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE INTERPRETATION, APPLICATION, BREACH, TERMINATION OR VALIDITY THEREOF, INCLUDING ANY CLAIM OF INDUCEMENT BY FRAUD OR OTHERWISE, WHICH CLAIM WOULD, BUT FOR THIS PROVISION, BE SUBMITTED TO ARBITRATION SHALL, BEFORE**

SUBMISSION TO ARBITRATION, FIRST BE MEDIATED THROUGH NON-BINDING MEDIATION. SUCH MEDIATION SHALL BE HELD IN (I) COMPANY' S HOME COUNTY, IF THE DEMAND FOR MEDIATION IS INITIATED BY DPT OR (II) OCEAN COUNTY, NEW JERSEY, IF THE DEMAND FOR MEDIATION IS INITIATED BY COMPANY AND SHALL BE ATTENDED BY A SENIOR EXECUTIVE WITH AUTHORITY TO RESOLVE THE DISPUTE FROM EACH OF THE OPERATING COMPANIES THAT ARE PARTIES.

- (ii) After written notice of any dispute or controversy arising out of or related to the Agreement, or the interpretation, application, breach, termination or validity thereof and Written Demand for Mediation (the "Written Demand for Mediation"), the parties shall promptly confer within thirty (30) days in an effort to select a mediator by mutual agreement. In the absence of such an agreement within sixty (60) days of the date of the Written Demand for Mediation by either of the parties, the mediator shall be selected by the party making the demand for mediation. In the event that the party that has not made the Written Demand for Mediation refuses to participate in the mediation process for any reason, or mediation is not scheduled within ninety (90) days of the Written Demand for Mediation for any reason, then the part that made the Written Demand for Mediation shall have the absolute right to proceed to arbitration pursuant to paragraph 12.6(b) of this Agreement.
- (iii) The mediator shall confer with the parties to design procedures to conclude the mediation within no more than 45 days after initiation. Under no circumstances shall the commencement of arbitration under Section 18(b) above be delayed more than 45 days by the mediation process specified herein.
- (iv) Each party agrees to toll all applicable statutes of limitation during the mediation process and not to use the period or pendency of the mediation to disadvantage the other party procedurally or otherwise. No statements made by either side during the mediation may be used by the other during any subsequent arbitration.
- (v) Each party has the right to pursue provisional relief from any court, such as attachment, preliminary injunction, replevin, etc., to avoid irreparable harm, maintain the status quo, or preserve the subject matter of the arbitration, even though mediation has not been commenced or completed

(d) Costs

The costs of arbitration and/or mediation, including reasonable attorney's fees, shall be borne by the losing party.

12.7 Severability

In the event that any term or provision of this Agreement shall violate any applicable statute, ordinance, or rule of law in any jurisdiction in which it is used, or otherwise be unenforceable, such provision shall be ineffective to the extent of such violation without invalidating any other provision hereof.

12.8 Headings, Interpretation

The headings used in this Agreement are for convenience only and are not a part of this Agreement.

12.9 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same original.

12.10 Independent Contractor

In performing its services hereunder, DPT shall act as an independent contractor.

12.11 Export/Import Laws and Regulations

This Agreement is subject to any restrictions concerning the import or export of Product, active pharmaceutical ingredient, chemical or packaging components (or related technical information or data) to or from the United States as well as the laws and regulations of any other country involved in the import or export of such Product, active pharmaceutical ingredient, chemical or packaging components (or related technical information or data). COMPANY acknowledges that it shall be solely and exclusively responsible for the preparation of all import and export documentation and compliance with all import and export laws of the United States as well as the laws and regulations of any other country involved in the import or export of such Product, active pharmaceutical ingredient, chemical or packaging components (or related technical information or data); except as otherwise agreed by the parties in writing. COMPANY shall indemnify and hold DPT, its officers, directors,

employees, shareholders and affiliates harmless, from any and all claims, losses, liabilities, damages, fines, penalties, costs and expenses (including reasonable attorneys' fees) arising from, or related to, any breach by COMPANY of its obligations under this provision. COMPANY shall be the importer or exporter of record for all such import or export activities. COMPANY shall cooperate with DPT as reasonably necessary to permit DPT to comply with the laws and regulations of the United States and any other country relating to the control of import or export of Product, active pharmaceutical ingredient, chemical or packaging components (or related technical information or data).

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

INSYS THERAPEUTICS

By: /s/ Michael Babich
Its: President and CEO

DPT LAKEWOOD, LLC

By: /s/ Paul Johnson
Its: President & COO

Schedule A

[...***...]

34 ***Confidential Treatment Requested

*****Text Omitted and Filed Separately
with the Securities and Exchange Commission.
Confidential Treatment Requested
Under 17 C.F.R. Sections 200.80(b)(4)
and 230.406**

Index of Contents

	<u>Page</u>
1. DEFINITIONS	2
2. MANUFACTURE AND SALE	4
3. DEFINITIONS	4
4. RIGHT OF FIRST REFUSAL	4
5. FORECASTS, ORDERS AND DELIVERY	6
6. PRICES AND PAYMENT	7
7. REGULATORY RESPONSIBILITY	9
8. QUALITY CONTROL REQUIREMENTS	9
9. REJECTION	11
10. WARRANTY	12
11. INDEMNIFICATION	14
12. REPRESENTATIONS	14
13. TERM AND TERMINATION	14
14. MISCELLANEOUS	15
EXHIBIT A: DEVICE SPECIFICATION	20
EXHIBIT B: SELLER CERTIFICAT OF ANALYSIS + SELLER STANDARD SPECIFICATION	21
EXHIBIT C: PURCHASE PRICE	22
EXHIBIT D: [...***...]	23
EXHIBIT E: STANDARD TERMS AND CONDITIONS	24
EXHIBIT F: STANDARD PACKAGING AND PACKING SPECIFICATIONS	26

SUPPLY AGREEMENT

This SUPPLY AGREEMENT (the “Agreement”), effective as of the seventh day of March, 2011 (the “Effective Date”), is made and entered into by and between Insys Therapeutics, Inc., a Delaware corporation having its principal place of business at 10220 South 51st St., Suite 2, Phoenix, AZ 85044-5231 (hereinafter called “PURCHASER”) and Aptargroup, Inc., a Delaware corporation having its principal place of business at 475 West Terra Cotta, Suite E, Crystal Lake, IL, 60014-9695 (hereinafter called “SELLER”). PURCHASER and SELLER being hereinafter called individually the “Party” and collectively the “Parties”.

WHEREAS SELLER is engaged in the development and manufacture of dispensing systems for medical use, with particular reference to nasal and oral devices;

WHEREAS PURCHASER desires to purchase the Device (defined below) for Purchaser’s own use with Drug Product (defined below), subject to the terms and conditions herein; and

WHEREAS SELLER desires to sell the Device to PURCHASER subject to the terms and conditions herein.

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

1. DEFINITIONS

As used herein, the following terms and expressions shall have the meanings set forth below:

- 1.1 “Affiliate” means any person or entity that directly or indirectly through one or more intermediaries’ Controls, is Controlled by, or is under common Control with a Party, where “Control” means the direct or indirect, legal or beneficial ownership of more than fifty percent (50%) of the outstanding voting rights in a company.
- 1.2 “cGMP” means the current good manufacturing practices stipulated or promulgated from time to time by the Regulatory Authorities that are applicable to the manufacture of the Device.
- 1.3 “Cumulative Yearly Quantity” means the cumulative total Minimum Yearly Quantity amount of the Device PURCHASER must procure from the SELLER to maintain pricing levels as defined in **Exhibit C**.
- 1.4 “Development Activities” means all research and development activities related to the development of a drug (including alternative delivery systems) through preclinical and clinical stages.
- 1.5 “Device” means the device described in the Device Specifications.

- 1.6 “Device Equipment” means the moulds and assembly machines required at SELLER’ s premises to manufacture the Device in commercial quantities.
- 1.7 “Device Equipment Contribution” means the PURCHASER’ s [...] reimbursement of research and development costs of SELLER related to, but not limited to, the Device Equipment as described in **Exhibit C**.
- 1.8 “Design” means any combination of outer shape and color of the Device.
- 1.9 “Device Specifications” means the Device’ s specifications as described in **Exhibit A**.
- 1.10 “Drug Product” means the sublingual formulation of Fentanyl owned by PURCHASER and currently known as “Fentanyl SL”.
- 1.11 “Effective Date” means the day inserted on the introductory clause of this Agreement.
- 1.12 “FDA Approval” means the approval of the new drug application (NDA) for the Finished Product by the Food and Drug Administration in the United States of America (FDA).
- 1.13 “Fentanyl” means the compound with molecular formula $C_{22}H_{28}N_2O$ and IUPAC name N-(1-2-phenylethyl)-4-piperidinyl)-N-phenylpropanamide .
- 1.14 [... *** ...].
- 1.15 “Finished Product” means the Drug Product in conjunction with the Device.
- 1.16 “Intellectual Property” means all present and future intellectual property rights and information, material and trade secrets that relate to the Device or the Drug Product, as the case may be, whether or not patentable, including any know-how.
- 1.17 “Marketing Approval” means, with respect to any country, the approval of any marketing application for the Finished Product by the appropriate Regulatory Authority in such country, including (a) FDA Approval, (b) approval of a marketing authorization application by the EU Medicines Agency and (c) approval of other product registration application with respect to any other territory.
- 1.18 “Minimum Yearly Quantity” means the minimum amount of the Device PURCHASER must procure from the SELLER per year as defined in **Exhibit C**.
- 1.19 “Purchase Price” shall have the meaning set forth in **Exhibit C**.
- 1.20 “Regulatory Authority” or “Regulatory Authorities” means the United States Food and Drug Administration and any divisions thereof, any equivalent agency of any other country and any division thereof, and any other applicable regulatory body.

- 1.21 “Success Fee” means the fee to be paid by PURCHASER to SELLER as specified in **Exhibit D** upon successful FDA Approval.

2. MANUFACTURE AND SALE

- 2.1 Supply and Purchase Obligations. SELLER agrees to manufacture and sell to PURCHASER, and PURCHASER agrees to purchase from SELLER, such quantities of the Device as PURCHASER may order from SELLER in accordance with the terms and conditions of this Agreement.
- 2.2 Device Equipment. Seller will utilize Device Equipment for the manufacture of the Device. Ownership of Device Equipment shall remain with SELLER. In case PURCHASER wants to obtain ownership of Device Equipment, it shall purchase from SELLER Device Equipment at a price to be agreed between Parties and pay the applicable German VAT at the time of transfer of ownership. No such purchase shall occur without SELLER’ s prior written consent. In no case shall Device Equipment leave SELLER’ s premises.
- 2.3 cGMP Compliance. SELLER shall assemble and package the Device in accordance with the Device Specifications and applicable cGMP as of the Effective Date.
- 2.4 Intellectual Property. Any Intellectual Property owned or controlled as of the Effective Date by PURCHASER, SELLER, or their Affiliates shall remain the absolute unencumbered property of SELLER and PURCHASER respectively. SELLER shall own all arising Intellectual Property rights related to the Device. SELLER reserves the right to prosecute, maintain and defend SELLER’ s Intellectual Property, at SELLER’ s discretion and expense. SELLER’ s IP is broadly drafted and includes trade secrets and patents related to the Device. SELLER may have strategic reasons to defend or not such IP and will need flexibility to exercise in its own discretion, particularly any IP that has applications to other SELLER’ s products.

3. [...***...]

4. RIGHT OF FIRST REFUSAL

- 4.1 Grant of Right of First Refusal. PURCHASER hereby grants SELLER the exclusive option (but not the obligation) to supply to PURCHASER all of its requirements of a Drug Delivery System (as defined below) for any Alternate Route of Administration

(as defined below) in accordance with the terms of this Article 4. For the avoidance of doubt, PURCHASER may not purchase from a Third Party, or develop and manufacture internally, a Drug Delivery System for any Alternate Route of Administration, unless (a) SELLER does not exercise its right of first refusal in accordance with Section 4.4 or (b) the feasibility study referred to in Section 4.5 below is not successful unless (c) PURCHASER is engaged in active development of such Drug Delivery System prior to the Effective Date.

- 4.2 Alternate Route of Administration Drug Development. PURCHASER agrees to notify SELLER in accordance with Section 4.4 about all Development Activities of any “Alternate Route of Administration” for a new drug that occur after the Effective Date. “Alternate Route of Administration” means any route of administration for a drug including, but not limited to the current sublingual route of administration, intranasal, pulmonary, buccal, topical, ophthalmic, and otic drug delivery but excluding oral solid dosing.
- 4.3 Alternate Route of Administration Drug Delivery Systems. PURCHASER agrees to notify SELLER about all Development Activities that would utilize any “Drug Delivery System” for any Alternate Route of Administration. “Drug Delivery Systems” used for Alternate Route of Administration includes but are not limited to all forms of spray devices, metered pumps, metered valves, continuous valves, dry powder inhalers, unit and bi dose devices, and dispensing closures.
- 4.4 Exercise of Right of First Refusal. PURCHASER shall deliver a written notice informing the SELLER of any Development Activities for a new drug involving an Alternate Route of Administration within [...***...] of starting any such activities, which notice shall include information describing such Development Activities and specify whether any Drug Delivery System is preferred or is then being researched or assessed. Within [...***...] following SELLER’ s receipt of such notice, SELLER shall notify PURCHASER of its intention to exercise the right of first refusal set forth in Section 4.1. If SELLER decides to exercise such right, then (a) PURCHASER shall provide to SELLER all information related to the applicable Development Activities relevant for the design or manufacture of the Drug Delivery System and (b) SELLER shall have [...***...] from the date all necessary information and materials are provided by PURCHASER to present a Drug Delivery System for such Alternate Route of Administration to the PURCHASER, but in no event later than [...***...] from the date of SELLER’ s notice unless PURCHASER is responsible for any delays.
- 4.5 Feasibility Studies. If SELLER provides to PURCHASER within the allotted time a Drug Delivery System for use with any such Alternate Route of Administration Development Activities, PURCHASER shall perform a feasibility study with SELLER’ s Drug Delivery System in accordance with the terms of a feasibility agreement to be negotiated by the Parties in good faith. If such feasibility study is successful (as defined in the feasibility agreement), PURCHASER will be required to move forward with SELLER’ s Drug Delivery System and the Parties shall then negotiate a supply agreement under terms similar to this Agreement. If the feasibility

5. FORECASTS, ORDERS AND DELIVERY

- 5.1 Estimates and Forecasts. Prior to FDA Approval and upon SELLER' s request, beginning on the first day of each calendar quarter, PURCHASER shall provide SELLER a non-binding written rolling estimate of purchases of the Device for the [...***...] following the calendar quarter in which such estimate is submitted (the "Estimate"). The Estimate shall specify the desired delivery dates for each month submitted. PURCHASER shall use its best efforts to assure that each Estimate is accurate, provided however, that the Parties agree that such Estimate shall not constitute an obligation of PURCHASER to purchase the estimated quantities contained in the Estimate.

Following FDA Approval, on the first day of each calendar quarter, PURCHASER shall provide SELLER a written rolling forecast of purchases of the Device for the [...***...] following the calendar quarter in which such forecast is submitted (the "Forecast"). The Forecast shall specify the desired delivery dates for each month submitted. PURCHASER shall use its best efforts to assure that each Forecast is accurate, provided however, that the Parties agree that such Forecast (other than the quantities set forth in the Purchase Order) shall not constitute an obligation of PURCHASER to purchase the estimated quantities contained in the Forecast and that SELLER may charge PURCHASER for otherwise un-reimbursed charges incurred due to reasonable commitments made by SELLER to suppliers based on such Forecast. PURCHASER agrees that the first [...***...] of each Forecast shall be a firm purchase order of the Device by PURCHASER for which SELLER is authorized to commence production, and which PURCHASER shall purchase (the "Purchase Order").

- 5.2 Delivery. SELLER shall manufacture, package and deliver ordered quantities of the Device as long as such orders are within the scope of confirmed Purchase Orders. SELLER shall promptly notify PURCHASER if it will be unable to deliver any part of an order exceeding the quantities set forth on the confirmation of the Purchase Order. SELLER shall not be obligated to supply in any month any quantity of the Device exceeding [...***...] of the Purchase Order, and PURCHASER shall purchase at least [...***...] of the quantities set forth in the Purchase Order. SELLER will use its reasonable commercial efforts to deliver the Device within the time schedule set forth in the confirmation of the Purchase Order.

- 5.3 Terms of Delivery. Unless otherwise specified in the Purchase Order, SELLER of the Device to PURCHASER shall be via truck, and shall be delivered EXW Congers, NY manufacturing site (INCOTERMS 2010) to the place of destination in the United States of America named in the Purchase Order. In the event PURCHASER requests SELLER to transport the Device to PURCHASER via air, PURCHASER shall bear all additional costs of such air transportation. SELLER shall arrange for transportation of the Device by insured common carrier, or SELLER' s truck to

PURCHASER' s specified plant or other designated destination in the United States of America. In the event PURCHASER requires delivery to destination outside the United States of America, new delivery terms shall be negotiated. The Purchase Price for the Device is based on EXW Congers, NY manufacturing site (INCOTERMS 2010). If the Device is manufactured outside the United States, SELLER and PURCHASER shall negotiate in good faith to agree on appropriate terms.

- 5.4 Shipment. SELLER shall ship the Device in multiples of full production lots, as defined in **Exhibit C**. SELLER shall deliver with each lot a Certificate of Analysis substantially in the form attached hereto as **Exhibit B**.

6. PRICES AND PAYMENT

- 6.1 Purchase Price. The Purchase Price for the Device is set forth in **Exhibit C**.
- 6.2 Payment for the Device. Payment related to the Device shall be made in full within [...***...] of the date of SELLER' s invoice. SELLER shall date and send invoices for the Device upon shipment of the Device.
- 6.3 Taxes. The Purchase Price for the Device does not include any property, license, privilege, sales, service, use, excise, value added, gross receipts, or other like taxes. PURCHASER agrees to pay or reimburse SELLER for any such taxes that SELLER is required to pay or collect or that are required to be withheld.
- 6.4 [...***...].
- 6.5 Device Equipment Contribution. PURCHASER shall pay the Device Equipment Contribution within [...***...] of the date of the SELLER' s invoice. SELLER shall date and send invoices upon the milestones defined in **Exhibit C**.
- 6.6 Currency. All payments hereunder shall be made in United States Dollars (USD).
- 6.7 Interest. If PURCHASER fails to pay the full invoiced amount for the Device, or any part thereof, within [...***...] after the due date, SELLER shall be entitled (without prejudice to any other right or remedy it may have whether under the terms of this Agreement or otherwise) to charge, in addition to any monies due hereunder, interest on the outstanding amount at the rate of [...***...] or the highest applicable rate allowed by law, whichever is less, calculated on a daily basis from such date until the date actual payment is made
- 6.8 Price Revision Due to Changes in Device Specifications.

6.8.1 By PURCHASER.

PURCHASER may request a change, in writing, to the Device Specifications, the manufacturing procedures or control procedures. SELLER will use commercially

reasonable efforts to implement the change subject to pricing adjustments, which will be negotiated in good faith by SELLER and PURCHASER.

6.8.2 By SELLER.

SELLER will notify PURCHASER in writing prior to implementing any change affecting the chemical, biological or physical aspects of the Device. SELLER will not make any changes to the Device Specifications without PURCHASER's prior written consent shall not be unreasonably withheld or delayed. SELLER will implement the change subject to pricing adjustments, which will be negotiated in good faith by SELLER and PURCHASER.

6.8.3 By Regulatory Authorities.

In the event of changes required by cGMP's or other applicable laws or regulations, or in the requirements for the Device, whether written or un-written, by the Regulatory Authorities, SELLER shall have the right to adjust the Purchase Price, such adjustment being negotiated in good faith by SELLER and PURCHASER.

7. REGULATORY RESPONSIBILITY

- 7.1 Regulatory Responsibility. SELLER shall be responsible, at its sole expense, for complying with applicable regulatory requirements relating to the manufacture of the Device as applicable in SELLER's facilities where the Device is manufactured and, shall use commercially reasonable efforts to perform all of its responsibilities and obligations, including applicable design, development, manufacture, testing, quality control and documentation activities relating to the Device under or contemplated by this Agreement substantially in accordance with all relevant quality standards that must be met to secure regulatory approval worldwide.

PURCHASER shall be responsible, at its sole expense, for complying with all other applicable regulatory requirements relating to the use and sale or resale of the Finished Product.

- 7.2 Import and Export Laws. PURCHASER shall comply, at its sole expense, with all export and import regulations and laws necessary to export and import components of the Device to and from PURCHASER's premises, including without limitation, procuring and maintaining all import and export licenses necessary to ship from the point of manufacture to PURCHASER's premises in accordance herewith and the payment of all duties, tariffs, surcharges and other customs and other governmental fees levied in connection with the exportation and importation of components of the Device from SELLER to PURCHASER's premises, or such other location as designated by PURCHASER.

8. QUALITY CONTROL REQUIREMENTS

8.1 Quality

- 8.1.1 The Parties shall agree upon reasonable release tests to be performed by SELLER prior to shipment of the Device in accordance with applicable regulatory requirements and subject to pricing conditions. Results of such testing will be supplied in the Certificate of Analysis with each shipment as seen in **Exhibit B**.
- 8.1.2 PURCHASER shall send prior written notice of any change requested to be made to Drug Product being delivered by the Device that PURCHASER suspects may affect the Device Specifications.
- 8.1.3 Notwithstanding any provision to the contrary in this Agreement, SELLER shall not assign or otherwise delegate any of its obligations to ensure the Device' s quality or compliance with Device Specifications to any third party other than an Affiliate without consent from the PURCHASER.

8.2 PURCHASER' s Inspections.

- 8.2.1 The Device shall be subjected to a quality control inspection by PURCHASER in accordance with the Device Specifications set forth in **Exhibit A**, within [...***...] as from delivery of the Device to the location designated by PURCHASER in the applicable Purchase Order.
- 8.2.2 Upon reasonable prior notice, SELLER shall permit PURCHASER to review SELLER' s quality control procedures and records related to the Device for the purpose of assuring satisfactory compliance with the Device Specifications and compliance with the provisions of the Quality Agreement. That review shall be conducted in a reasonable manner, during SELLER' s business hours, in the presence of a SELLER representative and at PURCHASER' s own expense.
- 8.2.3 Upon reasonable prior notice, SELLER may permit PURCHASER' s quality assurance personnel to visit SELLER' s production facility, to the extent that such visit is reasonably required to assure compliance with regulatory requirements or to the extent a review of records alone is not adequate to assure satisfaction with such quality control requirements. Such visit shall be conducted in a reasonable manner, during SELLER' s business hours, in the presence of a SELLER representative, at PURCHASER' s own expense and shall be limited to the equipment, records or production actually used in the manufacture of the Device.
- 8.2.4 SELLER shall (i) participate and cooperate with PURCHASER' s personnel who may visit SELLER' s production facility as provided in this Section 8, (ii)

take corrective action in a timely manner as may be reasonably required by PURCHASER to comply with the provisions of this Agreement and with cGMP requirements when applicable, subject to pricing conditions in Sections 4 and **Exhibit C**, and (iii) when requested by PURCHASER, describe in writing, any appropriate corrective action planned or taken.

8.3 Regulatory Inspections.

- 8.3.1 In the event that any of SELLER' s products, facilities and/or processes that are used for the manufacture of the Device are the subject of an inspection related to PURCHASER by any Regulatory Authority or any other duly authorized agency of any national, state, or local government, SELLER shall promptly notify PURCHASER of such inspection and shall supply PURCHASER with copies of any correspondence or portions of correspondence that relate to the Device, as well as SELLER' s proposed response, if any.
- 8.3.2 In the event that any of PURCHASER' s facilities that are used for the storage of the Device or the manufacturing of the Finished Product are the subject of an inspection by any Regulatory Authority or any other duly authorized agency of any national, state, or local government, PURCHASER shall promptly notify SELLER of such inspection and shall supply SELLER with copies of any correspondence or portions of correspondence that relate to the Device, as well as PURCHASER' s proposed response, if any.
- 8.3.3 In the event that either Party receives any written communications from any Regulatory Authority in connection with the manufacture, use, or sale of the Device for PURCHASER, it shall provide the other Party with a copy of each such communication and the proposed response, if any.
- 8.3.4 Records. SELLER shall retain samples of the Device, batch and other manufacturing and analytical records, records of shipments of the Device and validation data relating to the Device for a minimum of [...***...] and shall make such data available to PURCHASER and Regulatory Authorities upon PURCHASER' s reasonable request or if required by law.

9. **REJECTION**

- 9.1 General. In the event that any portion of the Device delivered to PURCHASER by SELLER shall fail to conform with the Device Specifications, PURCHASER may reject that portion by giving written notice within [...***...] following receipt of Products and sending, at SELLER' s expense, the defective samples to SELLER after SELLER' s acceptance of rejection. Failure to report claim within that period, PURCHASER shall be considered as having accepted delivery and SELLER shall not be held liable with respect to the defective Device.
- 9.2 Unattributed Defects. In case the Device does not comply with the Device Specifications due to hidden or latent defects that were not noticeable at the time of

inspection by PURCHASER pursuant to Section 8.2, PURCHASER shall immediately inform SELLER of its claims in this respect, at the latest within the later period of [...***...] following the discovery of the defect or any third party or regulatory claim or liability arising from the defect. Failing any claims within [...***...] in this respect, it shall not be possible to engage SELLER' s liability. Notwithstanding the foregoing, SELLER shall not be liable for any defect appearing more than [...***...] after the Device (stored and handled in accordance with commercially reasonable standards) is received at PURCHASER' s premises.

- 9.3 Claims. Any and all claims shall be substantiated and explained in reasonable detail as to the nature of the defects or failure of the Device to comply with the Device Specifications. PURCHASER shall reasonably provide SELLER with any and all substantiation regarding the reality of the anomalies recorded, notably with defective samples and shall ensure that SELLER has reasonable means of confirming the existence of such anomalies.
- 9.4 Rejected Device. If PURCHASER rejects the Device in accordance with this Section 9, and after SELLER' s formal acceptance of such rejection, then, at SELLER' s expense and discretion, PURCHASER shall return to SELLER any such shipment, or any part thereof, that does not comply with the Device Specifications, and receive in exchange therefore at the option of PURCHASER or SELLER, either (i) a complete refund of the Purchase Price, taxes paid and not recoverable, and shipping costs associated with the Device in form of a credit note, or (ii) fully compliant replacement Device. If the Parties so agree, PURCHASER shall destroy any non-conforming Device, at SELLER' s expense and in accordance with all applicable legal requirements. While SELLER is investigating the rejection, payments of purchased goods subject to such rejection shall be put on hold until claim response is given.
- 9.5 Disputes. If SELLER disputes PURCHASER' s rejection, the Parties shall submit samples of the rejected Device to a mutually acceptable independent laboratory for analysis, whose decision in the matter shall be final and binding. The costs of such analysis shall be borne by SELLER unless such analysis shows that the Device conforms to the Device Specifications, in which case PURCHASER shall bear the cost of such analysis.

10. WARRANTY

- 10.1 SELLER' s Warranty.
- 10.1.1 SELLER warrants to PURCHASER that the Device, at the time of delivery to PURCHASER as provided in Section 5.2, will conform in all respects to the Device Specifications.
- 10.1.2 SELLER does not warrant that the Device may be suitable for the manufacture of any intermediate or finished product (including the Finished Product).

- 10.1.3 It is the exclusive responsibility of PURCHASER to ensure that (i) the Device shipped from SELLER according to the Device Specifications is adapted to the use which it is intended for, (ii) that the Device Specifications are adapted to the storage of the Device, (iii) that the Device is compatible with the Drug Product, and (iv) that the Drug Product and the Finished Product (other than the Device) comply with all applicable laws.
- 10.1.4 SELLER may, but is not required to, perform tests for compatibility between the Device and the Drug Product. SELLER MAKES NO REPRESENTATION OR WARRANTY THAT ANY TESTS PERFORMED BY OR ON BEHALF OF SELLER ARE ADEQUATE OR SUFFICIENT FOR PURCHASER' S PURPOSES. PURCHASER AGREES NOT TO HOLD SELLER RESPONSIBLE FOR THE ADEQUACY OR SUFFICIENCY OF SUCH TESTS, OR THE RESULTS DERIVED FROM SUCH TESTS.
- 10.2 Exclusions. The warranty provided under Section 10.1(a) shall not apply to any Device that (i) has been tampered with or otherwise altered by PURCHASER, its Affiliates or their customers, distributors agents; (ii) has been subjected to misuse, negligence, malice or accident by PURCHASER, its Affiliates or their customers, distributors agents; or (iii) has been stored, handled or used by PURCHASER, its Affiliates or their customers, distributors agents in a manner contrary to the Device Specifications and the Device Specifications or SELLER' s written instructions which can, among others, define maximum periods for the use of the Device.
- 10.3 Limitations on Warranty. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY AND PERFORMANCE, WRITTEN, ORAL OR IMPLIED, AND ALL OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, ARE HEREBY DISCLAIMED BY SELLER.
- 10.4 LIMITATION OF LIABILITY
- 10.4.1 No Consequential Damages. IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, whether in warranty, contract, negligence, tort, strict liability, or otherwise including, but not limited to, loss of profits or revenue, delays, or claims of customers of PURCHASER or its Affiliates or other third parties for such or other damages. This limitation of liability shall not apply to claims of liability for death or personal injury caused by SELLER' s gross negligence, willful act, or omission.
- 10.4.2 Limitation of Liability. Each Party' s cumulative liability to the other Party for all claims relating to the Device and this Agreement, including any cause of action based on any theory of contract, tort, or strict liability, shall not exceed

[...***...]. This limitation of liability shall not apply to claims of liability for death or personal injury caused by either Party' s gross negligence, willful act, or omission. In this respect, PURCHASER expressly undertakes to inform all of its customers, Affiliates or other third parties of the conditions and maximum periods defined for the use of the Device, by any appropriate means making it possible to inform the said customers, Affiliates or other third parties, prior to use of the Device.

11. INDEMNIFICATION

- 11.1 SELLER. Subject to the liability limitations set forth in clause 10.4, SELLER shall defend, indemnify and hold PURCHASER and its Affiliates, and their shareholders, directors, officers, employees and agents harmless from and against any and all liability, loss, damage, recalls, causes of action, suits, claims, demands, settlements, costs and expenses or judgments arising from injury or death to persons or damage to property, of any nature whatsoever, resulting from the failure of the Device to conform to the warranty set forth under Section 10.1, provided that PURCHASER shall have given prompt notice in writing to SELLER of any such claim.
- 11.2 PURCHASER. PURCHASER shall defend, indemnify and hold SELLER and its Affiliates, their shareholders, directors, officers, employees and agents harmless from and against any and all liability, loss, damage, expense, causes of action, suits, claims, demands, settlements, costs and expenses or judgments of any nature whatsoever, resulting from the Finished Product or its marketing, sale, clinical testing, clinical use or other use or misuse, including any defect, failure to warn or other Device liability claims, except to the extent SELLER is required to indemnify PURCHASER under Section 10.1 of this Agreement, provided that SELLER shall have given prompt notice in writing to PURCHASER of any such claim.
- 11.3 Insurance. Each of SELLER and PURCHASER will use its best efforts, by itself or through its Affiliates' group insurance policies and at its sole cost and expense, to procure and maintain adequate General & Products Liability Insurance. In addition, SELLER will use its best efforts, by itself or through its Affiliates' group insurance policies and at its sole cost and expense, to procure and maintain adequate Property All Risks Insurance in order to cover the value of the Device Equipment and any components thereof in SELLER' s possession or for which SELLER bears the risk of loss.

12. REPRESENTATIONS

- 12.1 Each Party hereby represents and warrants that it has the full power and authority to enter into and perform this Agreement, and each Party knows of no contract, agreement, promise, undertaking or other fact or circumstance that would prevent the full execution and performance of this Agreement.

13. TERM AND TERMINATION

- 13.1 Term. This Agreement shall, unless otherwise terminated, remain in full force and effect for a period of [...] from the Effective Date (the “Initial Term”), at which time, the Parties shall discuss in good faith negotiations an extension of this Agreement.
- 13.2 Early Termination. Without prejudice to any other rights it may have hereunder or at law or in equity, either Party may terminate this Agreement:
- 13.2.1 immediately if the other Party makes an assignment for the benefit of its creditors or a receiver or custodian is appointed for it or its business is placed under attachment, garnishment or other process involving a significant portion of its business;
- 13.2.2 after [...] written notice from the terminating Party specifying an alleged material breach (including payment breach) and stating its intent to so terminate, if the other Party fails to commence and diligently pursue to remedy any such material breach of this Agreement;
- 13.2.3 immediately if the other Party becomes insolvent, an order for relief is entered against the other Party under any bankruptcy or insolvency laws or laws of similar import; or
- 13.2.4 upon [...] written notice from the terminating Party if the Device does not receive FDA Approval by January 1, 2013.
- 13.3 Effect of Termination. Neither termination nor non-renewal of this Agreement shall release either Party from fulfilling any obligations it may have incurred prior to any such termination, nor prejudice any other rights or remedies that either Party may have at law or in equity.
- In case of early termination by PURCHASER not due to a breach by SELLER, PURCHASER will compensate SELLER for any costs directly related to the value of the goods or components already incurred by SELLER on the basis of the Purchase Orders received from PURCHASER according to Section 5.1 above. PURCHASER will also compensate SELLER for any costs associated with stock at SELLER’ s or at SELLER’ s sub suppliers, including, but not limited to, rubber stoppers, glass vials, and steel needles; provided SELLER and SELLER’ s sub suppliers shall be obligated to take all commercially reasonable measures to mitigate the damages resulting from such remaining inventory.
- 13.4 Surviving Clauses. Notwithstanding any such termination, any provision set forth in this Agreement remaining to be performed in whole or in part, capable of taking effect following termination, or which by its nature is contemplated to survive the termination of this Agreement shall survive and continue in full force and effect despite termination.

14. MISCELLANEOUS

- 14.1 Notices. All notices, requests, demands, waivers, consents, approvals or other communications to any Party hereunder shall be in writing and shall be deemed to have been duly given if delivered personally to such Party or sent to such Party by facsimile transmission, overnight courier or by registered or certified mail, postage prepaid, to the addresses set forth below (or to such other address as the addressee may have specified in notice duly given to the sender as provided herein):

If to SELLER:

AptarGroup, Inc.
475 West Terra Cotta, Suite E
Crystal Lake, IL 60014-9695 USA
Attn: Chief Operating Officer
Phone No.: (815) 477 -0424
Fax No.: (815) 477-0481

With cc to:

Aptar Congers, a division of AptarGroup, Inc.
250 North Route 303
Congers, NJ 10920-1408 USA
Attn: President, Aptar Pharma North America
Phone No.: (845) 639-3700
Fax No: (845) 639-3900

If to PURCHASER:

Name: INSYS
10220 South 51st Street, Suite 2
Pheonix, AZ 85044 USA
Attn: President
Phone No.: (602) 910 2617 x9021
Fax No.: (602) 910-2627

Such notice, request, demand, waiver, consent, approval or other communications will be deemed to have been given as of the date so delivered, sent by facsimile transmission with receipt confirmed, or [...***...] after so mailed.

- 14.2 Choice of Law. This Agreement, along with the Schedules and Exhibits attached, incorporated and referenced herein and all Purchase Orders issued hereunder shall be governed and interpreted, and all rights and obligations of the Parties shall be determined, in accordance to the laws of the State of New York.
- 14.3 Force Majeure. Neither Party shall be responsible or liable in any way for failure or delay in carrying out the terms of this Agreement resulting from any cause or circumstance beyond that Party' s reasonable control, including, but not limited to, fire, flood, other natural disasters, war, labor difficulties, interruption of transit, accident, explosion, civil commotion, and acts of any governmental authority; nor shall SELLER be responsible or liable in any way for failure or delay in carrying out the terms of this Agreement if due to any shortage or inability to obtain any raw materials (including energy), equipment or transportation; provided, in each case, that

the affected Party shall give prompt notice thereof to the other Party. No such failure or delay shall terminate this Agreement, and each Party shall complete its obligations hereunder as promptly as reasonably practicable following cessation of the cause or circumstances of such failure or delay; provided, that if any of the above conditions continues to exist for more than [...***...] after the date of any notice given with regard thereto, either Party may terminate this Agreement forthwith upon notice to the other.

14.4 Severability. In the event that any provision of this Agreement shall be found in any jurisdiction to be in violation of public policy or illegal or unenforceable at law or in equity, such finding shall in no event invalidate any other provision of this Agreement in that jurisdiction, and this Agreement shall be deemed amended to the minimum extent required to comply with the law of such jurisdiction, such provision being adjusted rather than voided if possible.

14.5 Entire Agreement. This Agreement, including any Schedules and Exhibits attached, incorporated or referenced herein, the Quality Agreement, and the confidentiality agreement referenced in Section 14.9 set forth the entire agreement reached between the Parties with respect to the transactions contemplated hereby. This Agreement (including all Schedules and Exhibits) may not be amended or modified except by written instrument duly executed by the Parties hereto stating that it is an amendment to this Agreement.

With the reservation of the specific provisions of this Agreement and of the Quality Agreement, SELLER' s general conditions of sales, attached as Exhibit E, shall apply to all sales closed in the framework of this Agreement, to the exclusion of any and all general conditions of purchase which may be communicated by PURCHASER.

The terms of this Agreement shall take precedence over the Quality Agreement, the confidentiality agreement referenced in Section 14.9 or the standard terms and conditions set forth in Exhibit E if there is any conflict between them.

14.6 No Waiver. The failure of either Party hereto to enforce at any time, or for any period of time, any provision of this Agreement shall not be construed as a waiver of such provision or of the right of such Party thereafter to enforce each and every provision. Any waiver by a Party of any of its rights under this Agreement in one or more instances shall be in a writing signed by such Party and shall not be construed as constituting a continuing waiver or as a waiver in other instances.

14.7 Assignment, Binding Effect. Neither Party shall assign this Agreement nor any of its respective rights or obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld, except to any Affiliate of the assigning Party or by operation of law or as otherwise permitted hereunder. Any such attempted assignment without such consent shall be void. This Agreement and the rights herein granted shall be binding upon and shall inure to the benefit of PURCHASER and SELLER and their respective successors and permitted assigns.

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- 14.8 Arbitration. Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity hereof, that the Parties are unable to resolve between themselves, shall be settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Such proceedings shall take place in New York, USA, and shall be conducted in English. The decision of the arbitration proceeding shall be final and binding upon the Parties. This clause shall not be construed to limit the right of either Party to apply to any court of competent jurisdiction for injunctive relief for unauthorized use of confidential information.
- 14.9 Confidentiality. A separate agreement signed April 16, 2010 relating to confidentiality has been entered into by the Parties and that agreement constitutes the entire agreement and understanding of the Parties relating to the subject matter of confidentiality and supersedes any previous agreement or understanding between the Parties in relation to such subject matter.

[Signature page follows].

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered as of the day and year first above written.

/s/ Stephen J. Hagge

/s/ Michael Babich

APTARGROUP, INC.

INSYS THERAPEUTICS, INC.

Name: Stephen J. Hagge

Name: Michael Babich

Title: Exec. V.P. & Chief Operating Officer

Title: President and CEO

[Signature page of Supply Agreement between AptarGroup, Inc. and Insys Therapeutics, Inc.]

[...***...]

[...***...]

EXHIBIT C: PURCHASE PRICE

[...***...]

21

***Confidential Treatment Requested

[...***...]

**1. CONFLICTING TERMS AND CONDITIONS**

The following are the terms and conditions of sale (collectively, "Conditions of Sale") for all products (the "Products") sold by Aptargroup, Inc. (the "Company") to the buyer ("Buyer"). Any Company quotation (each, a "Quotation") or order confirmation (each, an "Order Confirmation") is an offer subject to and expressly conditioned upon these Conditions of Sale, except to the extent otherwise stated or agreed by the Company in writing. Any provisions, conditions, or terms contained in Buyer's purchase order (each, a "Purchase Order") which are in addition to or not consistent with the Company's offer and these Conditions of Sale, are null and void and not binding on the Company. Buyer and Company agree that these Conditions of Sale are the exclusive terms and conditions of sale between Buyer and Company with respect to the Products, that they apply to all Purchase Orders accepted by Company as provided in Section 2.c below (each, an "Order") and that they supersede and replace all other prior and contemporaneous quotes, proposals, and other communications and understandings between the parties, whether oral, written, electronic or implied, relating to the subject matter hereof. In the event of any conflict between these Conditions of Sale and Company's special terms as set out in a Quotation and/or an Order Confirmation and/or any other separate written document issued by Company, the provisions of such special terms shall prevail over the provisions of the Conditions of Sale.

2. PRICES, ORDERS, INVOICES AND PAYMENT

- a. Unless otherwise specified, prices quoted are for the Products only, and do not include any amount for freight, insurance, fees, custom duties, or Federal, State or Local excise, sales, use, service, occupation, gross income, property or similar taxes, all of which are the responsibility of the Buyer. The Company shall have the right to include taxes which may be applicable to the prices for the Products in the event that Buyer does not supply the Company, prior to sale of the Products to Buyer, appropriate sales, use, excise or other applicable tax exemption certificates. Prices quoted are subject to change or cancellation at any time without notice and in any event expire thirty (30) days following the date of the quote, unless otherwise indicated therein or extended in writing by Company.
- b. Company reserves the right to make adjustments to pricing, Product offerings and Product warranties for reasons including, without limitation, changing market conditions, Product discontinuation, Product and raw material unavailability, manufacturer price changes, supplier price changes and errors in quotes or advertisements.
- c. All Purchase Orders are subject to acceptance by Company. Company shall not be bound to sell any Products to Buyer unless Company has accepted a Purchase Order by issuing a written Order Confirmation to Buyer or by shipping Product subject to a Purchase Order.
- d. Unless otherwise mutually agreed by Buyer and Company in writing, Company invoices shall be due and payable in U.S. Dollars thirty (30) days from the date of Company's invoice, without deduction, withholding or set-off. If Buyer at any time is delinquent in the payment of any invoice, Company may in its sole discretion, and without prejudice to its other rights, withhold shipment of any Order. Any sum not paid by Buyer when due shall bear interest until paid at a rate of 1.5% per month or the maximum rate permitted by applicable law, whichever is lower. In the event of a payment default, Buyer shall be responsible for all of Company's costs of collection including, but not limited to, court costs, filing fees and attorneys fees. Partial payments shall be applied in the following order of priority: (i) outstanding invoices (oldest first); (ii) any late payment interest; and (iii) payment of expenses incurred by Company in recovering late payments.
- e. The Quotation is subject to the Company's current credit policies and practices. The Company reserves the right, in its sole discretion, to approve, disapprove, or change Buyer's credit limit or to impose credit terms, including without limitation the requirement that Buyer make full or partial advance payment. In the event of a complete or partial failure to pay, the Company may, at its option, revoke any credit extended to Buyer, suspend all shipments under open Orders until Buyer's account is current, or offset such amount against any payments due or that become due from the Company or its Affiliates to Buyer including without limitation payment due to Buyer.
- f. For good and valuable consideration, the receipt and sufficiency of which Buyer hereby acknowledges, Buyer grants to the Company a security interest and right of possession in and to the Products covered hereby, and all accessions, replacements, proceeds, and products thereto or therefrom, to secure payment of the purchase price of such Products until Buyer makes full payment. Buyer will cooperate in whatever manner necessary to assist the Company in perfecting and recording such security interest.

3. DELIVERY

- a. For shipments within the United States, all Product deliveries are made F.O.B. the Company's shipping location, freight collect. For international shipments, deliveries are made in accordance with the 2010 Incoterms of the International Chamber of Commerce as set forth in the applicable Quotation. Title and risk of loss or damage to Products shipped within the United States shall pass to Buyer upon delivery of the Products to the Buyer at the F.O.B. delivery point; shipment for sales within the United States. For international shipments, title and risk of loss or damage to the Products will pass to Buyer upon delivery of the Products to the applicable Incoterms 2010 delivery point. Should Buyer or its carrier fail to

pick up the Products on the scheduled delivery date, the Company reserves the right to invoice Buyer reasonable storage fees for the Products from and after such date. Company may also give Buyer notice of its intent to sell the Products, set a reasonable grace period for pick-up and then sell the Products at a commercially reasonable price without prejudice to its right to claim damages from Buyer for any shortfall resulting from such sale or account to the Buyer for any excess achieved over the price in the Order Confirmation, in both cases having taken into account any charges related to the sale, or rescind the sale after such grace period.

- b. Delivery dates for Products provided by Company are not guaranteed dates for delivery of the Products. Lead times for deliveries, if provided in the Quotation, shall not commence until Buyer has provided Company with all technical information necessary to process the Order and/or set up the means of credit or payment provided for in the Order Confirmation.
- c. Buyer shall arrange for receipt of the Products per the acknowledged and accepted scheduled delivery date noted on the Order Confirmation. Failure to take delivery of Products on the scheduled date will result in a storage fee assessed at a monthly rate of 2.5% of the value of the Products.
- d. Unless otherwise agreed to by Company in writing, the quantity of every Order for Products delivered by Company may be up to five percent (5%) greater or less than the quantity specified in the Order Confirmation, and Company may invoice Buyer, and Buyer shall pay Company, for such greater or lesser quantity accordingly.
- e. Company reserves the right to ship and invoice Orders in installments.
- f. Any claim for short shipment must be made in writing to Company within three (3) days following the date of delivery of the relevant shipment of Products.
- g. Buyer shall accept or reject Products within thirty (30) days following delivery. In the event that Buyer fails to notify Company in writing of rejection and the specific grounds therefor within such time period, Buyer shall be conclusively deemed to have accepted such Products without qualification.

4. CHANGE OR CANCELLATION OF ORDERS

Upon receipt of the Purchase Order from the Buyer, the Company reserves the right to immediately procure materials and start production. The Buyer shall be liable for any raw materials, components or finished goods purchased or produced at the time of any Purchase Order change or cancellation.

5. PRODUCT SUITABILITY

- a. It is the Buyer's sole responsibility to (i) choose the Products and define any special or customized technical or packaging specifications for the Products, (ii) ensure that the Products that it orders from the Company are suited for their intended use, (iii) ensure the Products are compatible with the content that the Buyer is to put in the finished packaging and products sold by the Buyer and (iv) ensure compliance with all applicable regulations of the finished products that it markets.
- b. Company may perform tests for compatibility; such testing, however, is not a duty of Company. COMPANY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, THAT ANY TESTS BY COMPANY ARE ADEQUATE OR SUFFICIENT FOR BUYER'S PURPOSES, AND BUYER AGREES NOT TO HOLD COMPANY RESPONSIBLE FOR SUCH ADEQUACY OR SUFFICIENCY.

6. WARRANTY

- a. Prototypes, samples and other development Products are sold "AS-IS" and without any representation or warranty, express or implied.
- b. Products sold hereunder are warranted by the Company to be free from defects under normal use and conform to the specifications provided by Company along with the Quotation for the Products or, with respect to orders for Products set out in an Order Confirmation, to Buyer's written specifications previously accepted by the Company in writing. Unless otherwise agreed upon by the parties in writing, Buyer's rights under this warranty are extended for a period of one (1) year from and after the date of delivery of the Products to Buyer. Company is not responsible for normal wear and tear of the Products, Buyer's negligence or any non-conformity or defect in the Products that (i) is created after the Product is shipped by Company, including any non-conformity/defect resulting from Buyer's negligence, handling, maintenance or failure to properly use, maintain or store the Products; (ii) results from modifications to the Products by Buyer or a third party, or (iii) results from components or materials provided by or on behalf of Buyer. Buyer's sole and exclusive remedy, and the Company's sole and exclusive obligation under this warranty, is to at Company's option, repair, replace or issue to Buyer a credit for the purchase price for any Products sold hereunder with any defect or non-conformity warranted against, provided the Company receives written notice of the defect during the period of warranty and Buyer returns the defective Products to the Company at a location designated by the Company accompanied by Company's formal written return authorization. If the Company determines that the Product conforms to the Order Confirmation, the Product will be returned at Buyer's expense.
- c. The Company disclaims any and all liability for equipment, materials and software not furnished by the Company which is attached to, or used in conjunction with, the Products and the Company disclaims all liability for operation of the system, if

- any, of which the Products are a part.
- d. The warranty provided in paragraph 6. b) above is extended by the Company to Buyer only, and is the complete and exclusive warranty for Products manufactured by the Company. Company specifically excludes any warranty of suitability, adaptability or compatibility of the Products with the Buyer's needs for the purposes of manufacturing finished, semi-finished or intermediate products, for the purposes of incorporating the Products into other products. EXCEPT AS SPECIFICALLY SET FORTH HEREIN, ALL WARRANTIES EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED. COMPANY ALSO DISCLAIMS ANY WARRANTY OF NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES WITH RESPECT TO THE PRODUCTS. This warranty shall not be enlarged and no obligation or liability shall arise out of the Company's rendering of technical advice and/or assistance.
- e. The Buyer represents and warrants that any customized specifications for the Products provided to the Company do not and will not infringe the rights of third parties (including but not limited to any third party Intellectual Property Rights).

7. LIMITATION OF LIABILITY

- a. No action shall be brought for any breach of this agreement more than one (1) year after the accrual of such cause of action.
- b. Buyer's exclusive remedy shall be for damages and Company's maximum liability shall not in any case exceed the purchase price for the relevant Products giving rise to the claim, regardless of whether the claim is based on contract, breach of warranty, negligence (including gross negligence), strict liability, statutory violation, or otherwise, notwithstanding any failure of essential purpose or of any limited remedy. Under no circumstances AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY SET FORTH HEREIN shall COMPANY OR ITS AFFILIATES be liable for any consequential, incidental, special, punitive, or exemplary damages, lost profits, OR interruption of business losses, costs, or expenses of any kind. EVEN IF THE COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The parties expressly agree that the above limitation on damages is an allocation of risk constituting in part the consideration for this agreement.

8. LICENSES: INTELLECTUAL PROPERTY RIGHTS AND INDEMNIFICATION

The sale of the Products furnished hereunder does not convey any license by implication, estoppel or otherwise under any proprietary, patent right or other Intellectual Property Rights (as defined below) of the Company covering the Products or combination of the Products with other elements. Unless otherwise agreed to in writing, the Company retains all title and all rights to Intellectual Property Rights relating to the Products. Except as specifically provide herein, the sale of Products conveys no license to Buyer under any Intellectual Property Rights of the Company. Buyer shall defend, indemnify and hold harmless Company and the entities that control, are controlled by, or are under common control with Company (such entities, "Affiliates"), and its and their directors, officers, employees, successors and assigns from and against any claims, demands, lawsuits, losses, damages, liabilities, costs and expenses (including reasonable fees and disbursements of counsel), and judgments and settlements of every kind that may be made by any third party arising out of or relating to any claim that the specifications, designs, processes or requirements for the Products provided by Buyer infringes or misappropriates any third party Intellectual Property Rights. For purposes hereof, the term "Intellectual Property Rights" means, collectively, copyright rights (including, without limitation, the exclusive right to use, reproduce, modify, distribute, publicly display and publicly perform the copyrighted work), trademark rights (including, without limitation trade names, trademarks, service marks, and trade dress), patent rights (including, without limitation, the exclusive right to make, use and sell), trade secrets, moral rights, right of publicity, authors' rights, goodwill and all other intellectual property rights as may exist now and/or hereafter come into existence and all renewals and extensions thereof, regardless of whether such rights arise under the laws of the United States, or any other state, country or jurisdiction.

9. CONFIDENTIAL INFORMATION

- a. Unless the Buyer and Company are parties to an existing agreement governing the confidentiality of information to be transferred between the parties (an "Existing Confidentiality Agreement"), in which case the Existing Confidentiality Agreement shall govern the treatment of such information in connection with these Conditions of Sale in lieu of this Section 9, Buyer hereby undertakes for the duration of its relationship with Company and for five (5) years after termination thereof for any reason whatsoever, to keep absolutely confidential and not disclose to any third parties any information or materials of any kind provided by Company to Buyer or its agents verbally, in writing or in any other form including, but not limited to, information or materials of a commercial, financial or legal nature concerning Company, its know-how or its Intellectual Property Rights relating to the design, manufacture, studies, plans, drawings, documents, models, prototypes, objects or other materials relating to the Products, all of which Buyer shall return to Company upon Company's request.
- b. Confidentiality obligations shall not extend to information that is in the public domain, has become public domain other than by Buyer's breach of confidentiality,

that is lawfully received from third parties, or to the extent Buyer is held to disclose information under the law or by governmental or judicial order.

10. IMPORTATION AND EXPORTATION

Buyer shall comply with all applicable export control laws and shall not, directly or indirectly export, reexport, resell, ship, or divert any Product, material, service, technical data, or software furnished hereunder to any person, entity, project, use, or country in violation of the laws or licensing requirements of the United States or any other appropriate national authority. Buyer shall indemnify and hold the Company harmless for any and all claims, demand, cost, fines, penalties, fees, expenses, or losses arising from Buyer's failure, intentional or unintentional, to comply with the foregoing paragraph.

11. ARBITRATION

Any claim, dispute, or controversy (whether in contract, tort or otherwise, whether preexisting, present or future, and including, without limitation, statutory, common law, intentional tort and equitable claims) arising from or related to the Products purchased by Buyer from Company, the interpretation of these Conditions of Sale or any Quotation, Order Confirmation or Order entered into in connection herewith or the breach, termination, or validity of these Conditions of Sale of any such Quotation, Order Confirmation or Order, or the relationships which result from these Conditions of Sale or any Quotation, Order Confirmation or Order (including, to the full extent permitted by applicable law, relationships with third parties who are not signatories hereto), or Company's or any of its Affiliates advertising or marketing (collectively, a "Claim") WILL BE RESOLVED, UPON THE ELECTION OF COMPANY, BUYER OR THE THIRD PARTIES INVOLVED, EXCLUSIVELY AND FINALLY BY BINDING ARBITRATION. If arbitration is chosen, it will be conducted pursuant to the rules of the American Arbitration Association. If arbitration is chosen with respect to any Claim, neither Company nor Buyer will have the right to litigate that Claim in court or have a jury trial of that Claim or to engage in pre-arbitration discovery, except as provided in the applicable arbitration rules or by agreement of the parties involved. Further, Buyer will not have the right to participate as a member or representative of any class of claimants pertaining to any claim. Notwithstanding any choice of law provision included in these Conditions of Sale, this arbitration agreement is subject to the Federal Arbitration Act (9 U.S.C. Sections 1-16). The arbitration will take place exclusively in Chicago, Illinois. Any court having jurisdiction may enter judgment on the award entered by the arbitrator(s). Each party will bear its own cost of any legal representation, discovery or research required to complete arbitration. The existence or results of any arbitration will be treated as confidential. NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY CONTAINED HEREIN, ALL MATTERS PERTAINING TO THE COLLECTION OF AMOUNTS DUE TO COMPANY ARISING FROM PRODUCTS WILL BE LITIGATED IN COURT RATHER THAN THROUGH ARBITRATION.

12. GENERAL

- a. No modifications hereto shall be effective unless they are agreed upon in writing by both parties. No course of prior dealings between the parties and no usage of trade will be relevant to determine the meaning of these Conditions of Sale or any Quotation, Order Confirmation, Order or invoice, or any document in electronic or written form that is signed and delivered by each of the parties.
- b. The failure of the Company to insist, in any one or more instances, upon the performance of any of the terms or conditions of these Conditions of Sale, or to exercise any right herein, shall not be construed as a waiver or relinquishment of the future performance of any such term or condition or the future exercise of such right.
- c. No right, interest or obligation these Conditions of Sale may be assigned or delegated by either party without the written permission of the other party.
- d. These Conditions of Sale shall be governed and interpreted in accordance with the laws of the State of Illinois, without reference to principles of choice and conflicts of laws.
- e. Company shall not be responsible for and no liability shall result to Buyer for any delays in delivery or in performance which result in circumstances beyond Company's reasonable control including, without limitation, product unavailability, carrier delays, delays due to fire, flood, storm, severe weather conditions, pandemics, failure of power, labor problems, acts of war, terrorism, embargos, acts of God, shortages of supplies of raw materials or components or acts of any government or agency (each an "Event of Force Majeure"). Company may cancel any Order upon written notice to Buyer should an Event of Force Majeure continue for a period of sixty (60) or more consecutive days.
- f. The Company may exhibit to in any public event such as trade fairs, exhibitions or shows, in any advertising and commercial documents, and to Company investors and potential investors, the Products made for Buyer.
- g. The relationship between Company and Buyer is that of independent contractors and not that of employer-employee, partnership or joint venture.
- h. If any term of these Conditions of Sale is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the validity, legality or enforceability of the other terms and conditions hereof or thereof or the whole of these Conditions of Sale.
- i. This Section and the following Sections shall survive the expiration or termination of these Conditions of Sale: 1, 2a, 2d, 2e, 2f, 3a, and 4 through 12.

[...***...]

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***Confidential Treatment Requested