

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 23-24067	PURCHASING AUTHORITY NUMBER (If Applicable)
-------------------------------------	---

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Department of Health Care Access and Information

CONTRACTOR NAME
Amneal Pharmaceuticals, LLC

2. The term of this Agreement is:

START DATE
February 21, 2024 (or upon execution, whichever is later)

THROUGH END DATE
December 31, 2026

3. The maximum amount of this Agreement is:
Not Applicable

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	10
Exhibit B	General Contract Terms and Conditions	13
Exhibit C	Terms and Conditions Required by California Law	4
Exhibit D	Nondisclosure Obligations Related to Agreement Implementation	3
Exhibit E	Contractor's Template Contract for Use with Other Entities	1
Exhibit F	Contractor's Credit Application	3
Exhibit G	Contractor's Return Goods Policy	1
Exhibit H	Nonpublic Agreement Information	6

Items shown with an asterisk (), are hereby incorporated by reference and made part of this agreement as if attached hereto.*

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
Amneal Pharmaceuticals, LLC

CONTRACTOR BUSINESS ADDRESS 400 Crossing Boulevard, 3rd Floor	CITY Bridgewater	STATE NJ	ZIP 08807
--	---------------------	-------------	--------------

PRINTED NAME OF PERSON SIGNING Andrew Boyer	TITLE EVP & CCO, Generics
--	------------------------------

CONTRACTOR AUTHORIZED SIGNATURE 	DATE SIGNED February 23, 2024
--	----------------------------------

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 23-24067	PURCHASING AUTHORITY NUMBER (If Applicable)
-------------------------------------	---

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Health Care Access and Information

CONTRACTING AGENCY ADDRESS

2020 West El Camino Avenue

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Scott Christman

TITLE

Chief Deputy Director

CONTRACTING AGENCY AUTHORIZED SIGNATURE

Scott Christman

DATE SIGNED

2/27/2024

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

CA Health & Safety Code Sec. 127690 - 127697

TABLE OF CONTENTS

TABLE OF CONTENTS 1

EXHIBIT A SCOPE OF WORK 2

EXHIBIT B GENERAL CONTRACT TERMS AND CONDITIONS 12

EXHIBIT C TERMS AND CONDITIONS REQUIRED BY CALIFORNIA LAW..... 25

EXHIBIT D NONDISCLOSURE OBLIGATIONS RELATED TO AGREEMENT IMPLEMENTATION 29

EXHIBIT E CONTRACTOR’S TEMPLATE CONTRACT FOR USE WITH OTHER ENTITIES..... 32

EXHIBIT F CONTRACTOR’S CREDIT APPLICATION 33

EXHIBIT G CONTRACTOR’S RETURN GOODS POLICY..... 36

EXHIBIT H NONPUBLIC AGREEMENT INFORMATION 37

EXHIBIT A SCOPE OF WORK

1. Background to the CalRx Naloxone Access Initiative

The California Department of Health Care Access and Information (“HCAI”) is committed to expanding equitable access to quality, affordable health care for all Californians—ensuring every community has the health workforce they need, safe and reliable health care facilities, and health information that can help make care more effective and affordable.

The California Affordable Drug Manufacturing Act of 2020¹ calls for the California Health and Human Services Agency (“CalHHS”) or its departments, including HCAI, to enter into partnerships to accomplish, among other things, increased patient access to affordable drugs.² This is the CalRx Program.

The California Budget Act of 2023 (as amended)³ directed HCAI to enter into a CalRx partnership regarding the lifesaving drug, naloxone. This program is called the “CalRx Naloxone Access Initiative.”

2. Purpose of this Agreement

This Agreement is to govern a collaboration (“Collaboration”) between HCAI and Amneal Pharmaceuticals LLC (“Contractor”) to provide for the supply of naloxone to consumers in the State of California. The Collaboration is to provide a low-cost, affordable, and reliable supply of naloxone nasal products to Californians.

Specifically, the Collaboration will provide a source of low-cost naloxone nasal products for Californians from Contractor in the following ways:

- a) For direct purchase by HCAI, California Department of Health Care Services (“DHCS”), and CalHHS;
- b) For purchase by HCAI, DHCS, and CalHHS on behalf of other entities, including, but not limited to, those participating in DHCS’s Naloxone Distribution Project (NDP); and
- c) For direct purchase by other California entities for purposes other than re-sale.

¹ Cal. Health and Safety Code sections 127690 to 127697.

² Cal. Health and Safety Code section 127692.

³ Senate Bill 104, 2023-2024 Reg. Sess. (Cal. 2023), Section 54, Provision 1.

3. State Contracting Exemption

This Agreement is executed pursuant to Cal. Health and Safety Code Section 127692(b), which exempts the Agreement from certain requirements for state contracts. Health and Safety Code section 127692(b) states:

“[HCAI] may enter into exclusive or nonexclusive contracts on a bid or negotiated basis. Contracts entered into or amended pursuant to this section are exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code and are exempt from the review or approval of any division of the Department of General Services.”

4. Period of Performance

- a) The term of this Agreement shall commence on February 21, 2024, or the date the Agreement is fully executed, whichever is later (the “Effective Date”) and shall continue until the close of business on December 31, 2026.
- b) This Agreement includes two (2) one (1) year options to extend the duration of this Agreement. An amendment to this Agreement is required to invoke the optional term extensions.
- c) Nothing in this Agreement prohibits the renewal or extension of this Agreement through an amendment that is executed pursuant to the terms of this Agreement.

5. Contract Representatives

The contract representatives (the “Representatives”) during the term of this Agreement shall be:

State Agency: HCAI	Contractor: Amneal Pharmaceuticals LLC
Name: Vishaal Pegany, Deputy Director	Name: Andrew Boyer
Phone: [REDACTED]	Phone: [REDACTED]
Email: [REDACTED]	Email: [REDACTED]

The Representatives will serve as the primary contact points between the Parties regarding the activities described in this Agreement. The Representatives will facilitate the flow of information and otherwise promote communication, and coordination between the Parties, providing a single point of communication within each Party’s respective organization, including facilitating review of communications, and addressing disputes in a timely manner. Each Party may replace its Representative by written notice to the other Party without amending this Agreement.

Direct all inquiries concerning the terms and conditions of this Agreement to:

State Agency: HCAI	Contractor: Amneal Pharmaceuticals LLC
Section: Legal Office	
Attention: James Yi, Attorney IV	Attention: Andrew Boyer
Address: 2020 W El Camino Avenue, Suite 800 Sacramento, CA 95833	Address: 400 Crossing Boulevard 3rd Floor Bridgewater, NJ 08807
Phone: [REDACTED]	Phone: [REDACTED]
Email: [REDACTED]	Email: [REDACTED]

6. Definitions

The following definitions apply to the entire Agreement, unless stated otherwise in a specific part.

- a) "Product" means one box containing two (2) over-the-counter nasal sprays approved by the U.S. Food and Drug Administration ("FDA") in an abbreviated new drug application (ANDA), each spray containing 4 mg of naloxone hydrochloride in 0.1 mL.
- b) "CalRx Product" means Product that has packaging and labeling for the naloxone nasal spray drug product reflecting the CalRx branding.
- c) "Unbranded Product" means Product that does not have packaging and labeling for the naloxone nasal spray drug product reflecting the CalRx branding.
- d) "Purchaser" means HCAI, DHCS, or CalHHS.
- e) "Parties" means Contractor and HCAI.
- f) "Third-Party Recipient" means an entity for which the Purchaser is purchasing Products and to which Contractor directly ships Products. "Third-Party Recipients" do not directly purchase Products under this Agreement.
- g) "NDP Entities" means entities who are qualified to participate in the Naloxone Distribution Project ("NDP").
- h) "Expiry Period" is the time period from a date specified herein to the expiration date on the Product label.

7. Price Per Product

- a) Contractor agrees to sell Products to Purchasers at the following price per Product, including shipping and handling:

\$24.00

- b) The above price per Product shall include all costs for adding CalRx branding to the Products and there shall be no price difference between CalRx Product and Unbranded Product purchased pursuant to this Agreement. The above price per Product does not include sales tax. Applicable sales tax shall be added to the price per Product.
- c) The Purchasers shall purchase Products at this price without rebates.

8. Sale of Products or Reimbursement Attempts by Third-Party Recipients Shall be Prohibited

Regarding Products purchased under this Agreement, Third-Party Recipients shall be prohibited from selling such Products and shall be prohibited from billing or seeking reimbursement of any type for such Products, including, but not limited to, private pay, commercial, government authority, agency, or otherwise.

9. Expiry Period of Products

- a) At the time of Agreement execution, the anticipated maximum Expiry Period for the Product is twenty-four (24) months. Contractor expects the maximum Expiry Period to be extended up to thirty-six (36) in the future.
- b) Contractor shall notify HCAI if the FDA approves Contractor to have a longer maximum Expiry Period within five (5) days of the approval. Contractor shall also provide quarterly updates on its efforts to obtain extensions of the maximum Expiry Period.

10. CalRx Branding

- a) Contractor shall be responsible for obtaining all governmental or regulatory approvals for CalRx Products.
- b) Contractor will develop the packaging and labeling for the CalRx Product consistent with FDA statutory and regulatory requirements and is authorized to utilize the CalRx logo and/or word marks on the packaging and labeling of the CalRx Product. HCAI shall provide the marks to Contractor and Contractor shall provide a prototype of the packaging and labeling for HCAI's

review and approval. Contractor shall obtain HCAI's written approval on the final design of the CalRx packaging and labeling before production.

- c) Contractor shall provide CalRx Products within one hundred and eighty (180) days of receiving the final design approval from HCAI. In the event Contractor receives orders under this Agreement prior to the availability of CalRx Products, Contractor shall supply Unbranded Products.
- d) HCAI may request changes to the CalRx Product packaging and labeling and Contractor shall have thirty (30) days to produce a prototype for HCAI's approval.
 - i. Contractor shall provide CalRx Products with the new labeling within one hundred and eighty (180) days of receiving the final design approval from HCAI. In the event Contractor receives orders under this Agreement prior to the availability of the newly designed CalRx Products, Contractor shall supply Unbranded Products or previous versions of CalRx Products it has available.
- e) Unless approved in writing by HCAI, Contractor shall not utilize CalRx logo and/or word marks beyond what is allowed by this Agreement.

11. Forecasts for Product

- a) "Quarter" means the following periods:
 - i. Quarter 1 is from January 1 through the last day of March;
 - ii. Quarter 2 is from April 1 through the last day of June;
 - iii. Quarter 3 is from July 1 through the last day of September; and
 - iv. Quarter 4 is from October 1 through the last day of December.
- b) HCAI shall provide a forecast of the Purchasers' expected demand for Product under this Agreement for each quarter. HCAI shall provide this forecast sixty (60) days prior to the start of each Quarter.
- c) Contractor shall, on the first business day of a week, report to HCAI the quantity of Products shipped under this Agreement the previous week.

12. Minimum Orders and Order Increments

The minimum number of Products the Purchaser can order for a shipment to a single location is twenty-four (24) Products. Purchasers can only order Product amounts in increments of twenty-four (24) Products.

13. Shipping

- a) Contractor shall ship Products to locations the Purchaser identifies in their orders to Contractor, including directly to NDP Entities or other Third-Party Recipients. The Purchaser shall only identify locations within the State of California and Contractor shall not ship Product to locations outside of the State of California without prior consent of the Parties.
 - i. Within thirty (30) days of the Effective Date of this Agreement, HCAI shall provide information regarding existing and anticipated Third-Party Recipients of Products as requested by Contractor.
- b) Contractor shall have the capability to directly ship Products to a minimum of two hundred (200) unique locations in the State of California per week.
- c) Contractor shall have Products shipped within two (2) business days of receiving an order and shall utilize third party logistics companies to deliver products to the shipping location within 5 days. No additional costs will be billed by Contractor to Third-Party Recipients for shipping or other costs.
- d) All prices are Free on Board (FOB) destination; freight prepaid by Contractor, to the Purchaser's or Third-Party Recipient's receiving point. Responsibility and liability for loss or damage for all orders will remain with Contractor until inspection and acceptance, when all responsibility will pass to the Purchaser except the responsibility for latent defects, fraud, and the warranty obligations.

14. Product Orders to Contractor

- a) Purchaser may start sending orders to Contractor for Products under this Agreement on April 1, 2024 (Quarter 2 of 2024).
- b) The Purchaser shall send Product orders to Contractor at customerrelations@amneal.com. At any time and with reasonable notice to the Purchaser, Contractor may change where Product orders are to be sent without amendment of this Agreement.
- c) In these orders, the Purchaser shall provide the following information: quantity of Products, shipping address, and ship-to point of contact, telephone number and email address.
- d) Contractor shall send order confirmations and shipment tracking information to the Purchaser and, if applicable, the Third-Party Recipient, on at least a weekly basis.
- e) Contractor shall provide a point of contact for Contractor to the Purchaser, and Third-Party Recipients to resolve shipping or delivery issues. Contractor's point of contact shall respond to inquiries by the Purchaser or Third-Party Recipients within two (2) business days.

- f) The Purchaser may cancel any Product order if the cancellation is received by Contractor a reasonable time before the shipping of Products.

15. Contractor Invoices and Payments to Contractor

- a) Contractor shall monthly submit invoices for payment for delivered orders to the identified Purchaser. Contractor shall submit invoices to the Purchaser in a format agreed to by the Parties. Changes to the format shall not require an amendment to this Agreement.
- b) Payments made pursuant to this Agreement shall be made in accordance with the State of California's Prompt Payment Act (Government Code sections 927 et seq.). The Act requires the State to pay properly submitted, undisputed invoices not more than forty-five (45) days after receipt of an undisputed invoice.
- c) All payments by the Purchaser will be paid by written warrant mailed to Contractor.

16. Direct Purchases by Other Entities

- a) Contractor agrees to negotiate in good faith and enter into third-party contracts or otherwise allow other entities to directly purchase Products at the price set by this Agreement (the "CalRx Price") and with the same Product requirements stated in this Agreement if the entity agrees to similar requirements as this Agreement. Only entities that comply with Section 8 above, "Sale of Product or Reimbursement Attempts by Third-Party Recipients Shall be Prohibited", are included for this provision.
- b) Contractor may refuse to execute a contract or allow other entities to purchase Products under this provision for the following reasons:
 - i. Contractor reasonably believes that the entity cannot or will not comply with Section 8 above;
or
 - ii. Contractor does not have available Product to sell within the timeframe requested or required by the entity.
- c) From time to time, HCAI may notify Contractor in writing the identities of entities who HCAI wishes to be included under this provision. Contractor shall use commercially reasonable efforts to reach out to such entities for the purpose of executing a third-party contract or otherwise to allow such entity to purchase Products at the CalRx price.
- d) Contractor's template contract for use with other entities shall contain terms that are similar to the provisions of this Agreement. Contractor's form of contract template is attached hereto as Exhibit E. Exhibit E may be modified with approval of both Parties in writing without amendment of this Agreement.

- e) Other Entities must complete a credit application, the form of which is attached hereto as Exhibit F (Contractor's Credit Application), which is subject to approval by Contractor, to directly purchase Products as described in this Agreement.
- f) HCAI shall have no obligations or responsibility regarding any amounts owed to Contractor by other entities purchasing directly from Contractor under this provision.

17. Product Returns to Contractor

- a) Only the following ordered Products are returnable to Contractor:
 - i. Products not meeting the requirements of this Agreement;
 - ii. Products shipped directly that are damaged in transit, subject to FOB terms, or damaged by Contractor or subcontractors prior to shipping; and
 - iii. Discontinued, withdrawn, or recalled Products.
- b) The Purchaser or a Third-Party Recipient shall report to Contractor about returning Products within seventy-two (72) hours of receipt of the Products.
- c) Purchaser shall return Products consistent with the Contractor's Return Goods Policy attached hereto as Exhibit G of this Agreement. Exhibit G only applies to the procedure to return goods to Contractor and does not add to or modify any of the terms in this Section 17.
- d) In the event of a Product recall, Contractor will reimburse HCAI for all reasonable and documented recall-related expenses (including but not limited to costs associated with shipping Product back to manufacturer or a designated receiving location, disposition of Product, and labor costs to handle Product return or disposal (if instructed by manufacturer)). Contractor shall have no obligation to reimburse HCAI in the event that the recall is caused by HCAI's negligent or willful act or omission. Purchasers shall follow Contractor's recall return guidelines stated in any instructional recall notification.
- e) Subject to Section 17(d), Contractor shall pay for all return shipping costs or provide credit/payment to Purchasers for return shipping costs at the election of the Purchaser.

18. Reporting to HCAI

Contractor shall submit a report after each Quarter to HCAI, which shall be due, at the latest, thirty (30) days after the end of the Quarter at issue. This report shall be sent to HCAI's contract representative and shall have the following information:

- a) A list of all Product orders received by Contractor under this Agreement during the Quarter;

- i. Contractor shall include the identity of the recipient of Products and the payer for the Products;
 - ii. Contractor shall state whether the order was fulfilled and if not, the reasons why it was not;
 - iii. For each fulfilled order, Contractor shall report the expiration date of the Products shipped, when the order was shipped, and the delivery date of the order.
- b) For each Product order, whether Contractor invoiced the payer for payment;
 - c) The Product orders from the Quarter or previous to the Quarter which have not been paid after Contractor sent an invoice and the whether the payment is late per this Agreement;
 - d) A list of all requested and completed returns of Product back to Contractor, including reference to the relevant order, the amount of product, the reasons for return, and the identities of the recipient and payer;
 - e) Whether the Quarterly forecast was not met or was exceeded;
 - f) The number of CalRx Products sold under this Agreement;
 - g) The number of Unbranded Products sold under this Agreement;
 - h) The identity of entities who directly purchased Products pursuant to Section 16 above and the amounts of Products sold to each entity.

19. Notice to Contractor Regarding Other Offers to HCAI

During the term of this Agreement, if HCAI receives an offer from another seller of Products at a price more favorable than this Agreement which would result in HCAI exercising its rights to terminate this Agreement under Exhibit B, Section 20, Termination for Convenience, or not extending this Agreement pursuant to Exhibit A, Section 3(b) above, HCAI agrees to contact and negotiate in good faith with Contractor prior to termination or making a final decision not to extend this Agreement.

20. Confidentiality of this Agreement

- a) The Parties agree that certain terms and conditions of this Agreement are nonpublic information and, for the benefit of this Agreement, the State of California, and Contractor, cannot be made publicly available. These nonpublic terms and conditions are stated in **Exhibit H** of this Agreement. For purposes of this Section, this nonpublic information shall be called "Nonpublic Agreement Information."
- b) If HCAI, DHCS, or CalHHS receives requests for documents with Nonpublic Agreement Information (including, but not limited to, the information set forth on **Exhibit H**) under the California Public Records Act (CPRA), they shall withhold this information pursuant to one or more CPRA exemptions (such as the one for CalRx in Health and Safety Code section 127696).
- c) Contractor, HCAI, DHCS, and CalHHS shall keep Nonpublic Agreement Information confidential, maintain it in a safe and secure place, and use a reasonable degree of care to safeguard it. Contractor, HCAI, DHCS, and CalHHS may only disclose Nonpublic Agreement Information to those employees, Affiliates, contractors, and consultants who have a need to know and are required to keep the information confidential. "Affiliate" means any entity managing, managed by, under common management with, controlling, controlled by or under common control with the applicable entity.
- d) Contractor, HCAI, DHCS, and CalHHS shall be entitled to disclose Nonpublic Agreement Information as required by applicable law, regulation, or court order only to the extent necessary to comply therewith; provided, however, that the disclosing entity shall, to the extent permissible, provide the other entities notice and an opportunity to seek to prevent disclosure of, or to obtain a protective order for, Nonpublic Agreement Information.
 - i. Contractor, HCAI, DHCS, and CalHHS shall, to the extent legally permissible, make any required disclosures in consultation with the other entities and these entities shall cooperate with each other in connection with efforts to obtain any protective order or other remedy.
 - ii. Any required disclosure shall not relieve Contractor, HCAI, DHCS, or CalHHS of their obligations under this Section, and the disclosing entity shall only disclose that portion of Nonpublic Agreement Information that the Parties determines it is legally obligated to disclose.

EXHIBIT B
GENERAL CONTRACT TERMS AND CONDITIONS

1. Applicability of this General Contract Terms and Conditions

If there is an inconsistency or contradiction between this Exhibit B and the other exhibits of this Agreement, the terms and conditions in all other exhibits shall take precedence over the general contract terms and conditions in this Exhibit B.

2. Approval

This Agreement is of no force or effect until signed by the Parties. Contractor may not commence performance until the Agreement is fully executed by the Parties.

3. Entire Agreement

The Agreement contains the entire understanding of the Parties with respect to the subject matter of this Agreement. All express or implied agreements and understandings, either oral or written, with regard to the subject matter of this Agreement, are superseded by the terms of this Agreement. Neither Party is relying on any representation, promise, or warranty not expressly set forth in this Agreement.

4. Severability

If any one or more of the provisions contained in this Agreement is held invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties will in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal, and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

5. Independent Contractor

Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of HCAI, DHCS, CalHHS, or the State of California.

6. Governing Law

This Agreement shall be governed by and shall be interpreted in accordance with the laws of the State of California. Venue of any action brought with regard to this Agreement shall be the Superior Court of California, County of Sacramento. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

7. Compliance with Statutes and Regulations

Contractor warrants and certifies that in the performance of this Agreement, it will comply with all applicable statutes, rules, regulations and orders of the United States and the State of California and agrees to indemnify the State against any loss, cost, damage, or liability by reason of Contractor's violation of this provision.

8. Contractor's Power and Authority

Contractor warrants that it has full power and authority to grant the rights herein granted and will hold HCAI and the State of California harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) ("Losses") arising out of any breach of this warranty, except to the extent such Losses were caused due to the gross negligence or willful misconduct of HCAI and the State of California or the gross negligence or willful misconduct of its or their employees, officers, agents or contractors. Further, Contractor avers that it will not knowingly enter into any arrangement with any third party which might abridge any rights of HCAI or the State of California under this Agreement.

9. Assignment

This Agreement is not assignable by Contractor, either in whole or in part, without the prior written consent of HCAI which shall not be unreasonably withheld, conditioned, or delayed. For the purpose of this paragraph, HCAI will not unreasonably prohibit Contractor from freely assigning its right to payment, provided that Contractor remains responsible for its obligations hereunder.

10. Waiver of Rights

Any action or inaction by either Party or the failure of a Party on any occasion, to enforce any right or provision of this Agreement, shall not be construed to be a waiver by such Party of its rights hereunder and shall not prevent such Party from enforcing such provision or right on any future occasion. The rights and remedies of each Party herein are cumulative and are in addition to any other rights or remedies that each Party may have at law or in equity.

11. Packing and Shipment

- a) All goods are to be packed in suitable containers for protection in shipment and storage, and in accordance with applicable specifications. Each container of a multiple container shipment shall be identified to:
 - i. show the number of the container and the total number of containers in the shipment; and
 - ii. the number of the container in which the packing sheet has been enclosed.

- b) Unless otherwise stated in Exhibit A, all shipments by Contractor or its subcontractors must include packing sheets identifying: the HCAI's number for this Agreement; item number; quantity and unit of measure; part number and description of the goods shipped; and appropriate evidence of inspection, if required.
- c) Shipments must be made as specified in this Agreement, as it may be amended, or otherwise directed in writing by the State.

12. Transportation Costs and Other Fees or Expenses

No charge for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by the State unless expressly included and itemized in this Agreement.

- a) Contractor shall follow this Agreement's requirements regarding Free on Board (FOB), freight terms and routing instructions. The State may permit use of an alternate carrier at no additional cost to the State with advance written authorization of the buyer.
- b) If "prepay and add" is selected, supporting freight bills are required when over \$50, unless an exact freight charge is approved by the State and a waiver is granted.
- c) On "FOB Shipping Point" transactions, should any shipments under this Agreement be received by product recipients in a damaged condition and any related freight loss and damage claims filed against the carrier or carriers be wholly or partially declined by the carrier or carriers with the inference that damage was the result of the act of the shipper such as inadequate packaging or loading or some inherent defect in the equipment and/or material, Contractor, on request of the State, shall at Contractor's own expense assist the State in establishing carrier liability by supplying evidence that the equipment and/or material was properly constructed, manufactured, packaged, and secured to withstand normal transportation conditions.

13. Delivery

Contractor shall adhere to the delivery and completion schedules specified in this Agreement. Time, if stated as a number of days, shall mean calendar days unless otherwise specified. If Contractor delivers in excess of the quantities specified, the State shall not be required to make any payment for the excess goods and may return them to Contractor at Contractor's expense or utilize any other rights available to the State at law or in equity.

14. Substitutions

Substitution of goods may not be tendered without advance written consent of the State. Contractor shall not use any specification in lieu of those contained in this Agreement without written consent of the State.

15. Inspection, Acceptance and Rejection

- a) Contractor and its subcontractors, if any, will provide and maintain a quality assurance system acceptable to HCAI covering goods and services under this Agreement and will tender to the State or recipients of the goods only those goods that have been inspected and found to conform to this Agreement's requirements. Contractor will keep records evidencing inspections and their result and will make these records available to HCAI during the performance of this Agreement and for three (3) years after final payment. Contractor shall permit HCAI to review procedures, practices, processes, and related documents to determine the acceptability of Contractor's quality assurance system or other business practices related to performance of this Agreement.
- b) All goods may be subject to inspection and test by HCAI or its authorized representatives.
- c) During any on-site inspection, Contractor and its subcontractors, if any, shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost to HCAI. Contractor shall furnish to inspectors all information and data as may be reasonably required to perform their inspection.
- d) All goods to be delivered hereunder may be subject to final inspection, test, and acceptance by HCAI at destination, notwithstanding any payment or inspection at source.
- e) HCAI shall give written notice of rejection of goods delivered or services performed hereunder within a reasonable time after receipt of such goods or performance of such services. Such notice of rejection will state the respects in which the goods do not substantially conform to their specifications. If HCAI does not provide such notice of rejection within thirty (30) days, unless otherwise specified in the Scope of Work, of delivery, such goods and services will be deemed to have been accepted. Acceptance by HCAI will be final and irreversible, except as it relates to latent defects, fraud, and gross mistakes amounting to fraud. Acceptance shall not be construed to waive any warranty rights that HCAI might have at law or by express reservation in this Agreement with respect to any nonconformity.

16. Samples

- a) Samples of items may be required by HCAI for inspection and specification testing and must be furnished free of expense to HCAI. The samples furnished must be identical in all respects to the products specified in this Agreement.
- b) Samples, if not destroyed by tests, may, upon request made at the time the sample is furnished, be returned at Contractor's expense.

17. Warranty

Unless otherwise specified, the warranties contained in this Agreement begin after acceptance of Products has occurred.

- a) Contractor warrants that goods and services furnished hereunder will conform to the requirements of this Agreement (including all descriptions, specifications and drawings made a part hereof), and such goods will be merchantable, fit for their intended purposes, free from all defects in materials and workmanship and to the extent not manufactured pursuant to detailed designs furnished by HCAI, free from defects in design. HCAI's approval of designs or specifications furnished by Contractor shall not relieve Contractor of its obligations under this warranty.
- b) All warranties, including special warranties specified elsewhere herein, shall inure to HCAI, the State of California, their successors, assigns, customer agencies and users of the goods or services.
- c) All documentation provided by Contractor to HCAI in connection with entry into this Agreement is true, accurate and complete in all material respects, and there has been no material adverse change in such documentation.

18. Safety and Accident Prevention

In performing work under this Agreement on State of California premises, Contractor shall conform to any specific safety requirements contained in this Agreement or as required by law or regulation. Contractor shall take any additional precautions as the State may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless promptly corrected, shall be grounds for termination of this Agreement in accordance with the default provisions in this Agreement.

19. Termination for Non-Appropriation of Funds

- a) If the term of this Agreement extends into fiscal years subsequent to that in which it is approved, such continuation of this Agreement is contingent on the appropriation of funds for such purpose by the Legislature. If funds to effect such continued payment are not appropriated or reappropriated, Contractor agrees to take back any affected goods furnished under this Agreement, terminate any services supplied to the State under this Agreement, and relieve the State of any further obligation therefor. If this Agreement is terminated pursuant to this Section, Contractor shall halt the manufacture of new CalRx Product, and may sell any CalRx Product in its inventory to third parties without violating the terms of this Agreement.
- b) THE STATE AGREES THAT IF PARAGRAPH (a) ABOVE IS INVOKED, GOODS SHALL BE RETURNED TO CONTRACTOR IN SUBSTANTIALLY THE SAME CONDITION IN WHICH DELIVERED TO THE STATE, SUBJECT TO NORMAL WEAR AND TEAR. STATE FURTHER

AGREES TO PAY FOR PACKING, CRATING, TRANSPORTATION TO CONTRACTOR'S NEAREST FACILITY AND FOR REIMBURSEMENT TO THE CONTRACTOR FOR EXPENSES INCURRED FOR THEIR ASSISTANCE IN SUCH PACKING AND CRATING.

- c) HCAI shall notify Contractor within five (5) business days of HCAI becoming aware that funds will not be appropriated or will be reappropriated which would affect Purchasers' ability to order or pay for Products in a forecasted Quarter.

20. Termination for Convenience

- a) Upon the provision of at least sixty (60) days advance written notice to the Contractor, HCAI may terminate performance of work under this Agreement for its convenience in whole or, from time to time, in part, if HCAI determines that a termination is in the interest of the State of California. HCAI shall terminate by delivering to Contractor a Notice of Termination specifying the extent of termination and the effective date thereof. The Parties agree that, as to the terminated portion of this Agreement, the Agreement shall be deemed to remain in effect until such time as the termination settlement, if any, is concluded and the Agreement shall not be void.
- b) After receipt of a Notice of Termination, and except as directed by HCAI, the Contractor shall immediately proceed with the following obligations, as applicable, regardless of any delay in determining or adjusting any amounts due under this clause. Contractor shall:
 - i. Stop work as specified in the Notice of Termination.
 - ii. Place no further subcontracts for materials, services, or facilities, except as necessary to complete the continued portion of the Agreement.
 - iii. Terminate all subcontracts to the extent they relate to the work terminated.
 - iv. Settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification of which will be final for purposes of this clause.
- c) If Contractor cannot sell its remaining inventory of CalRx Products (produced according to this Agreement) by the termination date, HCAI shall purchase the remaining CalRx Products if it has sufficient appropriated funds for this purpose. HCAI shall not pay for any CalRx Products that Contractor reasonably could have stopped production of after receiving the Notice of Termination.
- d) Contractor may terminate performance of work under the Agreement for its convenience with one hundred and eighty (180) days' advance written notice to the State.

21. Termination for Default

- a) Upon reasonable advance written notice to Contractor, HCAI may, subject to the Force Majeure paragraph contained herein, by written notice of default to Contractor, terminate this Agreement in whole or in part if Contractor materially breaches this Agreement, including, but not limited to the following:
 - i. Continually failing to deliver Products, Products as required by this Agreement, the number of Products ordered (subject to the Quarterly forecast limitations), or to perform the services within the time specified in the Agreement or any amendment thereto; or
 - ii. Fails to produce CalRx Products or the amount of CalRx Products required under this Agreement; or
 - iii. Materially fails to perform any of the other provisions of this Agreement.
- b) HCAI's right to terminate this Agreement under subparagraphs (a) above, may be exercised if Contractor does not cure such failure within a reasonable time frame as stated in the cure notice issued by HCAI.
- c) If this Agreement is terminated for default, HCAI may require Contractor to transfer title and deliver to the State, as directed by the buyer, any Completed goods.
- d) HCAI shall pay this Agreement's price for completed goods delivered and accepted. Contractor and HCAI shall agree on the amount of payment for manufacturing materials delivered and accepted for the protection and preservation of the property. Failure to agree will be a dispute under Exhibit B, "Disputes Process" clause. HCAI may withhold from these amounts any sum the buyer determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.
- e) If, after termination, it is determined that Contractor was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the termination had been issued for the convenience of HCAI.
- f) The rights and remedies of each Party in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

22. Force Majeure

- a) Except for defaults of subcontractors at any tier, Contractor shall not be liable for any excess costs if the failure to perform this Agreement arises from causes beyond the control and without the fault or negligence of Contractor. Examples of such causes include, but are not limited to:
 - i. Acts of God or of the public enemy, and

- ii. Acts of the federal or state government in either its sovereign or contractual capacity.
- b) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both Contractor and subcontractor, and without the fault or negligence of either, Contractor shall not be liable for any excess costs for failure to perform.

23. Rights and Remedies of State for Default

- a) In the event of the termination of this Agreement, either in whole or in part, by reason of material default or breach by Contractor, any loss or damage sustained by HCAI in procuring any items which Contractor agreed to supply shall be borne and paid for by Contractor up to sixty (60) days from termination date of the Agreement.
- b) HCAI reserves the right to offset the reasonable cost of all damages caused to HCAI or the State of California against any outstanding invoices or amounts owed to Contractor or to make a claim against Contractor, therefore.

24. Contractor's Liability for Injury to Persons or Damage to Property

- a) Contractor shall be liable for damages arising out of injury to the person and/or damage to the property of HCAI or the State of California, HCAI/State employees, persons designated by HCAI for training, or any other person(s) other than agents or employees of Contractor, designated by HCAI for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the goods either at Contractor's site or at HCAI's/the State of California's place of business, provided that the injury or damage was caused by the fault or negligence of Contractor.
- b) Contractor shall not be liable for damages arising out of or caused by an alteration or an attachment not made or installed by Contractor, or for damage to alterations or attachments that may result from the normal operation and maintenance of the goods provided by Contractor during this Agreement.

25. Indemnification

- a) Contractor agrees to indemnify, defend, and save harmless HCAI, the State of California, its officers, agents and employees from any loss, cost, liability, or expense (including reasonable attorney fees) ("Losses"):
 - i. accruing or resulting to any and all of its contractors, subcontractors, suppliers, laborers and any other person, firm, or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Agreement;

- ii. accruing or resulting to any person, firm or corporation which may be injured or damaged by Contractor in the performance of this Agreement;
 - iii. accruing or resulting to any person, firm or corporation from the use, re-sale, or distribution of Contractor's products, including, but not limited to, product liability claims from consumers;
 - iv. by reason of Contractor's violation of provision 7, "Compliance with Statutes and Regulations," above;
 - v. arising out of any breach of Contractor's warranty under provision 8, "Contractor's Power and Authority," above; and
 - vi. liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopied composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with this Agreement.
 - A. Contractor shall have no liability to the HCAI or the State of California under this subpart (vi) with respect to any claim of patent, copyright or trade secret infringement which is based upon the combination or utilization of products furnished hereunder with equipment or devices not made or furnished by Contractor; or the modification by HCAI or the State of California of the products furnished under this Agreement.
 - vii. In each instance of (i) through (vi), Contractor shall be relieved of its obligations to the extent such Losses were caused due to the gross negligence or the willful misconduct of HCAI and the State of California or the gross negligence or willful misconduct of its or their employees, officers, agents, or contractors.
- b) Contractor, at its own expense, shall defend any action brought against HCAI or to the State of California to the extent that such action is based upon losses, damages, costs, expenses, claims, or liability covered by (a) above. Contractor shall pay those costs and damages finally awarded against HCAI or the State of California in any such action. Such defense and payment shall be conditioned on the following:
- i. That Contractor shall be notified within a reasonable time in writing by HCAI/State of any notice of such claim; and,
 - ii. Contractor will have sole control of the defense of any action on such claims and all negotiations for its settlement or compromise; provided that (A) when principles of government or public law are involved, when litigation might create precedent affecting future HCAI or State of California operations or liability, or when involvement of HCAI/State is otherwise mandated by law, HCAI/State of California may participate in such

action at its own expense with respect to attorneys' fees and costs (but not liability); (B) HCAI/State will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (C) HCAI/State will reasonably cooperate in the defense and in any related settlement negotiations.

26. Products Subject to Intellectual Property, Patent, Copyright, Trade Secret or Similar Claims

- a) Should Contractor's products furnished under this Agreement, or the operation thereof, become, or in Contractor's opinion are likely to become, the subject of a claim of infringement of a United States patent or copyright or a trade secret, HCAI shall permit Contractor at its option and expense either to procure for HCAI/State the right to continue using the products, or to replace or modify the same so that they become non-infringing.
- b) If none of the options in (a) can reasonably be taken, or if the use of such products by HCAI/State shall be prevented by injunction, Contractor agrees to take back such products and make every reasonable effort to assist HCAI/State in procuring substitute products.
- c) If, in the sole opinion of HCAI, the return of such infringing products makes the retention of other products acquired from Contractor under this Agreement impractical, HCAI shall then have the option of terminating this Agreement, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such products and refund any sums HCAI has paid Contractor less any reasonable amount for use or damage.

27. Limitation of Liability

SUBJECT TO AND WITHOUT LIMITING THE INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT AND THE BREACH OF A PARTY'S CONFIDENTIALITY OBLIGATIONS UNDER EXHIBIT D, NO PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT OR ANY WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, MULTIPLIED OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS (EVEN IF DEEMED DIRECT DAMAGES) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

28. Taxes

Unless otherwise required by law, the State of California, including HCAI, is exempt from federal excise taxes. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or goods supplied to the State pursuant to this Agreement.

29. Newly Manufactured Goods

All goods furnished under this Agreement shall be newly manufactured goods; used or reconditioned goods are prohibited, unless otherwise specified.

30. Amendment

Unless specifically stated otherwise in this Agreement, no amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the Parties, and approved as required. No oral understanding or agreement not incorporated in this Agreement is binding on any of the Parties.

31. Publicity

Neither Party shall issue any press release concerning this Agreement or the subject matter hereof, nor will either Party use the other Party's name, trademarks, or logos in any advertising, press release, websites, or promotional materials, except with the prior written consent of the other Party.

32. Dispute Process

- a. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, Contractor shall submit to the HCAI Director or designee a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to or involving this Agreement. Contractor's written demand shall be fully supported by factual information, and if such demand involves a cost adjustment to this Agreement, Contractor shall include with the demand a written statement signed by an authorized person indicating that the demand is made in good faith, that the supporting data are accurate and complete and that the amount requested accurately reflects the adjustment for which Contractor believes the State is liable.
- b. Within ten (10) business days of receipt of Contractor's written demand, the HCAI Director shall meet with Contractor's and HCAI's Contract Representatives for purposes of resolving the dispute. The decision of the HCAI Director shall be final.
- a. Pending the final resolution of any dispute arising under, related to or involving this Agreement, Contractor agrees to diligently proceed with the performance of this Agreement, including the delivery of products or providing of services in accordance with HCAI's instructions. Contractor's failure to diligently proceed in accordance with HCAI's instructions shall be considered a material breach of this Agreement.
- b. Any final decision of HCAI shall be expressly identified as such, shall be in writing, and shall be signed by the HCAI Director or designee. If HCAI fails to render a final decision within ninety (90) calendar days after receipt of Contractor's demand, it shall be deemed a final decision adverse to Contractor's contentions. HCAI's final decision shall be conclusive and binding regarding the dispute unless Contractor commences an action in a court of competent jurisdiction to contest such decision within ninety (90) days following the date of the final decision or one (1) year following the accrual of the cause of action, whichever is later.

33. Stop Work

- a) HCAI may, at any time, by written Stop Work Order to Contractor, require Contractor to stop all, or any part, of the work called for by this Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to Contractor, and for any further period to which the Parties may agree. The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this provision.
- b) Upon receipt of the Stop Work Order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Contractor, or within any extension of that period to which the Parties shall have agreed, the State shall either:
 - i. Cancel the Stop Work Order; or
 - ii. Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clauses of this Agreement.
- c) If a Stop Work Order issued under this provision is canceled or the period of the Stop Work Order or any extension thereof expires, Contractor shall resume work. HCAI shall make an equitable adjustment in the delivery schedule, the price, or both, and this Agreement shall be modified, in writing, accordingly, if:
 - i. The Stop Work Order results in an increase in the time required for, or in Contractor's cost properly allocable to the performance of any part of this Agreement; and
 - ii. Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if HCAI decides the facts justify the action, HCAI may receive and act upon a proposal submitted at any time before final payment under this Agreement.
- d) If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled, "Termination for the Convenience of the State," HCAI shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.
- e) HCAI shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this provision.

34. Covenant Against Gratuities

Contractor warrants that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of

HCAI or the State of California with a view toward securing this Agreement or securing favorable treatment with respect to any determinations concerning the performance of this Agreement. For breach or violation of this warranty, HCAI shall have the right to terminate this Agreement, either in whole or in part, and any loss or damage sustained by HCAI in procuring on the open market any items which Contractor agreed to supply shall be borne and paid for by Contractor. The rights and remedies of the State provided in this provision shall not be exclusive and are in addition to any other rights and remedies provided by law or in equity.

35. Potential Subcontractors

This Agreement shall not create any contractual relationship between HCAI and any of Contractor's subcontractors, and the use of a subcontractor shall not relieve Contractor of its responsibilities and obligations under this Agreement. Contractor's obligation to pay its subcontractors is an independent obligation from HCAI's obligation to make payments to Contractor. As a result, HCAI shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

36. Health and Safety Protocol at HCAI Property

Contractor personnel will be required to follow all applicable state and public health requirements and related State policies when in a State location.

37. Headings

The captions to the several sections in this Agreement are not a part of this Agreement, but are merely for convenience to assist in locating and reading the sections of this Agreement

38. Waiver Rule of Construction

Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting Party will not apply.

39. Counterparts

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Counterparts may be delivered via electronic mail, including Adobe™ Portable Document Format (PDF) or any electronic signature complying with the U.S. Federal ESIGN Act of 2000, and any counterpart so delivered will be deemed to be original signatures, will be valid and binding upon the Parties, and, upon delivery, will constitute due execution of this Agreement.

EXHIBIT C
TERMS AND CONDITIONS REQUIRED BY CALIFORNIA LAW

1. Examination and Audit (Cal. Gov. Code section 8546.7 and Cal. Code Regs., title 2, section 11116)
 - a) Contractor agrees that the State or their designated representative shall have the right to review and copy any records and supporting documentation pertaining to performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment under this Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees or others who might reasonably have information related to such records.
 - b) Contractor agrees to include a similar right of HCAI/State to audit records and interview staff in any subcontract related to performance of this Agreement.
2. Statement of Compliance with Nondiscrimination Program Requirements (Cal. Gov. Code section 12990 and Cal. Code Regs., title 2, section 11109)

By signing this Agreement, Contractor, under penalty of perjury, certifies that it has, unless exempted, complied with the nondiscrimination program requirements in California Code of Regulations, title 2, section 11102.

3. Nondiscrimination Clause (Cal. Code Regs, title 2, section 11105)
 - a) During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination.
 - b) Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (California Government Code sections 12900 *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, title 2, sections 11000 *et seq.*). The applicable regulations of the Civil Rights Council implementing Government Code section 12990, set forth in Subchapter 5 of Division 4.1 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
 - c) Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

- d) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

4. Americans with Disabilities Act

Contractor assures HCAI that it complies with the Americans with Disabilities Act of 1990. (42 U.S.C. sections 12101 et seq.)

5. Drug-Free Workplace Requirements (Cal. Gov. Code sections 8355 to 8357)

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b) Establish a Drug-Free Awareness Program to inform employees about all of the following:
- i. the dangers of drug abuse in the workplace;
 - ii. the Person's policy of maintaining a drug-free workplace;
 - iii. any available counseling, rehabilitation, and employee assistance programs; and,
 - iv. penalties that may be imposed upon employees for drug abuse violations.
- c) Every employee who works on the proposed Agreement will:
- i. receive a copy of the company's drug-free workplace policy statement; and,
 - ii. agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: Contractor has made false certification or violated the certification by failing to carry out the requirements as noted above.

6. Sweatfree Code of Conduct (Cal. Public Contract Code section 6108)

- a) Contractor declares under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to HCAI or the State of California pursuant to this Agreement have been produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Contractor further declares under penalty of perjury that they adhere

to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at <http://www.dir.ca.gov/>, and California Public Contract Code section 6108.

- b) Contractor agrees to cooperate fully in providing reasonable access to its records, documents, agents or employees, or premises if reasonably required by authorized officials of HCAI, the State, the Department of Industrial Relations, or the Department of Justice to determine Contractor's compliance with the requirements under (a).

7. Child Support Compliance Act (Cal. Public Contract Code section 7110)

Contractor acknowledges in accordance that:

- a) Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the California Family Code; and
- b) Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

8. Air or Water Pollution Violations (Cal. Gov. Code section 4477)

- a) HCAI cannot contract with any entity that is (i) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (ii) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (iii) finally determined to be in violation of provisions of federal law relating to air or water pollution.
- b) Contractor certifies that it is not an entity described in (a) above and is eligible to contract with HCAI pursuant to California Government Code section 4477. Should HCAI determine that it cannot contract with Contractor pursuant to section 4477, that shall be grounds for termination of this Agreement. HCAI shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of HCAI.

9. Civil Rights Law Certification (Cal. Public Contract Code section 2010)

Contractor certifies under penalty of perjury under the laws of the State of California that, at the time it submitted a bid or proposal to HCAI for this Agreement or otherwise proposed to enter into this Agreement with HCAI, all the following were true:

- a) Contractor was in compliance with the Unruh Civil Rights Act (California Civil Code section 51 and the Fair Employment and Housing Act (California Government Code section 12960, *et seq.*); and
- b) If Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, that such policies were not used in violation of the Unruh Civil Rights Act or the Fair Employment and Housing Act.

10. Iran Contracting Act of 2010 (Cal. Public Contract Code sections 2200, *et seq.*)

Unless exempted, entities that have engaged in certain investment activities in Iran are ineligible to contract with HCAI for goods or services of one million (\$1,000,000) or more. California law requires all entities seeking to contract with HCAI to make certain certifications about this.

Prior to executing this Agreement, Contractor was required to complete the “Iran Contracting Act Verification Form” to meet the requirements of the Iran Contracting Act of 2010. Among other remedies, should HCAI determine that Contractor submitted a false certification pursuant to this Act, that shall be grounds for termination of this Agreement. HCAI shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of HCAI or the California Department of General Services.

11. Payee Data Record (California State Administrative Manual section 8422.190)

Contractor must complete and file the form Std. 204, “Payee Data Record,” with the State of California before any payments can be disbursed under this Agreement.

12. Russia Sanctions (Cal. Executive Order N-6-22)

Contractor shall comply with Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should HCAI determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. HCAI shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of HCAI.

EXHIBIT D
NONDISCLOSURE OBLIGATIONS RELATED TO AGREEMENT IMPLEMENTATION

To implement this Agreement, Contractor and the Purchaser (HCAI, DHCS, and CalHHS) may share Confidential Information (as defined below) with each other. This Exhibit D states the obligations of these parties regarding Confidential Information exchanged between them.

1. Definitions for this Exhibit

- a) "Discloser" and "Recipient" apply to Contractor or the Purchaser depending on their role, whether as the discloser or the recipient of Confidential Information.
- b) "Confidential Information" means all non-public information or data relating to this Agreement (including but not limited to Nonpublic Agreement Information as defined in Exhibit A and the information set forth on Exhibit H) in any form that Discloser discloses to Recipient during the term of this Agreement.
- c) "Affiliate" means any entity managing, managed by, under common management with, controlling, controlled by or under common control with the applicable Party.

2. Use and Confidentiality Obligations

- a) Recipient may use Discloser's Confidential Information solely for the purposes of this Agreement.
- b) Recipient shall keep Discloser's Confidential Information confidential, maintain it in a safe and secure place, and use a reasonable degree of care to safeguard it. Recipient may disclose Confidential Information only to those employees, Affiliates, contractors, and consultants of Recipient who have a need to know and are required to keep the information confidential. If Recipient copies Discloser's Confidential Information, Recipient will mark each copy as confidential.
- c) Recipient will not use, disclose, or maintain Confidential Information outside the United States without Discloser's prior written consent in each instance.
- d) Prior to sending Confidential Information to Recipient, Discloser will notify Recipient that Discloser is sending confidential information and will prominently mark the confidential information as "confidential" and separate such confidential information from other information.

3. Ownership of Confidential Information

Confidential Information disclosed under this Agreement shall remain the property of Discloser. This Agreement does not grant Recipient a license to Confidential Information or create other ownership rights to Confidential Information for Recipient, except as expressly stated in this Agreement. Nothing in this Agreement waives any right a Party has in its Confidential

Information.

4. Exclusions to Confidential Information

Confidential Information does not include information that is evidenced (a) to be publicly available without breach of this Agreement, but only from the date that it becomes publicly available; (b) was properly and lawfully known to Recipient at the time of disclosure; (c) lawfully received by Recipient from a third party holding the rights to disseminate such information; or (d) independently developed or acquired developed or acquired by Recipient without reference to or reliance upon Confidential Information.

5. California Public Records Act

- a) Contractor and Purchasers acknowledge that any documents or information provided to Purchasers for this Agreement may be subject to the California Public Records Act (CPRA), which requires the disclosure of State records to the public unless there is an express exemption. (Cal. Gov. Code section 7922.530(a) (2023).)
- b) The CalRx Program, which includes this Agreement, has an express CPRA exemption under Cal. Health and Safety Code section 127696 (2023):

“Notwithstanding any other provision of law, all nonpublic information and documents obtained or prepared under this chapter shall not be required to be disclosed pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), or any similar local law requiring the disclosure of public records.”

- c) If Purchasers receive a CPRA request for Confidential Information, they will seek to withhold the Confidential Information pursuant to one or more CPRA exemptions (such as the one stated above) if the information was properly marked as Confidential Information when disclosed and if Discloser provided notice as discussed in this Exhibit, Section 2(d).
- d) It is Discloser’s responsibility to determine whether Confidential Information disclosed meets a CPRA exemption prior to disclosure.

6. Mandated Disclosures

- a) Recipient shall be entitled to disclose Confidential Information as required by applicable law, regulation, or court order only to the extent necessary to comply therewith; provided, however, Recipient shall, to the extent permissible, provide Discloser notice and an opportunity to seek to prevent disclosure of, or to obtain a protective order for, Confidential Information. Discloser shall be entirely responsible for all costs and expenses in seeking to prevent disclosure of, or to obtain a protective order for, Confidential Information.

- b) Recipient shall, to the extent legally permissible, make such required disclosures in consultation with Discloser and shall cooperate with Discloser in connection with efforts to obtain any protective order or other remedy.
- c) Any required disclosure shall not relieve Contractor or Purchasers of their obligations under this Agreement, and Recipient shall only disclose that portion of Confidential Information that it determines it is legally obligated to disclose.

7. Post-Agreement Obligations and Rights

- a) Notwithstanding anything to the contrary in this Agreement, the confidentiality obligations of this Exhibit D shall continue for five (5) years from the end of this Agreement.
- b) When this Agreement ends, Recipient will: (i) promptly destroy all documents and tangible items in its possession or control that contain Discloser's Confidential Information; and (ii) according to Recipient's standard purge processes for electronic data, delete or erase Discloser's Confidential Information that Recipient stored electronically.
- c) Contractor acknowledges that Purchasers are required to keep documentation regarding this Agreement and this partnership agreement for state auditing purposes (such as pursuant to Cal. Gov. Code section 8546.7). For this reason, notwithstanding any other provision in this Agreement, Purchasers may keep records with Confidential Information for a period of 3 years after the final payment under this Agreement. Purchasers will provide notice to Contractor regarding the Confidential Information they will keep under this section. At the end of the time periods stated in this Section, Purchasers will dispose of the confidential information as stated above in this Exhibit, Section 7(b).

8. Injunctive Relief.

Notwithstanding anything to the contrary in this Agreement, Recipient acknowledges that its breach of this Agreement would cause Discloser irreparable harm and that money damages would be an insufficient remedy for that breach. Accordingly, if Recipient threatens to breach or breaches this Agreement, Discloser is entitled to seek immediate injunctive relief against the threatened breach or the continuation of any breach of this Agreement, without the need to post any monetary bond (if applicable). This injunctive relief is in addition to, and not in lieu of, any other remedies at law or in equity that are available to Discloser.



EXHIBIT E
CONTRACTOR'S TEMPLATE CONTRACT FOR USE WITH OTHER ENTITIES

Product Specific Addition Agreement ("PSA")

Date: [Click here to select a date](#)

STATE OF CALIFORNIA PRICE

NDC	Product Description	Package Size	Invoice Price
TBD (CalRx and Amneal)	Naloxone Hydrochloride Nasal Spray 4 mg	2ct Blister Pack	\$24.00

- Product listed in the above table is an over-the-counter ("OTC") drug product.
- The Invoice Price for the Product as stated in the above table represents the final price.
- Product is not eligible for any further discounts.
- Sales tax may apply.

By signing below, the parties accept and agree to this PSA as well as the terms and conditions in the Agreement between The California Department of Health Care Access and Information and Amneal Pharmaceuticals dated December X, 2023, and any amendments thereto.

Customer Signature: _____ Title: _____ Date: _____

Amneal Representative: William E. Gibson Title: Sr. Director, Pricing & Contracts

Date: _____

Please return the signed PSA to: pricing@amneal.com or 1.866.525.7622

**EXHIBIT F
CONTRACTOR'S CREDIT APPLICATION**



CREDIT APPLICATION

All information must be provided before the credit approval process will begin. Send completed application to:
creditdepartment@amneal.com.

Date: _____

COMPANY INFORMATION

Line of Credit Requested*: _____ Estimated monthly Purchases: _____

*Any line of credit request greater than \$75,000 requires a copy of the company's latest audited financial statements.

Terms Requested: _____ (Standard terms are Net 30 of invoice date; if no terms are requested the account will be set up with standard terms)

Legal Business Name: _____

DBA Name: _____

Company Name: _____

State of Incorporation: _____

Ownership: Sole Owner General Partnership Limited Partnership Limited Liability Co.
 Professional Association or Corporation S Corporation C Corporation

Owners Name: _____

Business Address: _____

(City)

(State)

(Zip Code)

Phone: _____ Fax _____ Email: _____

Dun and Bradstreet Number: _____ Number of Years in Business: _____

Years at this address: _____ Date Business came under control of present owners: ____/____/____

Type of Business: Wholesaler Distributer Veterinary Retailer Pharmacy
 Government Hospital Mail Order Other - Please specify: _____

TRADE REFERENCES

Company Name: _____ Acct # _____

Address: _____ Phone _____

Contact: _____ Fax # _____

Company Name: _____ Acct # _____

Address: _____ Phone _____

Contact: _____ Fax _____

BANK REFERENCE

Bank Name: _____

Account Number: _____ Contact: _____

Phone: _____ Fax: _____

Address: _____

All payments made to: Amneal Pharmaceuticals, PO Box 70280, Mail Code 11070, Philadelphia, PA 19176-0280

The Customer agrees to abide by the Standard Terms of Sales as shown on Amneal Pharmaceuticals, LLC invoices or by an agreement with Amneal Pharmaceuticals, LLC governing Customer's Account, or any other terms of sales upon which Amneal Pharmaceuticals, LLC and the Customer should agree in writing. The Customer agrees to pay for all valid purchases, fees and other charges incurred by Customer or an authorized user on any account of customer with Amneal Pharmaceuticals, LLC, including service charges on amounts after 30 days past due at the rate of the lesser of 1.0% per month or at the highest rate permitted by law.

Amneal Pharmaceuticals, LLC reserves the right, in its sole discretion, to change a payment term (including imposing the requirement of cash payment upon delivery) or limit total credit, if (i) Amneal Pharmaceuticals, LLC concludes there has been a material change in the Customer's financial condition or any unsatisfactory payment performance; or (ii) Customer ceases to meet Amneal Pharmaceuticals, LLC credit requirements or Amneal Pharmaceuticals, LLC determines that the Customer is likely to cease meeting such requirements. Upon the occurrence of any of the above-specified events, Amneal Pharmaceuticals, LLC shall be entitled to suspend or discontinue the shipment of additional orders to Customer. The undersigned agrees to pay all reasonable attorney fees and expenses, or cost incurred by Amneal Pharmaceuticals, LLC in enforcing its rights to collect any amounts due from the Customer.

The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has, in good faith, exercised any right under the Consumer.

The Customer represents and warrants to Amneal Pharmaceuticals, LLC that Customer has read and understands this form. Customer further represents and warrants that Customer has reviewed the information provided herein in its entirety, and that all such information is complete and correct. Customer will advise Amneal Pharmaceutical, LLC of any material changes in information provided to Amneal Pharmaceuticals, LLC.

I/We hereby apply for credit. The information and statements in this application are true and complete and are made for the purpose of inducing you to establish an open account line of credit for me/us. You are hereby authorized to obtain from any credible source information necessary to verify the statement in this application, and a photocopy of this application shall serve to authorize such sources to disclose information to you.

Printed Name

Signature

Title

Printed Name

Signature

Title

Date

BILL-TO ACCOUNT SET-UP

Billing/Statement Address: _____
(City) (State) (Zip Code)

Billing Contact: _____ Title: _____

Phone: _____ Fax: _____

A/P Supervisor: _____ Phone: _____

Email Address: _____ Company Website: _____

Does your company accept EDI? Yes No

If yes, please provide contact. Name: _____ Phone: _____ Does your

company use EFT (Electronic Funds Transfer)? Yes No

If yes, please provide contact. Name: _____ Phone: _____

State Resale Tax # _____ Exp. Date ____/____/____

***** ATTACH A COPY OF ACTUAL LICENSE/CERTIFICATE LETTER *****

SHIP-TO ACCOUNT SET-UP

All Ship-To accounts listed must have a corresponding DEA license.

Ship-To Address 1: _____
(City) (State) (Zip Code)

DEA License # _____ Exp. Date ____/____/____ 2 2N 3 3N 4 5

State License # _____ Exp. Date ____/____/____

***** ATTACH A COPY OF ACTUAL LICENSE *****

Ship-To Address 2: _____
(City) (State) (Zip Code)

DEA License # _____ Exp. Date ____/____/____ 2 2N 3 3N 4 5 State License
_____ Exp. Date ____/____/____

***** ATTACH A COPY OF ACTUAL LICENSE *****

For Internal Use Only

Credit Check Performed By: _____ Date: _____

Credit Limit: _____ Terms: _____

Approved: _____ Date: _____

Approved: _____ Date: _____

Approved: _____ Date: _____

Approved: _____ Date: _____

EXHIBIT G
CONTRACTOR'S RETURN GOODS POLICY

In order to return current dated (damaged, etc.) Contractor's product(s), contact the Product Returns & Discrepancies Supervisor at 866-525-7442 or email customerresponse@amneal.com. All current dated returns, once approved, must be accompanied by a memo showing NDC, Quantity, Lot # and Expiration Date then forwarded to:

Amneal Pharmaceuticals LLC
118 Beaver Trail
Glasgow, KY 42141

For inquiries regarding product returns, please contact our Product Returns & Discrepancies team at returns@amneal.com.

EXHIBIT H
NONPUBLIC AGREEMENT INFORMATION

Not publicly available.