

Supply Agreement

This Supply Agreement (the "Agreement") is made and entered into as of October 3, 2024, by and between:

Merck & Co., Inc., a corporation organized and existing under the laws of the State of New Jersey, USA, with its principal place of business located at One Merck Drive, Whitehouse Station, NJ 08889-0100 (hereinafter referred to as "Merck"); and

ABC Chemicals, Inc., a corporation organized and existing under the laws of the State of Delaware, USA, with its principal place of business located at 123 Industrial Road, Newark, DE 19702 (hereinafter referred to as "Supplier").

WHEREAS:

- Merck is engaged in the business of manufacturing and selling pharmaceutical products and requires certain raw materials for its production;
- Supplier is engaged in the business of manufacturing and supplying raw materials used in the production of pharmaceutical products;

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

1. Supply of Raw Materials

Supplier agrees to sell and deliver to Merck, and Merck agrees to purchase from Supplier, the following raw materials (the "Materials"):

- Product Name: Active Pharmaceutical Ingredient (API) - Dummycillin
- Specifications: As per Attachment A (detailed specification sheet)
- Quantity: 10,000 kilograms per annum

2. Contract Price

The price for the Materials shall be:

- Unit Price: \$500 per kilogram
- Total Contract Value: \$5,000,000 per annum, based on the ordered quantity

All prices are exclusive of applicable taxes, duties, or other charges unless otherwise specified. Invoices will be issued by Supplier and payable within 60 days of the date of receipt of goods by Merck.

3. Term and Delivery Timeline

This Agreement shall commence on October 3, 2024, and continue for a period of two (2) years, expiring on October 3, 2026 unless terminated earlier in accordance with the terms of this Agreement.

- Delivery Schedule:
 - First Delivery Date: January 15, 2025
 - Subsequent Deliveries: Quarterly shipments of 2,500 kilograms on the 15th day of January, April, July, and October, or as mutually agreed.

4. Quality and Inspection

Supplier warrants that the Materials delivered shall:

- Conform to the specifications provided in Attachment A.

- Be free from defects in materials and workmanship.
- Comply with all applicable regulatory requirements.

Merck reserves the right to inspect and test the Materials upon delivery. If the Materials fail to meet the agreed specifications, Merck may, at its discretion:

- Reject the delivery and request replacement within 30 days.
- Adjust the purchase price or request a refund.

5. Payment Terms

- Merck shall make payment via wire transfer within 60 days of the receipt of the Materials and the Supplier's corresponding invoice.
- Late payments shall bear interest at a rate of 1.5% per month on the outstanding balance.

6. Termination

Either party may terminate this Agreement upon 90 days' written notice to the other party. Grounds for immediate termination by Merck include:

- Failure to meet delivery schedules for two consecutive shipments.
- Delivery of defective or non-conforming Materials on more than one occasion.
- Supplier's breach of any material term of this Agreement not cured within 30 days of written notice.

7. Confidentiality

Both parties agree to maintain the confidentiality of any proprietary or sensitive information exchanged during the performance of this Agreement. This obligation shall survive the termination of this Agreement for a period of five (5) years.

8. Force Majeure

Neither party shall be liable for any delay or failure to perform due to causes beyond their reasonable control, including but not limited to acts of God, government regulations, war, strikes, and natural disasters. The affected party shall notify the other in writing of any such event within 10 days of its occurrence.

9. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to its conflict of law provisions.

10. Entire Agreement

This Agreement constitutes the entire understanding between the parties with respect to the subject matter herein and supersedes all prior discussions, agreements, or understandings of any kind.

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

Merck & Co., Inc.

By: _____

Name: John Doe

Title: Vice President of Procurement

Date: October 3, 2024

ABC Chemicals, Inc.

By: _____

Name: Jane Smith

Title: Chief Executive Officer

Date: October 3, 2024