

GRANT LETTER OF AGREEMENT

July 14, 2016

David Chitaia
Chief Specialist, Economic Department
Ministry of Labour, Health and Social Affairs of Georgia
144 Ak. Tsereteli Ave
Tbilisi, 0119
Georgia

Dear Mr. Chitaia:

On behalf of the Gilead Sciences, Inc. (“**Gilead**”), I am pleased to inform the Ministry of Labour, Health and Social Affairs of Georgia (“**Grantee**”) that your request for a grant to support the establishment of the Zugdidi Screening and HCV Management Centre (“**Project**”), as set forth in greater detail in your Grant Request Proposal submitted on July 3, 2016, has been approved in the amount of USD \$641,922 (“**Grant Funds**”), payable as set forth in this letter agreement below (“**Letter Agreement**”). Grant Funds must be used solely to support the Project.

In accepting the Grant Funds, Grantee hereby agrees to the following terms and conditions:

1. Approved Use of Grant Funds. Grantee shall only use Grant Funds for the Project and as listed out in the Grant Request Proposal submitted on July 3, 2016, (attached to this Letter Agreement as Annexure B). Any material or substantive change in the Project must be approved by Gilead in writing before Grant Funds may be spent for such material or substantive Project change. *Please note that the Grant Funds may not be used to subsidize patient purchases of prescription medications.*

2. Reports. Within 30 days of the completion of the Project, Grantee shall submit a final progress report concerning the Project to Gilead, as well as the Reconciliation spreadsheet within 30 days of completion of the Project as attached as Annexure A. The completed spreadsheet (and such related information as Gilead may reasonably request) must be returned to Gilead at grants@gilead.com within 30 days of the last program event or activity date supported by this Gilead grant or by February 1 of the following calendar year for reportable transfers of value disbursed in the previous calendar year, whichever comes first (or on such earlier date as Gilead may reasonably request in light of payments reporting laws and standards to which it may be subject). The Grantees are required to submit the attached spreadsheet if some or all of Gilead grant funds are used to make payments or other transfers of value (e.g., travel expenses or meals) to one or more “Covered Recipients” (U.S.- or European-licensed M.D.s, D.O.s, licensed chiropractors, dentists, dental surgeons, podiatrists, optometrists or teaching hospitals) playing key roles in your grant program (e.g., faculty speakers or fellowship recipients). This is required in order for Gilead to meet its reporting obligations as it relates to US and European payments reporting laws and standards.

3. **Payment Schedule.** Gilead will disburse the Grant Funds to the Grantee in the amount of USD \$641,922 within 30 days of execution of this Letter Agreement.

4. **Payment Terms.** Gilead will disburse all Grant Funds to:

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5. **Term and Termination.** The term of this Letter Agreement shall be effective starting on the first date on which both Gilead and Grantee have executed this Letter Agreement and extend until Gilead's receipt of a satisfactory Report as per Section 2 of this Agreement. If Gilead determines, in good faith and in its sole discretion, that Grantee has violated or failed to carry out any provision of this Letter Agreement, including but not limited to Grantee's failure to perform the Project as set forth in Section 1 above, or Grantee's failure to submit any report set forth in Section 2 above when due, then Gilead may terminate this Letter Agreement (i) within seven (7) days of notice from Gilead that a violation has occurred if Grantee has not cured the violation with the seven (7) day period or (ii) effective as of the date of such determination that such violation has occurred if the violation is not able to be cured. Upon termination or expiration of this Letter Agreement, Grantee shall, within sixty (60) days, repay to Gilead all Grant Funds (a) not expended (expended Grant Funds will include costs or non-cancellable commitments incurred prior to the receipt of the notice of termination and all costs reasonably expended in conjunction with termination of the Letter Agreement) or (b) expended not in accordance with the terms of this Letter Agreement. Upon notice of termination, Grantee shall proceed in an orderly fashion to limit or terminate any outstanding commitments with respect to Grantee's use of Grant Funds. Notwithstanding the foregoing, Gilead may also avail itself of any other remedies available by law.

6. **Right of Inspection.** Gilead (or its designee) may, upon thirty (30) days notice, inspect Grantee's books and records as they pertain to the use of the Grant Funds. In the event of any such inspection, Grantee will take precautions to avoid the disclosure to Gilead of any individually identifiable health information. Upon any reasonable request made by Gilead from time to time, Grantee shall submit to Gilead any financial statements or similar financial reports that are available and applicable to the term of this Letter Agreement.

7. **Indemnification.** Grantee irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Gilead and its affiliates, officers, directors, employees and agents, from and against any and all claims, liabilities, losses and expenses (including reasonable attorneys' fees) directly, indirectly, wholly or partially arising from or in connection with any act or omission of Grantee, its employees or agents, in applying for or accepting the Grant Funds, in expending or applying the Grant Funds or in carrying out the Project to be supported by the Grant Funds, except to the extent that such claims, liabilities, losses, or expenses result from or in connection with the negligence or willful misconduct of Gilead.

8. Relationship. Grantee is solely responsible for all activities supported by the Grant Funds, the content of any product created with the Grant Funds and the manner in which any such product may be disseminated. Grantee shall at no time hold itself out as an agent, partner, subsidiary or affiliate of Gilead for any purpose, and shall have no authority to act on behalf of or bind Gilead to any obligation.

9. Representations, Warranties and Covenants. Grantee represents, warrants and covenants as follows:

(a) Grantee is an entity in good standing under the applicable laws of Georgia at the time of payment of the Grant Funds;

(b) Grantee has the full right and authority to enter into and to carry out this Letter Agreement and that it has no obligations, commitments or restrictions that limit its ability to do so including, without limitation, as a condition to the receipt of any federal or state funds;

(c) Grantee is not otherwise required under any contract or agreement with any third party to carry out the activities that are part of the Project;

(d) Grantee will comply with all applicable laws and regulations applicable to the Project, including but not limited to, the U.S. Foreign Corrupt Practices Act ("FCPA") and the U.K. Bribery Act 2010;

(e) Grantee will not include as a cost in any cost report, submitted for federal or state reimbursement purposes, any items provided to the Grantee under this Letter Agreement;

(f) No third parties, including any federal or state health care programs or sources, will be billed nor will any reimbursement be sought for the cost of services or items purchased through the use of Grant Funds pursuant to this Letter Agreement, or otherwise in connection with the Project; and

(g) The Grant Funds and any ancillary support provided by Gilead are not provided as an inducement or reward for the purchase, use or recommendation of any pharmaceutical product manufactured or marketed by affiliates of Gilead or to promote such products.

(h) The Grantee further warrants that it holds or will obtain and maintain valid all necessary regulatory approvals and registrations to enable Grantee to accept the Grant Fund and/or any part thereof under this letter agreement.

10. Publication of Research. Any information contained in publications, studies or presentation of the research funded by the Grant Funds shall be made available to the public following such reasonable requirements or procedures as Gilead and Grantee may agree to from time to time. Gilead shall have a non-exclusive, irrevocable right to use, reproduce and distribute any publications, studies or data produced in the course of the Product.

11. Publicity. Neither party shall use the name of the other party, or its affiliates, or the name of Gilead's or its affiliates' employees, agents or assigns in any form of advertisement

or publicity without first obtaining Gilead's or its affiliates' written approval for such use. The Gilead and its affiliates reserve the right to use Grantee's name in publicly-available materials describing Gilead grant disbursements.

12. Assignment. Grantee may not assign or subcontract all or any material part of its obligations under this Letter Agreement without the prior written consent of Gilead.

13. Governing Law. All questions relating to the execution, interpretation and performance of this Letter Agreement shall be governed by the laws of the State of Delaware.

14. Miscellaneous. This Letter Agreement constitutes the entire understanding between Gilead and Grantee and supersedes all prior written or oral proposals or agreements pertaining to the subject matter herein. Neither this Letter Agreement nor any other statement, oral or written, nor the disbursement of the Grant Funds, shall be interpreted to create any pledge or any commitment by Gilead to make any other grant to Grantee. No modification of this Letter Agreement will be effective unless made in writing and executed by duly authorized representatives of Gilead and Grantee. If any provision of this Letter Agreement is held invalid, all other provisions of this Letter Agreement shall remain in effect; provided, however, that the invalid provision may be modified by mutual written agreement of Gilead and Grantee, an arbitrator or a court of law, as needed to make such provision valid. This Letter Agreement may be executed in multiple counterparts, each of which shall be deemed as original, but all of which, when taken together, shall constitute one and the same instrument. Rights and obligations under this Agreement which by their nature should survive, including, but not limited to any and all payment and repayment obligations prior to the termination or expiration hereof, will remain in effect after termination or expiration hereof.

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Please sign below to indicate agreement to this Letter Agreement, make a copy for your files and return a signed copy to me, care of Gilead, 333 Lakeside Drive, Foster City, CA 94404 or by facsimile at (650) 522-1707 or by email to [grants@gilead.com](mailto:grants@gilead.com).

Ministry of Labour, Health and Social Affairs of Georgia  
144 Ak. Tsereteli Ave  
Tbilisi, 0119  
Georgia

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Acknowledged and Agreed to:**

**Gilead Sciences, Inc.**

By: \_\_\_\_\_  
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