

PAYMENT AGREEMENT

This payment agreement (the "Agreement") is made as of the 30th day of September, 2015 (the "Effective Date") by and between Amphastar Pharmaceuticals, Inc., a Delaware Corporation, with its principal office and place of business at 11570 6th Street, Rancho Cucamonga, California 91730, U.S.A. ("Amphastar") on the one hand, and the Office of Attorney General Peter F. Kilmartin, with its principal office at 150 South Main Street, Providence, Rhode Island 02903 (the "Attorney General of Rhode Island"), on the other hand, each of Amphastar and the Attorney General of Rhode Island a "Party," and together, the "Parties."

RECITALS

WHEREAS, Rhode Island is confronting a public health challenge, as the number of heroin and opioid-related deaths continues to increase;

WHEREAS, with proper, timely administration, the drug naloxone can reverse the effects of an overdose of heroin or another opioid, acting as an antidote and saving lives;

WHEREAS, the Attorney General of Rhode Island transmitted a letter to Amphastar expressing concern that an increase in the pricing of Amphastar's currently marketed naloxone drug product ("Naloxone") could adversely affect access to the drug;

WHEREAS, Amphastar maintains that its pricing of Naloxone is based upon legitimate and lawful business factors;

WHEREAS, in a mutual good faith effort to amicably resolve the Attorney General of Rhode Island's noted pricing concerns, the Parties have engaged in discussions regarding Amphastar's Naloxone pricing; and

WHEREAS, Amphastar and the Attorney General of Rhode Island each believe that the obligations imposed by this Agreement are beneficial to the public and will improve access to Naloxone, and will potentially save lives.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Payment Amount. Amphastar shall make a payment ("Payment") in the amount of \$4.00 (the "Payment Amount") for each Amphastar Naloxone Syringe (a "Syringe") purchased by a Public Entity in Rhode Island. For the purposes of this agreement, a "Public Entity" is any non-federal governmental entity located within Rhode Island, including but not limited to state agencies, municipal governments, state and municipal law enforcement agencies, emergency medical service agencies or non-profit community based programs. In the event that a Public Entity distributes or resells Syringes to other public entities, the Attorney General of Rhode Island will only permit the last purchaser to receive reimbursement for a Syringe.

Amphastar shall pay the Payment Amount associated with a given Syringe regardless of whether the Syringe was purchased directly from Amphastar or from a third party, including wholesale distributors.

2. Payment Increase. Notwithstanding paragraph 1, in the event Amphastar increases its wholesale acquisition cost ("WAC") of a Naloxone Syringe ("WAC Increase"), Amphastar shall increase the Payment Amount by the actual dollar amount of the WAC Increase to offset any increase in the Syringe price. However, in no event shall the Payment Amount be reduced.

During the Term (as defined in paragraph 4) of the Agreement, Amphastar shall notify the Attorney General of Rhode Island within thirty (30) business days following any wholesale price increase of Naloxone to public entity purchasers.

3. Payment Procedures. Within thirty (30) business days following the end of a calendar quarter, a Public Entity seeking payment under this Agreement shall submit to the Attorney General of Rhode Island a written accounting certifying the number of Syringes purchased by the Public Entity during a given calendar quarter or part thereof ("Certified Request"). This Certified Request shall include paid invoices or other reasonably adequate documentation of the number of Syringes purchased by the Public Entity and shall not include any Syringes that have been resold to another Public Entity for which that other Public Entity is eligible to seek reimbursement.

Within sixty (60) days following the end of the calendar quarter, the Attorney General of Rhode Island shall consolidate all of the Certified Requests it has received into a single summary submission, but that includes as backup, copies of the individual Certified Requests, (collectively, the "Summary Certified Request") to Amphastar on behalf of all Public Entities who submitted Certified Requests for that particular quarter. Amphastar shall pay the entire payment amount to the Attorney General of Rhode Island within ninety (90) business days following its receipt of the summary certified request. The Attorney General of Rhode Island shall in turn disburse payment to each Public Entity in a timely manner.

All Certified Requests by a Public Entity for Syringes purchased during the Term of this Agreement must be submitted to Amphastar before December 31, 2016 to participate in this program.

4. Term and Termination. This Agreement shall apply to Syringes purchased within one (1) year following the Effective Date of this Agreement (the "Term"). Following the payment of all Payment Amounts accrued during the Term and submitted for reimbursement pursuant to paragraph 3 above, this Agreement shall terminate ("Termination"), except for paragraphs 5 through 13, which shall survive Termination.

5. Liability Exclusion. Except as otherwise may be stated herein, Amphastar's liability under this Agreement is limited to payment of the Payment Amount for Syringes purchased during the Term, and Amphastar otherwise shall assume no further liability pursuant to this Agreement, including liability for damages of any type (including direct, indirect, and consequential damages). Except as provided in paragraph 6 below, however, nothing in this Agreement shall be construed to alter or limit any of Amphastar's existing legal obligations relating to product liability, including but not limited to such liability arising from the manufacture or marketing of Naloxone.

6. Assurance of Discontinuance. The Attorney General of Rhode Island finds the financial relief and other obligations set forth in this agreement to be in the public interest, accepts the terms of this Agreement in lieu of commencing any legal proceeding, and hereby agrees not to take legal action against Amphastar or any of its affiliates, predecessors, successors, parents, subsidiaries, assigns, agents, administrators, attorneys, directors, shareholders, officers, employees, or representatives in connection with Naloxone, including with respect to Amphastar's pricing, sales, manufacture, and marketing thereof. For the avoidance of doubt, nothing in this Agreement shall be construed as an admission or concession by Amphastar of any liability in connection with Naloxone, including with respect to Amphastar's pricing, sales, manufacture, and marketing thereof.

7. Disclaimer. Amphastar expressly disclaims any endorsement or promotion of off-label use by the Attorney General of Rhode Island and/or any Public Entity of any of Amphastar's products, including Amphastar's Naloxone.

8. Amendment. Unless otherwise provided herein, this Agreement may not be changed, waived, discharged, or terminated orally, but instead only by a written document that is signed by the duly authorized officers of both Parties.

9. Severability. Whenever possible, each provision of the Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any term or provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Agreement and this Agreement shall be interpreted and construed as if such provision had never been contained herein.

10. Governing Law. This Agreement shall be governed by and interpreted under the laws the State of Rhode Island without regard to its conflict or choice of law provisions. Amphastar agrees not to raise or interpose in any way their state of incorporation as a defense on grounds of personal jurisdiction as to any cause of action, claim, or argument arising from the enforcement of this Agreement by the Attorney General of Rhode Island or any Public Entity.

11. Third Party Beneficiaries. The Parties agree that any Public Entity purchasing Naloxone during the Term constitutes an intended third-party beneficiary of this Agreement.

12. Entire Agreement. This Agreement includes all exhibits attached hereto and constitutes the entire agreement by and between the Parties as to the subject matter hereof. This Agreement supersedes and replaces in its entirety all prior agreements, understandings, letters of intent, and memoranda of understanding by and between the Parties hereto, in either written or oral form.

13. Counterparts; Electronic or Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed and delivered electronically or by facsimile and upon such delivery such electronic or facsimile signature will be deemed to have the same effect as if the original signature had been delivered to the other Party.

Amphastar Pharmaceuticals, Inc.

By: _____



Name: _____

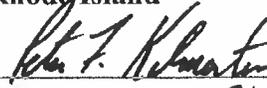
Jason Shandell

Title: _____

President

**Peter F. Kilmartin
Attorney General
State of Rhode Island**

By: _____



9/29/15

Name: Peter F. Kilmartin

Title: Attorney General
State of Rhode Island