GOVERNMENT PURCHASE AND SUPPLY AGREEMENT

Between

SECRETARÍA DE SALUD DE MÉXICO
MINISTRY OF HEALTH MEXICO

And

SINOVAC LIFE SCIENCES CO., LTD.
(北京科兴中维生物技术有限公司)

Feb. 2021

Government Purchase and Supply Agreement

This **Supply Agreement** ("**Agreement**") is entered into and made on this date of 4 FEB. 2021 ("**Effective Date**") by and between:

SECRETARÍA DE SALUD DE MÉXICO, MEXICAN MINISTRY OF HEALTH, having an office at Lieja 7, Colonia Juárez, demarcación territorial Cuauhtémoc, 06600, Ciudad de México, hereinafter referred to as "**Buyer**";

and

Sinovac Life Sciences Co., Ltd. (北京科兴中维生物技术有限公司), a company organized and existing under the laws of the People's Republic of China, having its principal office at No. 21, Tianfu Street, Daxing Biomedicine Industrial Base, Zhongguancun Science Park, Daxing District, Beijing, P.R.China, hereinafter referred to as "**Sinovac**".

Buyer and Sinovac shall collectively be referred to as '**Parties**' and individually as a '**Party**'.

WHEREAS:

1. Sinovac is an affiliate of Sinovac Biotech Ltd., a world leading biopharmaceutical research, development, production and marketing company.

2. Sinovac has developed an inactivated vaccine for prophylaxis SARS-CoV-2 Vaccine (Vero Cell) ("**Vaccine**").

3. [redacted]

4. Subject to the conditions set forth in this Agreement satisfied, Buyer intends to purchase from Sinovac the Vaccine in the form of finished product ("**Product**") on the terms and conditions set out in this Agreement.

THEREFORE, the Parties have agreed the terms and conditions hereunder as follows:

Article 1 Purchase and Supply, Regulatory Approvals

1.1 Buyer shall purchase from Sinovac and Sinovac shall supply to Buyer, in total, 10 million doses of the Product ("**Purchase**") in the specifications which meet the requirements set out in Appendix A ("**Product Specifications**"), subject to Sinovac obtaining the necessary emergency use approvals and/or the market authorization and/or product registration for the Vaccine ("**Regulatory Approvals**") from the regulatory authorities of Mexico ("**Territory**").

1.2 [redacted]

1.3 [redacted]

1.4 If Sinovac fails to obtain the Regulatory Approvals as required in Article 1.1 before 10 FEB. 2021 for any reason, this Agreement shall be automatically terminated.

1.5 Buyer undertakes that it shall make the Purchase for the purpose of stockpiling and supply of the Product to the population in the Territory ("**Purpose**") and Buyer shall not trade the Product to any other country or for the purpose other than the Purpose.

Article 2 Purchase Order

2.1 Buyer shall place the purchase orders for the Purchase made under this Agreement in the form set forth in Appendix B ("**Purchase Order**") via facsimile transmission or any other non-verbal electronic means (including email transmission).

2.2 [redacted]

2.3

2.4 The Purchase Order shall not become effective and binding on both Parties until they are confirmed by Sinovac pursuant to Article 2.3.

2.5 The terms and conditions of this Agreement shall prevail if the terms and conditions stated in the Purchase Order are inconsistent with the terms and conditions of this Agreement.

2.6 Any confirmed Purchase Order shall not be cancelled either by Sinovac or by Buyer without due cause.

Article 3 Purchase Price and Trade Term

3.1 Sinovac will charge and Buyer will pay for the Product, to be supplied and sold to Buyer under this Agreement, at the unit price described in the Article 1.3 ("**Unit Prices**").

3.2 The Unit Prices are quoted in the mode of transport of FCA in the currency of U.S. Dollars and does not include sales taxes, value added taxes or similar taxes or fees which shall be paid by Buyer. Unless otherwise provided in this Agreement, the term CIP shall be construed in accordance with the INCOTERMS (2020) of the International Chamber of Commerce (ICC).

3.3 [redacted]

3.4 The Parties shall strictly keep all the Unit Price and all the information related to the Unit Price as Confidential Information and shall not disclose such to any third party without Sinovac's prior written consent.

Article 4 Payment

4.1 Sinovac shall, within two (2) business days of the receipt of the Purchase Order, issue to Buyer a Pro Forma Invoice, in the format as set forth on Appendix C, to confirm the Purchase Order.

4.2 [redacted]

4.3 If Buyer delays in making the payment for a Purchase Order, the Date of Delivery shall be postponed accordingly unless both Parties agree in writing not to postpone the Date of Delivery.

4.4 If Buyer delays in making the payment of the Purchase Price for more than one (1) month, the Purchase Order shall be automatically terminated unless both Parties agree in writing to continue to perform and complete the Purchase Order, but with the Date of Delivery postponed accordingly.

4.5 All the payments under this Agreement shall be paid in U.S. Dollars by direct bank transfer to the bank designated by Sinovac as below:

Account Name: Sinovac Life Sciences Co., Ltd.
Company address: Building 1, No. 21, Tianfu St, Daxing Biomedicine Industrial Base of Zhongguancun Science Park, Daxing District, Beijing, P.R.China

[redacted]

Article 5 Delivery of the Product

5.1 [redacted]

5.2

5.3

5.4

Article 6 Import and Export of the Product

6.1 [redacted]

6.2

6.3

6.4

6.5 [redacted]

6.6

6.7

6.8

6.9

6.10

Article 7 Final Acceptance

7.1 [redacted]

7.2

7.3

7.4

7.5

[redacted]

Article 8 Claims

8.1 If Buyer finds the Product is defective or otherwise fails to meet the its Specifications ("**Defective Products**"), Buyer shall inform Sinovac in writing within [redacted] of such finding, together with all the details and the supporting documents of the finding of such defects or other non-conformity.

8.2 Sinovac shall review the claims made by Buyer and determine whether the defects or non-conformity is due to the reasons of Sinovac.

8.3 If the defects or non-conformity are due to the reasons of Sinovac, Sinovac shall at its own costs and at its sole discretion replace the Defective Products. In such a case, Sinovac shall require Buyer to return to Sinovac or destroy the Defective Products according to Sinovac's instructions and at the costs of Sinovac. Buyer shall duly comply with Sinovac's requests of returning or destroying the Defective Products and shall not sell or use or administer the Defective Products for any purpose.

8.4 If Sinovac determines that the defects or non-conformity are caused by the reasons other than the reasons of Sinovac, such as the events that occurred during the transportation, carriage and storage of the Product by Buyer, Sinovac shall inform Buyer in writing about its decision and the reasons. In such a case, Sinovac shall require Buyer to destroy the Defective Products according to Sinovac's instructions and the costs of Buyer. Buyer shall duly comply with Sinovac's requests of destroying the Defective Products and shall not sell or use or administer the Defective Products for any purpose.

8.5 If Sinovac and Buyer have disagreement on the reasons of the defect or inconformity of the Defective Product, Sinovac and Buyer may jointly engage a well-known international third party testing and inspection body to conduct testing and inspection on the Product. The costs of the inspection and testing share be covered by the Party to which, according to the aforesaid third party testing and inspection body, the defects are attributable to. The results of such inspection and testing shall be binding on both Parties.

If Sinovac and Buyer have disagreement on the selection and engagement of the third party testing and inspection body, the testing and inspection body recommended by Sinovac shall be the one to be jointly engaged by the Parties.

8.6 For avoidance of doubt, Sinovac and Buyer agree that they will recognize, agree and accept the conclusions made by the third-party testing and inspection body jointly engaged by them and such conclusions shall be the basis for both Parties to settle the claims made by Buyer. The conclusions made by any other third party which one Party privately engages in violation of Article 8.5 shall be invalid and shall not serve as the basis for both Parties to settle the claims made by Buyer.

Article 9 Adverse Event and Serious Adverse Event

9.1 Buyer shall guarantee that the Product shall be only provided to and administered on the person permitted by the laws of the Territory and Buyer shall notify Sinovac about all Serious Adverse Events ("**SAEs**") and Adverse Events ("**AEs**") reported with the Product, if there is any.

9.2 Buyer shall follow the requirements and instructions set out in Appendix D, to provide Sinovac with all reporting documents about SAEs and AEs, reported with the Product, according to the following timelines:

- All Death cases and Cluster cases, within [redacted] and
- All SAEs on a case by case basis, within [redacted] and
- All AEs, on a quarterly basis, no later than [redacted]

of "date of first receipt".

9.3 Before the date of 31 January of each year, Buyer shall provide Sinovac with all documents which have not been transmitted for the previous year, including "Reporting form for adverse events following immunization (AEFI)", "Reporting form for adverse events following immunization (AEFI) cluster" and "Summary of reports for adverse events following immunization in 20XX".

9.4 Buyer and Sinovac shall sign a safety data exchange agreement, governing their respective responsibilities to report and handle all the cases of AEs and SAEs.

9.5 Buyer shall handle all the AEs and SAEs according to the laws and regulations of the Territory. If the laws and regulations of the Territory are silent on this, all the AEs and SAEs shall be handled according to the laws and regulations of the People's Republic of China.

9.6 [redacted]

9.7

9.8

Article 10 Product Complaint

10.1 In the event that Buyer receives any complaint regarding the Product, it shall notify Sinovac immediately within [redacted] business days.

10.2 Sinovac shall conduct an investigation on the complaint and inform the findings to Buyer in writing as requested by the relevant regulatory authorities of the Territory. Buyer shall provide assistance and support to Sinovac for such investigation and respond to the requirements of the regulatory authorities.

10.3 If the Product is found to have manufacturing defect, Sinovac shall request Buyer to return all such affected Product to Sinovac, at Sinovac's costs and shall replace the affected Product on a FCA basis, within [redacted] calendar days from Sinovac's request to return being made, at Sinovac's own expenses.

Article 11 Product Recalls

11.1 Whenever a recall of the Product in the Territory is being contemplated for any reason ("**Recalls**") by the regulatory authorities in the Territory, the Parties shall without prejudice to their obligations under any governmental regulation in the Territory and prior to making any notification to the regulatory authorities or taking any action and/or communication, promptly consult with each other with the view to decide on the appropriate response or action to make.

11.2 Buyer shall bear all the expenses of any Recall resulting from damages or defects in the Product occurring after the Final Acceptance of the Product by Buyer, not related to the manufacturing and delivery of the Product by Sinovac or not related to negligence and/or willful misconduct of Sinovac.

11.3 Sinovac shall bear all the expenses for the Recalls resulting from Sinovac's fault, actions or inactions or for mandatory Recalls imposed by the relevant regulatory authority in the Territory for reasons related to quality and/or safety of the Product.

11.4 Buyer and Sinovac shall equally share and bear all the expenses of any Recall other than those resulting from the situations described in Articles 11.2 and 11.3 provided always that such Recall is due to the fault of neither Party.

11.5 The expenses of Recalls shall include, without limitation, the value of the recalled Product and the expense of notification and destruction or return of the recalled Product.

11.6 Buyer shall notify Sinovac promptly in writing of any decision of Suspension of Sales/Use or Withdrawal from Market made by the relevant regulatory authorities in the Territory once such decision firstly comes to the knowledge of Buyer.

Article 12 Anti-Corruption

12.1 Buyer fully understands that Sinovac, as a company listed in Nasdaq, US, shall be subject to and comply with the Foreign Corrupt Practices Act ("**FCPA**") and as the business partner of Sinovac, Buyer shall also be subject to compliance with the requirements of FCPA in every aspect of its business.

12.2 Buyer hereby represents and warrants that:

(a) Buyer will fully comply with the requirements of FCPA.

(b) Buyer, its Affiliates or their respective employees, officers, directors, advisors, consultants and attorneys will not and shall not, in any form, directly or indirectly, offer or agree to offer any personal benefits or interests (including but not limited to cash, cash equivalent, securities, gifts, gift cards or vouchers, meals, accommodations, hospitalities, entertainment, sightseeing activities, travel expenses, services, employment offers, loans, donations or contributions, any transfer of value, or other personal benefits or interests) ("**Illegitimate Benefits**") to any government officials, staff of public healthcare institutions, healthcare professionals or business

partners to influence any act or decision of those persons with respect of or in relation to the business contemplated under this Agreement in order to gain business opportunities, advantageous position in the market or other commercial or business benefits for Buyer or Sinovac.

(c) Buyer, its Affiliates or their respective employees, officers, directors, advisors, consultants, attorneys have never, in any form, directly or indirectly, offered or agreed to offer and will not offer or agree to offer any Illegitimate Benefits to any personnel of Sinovac or his/her relatives, which may have inappropriately influenced the selection of Buyer by Sinovac to perform this Agreement.

"indirectly" in this Article 12.2 includes offering the Illegitimate Benefits to the family members or relatives of the said person or persons otherwise closely related to the person or persons.

12.3 [redacted]

Article 13 Force Majeure

13.1 Neither Party to this Agreement shall be liable for any delay or failure in the performance of any of its obligations hereunder, if such delay in whole or in part is due to any unexpected and/or unavoidable events that are out of its reasonable control, including, without limitation, acts of God, fires, storms, floods, earthquakes, riot, strikes, acts of war, civil unrest or intervention of any governmental authority ("**Force Majeure Event**") provided that such exemption of liability shall be limited to the extent of the influence of the Force Majeure Event.

13.2 The Party which has been affected by the Force Majeure Event ("**Affected Party**") shall immediately inform the other Party of the occurrence of the Force Majeure Event and, within fourteen (14) days thereafter, the Affected Party shall send by commercially available means to the other Party the evidence of the occurrence of the Force Majeure Event, demonstrating the details of the event and the performance of this Agreement that has been affected. When the Force Majeure Event subsides, the Affected Party shall immediately notify the other Party of the same by commercially available means.

13.3 Notwithstanding this, in the case of the Force Majeure Event, the Affected Party still has the obligation to take all necessary measures to hasten the performance of this Agreement and minimize the damages and losses to the other Party caused by the Force Majeure Event.

13.4 In the event that the Force Majeure Event lasts for more than six (6) months, any Party shall have the right to immediately terminate this Agreement by sending a written notice to the other Party.

Article 14 Term and Termination

14.1 This Agreement shall commence on the Effective Date upon signing by the representatives of both Parties and shall remain valid for [redacted]

Unless otherwise agreed by the Parties in writing to renew or extend the Term before the expiration, this Agreement shall automatically terminate upon the expiration date.

14.2 At any time prior to the expiration of the Agreement, one Party ("**Notifying Party**") shall have the right to terminate this Agreement with a written notice to the other Party in writing if:

(i) the other Party fails to take any corrective and remedy measures within the reasonable period stated in the written notice sent by the Notifying Party after the other party (breaching Party) has initially breached this Agreement;

(ii) the other Party materially and substantially breaches this Agreement and as a result, this Agreement cannot be performed or continued or the objectives of this Agreement cannot be realized;

(iii) the other Party becomes or is threatened to become bankrupt, or is the subject of proceedings for liquidation or dissolution, or ceases to carry on business or becomes unable to pay its debts as they come due.

14.3 One Party shall be liable and compensate the other Party for the losses and damages directly arising from or caused by its breach of contract, negligence, omission, failure to act according to this Agreement.

14.4 [redacted]

Article 15 Publicity

No Party may disclose in any publicity, or news release or make any public announcement about any part of the contents of this Agreement, the fact that this Agreement is being negotiated or has been signed, the other Party or Parties or their staff members, or the Product, without the prior written consent of the other Party.

Article 16 Notice

All the notices and communications required and made under this Agreement shall be submitted to the following representatives of each Party:

For Sinovac:
Name: Zijian Tang
Position: [redacted]
Email: [redacted]

For Buyer:
Name: Dr. Jorge Carlos Alcocer Varela
Position: Health Minister of Mexico
Address: Lieja 7, Col. Juárez, Cuauhtémoc, Ciudad de México, CP 06660
Email: jorge.alcocer@salud.gob.mx

Article 17 Dispute Resolution

All disputes in connection with this Agreement or the execution thereof shall be settled friendly through negotiations. In the case that no settlement or no agreement in respect of the extension of the negotiation period can be reached within two (2) months of the arising of the dispute, the dispute shall be submitted to the Singapore International Arbitration Centre ("**SIAC**") to be settled by arbitration under the SIAC Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these rules. The arbitration shall take place in Singapore and the decision of SIAC shall be final and binding on both parties. The arbitration fee shall be borne by the losing party.

Article 18 General Provisions

18.1 The headings of the Articles of this Agreement have been inserted for convenience of reference only and do not constitute a part of interpretation of this Agreement.

18.2 Articles 3.4, 8, 9, 10, 11, 15, 16, 17 and 18.2 under this Agreement shall survive after the expiration and termination of this Agreement.

18.3 No Party shall assign, whether entirely or in part, the rights and/or obligations under this Agreement to any third party without first having obtained the other Party's written consent.

18.4 No omission or delay on the part of any Party hereto to enforce at any time any of the provisions of this Agreement shall be deemed or construed to be a waiver by the omitting Party of any such provision or of its rights hereunder nor shall any single or partial exercise of any right or remedy preclude any further or other exercise of such right or remedy.

18.5 Sinovac and Buyer may agree to and make amendment and/or supplement to this Agreement according to the progress of the performance of this Agreement.

18.6 Any amendments and supplements to this Agreement agreed upon by both Parties shall be made and signed in writing by both Parties in the format of written amendments or supplemental agreement.

18.7 This Agreement and the appendixes attached thereto constitute and incorporate the complete and exclusive understanding of the terms of this Agreement between the Parties hereto with respect to the subject matter hereof, and no statements or agreements, oral or written, made prior to or at the signing hereof shall vary or modify the written terms hereof, and neither Party shall claim any modification or rescission from any provision hereof unless such modification or rescission is in writing, signed by both Parties.

18.8 If any provision of this Agreement is held by any court or competent authority as void or unenforceable, in whole or part, such invalidity or unenforceability shall not affect any other provisions of this Agreement, and the other provisions of this Agreement shall continue to be valid.

18.9 This Agreement is written and made in English language only.

18.10 This Agreement shall be made and signed in two (2) originals which each Party holding one (1) original and each original shall have the same and equal authenticity and validity.

In Witness Whereof, the undersigned representatives of each Party have signed and executed this Agreement as of the Effective Date first written above.

SECRETARÍA DE SALUD DE MÉXICO
MINISTRY OF HEALTH MEXICO

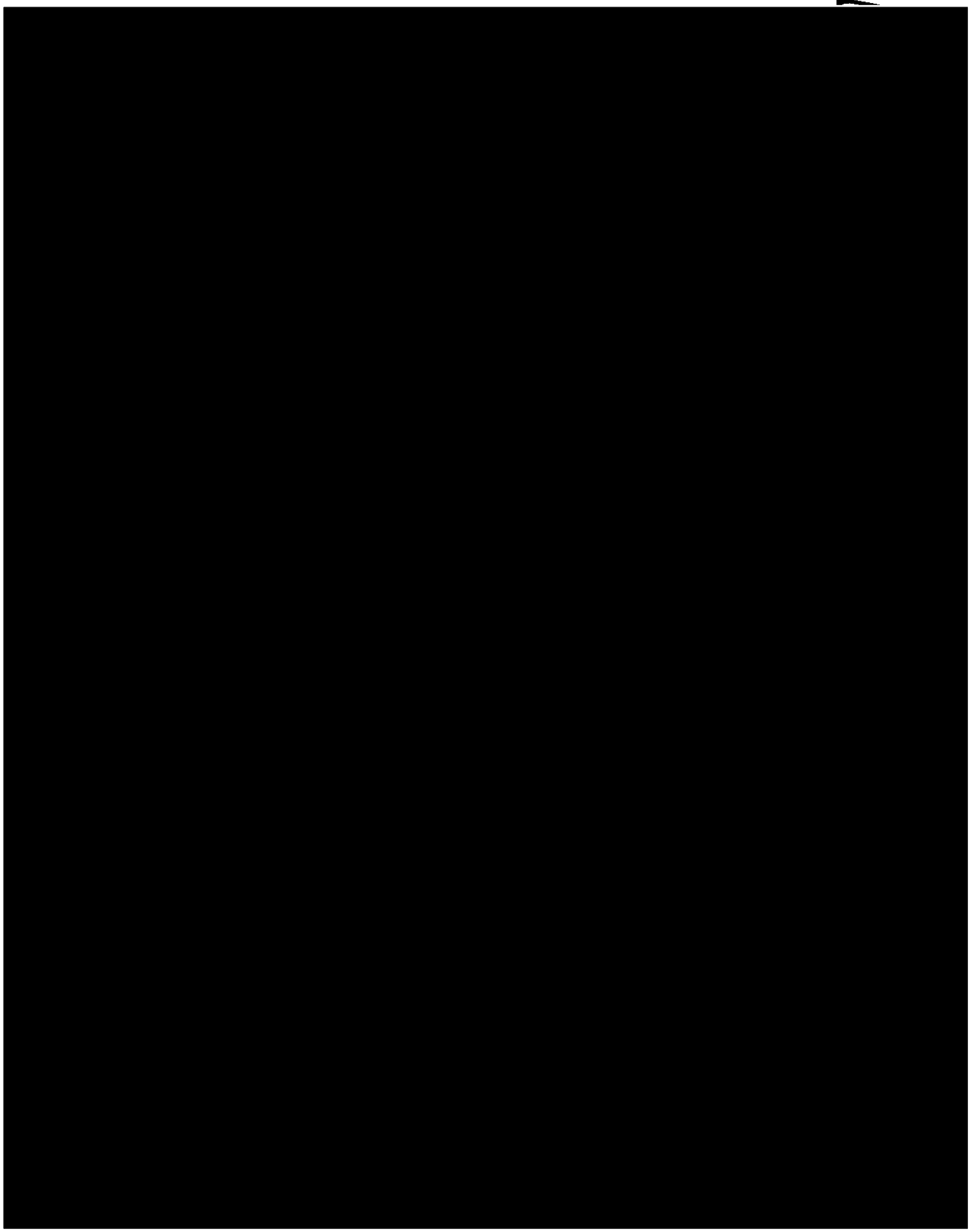
Name: DR. JORGE ALCOCER VARELA
Title: MINISTER OF HEALTH
Date: FEBRUARY 4TH, 2021

SINOVAC LIFE SCIENCES CO., LTD.
北京科兴中维生物技术有限公司

[redacted]

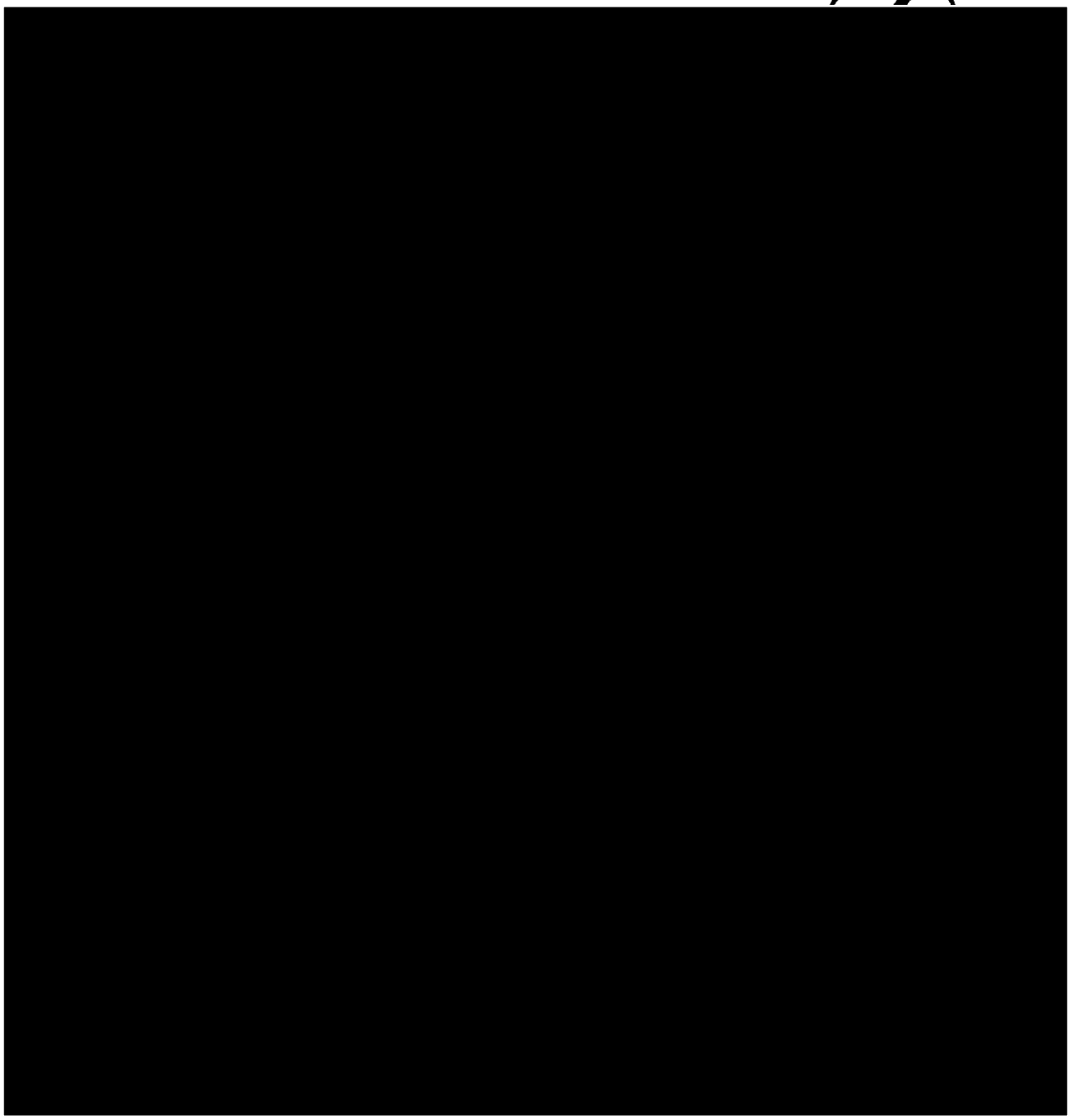
Appendix A Product Specifications

Appendix B Purchase Order



[redacted]

Appendix C Pro Forma Invoice



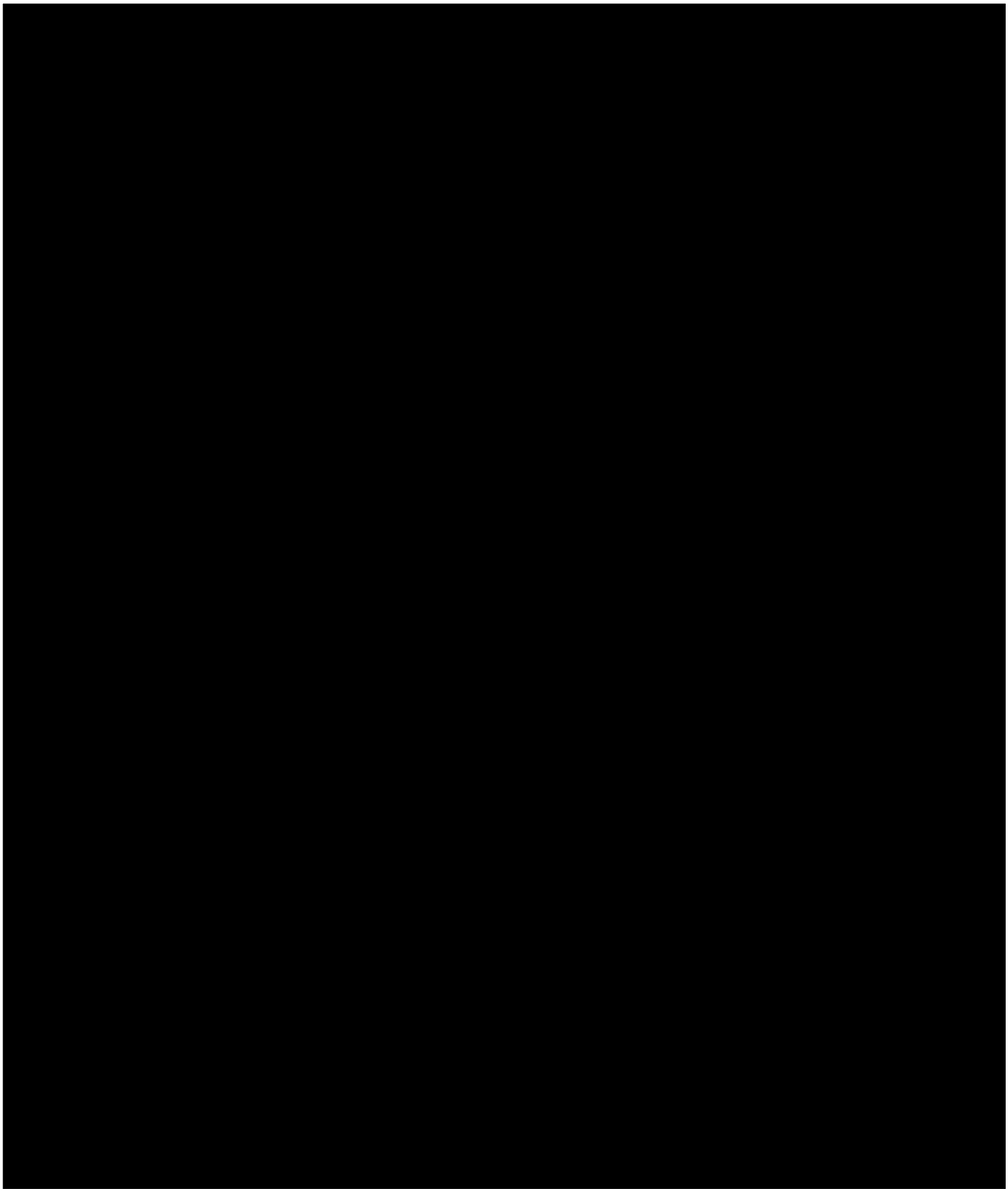
Appendix D AE and SAE Reporting

[redacted]

Annex 1

[redacted]

Annex 2:



Annex 3：