AGREEMENT

entered into between, on the one hand,

THE GENERIC ANTI-RETROVIRAL PROCUREMENT PROJECT

(an association incorporated under section 21 of the Companies Act, No. 61 of 1973, with registration number 2003/013155/08) and

THE TAC TREATMENT PROJECT

an association incorporated under section 21 of the Companies Act, with registration no. 2003/009927/08)

(together referred to herein as "the Projects")

and, on the other hand,

BOEHRINGER INGELHEIM PHARMACEUTICALS INC,

BOEHRINGER INGELHEIM PHARMA KG,

BOEHRINGER INGELHEIM INTERNATIONAL GmbH and

INGELHEIM PHARMACEUTICALS (PTY) LIMITED

(together referred to herein as "the Companies").

1. INTRODUCTION

1.1. By letter dated 26 September 2003, the Projects have requested voluntary licences from the Companies in respect of the antiretroviral drug nevirapine.

1.2. In return for the undertaking by the Companies stated in 2.1 below, but subject to the condition stated in 3 below, the Projects are willing to withdraw their said request.

1.3. In this agreement,

1.3.1. "**affiliated company**" shall mean any corporation, firm, partnership or other entity which is directly or indirectly controlled by, in control of, or under common control with any of the Companies (and, for the purposes of this definition, "control" shall mean the ability of any entity, whether through ownership of shares or otherwise, to procure that the affairs of another entity are conducted in accordance with its wishes).

1.3.2. "**relevant antiretroviral(s)**" shall mean the chemical compound known as nevirapine, and shall include all pharmaceutical compositions containing nevirapine for the prevention and/or treatment of HIV infection;

1.3.3. "**relevant patent(s)**" shall mean all South African patents and patent applications owned by any **Boehringer Ingelheim company** at or before the time of conclusion of this agreement which claim any relevant antiretrovirals or any method of manufacture of them or any other aspect of them, and for the purposes of this definition South African patent applications shall include any international application made at or before the time of conclusion of this agreement in terms of the Patent Cooperation Treaty of 19 June 1970, as amended and in force in South Africa, that designates the Republic of South Africa;

1.3.4. "**MCC**" shall mean the Medicines Control Council established under the South African Medicines and Related

Substances Act No. 101 of 1965 as amended ("the Medicines Act"), or any successor thereto;

2. OBLIGATIONS OF THE COMPANIES AND THE PROJECTS RESPECTIVELY

2.1. The Companies shall grant a non-exclusive royalty free licence under their respective rights in the relevant patent(s) under South African law:

2.1.1. to the Generic Anti-Retroviral Procurement Project (such licence extending also to the current and future members of the Generic Anti-Retroviral Procurement Project); and

2.1.2. to the TAC Treatment Project,

insofar as the Projects or either of them import into, use, offer to dispose of and/or dispose of in South Africa, relevant antiretroviral(s) authorised for use or registered by the MCC which are not yet commercially available in South Africa.

2.2. The Projects agree that their requests for voluntary licences referred to in 1.1 are withdrawn.

3. SUSPENSIVE CONDITION

3.1. This agreement shall not take effect unless and until a written settlement agreement is formally concluded in writing between the parties who are reflected, and substantially on the terms which are set out, in the draft thereof annexed hereto as "**X**".

3.2. In the event that such settlement agreement has not been formally concluded by midnight on 12 December 2003, this agreement shall lapse and the Projects shall be at liberty to pursue their respective requests for voluntary licences.

Thus done and signed at

on

Witness:

Signed on behalf of
BOEHRINGER INGELHEIM PHARMACEUTICALS INC,
BOEHRINGER INGELHEIM PHARMA KG, and
BOEHRINGER INGELHEIM INTERNATIONAL GmbH

by:

Full name:

Full name:

Designation:

Signature: ……

Signature: ……

DULY AUTHORISED

Thus done and signed at

on

Witness:

Signed on behalf of
INGELHEIM PHARMACEUTICALS (PTY) LIMITED
by:

Full name:

Full name:

Designation:

Signature: ……

Signature: ……

DULY AUTHORISED

Thus done and signed at

on

Witness:	**Signed on behalf of the Projects by:**
Full name:	Full name:
	Designation:
Signature: ……	Signature: ……
	DULY AUTHORISED