

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America (United States) and ACETO Corporation (ACETO or Registrant). (United States and Registrant are hereinafter collectively referred to as "the Parties.")

RECITALS

A. ACETO is a New York company that imports controlled substances. ACETO was previously registered with the Drug Enforcement Administration (DEA) under registration number RA0425872 to import Schedules III through V controlled substances to a warehouse in Atlanta located at 500 Great Southwest Parkway, Atlanta, Georgia 30336 ("Atlanta Facility").

B. The DEA, Atlanta Field Division Office conducted an inspection of ACETO in January 2016. As a result of the inspection, the DEA alleges that ACETO violated the civil provisions of the Controlled Substances Act, 21 U.S.C. § 801 et seq., and the regulations promulgated thereunder. Specifically, the DEA contends that ACETO:

1. Failed to maintain on a current basis a complete and accurate record of all controlled substances received, sold, delivered, or otherwise disposed of, in violation of 21 U.S.C. §§ 827(a)(3) and 842(a)(5) and applicable regulations;
2. Failed to maintain controlled substances records at the registered location, in violation of 21 U.S.C. § 842(a)(5) and 21 C.F.R. § 1304.04(a); and
3. Failed to complete the required biennial inventory, in violation of 21 U.S.C. §§ 827(a)(1) and 842(a)(5) and applicable regulations.

C. Pursuant to 21 C.F.R. § 1301.52(c), on June 12, 2018, by email and on June 27, 2018 by overnight mail, ACETO notified the DEA of its intent to discontinue its business

activities related to controlled substances at the Atlanta Facility. On June 21, 2018, DEA acknowledged receipt of such notice. As of June 21, 2018, ACETO ceased all activities at the Atlanta Facility related to controlled substances.

D. This Agreement is made in compromise of disputed claims. This Agreement is neither an admission of facts or liability by the Registrant nor a concession by the United States that its claims are not well founded.

E. To avoid the delay, uncertainty, inconvenience, and expense of litigation of the above claims, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Registrant shall pay to the United States one hundred and twenty thousand dollars (\$120,000) within ten calendar days of the effective date of this Agreement. Payment shall be made by check to the United States of America mailed to the U.S. Attorney's Office, Financial Litigation Unit, Richard B. Russell Federal Building, 75 Ted Turner Dr. SW, Suite 600, Atlanta, GA 30303.

2. Registrant agrees that upon retirement of its DEA registration it no longer has authority to handle controlled substances at the Atlanta Facility. ACETO agrees to maintain any controlled substance records related to the Atlanta Facility for two years at ACETO, Regulatory, 4 Tri Harbor Court, Port Washington, NY 11050.

3. Registrant understands that any violation of the terms of this Agreement may constitute grounds for the initiation of proceedings for the revocation of its DEA registration and any such violation may result in an action to revoke such registration. Registrant further understands that any violation of the terms of this Agreement may result in the United States

proceeding with an enforcement action, notwithstanding the running of any applicable statute of limitations.

4. By executing this Agreement, Registrant agrees to waive all rights to seek judicial review or to challenge or contest the validity of any terms or conditions of this Agreement.

Registrant acknowledges that it is satisfied with the validity of all terms and conditions herein.

5. By executing this Agreement, the United States hereby agrees and represents that it shall not civilly charge any action against Registrant, or its agents or employees for any activities occurring prior to the date of this Agreement for conduct that is known, or should have been known, at this time by Diversion Group 1 of the Atlanta Divisional Office, of the DEA regarding alleged violations of the Controlled Substance Act, 21 U.S.C. § 801 et seq.

6. Registrant fully and finally release the United States and its agencies, employees, servants, and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Registrant has asserted, could have asserted, or may assert in the future against the United States and its agencies, employees, servants, and agents related to the conduct described herein and the United States' investigation and prosecution thereof.

7. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.

8. This Agreement may be executed in multiple original counterparts, each of which shall constitute an original document, and all of which in the aggregate shall constitute one and the same Agreement.

9. The person signing this Agreement on behalf of the DEA represents that he or she is duly authorized to act on behalf of the DEA and that the authority to sign this Agreement has been properly delegated to him or her.

10. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

11. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement in order to avoid litigation, without any degree of duress or compulsion.

12. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Northern District of Georgia. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

13. This Agreement constitutes the complete Agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

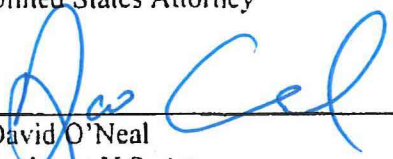
14. This Agreement is binding on Registrant's successors, transferees, heirs, and assigns.

15. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

16. This Agreement is effective on the date of signature of the last signatory to the Agreement and will remain in effect until two years from the effective date. Facsimilies or electronic images of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.


On Behalf of the United States of America

Byung J. Pak
United States Attorney


David O'Neal
Assistant U.S. Attorney

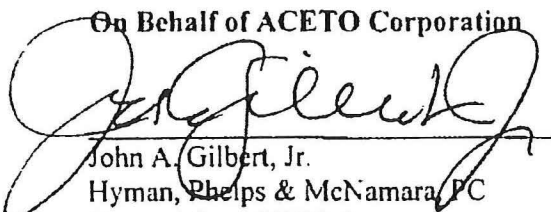
DATE: 8-24-18

On Behalf of the Drug Enforcement Administration


Robert J. Murphy
Special Agent in Charge
Atlanta Divisional Office

DATE: 8/23/18

On Behalf of ACETO Corporation


John A. Gilbert, Jr.
Hyman, Phelps & McNamara, PC
Counsel for ACETO Corp.

DATE: 8/21/18