

GENERAL TERMS AND CONDITIONS FOR THE LILLY GROUP

1. General Contracting Terms and Conditions. Scope of application

The present general contracting terms and conditions (hereinafter the “General Terms”) are applicable to purchases of Goods or the Provision of Services (the “Provision of Services” is understood as all contracts or contractual relationships, including the contracting of construction services and general services, the performance of works including general and professional services, as well as consultancy services) contracted by Lilly, S.A.U., Elanco-Valquímica, S.A.U., Dista, S.A.U., Irisfarma, S.A.U., and Spaly Bioquímica, S.A.U. (hereinafter, “LILLY Group”) and to be provided by Supplier, in the absence of any written agreement between LILLY Group and the Supplier drafted for a specific purpose, signed and executed by the Parties. Where there is a written agreement in place, after the same is signed, it will replace the present General Terms in all of their terms, without prejudice to anything not expressly excluded, which shall continue to be regulated by the present General Terms.

2. Contractual documentation and prevalence

2.1. Contracts will be deemed to have been completed when LILLY Group accepts the definitive proposal or offer submitted by the Supplier (the “Accepted Offer”) through the generation of the corresponding purchase order. The Supplier’s Offer may be submitted by postal mail, email, fax or any other electronic means. LILLY Group reserves the right to accept the Supplier’s Offer and to confirm it by the same means.

2.2. Should any conflict arise in connection with the specific characteristics of the Goods to be supplied and/or Services to be rendered between the General Terms, the Accepted Offer and the Technical Specifications/Documentation (any technical documentation or specification of any kind, drawings, graphical representation or project design to which the Goods or Services must conform), whenever these are pertinent and necessary in connection with the proposal – together, the “Contract” –, and without prejudice to the disposed under clause 2.3, then the following documents shall prevail with regard to the provision regarding which the conflict has arisen, in accordance with the following order:

- 1) The Technical Specifications
- 2) The Accepted Offer
- 3) The General Terms

2.3. In what concerns the overall relationship between LILLY Group and Supplier the present General Terms replace and supersede in any case Supplier’s general terms and conditions for sale, as well as any condition imposed by Supplier or any contractual document, even if it predates the present General Terms, unless expressly accepted in written by LILLY Group as an exception to the present General Terms and this has been expressly reflected, as an exception, namely in the description on the purchase order.

2.4. The terms and conditions for the development and execution of the goods and/or services described in the Technical Specifications, including the quality agreement or the service level agreement, when foreseen, shall be mandatory for Supplier.

3. Technical specifications and respect for Regulations

3.1. Supplier undertakes to supply the Goods and/or render the Services described in the Accepted Offer in strict compliance with the quality and technical specifications detailed in the Accepted Offer and the Technical Specifications (when pertinent and necessary) and, in any event, in the technical, safety and environmental standards of domestic and European origin that are obligatorily applicable.

3.2. **Manufacturing suppliers:** Any change in the product production process, supply chain or product specifications that may affect Lilly’s final product must be communicated in advance by the supplier to the Purchasing Department and to the email Notification_Supplier@lilly.com. This period will be wide enough in case Lilly need to validate new changes made and audit the Plant.

3.3. Supplier must observe and abide by the provisions contained in the legislation and regulations in force in the country where the Goods are manufactured and the country in which they are delivered or in which the Services are rendered, with express mention of the regulations and standards relating to manufacturing, primary and secondary packaging, health and safety, as well as consumer protection, respect for the environment, delivery of Goods and provision of Services. In addition, Supplier must hold all of the permits, licenses and certificates required by the applicable regulations for the manufacture and/or supply of the Goods or Services.

3.4. On the basis of the provisions contained in current legislation (European Directive 2006/42/EC as amended and as transposed into the Spanish regulations), all Goods must bear: CE Marking / EC Declaration of conformity / Manual in Spanish / Maintenance manual. In case of chemicals, the Goods must be accompanied by the latest version of its Materials Safety Data Sheet in accordance with current regulations (REACH / CLP as amended).

3.5. All machinery, installations, elements and production equipment used by Supplier for the execution of the Services contracted shall comply with all of the prescriptions/specifications required under the applicable regulations.

3.6. As the sole employers of all personnel assigned to the provision of the Services contracted, Supplier shall be fully liable to the Employment Administration and Labour Courts for the correct observance and application in favor of their personnel of all current legislation, especially in connection with employment and social security matters, as well as the prevention of occupational hazards and the adequate adaptation of their actions to the contents of the measures foreseen in the corresponding assessment of occupational hazards and risk prevention plan. Moreover, as a consequence of the foregoing, Supplier’s employees will not be entitled to any of the benefits that the LILLY Group may make available to its employees, such as group insurance, and LILLY Group will not withhold or make payments for social security on behalf of Supplier’s employees. Supplier accepts full exclusive liability for complying with all applicable laws governing its employees, including obligations such as payment of salaries and all other labour credits, taxes, social security, disability and any other contributions.

3.7. Supplier must also comply with all current legislation relating to the protection of the Environment.

3.8. Supplier undertakes to act in accordance with the national and international legislation against corruption and to ensure compliance with the regulations in place in any legal setting in which it is a party.

3.9. Supplier may not assign or sub-contract to third parties, even partially, the execution of the Services and/or supply of the Goods nor any of their rights or obligations, without the express prior consent of LILLY Group in writing. In cases where sub-contracting is authorized, the effectiveness of the said authorization shall in all cases be subordinated to the strict compliance by the sub-contractor with all applicable regulations in connection with the prevention of occupational hazards, the correct application by sub-contractors of the regulations on social security matters and the availability of any and all documentation required by the applicable regulations. Supplier shall be jointly and severally liable for the fulfillment of all obligations and liabilities assumed by any assignee or sub-contractor.

3.10. Supplier must demonstrate to LILLY Group, whenever so required, that it complies with the said obligations.

4. Intellectual Property and Obligation of Confidentiality

4.1. Supplier guarantees that the purchase, use and/or re-sale of the Goods or the Services rendered by LILLY Group does not in any way contravene any third-party intellectual property right.

4.2. Suppliers accept and acknowledge that LILLY Group will be the owner of the Technical Documentation (whenever pertinent and necessary) and of the result(s) of any activity carried out by the Supplier and accepted by LILLY Group, and that LILLY Group is the sole owner of any and all commercial, technical, financial or economic information in connection with the related products and activities that Supplier may become aware of in the course of the development and execution of the Contract or as a result of the same.

4.3. Supplier undertakes to preserve the confidentiality of the foregoing information and not to disclose it, as well as to ensure that none of its employees, where appropriate, discloses it, in any way whatsoever, including any documents exchanged between the Parties and marked as confidential. Supplier further undertakes not to use or apply the said information for any purpose other than as intended in the contract, nor for their own benefit, nor to use it directly or indirectly to obtain any economic return in their favor or in favor of any third party. The obligation of confidentiality shall apply until the corresponding information or data enters the public domain through no fault of the Party revealing it, or when its communication is a consequence of a legal obligation or judicial mandate or on the orders of an administrative authority, with prior notification to the other Party.

4.4. No contract shall entitle either of the Parties to use, under any concept, the trademarks or brands, distinctive signs, or any other intellectual property rights of the other Party to the contract. For the sake of clarity, it is stated that this prohibition includes the use of the same for advertising purposes or in their commercial relations with third parties, unless prior agreement has been given in writing and in advance by the Party owning the same.

5. Personal data protection:

5.1. The Parties undertake to comply with the regulations on personal data protection in force from time to time, currently governed by the European Regulation 2016/679 of the European Parliament and the Council of April 27, 2016, the Personal Data (Protection) Act (Fundamental Law 3 dated December 5th, 2018) and the regulations developing the same. Should any of the Parties be in breach of the regulations on personal data protection, such Party shall hold the other harmless with respect to any liabilities of an administrative or civil nature that may arise from such breach.

5.2. Whenever the Supplier processes personal data in the scope of the provision of the Services or the delivery of Goods to any company within LILLY Group, the Supplier shall be considered a data processor, in the terms and for the purposes of the Personal Data protection Act. The Supplier shall only process personal data in

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the terms and for the purposes identified by LILLY Group and, in any event, shall employ adequate technical and organizational measures in order to ensure the security of the personal data. The Supplier shall immediately inform LILLY Group in event of a data breach, detected or suspected related to the provision of Services or the supply of Goods. The Supplier shall be liable for any and all damages arising from any breach of its data privacy obligations, to LILLY Group and/or to third parties.

5.3. The Supplier shall be entirely responsible for the processing of personal data regarding its own employees and shall ensure compliance with its obligations regarding data subject consent/information for any necessary processing of their personal data in the scope of the Provision of Services by the Supplier to LILLY Group.

5.4 Your personal information, including name, contact details and e-mail will be used by LILLY Group., or third parties acting on our behalf, for creating and archiving agreement on project as mentioned in this agreement and acting upon this agreement. We may also use the information to meet legal or regulatory obligations, inclusive of company record retention that are in the legitimate interest of Lilly. You do not have to share your information with us, but if you choose not to share your information, we will not be able to have a contractual agreement with you concerning this project. We may share your personal information with third parties as part of this agreement and as described elsewhere in the agreement (if applicable) for purposes consistent with those identified in this notice. All third parties that have access to your information have agreed to protect the information and to use it only as directed by us. We may also be required to disclose your information in response to lawful requests by public authorities, including to comply with national security or law enforcement requests. We may transmit personal information about you to other Lilly affiliates worldwide. These affiliates may in turn transmit personal information about you to other Lilly affiliates. Some of Lilly's affiliates may be located in countries that do not ensure an adequate level of data protection. Nevertheless, all of Lilly's affiliates are required to treat personal information in a manner consistent with this notice. To obtain additional information regarding the basis for transfers and safeguards that Lilly has in place for cross-border transfers of personal information, please contact us at privacy@lilly.com or visit <https://www.lilly.com/privacy>. Your Information will be saved for a period of time needed to fulfill legitimate and lawful business purposes in accordance with Lilly's records retention policies and applicable laws and regulations. We provide reasonable physical, electronic and procedural safeguards to protect information we work with and maintain. We limit access to your information to authorized employees, agents, contractors, vendors, subsidiaries, and business partners, or others who need such access to information to carry out their assigned roles and responsibilities on behalf of Lilly. Please be aware, although we try to protect the information we work with and maintain, no security system can prevent all potential security breaches.

5.5 You have the right to request information from us on how your personal information is being used and with whom that information is being shared. You also have the right to request to see and get a copy of the personal information that we have about you, request its correction or request its erasure. You also have the right to have your information transmitted to another entity or person in a machine-readable format, in limited circumstances. There may be limitations on our ability to comply with your request. You may make any of the above requests by contacting us at: Lilly, S.A.-Avenida de la Industria, 30, 28108 Alcobendas- Madrid Phone: + 34916635000. If you wish to raise a complaint on how we have handled your personal information, you can contact our Data Protection Officer at privacy@lilly.com who will investigate the matter.

If you are not satisfied with our response or believe we are working with your personal information not in accordance with the law you can register a complaint with a Data Protection Authority (DPA).

6. Billing and payment terms

6.1. Supplier shall issue the bill corresponding to the Goods acquired or the Services provided in the form required by current legislation.

6.2. Value Added Tax will be charged and reflected separately on each of the bills issued by Supplier, with Supplier being responsible for the payment of all other taxes, charges, levies, contributions, etc. arising therefrom.

6.3. No bills may be issued until such time as the Goods have been delivered or the Services rendered, unless otherwise agreed and duly reflected in the Accepted Offer.

6.4. Bills will be paid, pursuant to current legislation (Royal Decree Law 4 dated February 22nd, 2013 as amended), by means of a bank transfer within the term of sixty (60) days counted from the receipt date of the corresponding bills by Supplier, unless otherwise agreed and duly reflected in the purchase order.

6.5. Bills will be issued to the legal entity of LILLY Group issuing the purchase order, with the address appearing on the said document.

6.6. The only acceptable method to send invoices is by electronic PO invoice submission using **eConnect** and hosted by **Direct Commerce**. If due to technical problems you cannot use this system, Supplier should communicate to Lilly to get a solution or to get the approval of the exception by our Purchasing Manager. Only in this exceptional situation, a paper invoice will be accepted by Lilly's Accountability Department. In order for a paper bill to be processed, it is obligatory to include the **order number provided by the LILLY Group on the purchase order; the number must be printed (not handwritten)** and the paper bill sent to the following address:

GRUPO LILLY / HP GLOBAL BUSINESS CENTERURZAD POCZTOWY
PO BOX 144
Ul. POWSTANCOW SLASKICH 50
53-350 WROCLAW 15
POLAND

Bills issued by other means. In connection with all means for the issue of invoices, since January 1st, 2013, as a consequence of the Billing Regulations published in the Official State Gazette (BOE) dated December 1st, 2012, the means used for their issuance are required to enable Suppliers to GUARANTEE the authenticity of their origin, the integrity of their contents and their legibility from the date of their issue and throughout the entire period during which they must legally be retained.

6.7. In case of purchase of Goods, the following data must be included in the invoice: purchase order number, code of the material, INCOTERM(s) as established in the Accepted Offer, code of the tariff heading, gross weight, delivery date, unit price and currency. None of these data can be handwritten. Any change in the price should be previously agreed with a member of the Purchasing Department of LILLY Group through e-mail.

6.8. For any information about billing, Supplier may contact our Supplier Helpdesk via the following telephone numbers, available from Monday to Friday from 9 a.m. hours to 5 p.m. hours (CET):

- 900 812 943 for calls made within Spain
- +34 912 754 869 for calls made from outside Spain.

Or this e-mail address: cuentasapagar@lilly.com

7. Delivery of Goods and Provision of Services

7.1. Supplier must deliver the Goods and/or provide the Services in accordance with the terms stipulated in the Accepted Offer and/or the Technical Specifications, when applicable. Supplier acknowledges and agrees that compliance with the planned schedule for delivery of Goods and/or the provision of Services is of fundamental importance and, therefore, all deadlines must be met absolutely. Should said deadlines not be respected, LILLY Group would be entitled to terminate the Contract, without prejudice to the corresponding compensation for damages.

7.2. All deliveries of Goods must be agreed in advance with LILLY Group in order to avoid any incidents in the process for the reception of merchandise at the warehouse. If delivery is made prior to the date scheduled, LILLY Group reserves the right to accept or return the Goods, with the costs being borne by the Supplier.

7.3. LILLY Group will be entitled to reject any Goods delivered or Services rendered when they do not conform to the terms foreseen in the Accepted Offer and the Technical Specifications (when applicable) unless otherwise agreed between LILLY Group and the Supplier in writing. LILLY Group will not accept any margin of tolerance with regard to the amounts of Goods delivered or Services rendered, unless otherwise agreed in writing.

7.4. In the event of any disagreement regarding the Goods delivered or the Services rendered, LILLY Group may request that Supplier uplifts and/or replaces promptly any non-compliant Goods and/or Services, without any additional cost for LILLY Group and without prejudice to any other right lying to LILLY Group, including compensation for damages and the termination of the Contract.

7.5. Supplier shall provide all technical and specialist personnel required, as well as all of the machinery, means, installations and production equipment necessary for the provision of the Services, fully assuming their supervision and business organization for the performance of the Services. Nonetheless, LILLY Group reserves the right to carry out essential oversight through inspections and/or audits, to which Supplier hereby gives its consent, of the activities executed by Supplier during the currency of the Contract so as to ensure their adequate performance.

7.6. Should any of the individuals assigned for the provision of the Services is not available, Supplier will have to guarantee the continuity of its contractual obligations. If any of the Supplier's employees need to be replaced, Supplier shall immediately inform LILLY Group, unless this is materially impossible for reasons beyond the control of the Supplier, so that

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LILLY Group can implement all of the internal procedures relating to the authorization of their access and security. Supplier will not be able to charge any additional cost for the replacement of the personnel initially assigned to the provision of the Services.

7.7. In no case shall the personnel of the Supplier be considered to form any part of the organization of LILLY Group, nor will any direct employment relationship be established. Supplier shall designate an individual from among its personnel to be responsible for co-ordination and this person will be qualified to give and receive any and all communications in connection with the activities foreseen in the contract. Supplier shall notify LILLY Group of the name of this co-ordinator.

7.8. Supplier shall have sole responsibility for the safety of its respective employees. All personnel of each Supplier assigned to the provision of the Services and/or the manufacture and/or supply of Goods referred to in the contract must make use of all adequate and specific personal protection equipment for the work to be carried out. In those cases where Supplier has to carry out activities at LILLY Group facilities, the pertinent assessment of the occupational hazards must be carried out for each of the jobs relating to the personnel assigned to the Services and/or the manufacture and/or supply of Goods referred to in the Contract, as well as the drafting of the occupational hazard prevention plan in accordance with the information and documentation received from LILLY Group in this respect.

7.9 Supplier shall be the sole responsible for the transportation of the Goods, namely by ensuring that:

- a) Whenever the Goods are transported together with products addressed to or own by third parties, they are kept separately;
- b) Goods do not contaminate or get contaminated by other products or materials;
- c) Goods are kept under safety conditions and are not subject to inappropriate conditions of heat, cold, light, moist or other adverse conditions, nor to the action of micro-organisms or pests; and
- d) Transportation vehicles comply with all applicable legal requirements;
- e) Goods are delivered together with the respective transport documents, which must be executed correctly, namely in what regards to the affixation of the respective purchase order identification and their disclosure to the tax authorities, compliant with applicable legal requirements.

8. Force Majeure

8.1. The Parties shall not be held responsible and will be deemed not to be in a situation of non-compliance when it is not possible for them to perform their obligations pursuant to the present contract, or where such performance is delayed, due to reasons outside their control, including, among others, lock-outs by employers, strikes, fires, explosions, flooding or other natural catastrophes.

8.2. Following notification of an alleged cause by either of the Parties to the other, a reasonable extension shall be applied for the performance of their obligations. However, if the situation of force majeure persists and LILLY Group is unable to make use of the Services or Goods referred to in the Contract, LILLY Group reserves the right to acquire the Services or Goods from a third party.

9. Representations and Warranties

9.1. Supplier guarantees that the Services will be provided and/or the Goods produced solely and exclusively by competent, qualified personnel trained in the prevention of occupational hazards and in safety regulations and that they will carry out their tasks and functions with diligence, caution and professionalism.

9.2. All Goods supplied will be free from defects and faults, ready to be used, free from any lien, and accompanied by the appropriate certificates, markings (including CE marking), instructions and documents that may be necessary from time to time, and will comply with all other requirements of applicable Spanish and European legislation.

9.3. Furthermore, Supplier expressly states that all of the employees taking part in the provision of the Services during the currency of the Contract are registered under the Social Security General Regime and that the Supplier is up to date with its respective labour, social security and tax obligations.

10. Liability and Insurance

10.1 Without prejudice to any other liability arising from legal or regulatory dispositions, Supplier shall be the sole responsible against LILLY Group or any third parties for any loss arising from the supplied Goods or rendered Services, namely during due to their transportation, malfunction, defect and deterioration, as well as for any damages, losses and costs arising from the Supplier's non-compliance or defective compliance of its obligations under the Contract.

10.2. Supplier will hold LILLY Group harmless from any claim brought by third parties alleging any harm or loss as a consequence of the Services rendered or the Goods delivered by Supplier in breach of the conditions established in these General Terms. Supplier will hold LILLY Group harmless from any claim brought by any of its employees alleging any employment contract and/or other direct contractual relationship with the latter, compensating LILLY Group for any costs or damages arising from such claims.

10.3. Supplier shall take out and maintain an adequate third-party liability insurance policy for any claims and actions that may arise or be initiated in connection with the Services performed or the Goods delivered.

10.4. Furthermore, Supplier shall be directly liable for any harm, damage or administrative penalties arising out of any accident suffered by their own personnel assigned to the Services contracted. Supplier undertakes to arrange the corresponding labour accident insurance to cover the personnel assigned to the performance of the activity contracted.

11. Rescission and termination

11.1. These Terms and Conditions will entry into force on the date of the issuance of the corresponding purchase order as referred to in clause 2.1, and shall remain in force until the Goods are supplied and/or the Services rendered.

11.2. In the event of any partial or total failure to comply with the obligations foreseen in the present General Terms, both Parties shall be entitled to terminate the Contract provided that it has notified the said failure to comply to the other Party in question and the latter has not remedied the situation within the term of thirty (30) days counted from such notification. After the said period of time has elapsed, termination of the Contract shall require a prior notice of termination in writing to the other Party, by registered mail, certified fax or any other indisputable means, with acknowledgement of receipt, setting out the reason(s) alleged for the termination. In such cases, the termination of the Contract will take place, unless a later date is indicated in the notice of termination, with effect from the receipt of the notice of termination by its addressee.

11.3. LILLY Group shall be entitled to claim compensation for any damages that may be incurred as a consequence of Suppliers' failure to comply with their obligations.

11.4. LILLY Group may terminate this Contract at any time, without cause, upon fifteen (15) days prior written notice. In the event that this Contract is terminated in accordance with this paragraph, LILLY Group will pay Supplier the Services performed and/or Goods supplied in accordance with the terms of this Contract up until the date of notification of the communication of termination.

11.5. The Parties shall be entitled to terminate the Contract if either of them is in a situation of suspension of payments, voluntary or compulsory bankruptcy, insolvency proceedings, or is subject to debt enforcement according to the legislation in force.

11.6. No omissions or delays in the exercise of any right or action pursuant to the present Contract shall be interpreted as constituting a waiver of the said right or action.

12. Legislation and Jurisdiction

The present General Terms are governed by Spanish law. For the resolution of any discrepancies that may arise between LILLY Group and the Supplier but cannot be amicably resolved, the Parties, with express waiver of any right of venue that may lie to them, expressly submit to the jurisdiction and competence of the Courts of Madrid.