

**PURCHASING TERMS AND CONDITIONS
OF
ELI LILLY EXPORT, SA (PR BRANCH)**

September 2016 EDITION

Notice from Eli Lilly Export, SA (PR Branch) to its Suppliers:

These Purchasing Terms and Conditions, and Instructions ("Terms") shall be applicable to the attached purchase order, if any, and to all subsequent purchase orders received by you ("Seller") from Eli Lilly Export, SA (PR Branch) ("Buyer") whether received by mail, by telephone, or by electronic means (each a "Purchase Order"), from the date of your receipt of these Terms until such time as you receive a revised edition of these Terms or other notice of revocation of the same. These Terms shall apply to all transactions between you and Buyer until such further notice, unless your written objections are received by Buyer within thirty (30) days after you receive this document.

Additional or different Terms applicable to a particular order may be specified in the body of the Purchase Order or in an

exhibit thereto and, in the event of a conflict, shall take precedence over these Terms, with the exception of Section 2, ELECTRONIC TRANSACTIONS, below.

Notwithstanding anything to the contrary contained herein, if Seller and Buyer have executed an agreement which governs the purchase and sale of the goods, software or services in issue, the terms of such agreement shall be controlling and shall take precedence over these Terms and any additional or different terms contained in any document generated by Seller. Should that agreement defer to these Terms as to the ones to prevail in case of conflict, then these terms shall be controlling and shall take precedence over the agreement.

Please retain this document in your company files for future reference.

1. ACCEPTANCE: Buyer's order expressly limits acceptance to these Terms set forth on this document and the applicable Purchase Order. Any terms and conditions contained in a proposal, quotation or invoice of Seller shall not constitute a part of the contract of sale resulting from Seller's acceptance of Buyer's order unless such terms and conditions are specifically incorporated or noted as applicable in Buyer's order. Any purported acceptance containing additional or different terms shall be deemed to be an acceptance of the terms and conditions contained in this document, notwithstanding such additional or different terms. Seller's shipment of goods or commencement of services in response to Buyer's order shall constitute acceptance on the terms and conditions set forth in this document and any additional or different terms contained in any acknowledgment or invoice form submitted by Seller shall not constitute any part of the contract of sale resulting from Seller's acceptance.

2. ELECTRONIC TRANSACTIONS:

A. If Seller and Buyer have mutually agreed to the use of an Electronic Data Interchange ("EDI") system to facilitate purchase and sale transactions, Seller agrees:

- (i) That it shall not contest: (a) any contract of sale resulting from an EDI transaction under the provisions of any law relating to whether agreements must be in writing or signed by the party to be bound thereby; or (b) the admissibility of copies of EDI records under the business records exception to the hearsay rule, the best evidence rule or any other similar rule, on the basis that such records were not originated or maintained in documentary form;
- (ii) That it shall use proper security procedures to protect its EDI records from improper access; and
- (iii) That the records maintained by Buyer regarding EDI purchase orders issued by Buyer shall be controlling.

B. If Seller and Buyer have mutually agreed to an Automated Clearing House to facilitate purchase and sale transactions, the payment term in the Purchase Order shall be extended by five (5) days.

3. PRICE: Buyer's order shall be filled at the price specified on the Purchase Order, or at any lower price. If no price is specified, the order shall be filled at the lowest of: (a) the price last quoted by Seller; (b) the price last paid by Buyer to Seller; or (c) the prevailing market price, unless a higher price is approved in writing by an authorized representative of Buyer's Procurement Department. Unless otherwise provided in a Purchase Order, payment will be due sixty (60) days after Buyer's Accounts Payable Department receives an invoice that complies with the requirements of these Terms, except that Buyer may withhold payment of any amount that it may reasonably dispute in good faith until such dispute is resolved. Due dates and cash discounts are computed from the date an accurate invoice is received in Buyer's Accounts Payable Department. Buyer may return improper invoices for correction without loss of discount. In the event that Buyer is paying by check, Buyer will mail payment by paper check on the due date. In case of disputes, doubt concerning quality, or where rejections occur, Buyer may defer payment without penalty or loss of discount.

4. MODIFICATION: Modification, rescission or amendment of Buyer's order or the contract of sale resulting from its acceptance shall be ineffective unless approved in writing by an authorized representative of Buyer's Procurement Department.

5. INSPECTION: All Deliverables or Products furnished pursuant to Buyer's order shall be subject to Buyer's inspection and approval, including acceptance testing by Buyer to verify that the Products satisfy all requirements conveyed by Buyer to Seller, including any specifications or documentation relating to the Products, notwithstanding prior receipt and payment and, if unsatisfactory, may be returned for a full refund, transportation both ways at Seller's expense as specified in this section. If Buyer discovers a non-conformity within ninety (90) days

following delivery of the Products and Buyer notifies Seller of the non-conformity, despite prior receipt and payment therefore, Seller shall, at Buyer's sole discretion, either: (i) correct the non-conformity at no additional charge in a timely, professional manner; or (ii) refund monies paid by Buyer for the non-conforming Products or services attributable to or affected by the non-conforming Products, in which case, Buyer shall return such non-conforming Products to Seller at Seller's expense. Nothing in this Section shall be construed to limit or otherwise affect Buyer's indemnification rights, warranty rights or any other common law or statutory remedies.

6. **PACKAGING CHARGES:** Seller shall box, crate, or package the Products or Deliverables as necessary for shipment in compliance with Applicable Laws, in accordance with good commercial and industry practice and without charge to Buyer unless otherwise specified on Buyer's order.

7. **DELIVERY, CANCELLATION:** Buyer shall have the right to cancel all or any portion of its order without liability if delivery is not made within the time stated in Buyer's order.

8. **GENERAL REPRESENTATIONS AND WARRANTIES:**

Seller represents and warrants:

- A. That no article, Deliverable or Product supplied under Buyer's order subject to the Federal Food, Drug, and Cosmetic Act, as amended (for purposes of this representation the "Act"), is adulterated within the meaning of the Act or is an article, Product or Deliverable which may not, under the provisions of Section 301, 404 or 505 of the Act, be introduced into interstate commerce;
- B. That no article, Deliverable or Product supplied under Buyer's order is produced in violation of the Generic Drug Enforcement Act of 1992, as amended (for purposes of this representation the "Act"), that Seller is not debarred and that Seller has not and will not use in any capacity in connection with the filling of this order the services of any individual or person (as defined in the Act) debarred by the United States Food and Drug Administration under the provisions of the Act. If at any time this warranty is no longer accurate, Seller shall immediately notify Buyer of such changed circumstances;
- C. That no article, software, services, Deliverable or Product supplied under Buyer's order is produced in violation of the Fair Labor Standards Act of 1938, as amended, and that the price of any article, Deliverable or Product supplied under Buyer's order does not violate any provision of the Sherman Act or Robinson-Patman Act, as amended or Paragraphs (1) through (3) of 29 C.F.R. Part 471, Appendix A to Subpart A regarding the posting of certain notices pertaining to employee rights under the National Labor Relations Act available at <http://www.gpoaccess.gov/fr/>;
- D. That no article, software, services, Deliverable or Product supplied under Buyer's order, including Work Product (hereafter defined), infringes the claim of any trademark, copyright, patent or other proprietary right of a third party and any use thereof by Buyer consistent with these Terms does not infringe such rights.

However, Seller does not warrant against infringement to the extent caused by the use of the article, Product or Deliverable in combination with other material except that if Seller has knowledge of such intended combination, Seller warrants, to its best knowledge, no third party rights will be infringed by such use. In addition, with respect to services, all products produced under the Purchase Order shall be of original development and all Seller property shall be of original development or licensable by Seller;

- E. That all articles, software, services, Deliverables or Product supplied under Buyer's Purchase Order are free from defects, of merchantable quality and in accordance with Buyer's specifications.
- F. That all articles, software, Deliverables or Product supplied under Buyer's order shall be shipped in full compliance with packaging, labeling, shipping and documentation requirements, including requirements concerning hazardous materials, substances and waste of all state, local, national or international governmental agencies or authorities regulating any segments or modes of transportation employed to effect delivery of such articles to Buyer and all hazardous materials, substances and waste shall be packaged, marked and labeled in accordance with the applicable regulations of the United States Department of Transportation, the International Civil Aviation Organization and the International Maritime Organization and any other Applicable Law;
- G. Seller agrees that any software, Products, Deliverables or services provided under this Purchase Order will comply with all state, local, national and international laws, regulations, rules or orders, including but not limited to regulations promulgated under Section 264 of the Health Insurance Portability and Accountability Act (Public Law 104-91 - "HIPAA"). Furthermore, Seller shall in good faith execute any and all agreements that Buyer is required to have Seller execute in order that Buyer may comply with HIPAA;
- H. Without limiting Seller's liability to Buyer or third parties hereunder, Seller shall maintain Commercial General Liability Insurance to include contractual and products/completed operations coverage to meet its indemnification obligations under this Purchase Order or loss as required by applicable international, country, federal, state or local laws, regulations or orders. All such insurance shall be primary and not contributory with regard to any other available insurance to Buyer. Seller represents and warrants that it shall promptly file all claims made under this Purchase Order with its insurance carriers;
- I. That it has enforceable written agreements with all of its employees and subcontractors assigning to Seller ownership of all Intellectual Property Rights created in the course of their employment or engagement and obligating such employees upon terms and conditions no less restrictive than these Terms, not to disclose any proprietary rights or information learned or acquired during the course of such employment or engagement, including without limitation, any Deliverable and any other information. Seller shall take appropriate steps to adequately protect Buyer's data in its possession or information derived therefrom, including, and without limitation, firewall

protection, backup processes and procedures and disaster recovery plans; and

J. That in the performance of its obligations under a Purchase Order, Seller shall comply with all Applicable Laws, regulations, Buyer policies and professional standards, including but not limited to:

- i. Applicable provisions of the Anti-Bribery Commitments for Lilly Procurement Contracts as revised by Buyer from time to time and published at <http://supplierportal.lilly.com> or otherwise made available to Seller;
- ii. Applicable provisions of Buyer's Vendor Privacy and Security Standard as revised by Buyer from time to time and published at <http://supplierportal.lilly.com> or otherwise made available to Seller. In addition, if Seller is processing Personal Information in the United States on behalf of Buyer from EU Member States, European Economic Area countries, or Switzerland, Seller shall have self-certified to the EU-US Safe Harbor or if Switzerland, the Swiss-US Safe Harbor or if applicable, both certifications. Evidence of this certification shall only be sufficient if Seller is listed on <http://safeharbor.export.gov/list.aspx>. Seller further represents and warrants it shall maintain such compliance throughout the term of any applicable Purchase Order;
- iii. That no Deliverable supplied under Buyer's Order is supplied in violation of economic or trade sanctions imposed by the U.S. government against sanctioned countries, entities or individuals, including but not limited to sanctions imposed by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by Executive Order of the President of the United States;
- iv. That all Deliverables supplied under Buyer's Order are supplied in full compliance with the Export Administration Regulations, 15 CFR Parts 700-799;
- v. Any instructions or policies set forth by Buyer which relate to compliance by Buyer or its affiliates with any US or other government authority mandates, settlements or adjudications, including the Corporate Integrity Agreement between Buyer and the Office of Inspector General, US Department of Health and Human Services, dated January 14, 2009, and any disclosure requirements set forth there under. If such requirements are not met, Buyer could cancel the contract;
- vi. Applicable clauses set forth in the U.S. Federal Acquisition Regulation ("FAR") FAR 52.244-6(c)(1) as set forth at <http://supplierportal.lilly.com> and such other provisions as may be required by Applicable Law to allow the sale of products to the U.S. Government from time to time by Buyer; and
- vii. Applicable provisions of Buyer's export and import policies as referenced herein.

Seller agrees to defend, indemnify and hold harmless Buyer

against all liability, costs, expenses (including attorney fees), damages and judgments occasioned by or resulting from breach of any of the foregoing warranties.

Both parties acknowledge that each maintains its own financial authorization policies on ensuring requisite corporate authority has been given for specific transactions. The parties therefore agree that any communications between the employees of the parties that may impact previously agreed upon financial, economic or legal expectations hereunder must be approved by the authorized individuals of both parties. The parties further agree to meet upon request and/or enter into discussions to identify authorized individuals as well as take any corrective actions necessary for any past discrepancies in order to meet appropriate financial expectations for potential future transactions

9. SECURITY: Seller will comply with, and will cause its affiliates and subcontractors to comply with, all policies and procedures that Buyer establishes to enhance the safety or security of Buyer's facilities or of persons at or near Buyer's facilities, including measures restricting access such as the use of identification badges and passwords. Seller will promptly notify Buyer of any violation of such policies and procedures. Seller will comply with, and will cause its affiliates and subcontractors to comply with, the instructions of any Buyer security official that are reasonably necessary to redress a threat or to avoid an imminent threat to the safety or security of such facilities or persons. Buyer retains its right to restrict or refuse any person (including Seller, its affiliates and subcontractors) access to Buyer's facilities, computers or other information systems. Without limiting the generality of the foregoing, Buyer may restrict or refuse access to any individual who does not do any of the following to Buyer's satisfaction: (i) submit to and pass a drug screen; (ii) pass a background check; or (iii) accept or acknowledge in writing a personal obligation to protect Buyer's Confidential Information. Such restriction or refusal excuses Seller's performance only if it renders Seller's performance impracticable, does not comport with Buyer's written procedures and is manifestly unreasonable.

10. NONDISCLOSURE: Except to the extent provided in paragraph 12, Seller shall not disclose any information concerning Buyer's order or the contract of sale resulting from its acceptance, including its existence, without the prior written consent of Buyer.

11. CONFIDENTIALITY: Seller shall preserve as confidential all, and shall not disclose any, proprietary or Buyer's Confidential Information (including information of a third party which Buyer is under an obligation to maintain in confidence) to which Seller may have access as a result of Buyer's order, the contract of sale resulting from its acceptance or the presence of Seller's employees at any Buyer site. This confidentiality obligation shall apply to all such proprietary or Buyer's Confidential Information whether in its original form or a derivative form, including work product resulting from Seller's performance of Buyer's order. Seller shall not take photographs of any portion of any work performed pursuant to Buyer's order or duplicate any drawings or specifications without the prior written approval of Buyer. Nothing herein shall prevent the communication to others of any proprietary or confidential information which Seller can show was known to Seller or its representatives prior to its receipt from Buyer hereunder, was lawfully obtained by Seller or its representatives

other than by disclosure from Buyer, or became public knowledge through no fault of Seller.

Further, Seller will neither: (i) disclose Buyer's Confidential Information except as authorized below or by Buyer in writing; nor (ii) use Buyer's Confidential Information for any purpose other than meeting Seller's obligations under any Purchase Order. Seller may disclose Buyer's Confidential Information:

A. To its representatives, affiliates and subcontractors who need to know the information for the purpose of meeting Seller's obligations under a Purchase Order; provided that such representatives, affiliates and subcontractors must have contractual obligations that prohibit any disclosure and use of Buyer's Confidential Information in accordance with these Terms. Seller is responsible to Buyer for any unauthorized disclosure or use of Buyer's Confidential Information by Seller's representatives, affiliates or subcontractors.

B. To the extent compelled by Applicable Law; provided, however, that Seller will give Buyer reasonable advance notice of the disclosure to the extent such advance notice is permitted by Applicable Law.

C. In communications to its attorneys or accountants who have a professional obligation to maintain such information in confidence. Seller is responsible to Buyer for disclosure or use by any such persons of Buyer's Confidential Information not authorized by Buyer.

Promptly upon Buyer's request, Seller will either return or destroy all Records of Buyer's Confidential Information in Seller's possession or control. With respect to electronic Records, "destroy" includes destroying the physical medium on which a Record is stored or completely and permanently removing a Record from its storage medium.¹² **PUBLICITY:** Seller shall not disclose any information concerning any Purchase Order or the contract of sale resulting from the acceptance thereof, including its existence, without the prior written consent of Buyer. Seller shall not refer to the existence of this Purchase Order, use the name of Buyer, any employee of Buyer or any product or service of Buyer in any press release, advertising or materials distributed to prospective or existing customers or any other public disclosure, except as required by law. If required by law, Seller shall provide copies of the disclosure for the prior review and comment by the Buyer's external corporate communications (public relations) department, which shall have a minimum of five (5) business days to review the materials. The foregoing notwithstanding, Seller may include "Eli Lilly Export, SA (PR Branch)" as a customer in listings of its clients, except in press releases or other materials distributed to the media. The Lilly logo may not be used under any circumstance. In no event will Seller represent, directly or indirectly, that any Deliverable or Product provided by Seller has been approved, recommended, certified or endorsed by Buyer.

13. FEDERAL EEO AND AFFIRMATIVE ACTION LAW: Buyer's Purchase Order is subject to and incorporates by reference the provisions of the EEO clause in Section 202 of Executive Order 11246, 41 C.F.R. 60-250 and 41 C.F.R. 060-741, all as amended.

14. ASSIGNMENT: Seller shall not in any manner delegate its duty of performance or assign its rights or obligations under Buyer's order or the contract of sale resulting from its acceptance without Buyer's prior written consent. Any attempted assignment in violation of the preceding sentence shall be of no force or effect.

15. GOVERNING LAW, FORUM: Buyer's Purchase Order and any agreement of sale resulting from its acceptance shall be governed by and construed according to the laws of the Commonwealth of Puerto Rico. Any suit or action arising out of a dispute under the order or agreement of sale, shall be brought only in the courts of the Commonwealth of Puerto Rico. Seller and Buyer hereby submit to the jurisdiction of any competent court of the Commonwealth of Puerto Rico.

16. UCC: Seller and Buyer hereby expressly agree that the provisions of the Uniform Commercial Code as adopted by the Commonwealth of Puerto Rico apply to this Purchase Order, including, but not limited to, any software purchased under this Purchase Order. **17. REPORTING ADVERSE EVENTS AND PRODUCT COMPLAINTS:** If during the course of performing services under these Terms or a Purchase Order, Seller, Seller's representatives, Seller's affiliates or Seller's subcontractors become aware of an adverse event or product complaint, Seller will report such information to Buyer within one business day of awareness by calling The Lilly Answers Center at 1-800-LillyRx or the appropriate local Buyer affiliate. This reporting obligation does not apply to information that Seller's representatives or subcontractors receive directly from Buyer or from a clinical investigator conducting a clinical trial on behalf of Buyer. For purposes of this section, an adverse event means any undesirable medical occurrence in a patient or clinical investigation subject administered a pharmaceutical product (drug or device), which does not necessarily have a causal relationship with this treatment. A product complaint means a customer's written, oral or electronic communication that alleges deficiencies related to the identity, quality, safety, purity, durability, reliability, safety, effectiveness or performance of a distributed drug product, drug/device combination product, medical device, animal health premix, active pharmaceutical ingredient, process intermediate or fermentation product.

18. RECORDS AND AUDITS:

A. At its own expense, Seller will create and maintain all Records: (i) required by these Terms, a Purchase Order and Applicable Law that relate to a Purchase Order and to Seller's performance under a Purchase Order; (ii) sufficient to demonstrate that any and all amounts invoiced to Buyer under a Purchase Order are accurate and proper in both kind and amount; (iii) sufficient to demonstrate the accuracy of any representations or reports submitted to Buyer under a Purchase Order; and (iv) sufficient to enable Buyer to comply with Applicable Laws and other legal obligations, to the extent that Seller has or reasonably should have knowledge of those Applicable Laws and other legal obligations.

B. Seller will maintain all of the Records listed above for the longest of the following retention periods that applies: (i) any period prescribed by Applicable Law

or stated expressly in a Purchase Order; (ii) for Records related to invoices, for five (5) years after payment of the invoice by Buyer; (iii) for Records related to reports submitted to Buyer, for five (5) years after the report is submitted; and (iv) for all Records not addressed by one of the above, for five (5) years after the term of the Purchase Order.

- C. At no additional cost to Buyer, Seller will allow Buyer to inspect (and, upon request, Seller will furnish copies of) Records Seller is required to create or maintain under a Purchase Order for the purposes of evaluating and verifying: (i) compliance with the requirements of the Purchase Order; (ii) compliance with Applicable Law related to the Purchase Order or to Seller's performance under the Purchase Order; (iii) the accuracy and propriety of any invoice submitted to Buyer; and (iv) the accuracy of any representations or reports submitted to Buyer.
- D. At reasonable times and with reasonable advance notice, Buyer may enter and inspect any premises where Records are maintained or services are performed as Buyer deems necessary to accomplish the evaluations and verifications described above. Seller will cooperate with Buyer and provide reasonable assistance to Buyer to facilitate the evaluation and inspection and Buyer will reasonably cooperate with Seller to mitigate disruption to Seller's operations. In the event that Records are maintained, services are performed or Buyer's property is kept at premises that Seller does not control, Seller will secure rights of entry and inspection sufficient to allow Buyer to exercise its rights under this section.
- E. Buyer, its employees, or designees may exercise Buyer's rights of entrance and inspection under this section. Examples of persons or designees that Buyer may designate include Buyer's independent auditors and representatives of any state, local or foreign government entity, authority, agency, court or commission and any applicable arbitrator having jurisdiction over Buyer or its activities related to a Purchase Order.
- F. For Records generated by electronic databases, spreadsheets, programs or the like, Buyer's rights to access and inspection under this section extend to the database, spreadsheet or program that generated the Record as well as the Record itself.
- G. Some Records required by this section may also fall within the definition of Deliverables or within Seller's Existing Intellectual Capital that is incorporated into the Deliverables. Seller's obligations under this section do not diminish Seller's other obligations toward or Buyer's property rights to, such Records. Seller's obligations to maintain Records under this section are extinguished to the extent that Seller properly satisfies another obligation in these Terms or any Purchase Order to deliver or to dispose of such Records.
- H. Buyer will pay its own expenses for any inspection of

the Records or Seller's premises. However, if in any audit, Buyer determines that material issues exist that result, resulted or will result in an overcharge of one percent (1%) or more of the invoiced amount for the audited period, Seller will, within thirty (30) days of receipt of Buyer's notice and supporting documentation, reimburse Buyer for its out-of-pocket costs incurred in conducting the audit, in addition to any remedies that Buyer may have for the overcharge (such as a refund). This subsection is intended as a fair allocation of audit expenses, not as damages or a penalty.

19. CUSTOMS AND IMPORTS:

- A. CTPAT and other Customs Programs. Regarding any Imported Products, Seller shall provide information to Buyer, in the form, quality and detail reasonably required by Buyer, to enable Buyer to comply with applicable customs requirements, including the Customs-Trade Partnership Against Terrorism. If Seller participates in Customs Industry Partnership Programs, Carrier Initiative Program, Super Carrier Initiative Program, or Business Anti-Smuggling Coalition, Seller shall so notify Buyer.
- B. County of Origin. Imported Products must be clearly marked with the country of origin (for customs purposes) on each container or on the merchandise as applicable.
- C. Invoices for Imported Products. For Imported Products, invoices (both commercial and pro forma) must contain (written in English) sufficient information and detail (as described below) as reasonably required by Buyer to comply with applicable customs requirements. A pro forma invoice is one provided for customs valuation purposes only, is not expected to be directly paid and should contain the statement: "Value for Customs purposes only." Pro forma and commercial invoices must have consistent valuations for goods.
- D. Classification of Imported Products. At time of purchase of Imported Products, Seller shall provide to Buyer a proposed tariff classification for same as determined from the Harmonized Tariff Schedule of the United States. Buyer will make the final determination of the appropriate tariff classification and provide it to Seller for inclusion in the invoices. Buyer may choose to classify an item of imported goods within a special U.S. customs duty preference program. Such programs may require additional documentation from the supplier of the goods. Seller shall provide reasonable assistance to Buyer, at no additional charge to Buyer, to enable Buyer to comply with such program.
- E. Importer Security Filing. Seller agrees to timely provide Buyer or Buyer's agent with all information necessary for Buyer to submit the importer security filing required by U.S. Customs and Border Protection for relevant shipments to the United States.

This information includes, but is not limited to, manufacturer/supplier name, seller name and address, container stuffing location, consolidator name and address (if applicable), country of origin, and tariff classification. Seller's failure to provide the required information in a timely manner will preclude shipment of the goods to the United States and constitutes a material breach of these Terms.

- F. Importer of Record. The parties agree that any materials or Deliverables shipped to the United States and/or the Commonwealth of Puerto Rico in conjunction with Seller's performance of its obligations under any Purchase Order will be imported by Seller and delivered to Seller's US facility before any shipment to Lilly's designated facility. Alternatively, if agreed by Buyer, Seller may "drop ship" Deliverables directly to Buyer's designated facility. In such instance, unless otherwise directed by Buyer, Seller shall be the "importer of record" and shall comply with its obligations as defined in 19 U.S.C. § 1484 including: (i) payment of all import related fees or expenses, customs duties and fees and fees for custom house brokerage; (ii) arrangement of all logistics for importation, including selection of customhouse brokers, carriers and freight forwarders; (iii) obtaining and filing all necessary import documentation, authorizations and declarations; and (iv) compliance with all Applicable Laws related to the exportation of such materials from the country(ies) of origin. Seller shall retain title and risk of loss or other damage to materials until received by Buyer or its designee.
- G. Buyer as consignee of Deliverables. Whenever Buyer will be the Consignee of Deliverables through a contract of Affreightment and Seller is responsible for contracting the Carrier and for payment of the shipping costs, an Express Amendment to Contract of Affreightment will be entered into by the Carrier, the Seller- as Shipper, and the Buyer- as Consignee. The

Terms and Conditions of said Agreement are included in the Supplier Portal at <http://supplierportal.lilly.com>.

20. **EXPORT INFORMATION:** For each Deliverable or Product, Seller shall provide to Buyer a proposed ECCN. Buyer will make the final determination regarding the appropriate ECCN. Seller shall provide reasonable assistance to Buyer, at no additional charge to Buyer, to enable Buyer to determine the appropriate ECCN.

Export Clearance Documentation. If Seller is authorized by Buyer to file export clearance documentation (such as Electronic Export Information in the United States) with any governmental authority on Buyer's behalf, Seller shall: (i) accurately prepare and timely file such export clearance documentation as required by Applicable Law based on information provided by Buyer or by other parties involved in the transaction; (ii) retain such export clearance filings, whether electronically or otherwise and documentation to support the information provided in the filing of such clearance documents for a period of at least five (5) years from the date of export; and (iii) upon request, provide Buyer in a mutually agreed format a copy of export clearance documents filed, electronically or otherwise, by Seller on behalf of Buyer. In the event that Seller is uncertain of or is missing specific information required for the filing of export clearance documentation, or has questions about any other legal or factual issue related to an export, Seller shall promptly inquire Buyer concerning such uncertainty, missing information or question.

21. **REIMBURSABLE TRAVEL AND EXPENSES:** In the event that travel and other out-of-pocket expenses are included in an approved Purchase Order, Buyer will reimburse Seller only for Seller's actual, reasonable, proper, out-of-pocket expenses, with no additional overhead, profit margin, administrative charges, handling fees or other markup, directly attributable to the Purchase Order in accordance with Buyer's Travel Policy. Buyer shall provide Seller with a copy of Buyer's Travel Policy upon request.

**If this order involves software,
the following terms shall apply in addition to any applicable terms set out above:**

22. **LICENSE.** Seller hereby grants to Buyer, and Buyer hereby accepts, on the following terms and conditions, a nonexclusive and nontransferable, fully paid-up, irrevocable, world-wide, perpetual license (unless otherwise specified in the Purchase Order) to use the software for the number of users or copies of the software provided on the Purchase Order (the "License"). Seller and Buyer expressly agree that any software shrink-wrap and click-through software licensing agreements shall not apply to any software purchased under the Purchase Order unless the Buyer expressly agrees in writing to such shrink-wrap or click-through software licensing agreement. Unless specified otherwise on the Purchase Order, the license shall be an enterprise license for all applicable CPUs. All license limitations on use by Licensee (per user, type of user (named, concurrent, etc.), per CPU, per node, per server, etc.) shall be specifically stated in Purchase Order or shall be of no effect.

23. **USE OF SOFTWARE AND DOCUMENTATION.**

- A. Buyer may, as part of the License, make additional copies of the software and documentation to support the licensed software and documentation. Buyer may also make backup and archival copies of the software and documentation. Unless otherwise provided on the Purchase Order, Buyer shall have the right to use the software on or in connection with any CPU that it utilized to fulfill its data processing needs. Buyer reserves the right to use the software at one or more sites and to transfer such software to any location as it may determine.
- B. Buyer, its agents, contractors, assignees and employees shall have the right to unlimited use of the software and to operate and use the software at any time and for any period of time at the convenience of Buyer within the scope of the License for Buyer's business purposes. Buyer may use the software acquired hereunder for such purposes and functions as

may be necessary or convenient for Buyer's business purposes, including processing third party data and the use of such shall not be restricted to any particular purpose or function.

- C. The License granted pursuant to Section 22 above or the Purchase Order shall commence upon execution of the Purchase Order.

24. SOFTWARE REPRESENTATIONS AND WARRANTIES

Seller represents and warrants:

- A. Seller represents and warrants that at delivery and throughout the twelve (12) month period following receipt of the software (or any update thereto) by Buyer (the "Warranty Period") the software shall conform to and will operate in accordance with the Purchase Order and all documentation and specifications supplied by Seller to Buyer. Seller shall not be responsible to the extent failures are caused by: (a) Buyer's failure to use the software in accordance with instructions included in the documentation provided to Buyer by Seller; or (b) the modification of the software by any person other than Seller, its employees, agents, affiliates or subcontractors (unless such modification was authorized or approved by any of the foregoing).
- B. Seller warrants that all tapes, diskettes or other electronic media provided to Buyer hereunder will be free from defects during the Warranty Period. Seller shall, within five days of notification by Buyer of such defect, replace any defective electronic media at no additional cost to Buyer.
- C. Seller represents and warrants that it shall at all times document the operation of the software in a manner consistent with the best practices of the software development industry, and such documentation shall accurately reflect the operation of the software and enable a person reasonably skilled in computer programming and in possession of the software source code to use and maintain the software fully and completely.
- D. Seller represents and warrants that any equipment delivered hereunder shall be delivered to Buyer with the full warranty granted by the original manufacturer of the equipment still effective. Notice regarding warranty claims raised by Buyer due to defects and/or non-conformities in the equipment or in the operation of the equipment shall be given only to Seller, and upon receipt of such a notice, Seller shall take the steps necessary to effect repair of the equipment.
- E. If maintenance services are elected by Buyer, the maintenance services agreement shall become effective upon installation of the IT Products. Buyer's payment obligations for maintenance services shall begin at the end of the Warranty Period and shall renew annually unless otherwise terminated by Buyer, provided Seller notifies Buyer in writing thirty (30) days in advance of such renewal date. Notwithstanding the foregoing, Buyer's failure to install or utilize any improvements, enhancements or newly released versions of the Product shall have no effect on the Seller's provision of maintenance

services. Seller warrants and represents that maintenance services for a Product shall be available from Seller for the greater of two (2) years from the Acceptance Date of the Product by Buyer or the current version plus the one (1) prior versions. Seller shall provide to Buyer as part of maintenance services upon payment of the maintenance fees by Buyer, Updates and Upgrades to the Product at no additional cost to Buyer.

- F. Seller represents and warrants that the occurrence in or use by any Product supplied by Seller of any dates, including without limitation any date with a year specified as "99" or "00", regardless of other meanings attached to these values, and any date before, on or after January 1, 2000 ("Millennial Dates") will not adversely affect its performance with respect to date-dependent data, computations, output, or other functions (including, without limitation, calculating, comparing, and sequencing) and that the Product will create, store, process and output information related to or including Millennial Dates without errors or omissions and at no additional cost to Buyer. At Buyer's request, Seller will provide sufficient evidence to demonstrate the adequate testing of the Product to meet the foregoing requirements.
- G. Seller warrants: (i) unless authorized in writing by Buyer or (ii) necessary to perform valid duties under the Software Documentation, any software provided to Buyer by Seller for use by Seller or Buyer shall: (a) contain no hidden files, (b) not replicate, transmit or activate itself without control of a person operating computing equipment on which it resides; (c) not alter, damage, or erase any data or computer programs without control of a person operating the computing equipment on which it resides; and (d) contain no key, node lock, time-out or other function, whether implemented by electronic, mechanical or other means, which restricts or may restrict use or access to any programs or data developed under this Purchase Order, based on residency on a specific hardware configuration, frequency of duration of use, or other limiting criteria ("Illicit Code"). Provided and to the extent any program has any of the foregoing attributes, and notwithstanding anything elsewhere in this Purchase Order to the contrary, Seller shall be in default of this Purchase Order, and no cure period shall apply. In addition to any other remedies available to it under this Purchase Order, Buyer reserves the right to pursue any civil and/or criminal penalties available to it against the Seller.
- H. Seller warrants that it shall not use or incorporate Buyer's confidential information, data, or Intellectual Property in Seller's software or products.

25. LICENSE TERMINATION.

- A. In the event of a material breach by Buyer of any of its obligations under the applicable Purchase Order, Seller may terminate the licenses subject to such material breach, upon sixty (60) days advance written notice to Buyer, provided that Buyer has not cured the breach within such notice period. This right to terminate shall not apply to Buyer's breach of any

obligation relating to any maintenance services. Sixty (60) days after termination of this Purchase Order pursuant to this Section 21(A), Buyer shall discontinue further use of terminated licenses. Buyer shall, upon written request by Seller, provide Seller with written certification indicating the destruction of such copies of the software in Buyer's possession or under its custody or control.

B. In the event of a breach by Seller of any of its representations, warranties or obligations under the applicable Purchase Order, these Terms or the maintenance agreement, Buyer may terminate either the License, as well as any associated maintenance services, or the maintenance services (if any) alone, upon thirty (30) days notice to Seller, provided that Seller has not cured the breach within such notice period.

(i) If Buyer terminates the License and the maintenance services based on such breach, Seller shall refund any and all amounts paid hereunder by Buyer for the License and shall refund, on a pro rata basis, any and all amounts paid hereunder by Buyer for the maintenance services. Sixty (60) days after termination of this Purchase Order pursuant to this Section 21(B)(i), Buyer shall discontinue further use of such licenses within sixty (60) days of termination. Buyer shall, upon written request by Seller, provide Seller with written certification indicating the destruction of such copies of the software in Buyer's possession or under its custody or control.

(ii) If Buyer terminates only the maintenance services, Seller shall refund on a pro rata basis any and all amounts paid hereunder by Buyer for maintenance services. Buyer shall retain all of its rights under the license.

C. The other provisions of the Purchase Order and these Terms shall survive termination of any License.

26. AUDIT PROVISION: During the term of this agreement, Buyer will have the right, at its expense and upon no less than five (5) working days prior written notice, to audit Seller, including, but not limited to, its source code, to enable Buyer to meet its obligations under the U.S. Food and Drug

Administration regulations (or agency with similar regulatory authority and jurisdiction over Buyer's business), with specific emphasis on Seller policies, procedures, security, change control, systems and services, product handling of electronic data and records and electronic signatures and security. Such audit, which may be conducted by Buyer personnel under obligations of confidentiality or by an independent auditing firm, will not interfere unreasonably with Seller's business activities, and will be conducted no more than once per calendar year, unless Buyer has received a request from the U.S. Food and Drug Administration (or agency with similar regulatory authority and jurisdiction over Buyer's business), or unless a previous audit has disclosed a material non-conformance to the standards required by the appropriate agencies. If the audit shows material non-conformance to the standards required by the appropriate agencies, then Seller will use commercially reasonable efforts to remedy the non-conformance as soon as practicable. If the non-conformance continues for more than 15 days, then Buyer shall have the option to declare Seller in breach of this agreement. Buyer will use information received during an audit solely for the purposes of the agreement and will otherwise maintain the confidentiality of such information. In addition, upon request, Seller shall make available to the FDA all records required by governmental regulations related to the Software and any data or results produced by the Software. If any governmental or regulatory agency gives notice of its intention to conduct an audit or take any other regulatory actions with respect to the Software or any data or results produced by the Software, Seller shall promptly give Buyer notice thereof, and Buyer shall have the right to be present at any such audit or regulatory action.

27. UCITA: Seller and Buyer hereby acknowledge and agree that any provisions of any state law adopting exactly or in modified form the Uniform Computer Information Transactions Act ("UCITA") shall not be applicable to this Purchase Order. Furthermore, both Seller and Buyer waive any and all rights arising from any such law.

28. DATA: Buyer owns all rights to any data or results generated as a result of the use of the Software or Product and may use, execute, display, copy, manipulate and create derivatives of any data or results generated as a result of the use of the Software or Product.

If this order involves performance by Seller of installation, maintenance or other services, the following terms shall apply in addition to any applicable terms set out above:

29. LABOR FURNISHED BY SELLER: Seller acknowledges and agrees that in performing services, Seller will be acting solely as an independent contractor and neither Seller nor any of its employees, associated consultants, subcontractors or employees of said consultants or subcontractors shall be deemed to be employees of Buyer for any purpose. Subject to Section 30 below, all persons employed by Seller in the performance of the services are employees of Seller. Seller shall carry such employees on the payrolls of Seller and make all required payments to state, federal and local authorities covering payroll taxes and any other payments relating to such persons' employment.

30. SUBCONTRACTORS: Seller shall not use any subcontractor without the prior written approval of Buyer. Subject to the foregoing, if Seller should use a subcontractor,

Seller shall be fully responsible for services performed by the subcontractor to the same extent as if the services were performed directly by Seller and ensure that such subcontractors comply with all of the requirements of these Terms and the applicable Purchase Order. Seller shall not subcontract any performance hereunder to any party that is on the Specialty Designated Nationals and Blocked Persons List available at <http://www.ustreas.gov/offices/enforcement/ofac/> maintained by the U.S. Treasury Department's Office of Foreign Assets Control or to any party who is located in or has its principal place of business in a country subject to economic sanctions maintained by the U.S. Treasury Department's Office of Foreign Asset Controls (as of 1 November 2011, Iran, Sudan, Syria and Cuba). Seller has communicated all necessary terms and obligations to subcontractors, if any, who will be

performing work hereunder so that the subcontractor may appropriately carry out its obligations hereunder.

31. VERIFICATION AND ACCEPTANCE OF SERVICES:

Seller shall document each maintenance call with a work ticket, which shall be signed by Buyer's representative and submitted with Seller's invoice. Each Deliverable under the Purchase Order shall be subject to acceptance testing by Buyer to verify that the Deliverable satisfies all requirements of the Deliverable conveyed by Buyer to Seller. If Buyer discovers a non-conformity within ninety (90) days following delivery of a Deliverable and Buyer notifies Seller of the non-conformity, Seller shall either correct the non-conformity at no additional charge in a timely, professional manner, or, at Buyer's sole discretion, refund monies paid by Buyer for the services attributable to or affected by the non-conforming Deliverable.

32. LIABILITY INSURANCE: If Seller will perform services on Buyer's property, Seller shall maintain in force during the performance of such services liability insurance for not less than the following limits of liability:

Workmen's Compensation	Statutory
General Liability	\$2,000,000
Bodily Injury (per individual)	\$500,000
Bodily Injury (per accident)	\$1,000,000
Property Damage (per accident)	\$1,000,000
Professional Liability	\$1,000,000

33. INDEMNIFICATION: Seller agrees to defend, indemnify, and hold harmless Buyer, its directors, officers, agents, and employees from and against any and all claims, demands, losses, damages, costs and expenses, including but not limited to attorney or accountant fees, interest, penalties, expert witness fees, arising out of suits, claims and demands by reason of injury or death of any person(s) or damage to any property attributable to any breach by it of its representations, warranties or obligations under these Terms or any Purchase Order, the willful misconduct, negligent acts or negligent omissions of Seller, its subcontractors, and their officers, agents or employees, except to the extent such claims or losses are due to the negligence of Buyer, its employees or agents.

In addition to the foregoing, in the event Seller breaches any warranty on non-infringement for any Deliverable, Buyer may elect one of the following remedies, in addition to recovering any other damages or indemnification under these Terms:

- a. Require Seller to choose between furnishing either: a non-infringing substitute article or performance reasonably acceptable to Buyer, or obtaining for Buyer's benefit a license or assignment of rights sufficient to afford Buyer the full benefits of the Deliverable, both alternatives being at Seller's expense.
- b. Recover (or withhold) from Seller the portion of Seller's compensation attributable to the infringing Deliverables, with a pro-rata deduction for the months between the effective date and the moment of notice by Buyer of breach of warranty of non-infringement, relative to sixty (60) months after the date of delivery of the Deliverable(s).

34. LIENS: Seller agrees and warrants that no mechanics liens shall attach to Buyer's property by virtue of Seller's default in paying its employees, suppliers or subcontractors.

35. OWNERSHIP OF WORK PRODUCT: All drawings, specifications, magnetic or electronic media, calculations, work, ideas, inventions, discoveries, processes and improvements, computer programs, specifications, operating instructions, notes, and all other documentation or work product (whether or not patentable) created, conceived or first reduced to practice by Seller's personnel, alone or with others, in connection with services rendered for Buyer ("Work Product") resulting from performance of the services shall be the property of Buyer with Buyer owning the copyright and all other proprietary rights to the Work Product. All originals and copies of the Work Product shall be delivered to Buyer upon the earliest of the completion of the services, the termination or suspension of the services, or the written request of Buyer. Seller agrees to execute, without further consideration, assignments or other documents that may be necessary to establish Buyer's ownership of the Work Product. Seller shall cooperate with Buyer or its designees and execute documents of assignment, declarations, and other documents which may be prepared by Buyer and take other necessary actions as reasonably directed by Buyer, to effect the foregoing or to perfect or enforce any proprietary rights resulting from or related to this Purchase. Seller hereby assigns and conveys to Buyer the entire right, title, and interest in and to such work including work created prior to the date of the Purchase Order, including the copyright therein and any copyright renewal thereof. Such cooperation and execution shall be performed without additional compensation to Seller; provided, however, Buyer shall reimburse Seller for reasonable out-of-pocket expenses incurred at the specific request of Buyer. Seller shall cause each of Seller's employees charged with performance of services for Buyer or granted access to confidential information to execute an agreement recognizing Buyer's ownership rights and concurring with the obligations of Seller as set forth herein. Seller hereby grants Buyer a non-exclusive, perpetual license to use, copy, and distribute all Seller property provided to Buyer as part of the Work Product hereunder.

36. OWNERSHIP OF DELIVERABLES: All Deliverables shall be the property of Buyer with Buyer owning the copyright and all other proprietary rights to the Deliverables. All originals and copies of the Deliverables shall be delivered to Buyer upon the earliest of the completion of the services, the termination or suspension of the services, or the written request of Buyer. Any Work Product that constitutes "work made for hire" (within the meaning of United States copyright law) will be treated as such. Seller agrees to execute, without further consideration, assignments or other documents that may be necessary to establish Buyer's ownership of the Deliverables. Seller shall cooperate with Buyer or its designees and execute documents of assignment, declarations, and other documents which may be prepared by Buyer, and take other necessary actions as reasonably directed by Buyer, to effect the foregoing or to perfect or enforce any proprietary rights resulting from or related to these Terms or a Purchase Order. Seller hereby assigns and conveys to Buyer the entire right, title, and interest in and to such work including work created prior to the date of the Purchase Order, including the copyright therein and any copyright renewal thereof. Such cooperation

and execution shall be performed without additional compensation to Seller; provided, however, Buyer shall reimburse Seller for reasonable out-of-pocket expenses incurred at the specific request of Buyer. Seller shall cause each of Seller's employees charged with performance of services for Buyer or granted access to confidential information to execute an agreement recognizing Buyer's ownership rights and concurring with the obligations of Seller as set forth herein. Seller hereby grants Buyer a non-exclusive, perpetual license to use, copy, and distribute all Seller property provided to Buyer as part of the Deliverables hereunder.

Despite the preceding clauses, Seller retains all Intellectual Property Rights (other than the following license) to any portion of Existing Intellectual Capital that is incorporated into any Deliverable. Seller grants to Buyer and its affiliates a non-exclusive, world-wide, royalty-free license to such Existing Intellectual Capital sufficient to allow full lawful use of the Deliverables that incorporate it, including the use of the Deliverables by Buyer's agents and independent contractors solely to furnish services to Buyer or its affiliates.

Despite the preceding clauses, if the Deliverables incorporate any Intellectual Property owned or controlled by a third party, then Seller hereby grants to Buyer and its affiliates, or shall acquire on behalf of Buyer and its affiliates, a perpetual, royalty-free, world-wide, non-exclusive license or sublicense sufficient to allow full lawful use of the Deliverables that incorporate it, including the use of the Deliverables by Buyer's agents and independent contractors solely to furnish services to Buyer or its affiliates.

37. **SERVICE WARRANTIES:** Seller warrants that the services will be executed in accordance with Buyer's order and all applicable state, local, national, and international laws, rules, regulations and guidelines. Seller shall procure at its own expense all permits and licenses required for the performance of the services and shall arrange for all required inspections. Unless Buyer directs otherwise, Seller further warrants that all materials utilized in the services will be new. Seller warrants that all Work Product produced under this Purchase Order shall be of original development and all Seller property shall be of original development or licensable by Seller, as the case may be, and all Work Product and property licensed or owned by Seller and used in the performance of any work under this Purchase Order shall not infringe or violate any patent, copyright, trade secret, trademark, or other third party intellectual property right. Seller shall perform all services under this Purchase Order on a professional best effort basis and in a diligent, workmanlike, and expeditious manner. Seller warrants that it has enforceable written agreements with all of its employees and all subcontractors (i) assigning to Seller ownership of all patents, copyrights and other proprietary rights created in the course of their employment or engagement; and (ii) obligating such employees upon terms and conditions no less restrictive than contained herein, not to use or disclose any proprietary rights or information learned or acquired during the course of such employment or engagement, including, without limitation, any Work Product, and any other information.

38. **TERMINATION:** Notwithstanding any contrary terms contained above, Buyer shall have the right at its absolute

discretion, five (5) days following Buyer's written notice to Seller, to cancel, in whole or part, Buyer's order or any contract resulting from its acceptance. In the event of such cancellation, Buyer shall have no obligation to Seller except the obligation to pay all costs actually incurred by Seller prior to the date of termination plus a normally accepted trade allowance on such costs as full payment of Seller's overhead and profit, provided, however, that in no event shall Buyer be obligated to pay an amount in excess of the amount set out in Buyer's order for the services; advance payments will be refunded accordingly. If Buyer's order or any resulting contract is canceled as a result of the default of Seller, Buyer shall have no obligation to reimburse Seller for any services performed by Seller pursuant to Buyer's order or any resulting contract.

39. **TAXES:** Seller shall pay all Commonwealth of Puerto Rico local taxes, transportation taxes, Federal taxes, and all charges or duties of any nature applicable to the services. The cost of all such taxes, charges, and duties shall, and are presumed to be, included in the price as set out in the Purchase Order, regardless of statements to the contrary. Seller is made aware of sections 1062.03, 1062.08 and 1062.11 of the Puerto Rico Internal Revenue Code of 2011, as amended, and/or any predecessor or successor legislation, regulations, rules and or administrative determinations or pronouncements regarding certain tax withholding requirements, which the Buyer must and will comply with.

40. **UN CONVENTION:** Despite anything in these Terms, the United Nations Convention on Contracts for the International Sale of Goods shall have no application to, and shall be of no force and effect with respect to, these Terms or any Purchase Order under these Terms.

41. **DEFINED TERMS:**

A. "Applicable Laws" means any statute, law, treaty, rule, code, ordinance, regulation, permit, interpretation, certificate, judgment, decree, injunction, writ, order, subpoena, or like action of a governmental authority that applies, as the context requires, to a Purchase Order or the performance of obligations or other activities related to a Purchase Order or agreement.

B. "Buyer's Confidential Information" means all information that Buyer deems confidential or proprietary, including information deemed confidential by virtue of Buyer's obligations to another party and confidential information developed by Seller in connection with any Purchase Order. Buyer's Confidential Information includes, but is not limited to, information about research and development plans and results, new compounds and processes, evaluation procedures (including clinical and field testing), product formulations, manufacturing methods, applications to government authorities, pricing or cost, construction plans, sales, marketing, and advertising studies and plans, customer lists, computer information and software, special techniques unique to Buyer's business, information subject to a right of privacy and information Buyer maintains under a system of protection against unauthorized access.

C. "Deliverables" or "Products" means the following: (i) for any order of goods, including software and any computer program, programming, modules, patches, upgrades, new versions and modifications thereto, Deliverables or Products includes any goods or articles specified in Buyer's order that Seller is obligated to furnish to Buyer; and (ii) for any order of services, Deliverables or Products includes all services provided to Buyer, together with all articles, materials, goods, information, works of authorship, trademarks, artwork, drawings, text, specifications, calculations, reports, ideas, inventions, discoveries, processes, improvements, software, data and other documentation and materials created, developed, conceived or first reduced to practice by Seller, alone or with others, related to services rendered for Buyer under the Purchase Order or derived from information or materials Seller has received from Buyer.

D. "ECCN" means Export Control Classification Number.

E. "EDI" means electronic data interchange.

F. "Existing Intellectual Capital" means any Intellectual Property that Seller invented, created, developed or acquired outside the course of its performance under this agreement with Buyer and without use of Buyer's information or materials.

G. "Imported Products" means any foreign-sourced goods or products imported into the United States

and/or the Commonwealth of Puerto Rico.

H. "Intellectual Property" means all inventions, original expressions of ideas embodied in a tangible form, copyrights, trademarks, trade secrets, information, know-how, and the like that are afforded (or may be afforded) upon action by a governmental authority, such as the U.S. Patent Office, Intellectual Property Rights.

I. "Intellectual Property Rights" means the property rights or quasi-property rights afforded by patents, copyrights, trademarks, or trade secrets, publicity rights, privacy rights and moral rights (such as the rights of attribution and integrity).

J. "Personal Information" means any information provided by Buyer and/or its affiliates or collected by Seller for Buyer and/or its affiliates: (i) that identifies or when used in combination with other information provided by Buyer or processed by Seller on behalf of Buyer identifies an individual; or (ii) from which identification or contact information of an individual person can be derived. Personal Information can be in any media or format, including computerized or electronic records as well as paper-based files.

K. "Records" means any information of any type (including text, data, code, images, sound, source codes, computer programs, software, databases or the like) that is either used, created or obtained in the performance of any Purchase Order, inscribed on paper or other tangible medium or stored on an electronic medium in a perceivable form.

I n s t r u c t i o n s :

Markings:

- Show Buyer's purchase order number on all packages.
- Each container must also be plainly identified by:
 - Name of Manufacturer
 - Buyer's Product Title
 - Net Weight
 - Parcel Number of Total Parcels Shipped

Additional instructions for shipments of drugs, chemicals, and packaging materials:

- Each container must also be plainly identified with the Manufacturer's Control Number, Manufacturing Location, Buyer's Item Code, Lot or Batch Number.
- Keep number of lots to a minimum.

Packing Slips: A packing slip itemizing contents should be placed on the outside of each shipment in a protective envelope. Buyer's purchase order line number must appear with each item on Seller's packing slip. On shipments of drugs and chemicals, also show number of containers in each batch.

Invoices:

Standard Payment Terms:

Net sixty (60) days from the date of receipt of a valid and accurate invoice in Accounts Payable.

Show Buyer's purchase order number, net weights, payment terms and transportation terms. Buyer's purchase order line number must appear with each item on Seller's invoice. Improper invoices may be returned for correction without loss of discount. In case of doubt concerning quality or where rejections occur, payment may be deferred by Buyer without loss of discount. Due dates and cash discounts will be computed from the date the invoice is received in Accounts Payable. Invoices should be mailed to the address listed in the Purchase Order.

In addition, invoice information must comply with the laws and regulations of the Commonwealth of Puerto Rico, specifically with Sales and Use Tax (IVU) segregation requirements, as applicable.

Bills of Lading: Show Buyer's purchase order number, net weight, gross weight, and/or tare weight where applicable, as well as the number of containers. If drugs or chemicals, also show number of containers in each batch. If transportation is F.O.B. origin and transportation charges are for Buyer's account, ship at released value rates that will produce lowest transportation cost via Buyer's designated carrier. When Buyer's carrier is not used and that results in higher transportation charges for Buyer, the excess charges will be deducted from Seller's invoice prior to payment.

INSTRUCTIONS FOR IMPORTED PRODUCTS

MARKINGS:

- Show Buyer's Purchase Order number on all packages.
- Each Container must also be plainly identified by:
 - Name of Manufacturer
 - Buyer's Product Title
 - Net Weight
 - Parcel Number of Total Parcels Shipped
 - Country of Origin Marking

INVOICES

For Imported Products, invoices (both commercial and pro forma) must contain (written in English):

- Name and complete address of seller/manufacturer;
- Accurate and detailed description of the goods (adequate to permit accurate customs classification and clearance);
- The name and contact information of the person receiving the goods at Lilly;
- Quantity, unit of measure and purchase price of each item; tariff classification code from the Harmonized Tariff Schedule of the U.S.; clearly stated terms of sale; Chemical Abstract Service Number (CAS#) and International Non Proprietary Name (INN), if available, for chemical compounds;
- Currency of purchase;
- Country of origin of goods;
- Separately itemized freight and insurance if to be paid by Buyer and included in the invoice;
- The port of entry to which the Imported Products are shipped; and
- Chemical compounds that are proprietary in nature shall have sufficient description to enable proper classification (e.g. Quinoline (with no other fused ring structure) derivatives including ester and halogens).