

## GENERAL TERMS AND CONDITIONS OF PURCHASE

**Eli Lilly Scandinavia**

Effective October 2017

### 1. Definitions

1.1. In these General Terms and Conditions of Purchase ("Terms"), unless the context otherwise requires:

- a) "Electronic Invoicing System" means Purchaser's web portal for electronic Purchase Orders and electronic invoicing through which Supplier can invoice Purchaser, either by way of (1) visiting the web portal on the internet, create an invoice in accordance with the instructions on the web portal, and invoice Purchaser through the web portal, or (2) by way of being an integrated supplier meaning that Supplier's invoicing system and Purchaser's concerned web portal have been integrated and Supplier in such case can invoice Purchaser through the web portal directly from its own invoicing system.
- b) "Goods" shall include both tangible and intangible goods, including software and documentation that may accompany the Goods.
- c) "Purchase Order" shall mean the purchase order quoting the Purchase Order Number and any other specifications of the Goods or the Services.
- d) "Purchaser" shall mean the Eli Lilly entity that places an order to purchase Goods or to obtain Services from the Supplier.
- e) "Services" shall include, but are not limited to, general services as well as consultancy services and any deliverables being part of the performance of the Services.
- f) "Supplier" shall mean the party supplying the Goods or the Services to Purchaser.

### 2. Scope

2.1. Unless otherwise has been agreed in writing between the parties, these Terms shall govern exclusively all Purchase Orders placed by Purchaser for the supply of Goods and/or Services by Supplier and shall constitute the entire agreement between the parties. No variation to these Terms is valid unless accepted in writing by the Purchaser.

2.2. For avoidance of doubt, acceptance or payment of supplied Goods or Services by Purchaser without expressly objecting to any terms and conditions of Supplier will not be regarded as recognition of such terms and conditions and shall not in any way be binding on Purchaser.

2.3. Purchaser may vary or replace these Terms by notifying the Supplier in writing, including by e-mail. Any variation takes effect from the date of the Purchaser's next Order.

### 3. Conclusion of Contract

3.1. Purchase Orders shall be made by Purchaser through the Electronic Invoicing System, or should this for any reason not be technically possible, in writing, by e-mail or orally. Purchase Orders made orally must be confirmed by Purchaser in order to become effective. Confirmation of orders may be issued through the Electronic Invoicing System, or should this for any reason not be technically possible, by mail or e-mail.

3.2. All oral or written communication (including invoices, transportation documents etc) between the Parties must quote Purchaser's Purchase Order Number (as stated in the Purchase Order).

3.3. The acceptance of a Purchase Order by the Supplier includes acceptance of these Terms. Acceptance by Supplier of a Purchase Order may be evidenced by (a) Supplier's electronic acceptance of the Purchase Order in the Electronic Invoicing System, (b) by written or verbal confirmation of the Purchase Order, (c) Supplier's delivery of Goods or Services, or (d) other conduct by Supplier or its representative consistent with acceptance of the Purchase Order.

### 4. Specifications and Standards

4.1. The Supplier warrants that the Goods and Services (i) will be of satisfactory quality and suitable for the intended purpose, (ii) are free from defects in design, materials, construction and workmanship and (iii) will conform with any agreed specifications, industry standards, samples or descriptions provided by Purchaser and all other requirements of the agreement.

4.2. Supplier shall supply the Goods and Services with due care and skill and in compliance with applicable laws, regulations, industry codes and, if notified, policies of Purchaser.

4.3. Supplier must only use appropriately skilled and experienced employees, agents or Contractors ("Supplier's Personnel") and Purchaser reserves the right to reject any Supplier's Personnel it considers unsuitable to supply the Goods or Services.

4.4. Supplier's Personnel will be deemed Supplier's employees and in no event shall be considered employees of Purchaser. Supplier assumes full responsibility for the actions of such Personnel while performing the Services and shall solely be responsible for all obligations arising out of its employment of its Personnel.

### 5. Delivery

5.1. The Goods shall be delivered to, and the Services shall be provided at, the delivery address specified in the Purchase Order, at the date and time or within the time-schedule stated in the Purchase Order or otherwise agreed between the parties. Deliveries shall be made during Purchaser's usual business hours.

5.2. Each delivery shall include a packing list identifying the Purchase Order Number (as stated in the Purchase Order), description and quantity of the Goods and date of shipment.

5.3. The Goods shall be appropriately packaged and labelled in such manner as to prevent damage during transport and carry all instructions necessary for the safe use of the Goods.

5.4. Purchaser shall not be deemed to have accepted any Goods or Services until Purchaser has had a reasonable time to inspect them following delivery or, where relevant, following installation.

5.5. If the Purchase Order relates to performance of Services or installation or commissioning of Goods, delivery will be accepted only upon confirmation by Purchaser in writing that performance of the Services or installation and commissioning meet the agreed specifications. Purchaser's payment or acceptance of any Goods or Services shall not relieve Supplier of any of its obligations under these Terms.

5.6. If Supplier for any reason anticipates any difficulty in complying with any agreed delivery date or otherwise in accordance with any requirements of the agreement, Supplier must promptly notify Purchaser.

### 6. Delays

6.1. In case of the Goods or Services are not delivered or supplied on or before the agreed delivery date or within the time-frame agreed, Purchaser shall be entitled to liquidated damages (penalty). The penalty shall be 1 % of the whole contractual sum (related to the Purchase Order) per commenced "delay" week from the agreed delivery date, not exceeding a total of 25 % of the whole contractual sum.

6.2. If the Goods or Services have not been delivered within a reasonable and final deadline given by Purchaser, Purchaser shall be entitled to rescind or cancel the Purchase Order by notifying Supplier. If the Purchase Order is rescinded, Supplier shall compensate Purchaser for any direct loss or damage arising as a result of the delay.

### 7. Deficiencies

7.1. If the Goods or Services do not comply with Clause 4 above or otherwise do not comply with the requirements under the agreement (hereinafter referred to as "Deficiencies in the Goods or Services), Supplier shall at first hand, upon notification from Purchaser, rectify the Deficiencies, through correction or replacement of the defective Goods or re-performance of the Services, at its own cost and risk, to the reasonable satisfaction of Purchaser and with the expedience required by the circumstances.

7.2. If the Deficiencies are not rectified or replaced/re-performed with the expedience required by the circumstances, Purchaser may give Supplier a reasonable and final deadline for rectification. If the Deficiencies have not been rectified when the deadline has expired, Purchaser shall (i) be entitled to a price reduction to be reasonable determined by Purchaser, or (ii) if the Deficiencies are of material significance for Purchaser, be entitled to immediately terminate the agreement. If the agreement is terminated, Supplier will accept the return of defective Goods, at its own risk and cost, and provide for repayment of any part of the price which has been paid in relation to the Goods or Services.

7.3. Purchaser must notify Supplier within a reasonable time after having noticed a Deficiency in the Goods or Services. Supplier shall only be liable for Deficiencies indicated by Purchaser within six (6) months from the acceptance of delivery.

7.4. In addition to what is stated above, Supplier shall compensate Purchaser for any direct loss or damage arising as a result of the Deficiencies.

### 8. Risk and Title to Goods

8.1. Risk and title to the Goods shall pass to Purchaser upon Purchaser's acceptance of the delivery, unless otherwise has been agreed in writing.

### 9. Installation and Commissioning

9.1. Where the agreement provides for installation and/or commissioning or any other work to be carried out by Supplier, Supplier shall, at no additional costs, install and fully commission the Goods at the delivery address in accordance with generally applicable local laws and regulations, including but not limited to health and safety legislation.

### 10. Pricing and Payment

10.1. The price of the Goods or Services shall be as stated in the Purchase Orders, unless otherwise specified in writing between the parties. Prices shall be exclusive of any applicable value added tax (VAT) and shall include packaging, insurance, delivery and where relevant, installation and commissioning of the Goods to the delivery address.

10.2. Unless otherwise agreed, prices for Services shall include all expenses, fees, disbursements incurred by the Supplier in supplying the Services.

10.3. Unless otherwise stated in the Purchase Order, payment shall be made within sixty (60) days from date of invoice provided that Purchaser has accepted the delivery of the Goods, the Services and any commissioning or installation as appropriate. Purchaser is entitled to set off against the price invoiced any sums owed by Supplier.

10.4. Invoices must quote the Purchase Order Number (contained in the Purchase Order), Purchaser's reference person and a specification of the Goods or Services.

### 11. Warranty

11.1 Supplier warrants that it has the skills, resources, expertise, licenses, permits or other authorizations necessary or required to supply the Goods or Services.

11.2 Supplier warrants that the Goods or Services, and the use hereof by Purchaser, will not infringe any Intellectual Property rights or other rights of any third parties nor any applicable laws, regulations or industry codes.

### 12. Indemnification

12.1. Supplier shall indemnify Purchaser against any liability, costs and expenses (including legal expenses) which results from any actions or claims made against Purchaser and against any damages or losses suffered by Purchaser as a result of Supplier's, its agents, employees or sub-contractor's, defaulting of Supplier's obligations under the agreement or as a result of their acts of wilful misconduct, except to the extent that any such loss or expenses are attributable to the negligence of Purchaser.

12.2. Neither party shall in any event be liable to the other party for any incidental, indirect or consequential damages.

12.2 Supplier undertakes and agrees to take out and maintain adequate insurance to cover its liabilities hereunder.

### 13. Intellectual property rights

13.1. All drawings, methods of analyses, standards or other materials and documents provided to Supplier by Purchaser shall remain the property of Purchaser and must not be made available to third parties by Supplier without prior written consent of Purchaser.

13.2. All intellectual property rights discovered or generated by Supplier as a result of its performance of the Purchase Order shall vest in Purchaser and Supplier hereby assigns and will procure its Personnel to assign to Purchaser all such intellectual property rights.

13.3. With respect to any software which is or forms part of the Goods and/or Services ("Software"), Supplier must ensure that the Software contains no harmful codes and that the Software is free and unencumbered or that it has the right, power and authority to license the same upon these terms and the Supplier hereby grants Purchaser a non-exclusive, royalty free, worldwide license to use the Software for the intended purpose of the Purchase Order.

### 14. Confidentiality

14.1. The Parties shall treat all information and documents received from the other Party as confidential and shall not use such information, or disclose it to any third party, except insofar as strictly necessary for the performance of the Parties' obligations towards each other. This undertaking shall not apply to information lawfully received from other source than the disclosing Party or if disclosure is required by law or to the extent information becomes generally available to the public other than through a breach of this agreement.

14.2. The Parties will ensure its Personnel shall adhere to this confidentiality undertaking.

14.3. Supplier shall at Purchaser's request either return or destroy information as received from Purchaser relating to the Purchase Order, including copies thereof.

### 15. Privacy

15.1. Supplier undertakes to respect and comply with the terms of the Data Protection Directive 95/46/EC, or the General Data Protection Regulation 2016/679, as applicable, relative to protection of personal data as well as with any relevant national laws and regulations in this respect.

15.2 In case Supplier acts as data processor on behalf of Purchaser, a separate Data Processing Agreement must be entered into between the Parties to ensure the Supplier will act only in accordance with Purchaser's instructions and to ensure implementation of sufficient technical and organisational measures required to protect personal data, maintenance of an adequate level of security and protection against destruction, alteration and unauthorised disclosure or access.

### 16. Force Majeure

16.1. The parties shall not be responsible or shall not be considered in default for the unsuccessful or delayed performance of any of the obligations foreseen by the present agreement due to circumstances beyond reasonable control of either one of the parties, as for example national strikes, blockades, fires, explosions, floods, earthquakes or other natural catastrophes.

### 17. Termination

17.1. Either Party may terminate the agreement with immediate effect by giving written notice to the other Party, at any time, and without any liability for compensation if (i) the other Party commits a material breach of any of its obligations under the agreement and has failed to remedy such breach within 30 days from written notification hereof or (ii) the other Party becomes subject to any form of insolvency or bankruptcy proceedings.

17.2. Purchaser may terminate the agreement at any point of time, and without any liability for compensation, by giving Supplier 30 days' prior written notice, whereupon Purchaser shall pay for all Services properly supplied by Supplier up to the date of termination. Supplier shall use its best endeavours to minimize any costs incurred between the date when notice of termination is given and the date of termination.

### 18. Legal Compliance

18.1. Each Party shall ensure that it and its activities under this agreement shall at all times comply with all applicable laws, regulations and industry codes and furthermore represents that any funds paid to the other pursuant to this agreement are not proceeds of any illegal activity.

18.2. Supplier shall provide Purchaser with immediate notice of any governmental or regulatory review, audit or inspection of its facility, processes, or products that might relate to the subject matter of this agreement. Supplier shall provide Purchaser with the results of any such review, audit or inspection. Purchaser shall be given the opportunity to provide

assistance to Supplier in responding to any such review, audit or inspection relating to the Products.

18.3. During the term of this agreement and for a period of three (3) years thereafter, the records of each party relating to the performance of its duties and obligations under this agreement shall be open to inspection and subject to audit and reproduction by the other party or other party's agent or representative.

18.4. In connection with the services Supplier will provide under this agreement and in connection with any other business involving Purchaser, Supplier confirms that Supplier has not given or promised to give, and will not make, offer, agree to make or authorize any payment or transfer anything of value, directly or indirectly, (i) to any Government or Public Official, as defined herein; (ii) any political party, party official or candidate for public or political office; (iii) any person while knowing or having reason to know that all or a portion of the value will be offered, given, or promised, directly or indirectly, to anyone described in items (i) or (ii) above; or (iv) any owner, director, employee, representative or agent of any actual or potential customer of Purchaser. The parties agree to comply with all applicable anti-bribery laws in the countries where the parties have their principal places of business and where they conduct activities under this agreement. Additionally, Supplier understands and agrees to comply with the U.S. Foreign Corrupt Practices Act ("US FCPA"), as revised, as well as similar applicable laws of the country where Supplier has its principal place of business and where the Supplier conducts activities under this agreement, and to take no action that might cause Purchaser to be in violation of the US FCPA or similar applicable laws of the country where Supplier has its principal place of business and where Supplier conducts activities under this agreement. Additionally, the parties will make reasonable efforts to comply with requests for information, including answering questionnaires and narrowly tailored audit inquiries, to enable the other party to ensure compliance with applicable anti-bribery laws.

For purposes of these Terms, "Government or Public Official" is any officer or employee or anyone acting in an official capacity on behalf of: a government or any department or agency thereof; a public international organization (such as the United Nations, the International Monetary Fund, the International Red Cross, the World Health Organisation) or any department, agency, institution thereof; or a government-owned or controlled company, institution, or other entity, including a government-owned hospital or university.

18.5. Supplier represents that neither it nor any of its owners, directors, employees, agents, or consultants is a Government or Public Official, as defined above, or political party official or candidate for public or political office. In the event that during the term of this agreement there is a change in the information required to be disclosed in this paragraph, Supplier agrees to promptly notify Purchaser. If within the Supplier's organization there are persons who fall under the aforementioned categories, Supplier shall inform Purchaser promptly before initiating the Services and shall provide Purchaser with the names and positions of each person/s and commits to informing Purchaser of any change in the qualification or responsibility which is accountable to this or these subject/s. In any case, Supplier agrees that Purchaser's entering into this agreement is not intended in any way to influence any decision this/these subject/s may make regarding the prescription of Purchaser's medicines or to otherwise influence any pending or future activity of Purchaser.

18.6 The parties agree that breach of this article 18 shall be considered a material breach of this agreement and that either party may immediately seek all remedies available under law and equity including termination of this agreement if it believes, in good faith, that the provisions of this Article have been breached by the other party without owing to the other any damages or indemnification resulting from such termination.

### 19. General

If any provision of these Terms is unenforceable, illegal or void, that provision is severed and the other provisions of these Terms remain in force.

Supplier shall not without Purchaser's prior written consent assign or transfer or subcontract any of its rights or obligations under these Terms.

These Terms shall be governed by and construed in accordance with the laws of the country where Purchaser is incorporated, and the Supplier agrees to submit to the exclusive jurisdiction of the courts of this country.