

## 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 made by Lilly Portugal Produtos Farmacêuticos Lda., Greenfield - Produtos Farmacêuticos, Lda., Distal - Produtos Químicos e Farmacêuticos, Lda. and Vitalfarma - Produtos Farmacêuticos, Lda. (hereinafter the "LILLY Group"), 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) from Suppliers, in the absence of any written agreement between the LILLY Group and the Supplier drafted for a specific purpose, signed and delivered by the Parties. Where there is a written agreement in place, after the same is signed, it will replace the present General Contracting Terms and Conditions 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 the 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, duly signed by its legal representative. The 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 and/or Services to be supplied and/or 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, namely those referred to under clause 3.3), 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 Suppliers' general terms and conditions for sale, as well as any condition imposed by Suppliers or any contractual document, even if it predates the present General Terms, unless expressly accepted in written by the 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 Suppliers.

### 3. Technical specifications and respect for Regulations

3.1. Suppliers undertake 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), or in the technical, safety and environmental standards of domestic and European origin that are obligatorily applicable.

3.2. Suppliers 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, Suppliers 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.

3.3. On the basis of the provisions contained in current legislation (European Directive 2006/42/EC, as transposed into the Portuguese legal order, namely by Decree-Law n.º 103/2008, of June 24<sup>th</sup>, in case of machinery), all Goods must bear CE Marking and be supplied with EC Declaration of conformity, Manual in Portuguese and Maintenance manual. In case of supply 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).

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

3.5. As the sole employers of all personnel assigned to the provision of the Services contracted, Suppliers shall be liable before Labour and Immigration Authorities and Labour Courts for the correct observance and application in favor of their personnel of all current legislation, especially in connection with employment, immigration and social security matters, as

well as the prevention of occupational hazards, including coverage by a work accidents insurance policy under applicable legal rules, 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, 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 the LILLY Group will not withhold or make payments for social security on behalf of Supplier's employees. Suppliers accept 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.

3.6. Suppliers must also comply with all current legislation relating to the protection of the Environment.

3.7. Suppliers undertake 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.

3.8. Suppliers 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 the 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, including coverage of its employees by a work accidents insurance policy under applicable legal rules, the correct application by sub-contractors of the regulations on labour, immigration and 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.

3.9. Suppliers must demonstrate to the LILLY Group, whenever so required, that they comply with the said obligations.

### 4. Intellectual Property and Obligation of Confidentiality

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

4.2. Suppliers accept and acknowledge that the 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 Suppliers and accepted by the LILLY Group, and that the 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 Suppliers may become aware of in the course of the development and execution of the Contract or as a result of the same, according to article 14 of the Portuguese Code on Copyright and Related Rights (*Código de Direitos de Autor e Direitos Conexos*) and to article 59 of the Industrial Property Code (*Código de Propriedade Industrial*), under the regime of the work and/or invention made to order.

4.3. Suppliers undertake to preserve the confidentiality of the foregoing information and not to disclose it, as well as to ensure that none of their employees, where appropriate, discloses it, in any way whatsoever, including the documents indicated. Suppliers further undertake 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 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 Personal Data (Protection) Act (Law no. 58/2019 of August 8) 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 Services or Goods to any company within the 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 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. The Supplier shall be liable for any and all damages arising from

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any breach of its data privacy obligations, to LILLY Group 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.

### 6. Billing and payment terms

6.1. Suppliers 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 Suppliers, with Suppliers 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 (Decree-Law n.º 62/2013, of October 10<sup>th</sup>, as amended), by means of a bank transfer within the term of 60 days counted from the receipt date of the corresponding bills by Suppliers, unless otherwise agreed and duly reflected in the purchase order.

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

6.6. Credits or credit memos must be submitted separately from invoice charges and should not be used to reduce future invoices.

6.7. In order for a bill to be processed, **it is obligatory for it to include the order number provided by the LILLY Group on the purchase order; the number must be printed (not handwritten)** together with the remaining relevant elements foreseen in article 36(5) of the Value Added Tax Code, as enacted by Decree-Law n.º 394-B/84, of December 26<sup>th</sup>, as amended, and the bill sent through one and only one of the following methods:

- **A paper bill sent to the following address:**  
Lilly Portugal - Produtos Farmacêuticos, Lda.  
Torre Ocidente Rua Galileu Galilei, 2 –Piso 7-Fracção  
A/D 1500-392 Lisboa – Portugal
- **Electronic Bill sent to the following electronic address:**  
[Vendor\\_Invoicing\\_EMEA@lilly.com](mailto:Vendor_Invoicing_EMEA@lilly.com)

Electronic Bills must be issued in accordance with Decree-Law. n.º 28/2019, of February 15, as amended.

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.

6.8. For any information about billing, Suppliers may contact our Supplier Helpdesk via e-mail:

- **E-mail address:** [vendors\\_pt@lilly.com](mailto:vendors_pt@lilly.com)

### 7. Delivery of Goods and Provision of Services

7.1. Suppliers 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. Suppliers acknowledge and agree 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 the 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 Suppliers uplift and/or replace promptly any non-compliant Goods and/or Services, without any additional cost for the LILLY Group and without prejudice to any other right lying to the LILLY Group, including compensation for damages and the termination of the Contract.

7.5. Suppliers 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 Suppliers hereby give their

consent, of the activities executed by Suppliers 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 not be available, Suppliers will have to guarantee the continuity of their contractual obligations. If any of the Suppliers' employees need to be replaced, Suppliers shall immediately inform the LILLY Group, unless this is materially impossible for reasons beyond the control of the Suppliers, so that the LILLY Group can implement all of the internal procedures relating to the authorization of their access and security. Suppliers 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 Suppliers be considered to form any part of the organization of the LILLY Group, nor will any direct employment relationship be established. Suppliers 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. Suppliers shall notify the LILLY Group of the name of this coordinator.

7.8. Suppliers shall have sole responsibility for the safety of their respective employees. All personnel of each Supplier assigned to the provision of the Services and/or supply of the 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 Suppliers have 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 provision 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 the LILLY Group in this respect.

7.9 Suppliers 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. Trade Sanctions and export controls

8.1. Supplier agrees to comply with all applicable trade sanctions and export control laws and regulations, including where applicable the U.S. trade sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control (31 C.F.R. Part 501 et seq.), the U.S. Export Administration Regulations (15 C.F.R. Part 734 et seq.), and European Union trade sanctions and export laws (including without limitation Council Regulation (EC) No. 428/2009 (as amended)).

8.2. Supplier represents and warrants that neither Supplier, its directors, executive officers, agents, shareholders nor any person having a controlling interest in Supplier are

- (i) a person targeted by trade or financial sanctions under the laws and regulations of the United Nations, the United States, the European Union and its Member States, the United Kingdom or any other jurisdiction that is applicable to the [Rights and Services] to be provided under this [Agreement], including but not limited to persons designated on the U.S. Department of the Treasury, Office of Foreign Assets Control's List of Specially Designated Nationals and Other Blocked Persons and Consolidated Sanctions List, the U.S. State Department's Non-proliferation Sanctions Lists, the UN Financial Sanctions Lists, the EU's Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, and the UK HM Treasury Consolidated Lists of Financial Sanctions Targets;
- (ii) incorporated or headquartered in, or organized under the laws of, a territory subject to comprehensive U.S. sanctions (each, a "Sanctioned Territory") (currently, Cuba, Iran, Crimea, North Korea, Syria and Venezuela but subject to change at any time) or
- (iii) directly or indirectly owned or controlled by such persons (together "Restricted Person").

Supplier further represents and warrants that Supplier shall notify Lilly Portugal in writing immediately if Supplier or any of its directors, executive officers, agents, shareholders, or any person having a controlling interest in Supplier becomes a Restricted Person or if Supplier becomes directly or indirectly owned or controlled by one or more Restricted Persons.

### 9. Force Majeure

9.1. 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.

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9.2. 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 the LILLY Group is unable to make use of the Services or Goods referred to in the Contract, the LILLY Group reserves the right to acquire the Services or Goods from a third party.

### 10. Representations and Warranties

10.1. Suppliers guarantee 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.

10.2. 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 Portuguese and European legislation.

10.3. Furthermore, Suppliers expressly state 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 Suppliers are up to date with their respective Labor, Social Security, Immigration and tax obligations.

10.4. LILLY is committed to respecting Decree-Law no. 176/2006, as amended (the "Medicines Act"), the APIFARMA Code of Ethics for promotion practices of Pharmaceutical Industry and interaction with Health Care Professionals (the "Code") which requires transparency in relation to transfers of value ("TOV") made by a Pharmaceutical Company, namely to healthcare professionals, healthcare organisations and patient associations. To meet these requirements, and whenever applicable, LILLY Group must publicly disclose, on Lilly's website and to INFARMED the TOV LILLY Group provided to the Suppliers, while also adhering to the applicable privacy laws in Portugal. When such disclosure is subject to the Suppliers' consent LILLY Group will retain consent decisions on a separate Declaration of Consent Form.

### 11. Liability and Insurance

11.1. Without prejudice to any other liability arising from legal or regulatory dispositions, Suppliers shall be the sole responsible for any loss arising from the supplied Goods, namely during due to their transportation, malfunction, defect and deterioration, as well as for any damages, losses and costs arising from the Suppliers' non-compliance or defective compliance of its obligations under the Contract.

11.2. Suppliers will compensate and hold the LILLY Group harmless from all damages arising from any claim brought by third parties alleging any harm or loss as a consequence of the Services rendered or the Goods delivered by Suppliers in breach of the conditions established in these General Terms. Suppliers will hold the 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.

11.3. Suppliers 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.

11.4. Furthermore, Suppliers 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. Suppliers undertake to arrange the corresponding work accident insurance to cover the personnel assigned to the performance of the activity contracted.

### 12. Rescission and termination

12.1. These Terms and Conditions will entry into force on the date of the issuance of the corresponding purchase order as referred to in clause 3.1, and shall remain in force until the Goods are supplied and/or the Services rendered.

12.2. 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 said failure to comply to the Party in question and the latter has not remedied the situation within the term of 30 days counted from such notification. After 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.

12.3. The 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.

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

12.5. 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.

### 13. Legislation and Jurisdiction

The present General Terms are governed by Portuguese law. The resolution of any discrepancies that may arise between the LILLY Group and the Suppliers but cannot be amicably resolved, will be settled by the competent court of law.