

Confidential Disclosure Agreement

Section 1 Parties; Defined Terms

- 1.1 This is an agreement between LILLY del Caribe, Inc., a Cayman Island corporation ("LILLY") and the University of Puerto Rico, Mayaguez Campus ("RESEARCHER").

The purpose of this Agreement is for RESEARCHER and LILLY to discuss possible arrangements under which each party might provide information related to LILLY product (s); their physical properties; and the results of any process development studies intended to fully characterize the granulation process with the purpose of identifying potential process optimization options. RESEARCHER shall provide to LILLY a written report containing the raw data, a summary of data, results, conclusions and recommendations resulting from the research activity.

- 1.2 This Agreement applies to Confidential Information received between September 06, 2012 and June 30, 2013, inclusive.

- 1.3 It has been agreed that all Intellectual Property arising in the course of that research is to be owned by LILLY.

- 1.4 The RESEARCHER has also agreed to enter into certain undertakings regarding the confidentiality of the affairs of LILLY, in particular as it relates to the research activities and the intellectual property shared by Lilly.

Section 2 Definitions

- 2.1 "Affiliate" of a party means any entity that controls, is controlled by, or is under common control with that party. One entity is deemed to control the other if and only if it directly or indirectly:

2.1.1 Owns more than fifty percent (50%) of the equity in the other; or

2.1.2 Controls more than fifty percent (50%) of the voting rights of the other.

- 2.2 "Agreement" means this Confidential Disclosure Agreement.

- 2.3 "Background" means any Materials or Intellectual Property Rights provided by LILLY to RESEARCHER for use in the Research Project (whether before or after the date of this Agreement) except any Relevant Intellectual Property;

- 2.4 "Confidential Information" means information that is designated as a party's Confidential Information elsewhere in this Agreement, subject to the conditions that follow. Except as otherwise provided by this Agreement, the status of information

as a party's Confidential Information is not affected by the means by which other party (the: acquiring party") acquires it. For example, Confidential Information may be acquired by written, oral, or electronic communication, either directly or through one or more intermediaries, or by visual observation. Similarly, acquisition or disclosure of Confidential Information may be either intentional or inadvertent without affecting its status. Notwithstanding anything to the contrary in this Agreement, Confidential Information does not include any information that:

- 2.4.1 Was or becomes generally known to the public by means other than a breach by the acquiring party of a contractual, legal, or fiduciary duty of confidentiality owed to the disclosing party, its Affiliates, its Subcontractors (if applicable), or any of their Representatives;
- 2.4.2 Is in the lawful possession of the acquiring party prior to acquisition as a result of this Agreement;
- 2.4.3 Was or becomes available to the acquiring party on a nonconfidential basis from a third person that is not bound by any contractual, legal, or fiduciary duty of confidentiality to the disclosing party, to its Affiliates, or to the Representatives of the disclosing party or its Affiliates; or
- 2.4.4 Is developed entirely by Representatives of the acquiring party who have no access to the disclosing party's Confidential Information.

- 2.5 **"Intellectual Property"** or **"IP"** includes any patent, trade or other mark, registered design, topography right, copyright, database right or any other right in the nature of any of the foregoing (or application, or right to apply for, any of the foregoing), and any invention, discovery, improvement, design, technique, confidential process or information or know how, in each case subsisting anywhere in the world and whether registered, unregistered or unregistrable, and any licence or right of user of any of the foregoing, and the full right to all legal protection relating to the same;
- 2.6 **"Material"** means any specification, document, sample, extract, chemical compound, substance, chemical or biological composition, drug or other matter, and any derivative thereof;
- 2.7 **"Relevant IP"** means any IP or Material which arises or is conceived, invented, produced, discovered or first reduced to practice or writing by the RESEARCHER (whether alone or with any other person or persons) in the course of the Research Project (and for these purposes, references to activities carried on or events occurring in the course of the Research Project shall include all activities and events related to or connected with the Research Project whenever and wherever carried on or occurring (and whether or not during working hours or at the place of work); and
- 2.8 **"Research Project"** means the project of research to be conducted by RESEARCHER set forth in 1.1.



- 2.9 **“Purpose”** means the purpose of this Agreement set forth in 1.1.
- 2.10 **“Representatives”** mean a party's officers, directors, and employees, and agents.
- 2.11 **“Result”** means any Intellectual Property Right or Material created, conceived, identified or first reduced into practice or writing in the course of the Research Project.

Section 3 USE OF BACKGROUND

- 3.1 The RESEARCHER undertakes to LILLY that he shall:
- 3.1.1 only use LILLY Materials and Background for the sole purpose of carrying out the Research Project;
 - 3.1.2 comply with all applicable laws, regulations and guidelines regarding the use, storage, disposal and transfer of the LILLY Materials received;
 - 3.1.3 not provide Background, LILLY Materials, use LILLY Product Names or LILLY Name to any third party without the prior written agreement of LILLY;
 - 3.1.4 not make any commercial use of Background, the LILLY Materials, LILLY Product Names or LILLY Name or any composition made using the LILLY Materials;
 - 3.1.5 not analyses, reverse engineer or otherwise attempt to determine the composition of any LILLY Materials or Background save as expressly provided for under the Research Project;
 - 3.1.6 upon termination of the Research Project promptly deliver to LILLY, or dispose of in a manner agreed with LILLY, all LILLY Materials and Background in his possession or control.

Section 4 OWNERSHIP OF RELEVANT IP

- 4.1 All Relevant IP shall, to the fullest extent permitted by law, belong to, vest in and be the absolute and sole property of, LILLY.
- 4.2 The RESEARCHER:
- 4.2.1 undertakes promptly to notify and disclose to LILLY in writing full details of all Relevant IP forthwith upon the production, invention or discovery of the same, and otherwise promptly whenever requested to do so by LILLY from time to time;
 - 4.2.2 undertakes to hold on trust for the benefit of LILLY all Relevant IP to the extent that the same may not be, and until the same is, vested absolutely in LILLY;

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- 4.2.3 by way of present assignment of future copyright, and as beneficial owner, GRANTS AND ASSIGNS to LILLY all copyright (and all analogous rights) throughout the world comprised in the Relevant IP for the full term of that copyright (or other like rights) and for all renewals, revivals and extensions of any such term TO HOLD the same unto LILLY absolutely; and
- 4.2.4 irrevocably and unconditionally waives any rights, including all rights in the nature of moral rights, in respect of the Relevant IP, to which he is now or may in the future be entitled, to the extent he is legally able to do so.
- 4.2.5 The RESEARCHER undertakes, at the expense of LILLY, at any time in the future, to execute all such documents, give such assistance and do such acts and things as may in the opinion of LILLY be necessary or desirable to give effect to this Section.
- 4.2.6 As security for the performance by the RESEARCHER of his obligations under this Section 4, the RESEARCHER irrevocably appoints LILLY (and each person nominated by it in writing) as his attorney to sign such documents and instruments, and generally to do such acts and things, in each case as his act and deed and in his name and on his behalf, as may in the opinion of LILLY be necessary or desirable to give effect to the terms of this Section 4.
- 4.2.7 The RESEARCHER agrees with LILLY (for its own benefit and as trustee for the benefit of each of the other relevant bodies corporate collaborating in the Centre) to be bound by, and to do all such acts and things as may be required of him by LILLY to give effect to, the terms of any agreement or undertaking regarding Relevant IP between LILLY and any such other body corporate, as if the RESEARCHER were himself party to that agreement.
- 4.3 Ownership Results: All right and title to, and interest in, any and all Results shall vests and shall remain vested in LILLY absolutely.
- 4.4 Further Assurance: In consideration of LILLY's agreement to make payments to RESEARCHER and for other good and valuable consideration (the receipt and sufficiency of which is acknowledged by RESEARCHER).
- 4.4.1 undertakes promptly to notify and disclose to LILLY in writing full details of all Results forthwith upon the production, invention or discovery of the same, and otherwise promptly whenever requested to do so by LILLY from time to time;
- 4.4.2 undertakes to hold on trust for the benefit of LILLY all Results to the extent that the same may not be, and until the same is, vested absolutely LILLY;
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- 4.4.3 by way of present assignment of future copyright, and as beneficial owner, GRANTS AND ASSIGNS to LILLY all copyright (and all analogous rights) throughout the world comprised in the Results for the full term of that copyright (or other like rights) and for all renewals, revivals and extensions of any such term TO HOLD the same unto LILLY absolutely; and
- 4.4.4 undertakes to keep all Results confidential in accordance with the provisions of Section 5; and
- 4.4.5 shall procure that each member of the Project Team shall, execute all deeds and documents necessary to vest full legal and beneficial right, title and interest to, and waive all rights in the nature of moral rights in respect of, the Results in LILLY or its nominee
- 4.4.6 LILLY shall pre-approve the use by RESEARCHER of the Results in any study, publication or other uses. Such use shall not include the use of LILLY Products Names nor LILLY Name.

4.5

Protection of Results: Protection of Results sought (or not) as may be determined by LILLY from time to time. At LILLY's request and expense, the Researcher shall assist LILLY in making any application for any form of intellectual property protection in respect of any Result in Puerto Rico and/or any other part of the world.

Section 5 LILLY's Confidential Information

- 5.1 LILLY's Confidential Information includes all information that LILLY deems confidential or proprietary, including information deemed confidential by virtue of LILLY's obligations to another party. LILLY'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 LILLY's business; information subject to a right of privacy; and information LILLY maintains under a system of protection against unauthorized access.
- 5.2 RESEARCHER will neither:
 - 5.2.1 Disclose LILLY's Confidential Information except as authorized below or by LILLY in writing; nor
 - 5.2.2 Use LILLY's Confidential Information for any purpose other than the purpose of this Agreement.

- 5.3 RESEARCHER may disclose LILLY's Confidential Information:
- 5.3.1 To the extent compelled by Applicable Law, RESEARCHER will give LILLY reasonable advance notice of the disclosure.
 - 5.3.2 In communications to its attorneys or accountants who have a professional obligation to maintain such information in confidence. RESEARCHER is responsible to LILLY for disclosure or use by any such persons of LILLY's Confidential Information not authorized by LILLY.
- 5.4 RESEARCHER will promptly return to LILLY or destroy all Records in its possession or control that contain LILLY's Confidential Information when RESEARCHER no longer needs the Confidential Information to accomplish the Purpose. This will occur once the contract is finalized.
- 5.5 The prohibitions on disclosure and use of LILLY's confidential information will be prohibited for any purpose other than the purpose of this Agreement.

Section 6 RESEARCHER Confidential Information

- 6.1 RESEARCHER Confidential Information includes information that: (i) RESEARCHER deems confidential or proprietary (including information deemed confidential by virtue of RESEARCHER obligations to another party); and (ii) without limiting the foregoing definition, confidential information shall specifically include, but shall not be limited to, user tools and technology, clients pricing, software, flow charts, and other policies, procedures, manuals and specification as well as terms and conditions as any agreement between the parties for the provision of professional services or other services, regardless of whether such information is identified as confidential or confirmed in writing.
- 6.2 LILLY will neither:
- 6.2.1 Disclose RESEARCHER Confidential Information except as authorized below or by RESEARCHER in writing; nor
 - 6.2.2 Use RESEARCHER Confidential Information for any purpose other than the purpose of this Agreement.
- 6.3 LILLY may disclose RESEARCHER Confidential Information:
- 6.3.1 To its Representatives and to its Affiliates, independent contractors, and their respective Representatives who need to know the information for the purpose of this Agreement and who have contractual obligations that prohibit any disclosure and use of RESEARCHER Confidential Information prohibited by this Agreement. LILLY is responsible to RESEARCHER for any unauthorized disclosure or use of RESEARCHER Confidential Information by any such Persons.

- 6.3.2 To the extent compelled by Applicable Law, LILLY will give RESEARCHER reasonable advance notice of the disclosure.
- 6.3.3 In communications to its attorneys or accountants who have a professional obligation to maintain such information in confidence. LILLY is responsible to RESEARCHER for disclosure or use by any such Persons of RESEARCHER Confidential Information not authorized by RESEARCHER
- 6.4 LILLY will promptly return to RESEARCHER or destroy all Records in its possession or control that contain RESEARCHER Confidential Information when LILLY no longer needs the Confidential Information to accomplish the Purpose.
- 6.5 Despite anything to the contrary in this Agreement, LILLY may make and retain one (1) Record of RESEARCHER Confidential Information solely for its legal archives.
- 6.6 The prohibitions on disclosure and use of RESEARCHER Confidential Information will be prohibited for any purpose other than the purpose of this Agreement.

Section 7 No Warranty/Ownership

- 7.1 The Confidential Information provided under this Agreement is provided by the disclosing party "as is" without any warranty, whether express or implied, as to the accuracy or completeness, operability, use or fitness for a particular use. No party will be held liable for any damage arising pursuant to the usage of the Confidential Information provided under this Agreement.

The acquiring party agrees that the disclosing party is and shall remain the exclusive owner of its Confidential Information. No intellectual property rights, license or obligations other than those expressly recited are granted or to be implied from this Agreement.

Section 8 Injunctive Relief

- 8.1 Each Party acknowledges that monetary damages are inadequate to protect the other Party from a breach or threatened breach of the duty to protect the other Party's Confidential Information and that any such breach will cause irreparable harm to the other Party.

Accordingly, the aggrieved party may seek an injunction restraining any breach or threatened breach without having to prove the inadequacy of monetary damages or irreparable harm.

Section 9 Integration and Amendment

- 9.1 This Agreement shall not be construed as an obligation to enter into any subsequent agreement.

9.2 This Agreement is the final, complete and exclusive expression of all the statements, promises, terms and conditions within its scope and supersedes all prior written or oral agreements within its scope. In making this Agreement, neither Party relies on any promise or statement made by the other party, other than those contained in the Agreement.

No amendment to this Agreement will be binding on either Party unless it is in writing and signed by each party or executed in another manner expressly provided by this Agreement. Such an amendment does not require the consent or agreement of any third party, even if such third party is a beneficiary of this Agreement.


Section 10 Export/Import Controls and Regulations

RESEARCHER agrees that Confidential Information may be subject to U.S. or other country export or import controls and regulations. RESEARCHER shall not export, re-export, or transfer Confidential Information, or any products developed with or utilizing Confidential Information, in violation of any applicable laws or regulations of the U.S. or other country where Confidential Information is obtained.

Section 11 Contact Information

11.1 Notices to LILLY:

LILLY del Caribe, Inc.


PO Box 1198
Carolina, PR 00986-1198
Attn: Procurement Manager
Tel: (787) 257-5555
Fax: (787) 999-3610
Email: team_pr_procurement@LILLY.com

LILLY del Caribe, Inc.

PO Box 1198
Carolina, PR 00986-1198
Attn: Lourdes Colón
Tel: (787) 257-5672
Email: colon_lourdes@LILLY.com

11.2 Notices to RESEARCHER:

University of Puerto Rico, Mayagüez Campus

Department of Chemical Engineering
PO Box 9000
Mayaguez PR 00681

Attn: Dr. Carlos Velazquez


Tel: (787) 832-4040, ext 2576
Fax: (787) 834-3655

Email: carlos.velazquez9@upr.edu

Section 12 Choice of Law

12.1 This Agreement will be governed in all respects by the laws of the Commonwealth of Puerto Rico.

Section 13 Signatures



13.1 This Agreement is legally binding when, but not until, each party has received from the other a counterpart of the Agreement signed by an authorized Representative. The parties' representatives may sign separate, identical counterparts of this document; taken together, they constitute one agreement. A signed counterpart may be delivered by any reasonable means, including facsimile or other Electronic transmission.

Date: 11/09/12

LILLY DEL CARIBE, INC.

By: *Louder S. Colon*

Printed Name: Louder S. Colon

Title: President and General Manager

Date: 21/01/12

UNIVERSITY OF PUERTO RICO, MAYAGUEZ CAMPUS

By: *Jorge Rivera Santos*

Printed Name: Jorge Rivera Santos

Title: Chancellor

Address: University of Puerto Rico at Mayaguez Campus

CALL BOX 9000

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E-mail: rector.uprm upr.edu

Walter F. Silva
Walter F. Silva *WFS*
R&D Center Director

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