

Confidential Disclosure Agreement

Section 1 Parties; Defined Terms

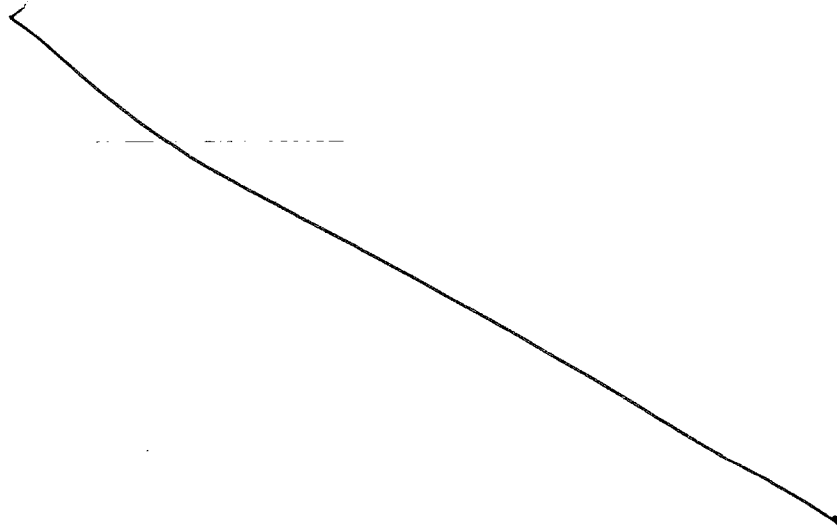
- 1.1 This is an agreement between LILLY del Caribe, Inc., a Cayman Island corporation ("LILLY") represented by its General Manager, Lourdes S. Colon, in exercise of the duties and powers conferred by the Board of Director Resolution dated September 3rd, 2013, and the University of Puerto Rico, Mayaguez Campus represented by its Chancellor, John Fernández Van Cleve, in exercise of the duties and powers conferred upon him by the Law of the University of Puerto Rico, established by University Rules and regulations, approved January 20, 1966 ("RESEARCHER"), ("the "Party" or jointly the "Parties").
- 1.2 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 material studies intended to fully characterize the granulation and compression materials 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 in collaboration with Lilly.
- 1.3 This Agreement applies to Confidential Information received between March 23, 2015 and December 31, 2016, inclusive.
- 1.4 It has been agreed that all Intellectual Property related to Lilly products arising in the course of that research is to be owned by LILLY. New analytical methods developed by UPRM will be the property of UPRM. The new methods may be published using materials different than those used in the Lilly formulation, or with LILLY approval.
- 1.5 UPRM Intellectual Property used during any research under this Agreement, will continue to be at all times, exclusive property of the UPRM. No rights or licenses, expressed or implied, are hereby granted to the other party under any patents, copyrights or trade secrets of UPRM.
- 1.6 The titles of the sections of this Agreement are for general information and reference only and this Agreement shall not be construed by reference to such titles.

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.

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- 2.5 **Purpose** means the purpose of this Agreement set forth in 1.2.
- 2.6 **A representative** means a party's officers, directors, and employees, and agents.
- 2.7 **Subcontractor or Subcontractors** mean any person performing any work or services to the party.
- 2.8 **"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;
- 2.9 **"Material"** means any specification, document, sample, extract, chemical compound, substance, chemical or biological composition, drug or other matter, and any derivative thereof;
- 2.10 **"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
- 2.11 **"Research Project"** means the project of research to be conducted by RESEARCHER set forth in 1.1.
- 2.12 **"Purpose"** means the purpose of this Agreement set forth in 1.1.
- 2.13 **Representatives"** mean a party's officers, directors, and employees, and agents.
- 2.14 **"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 Lilly's Confidential Information

- 3.1 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.
- 3.2 RESEARCHER will neither:

- 3.2.1 disclose Lilly's Confidential Information except as authorized below or by Lilly in writing; nor
- 3.2.2 Use Lilly's Confidential Information for any purpose other than the purpose of this Agreement.
- 3.3 RESEARCHER may disclose Lilly's Confidential Information:
- 3.3.1 To its Representatives and to its Affiliates, Subcontractors, 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 Lilly's Confidential Information prohibited by this Agreement. RESEARCHER is responsible to Lilly for any unauthorized disclosure or use of Lilly's Confidential Information by RESEARCHER's Representatives, Affiliates, Subcontractors and their respective Representatives.
- 3.3.2 To the extent compelled by Applicable Law, RESEARCHER will give Lilly reasonable advance notice of the disclosure.
- 3.3.3 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
- 3.4 RESEARCHER will promptly return to Lilly or destroy all records and information in its possession or control that contain Lilly's Confidential Information when RESEARCHER no longer needs the Confidential Information to accomplish the purpose of this Agreement.
- 3.5 The prohibitions on disclosure and use of Lilly's Confidential Information survive for five (5) years after expiration, termination, or cancellation of this Agreement or after RESEARCHER returns or destroys all records or information of the relevant Confidential Information in its possession or control, whichever is later.

Section 4 RESEARCHER Confidential Information

- 4.1 RESEARCHER Confidential Information includes information gained by Lilly and its Representatives, Affiliates or Subcontractors in the course of the RFP Process subject to this Agreement and which RESEARCHER deems confidential or proprietary, including information deemed confidential by virtue of RESEARCHER obligations to another party which is provided to Lilly under such confidentiality obligation. In no event, will the following be deemed Confidential Information:
- A. information which at the time of disclosure is in the public domain or which, after disclosure, enters the public domain except as a result of a breach of this Agreement or any other obligation of confidentiality;
 - B. information and materials which are provided to Lilly by a third party, except when the third party is subject to a confidentiality obligation to RESEARCHER to maintain such information and materials in confidence and as instructed by RESEARCHER, it is provided to Lilly under this Agreement; and

C. Information and materials which are independently developed for Lilly by employees of Lilly who do not have access to the Confidential Information.

4.2 Lilly will neither:

4.2.1 disclose RESEARCHER Confidential Information except as authorized below or by RESEARCHER in writing; nor

4.2.2 use RESEARCHER Confidential Information for any purpose other than the purpose of this Agreement.

4.3 Lilly may disclose RESEARCHER Confidential Information:

4.3.1 To its Representatives and to its Affiliates, independent contractors, Subcontractors 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.

4.3.2 To the extent compelled by Applicable Law, Lilly will give RESEARCHER reasonable advance notice of the disclosure.

4.3.3 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. Lilly will promptly return to RESEARCHER or destroy all records and information in its possession or control that contain RESEARCHER Confidential Information when Lilly no longer needs the Confidential Information to accomplish the purpose of this Agreement.

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4.4 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.

4.5 The prohibitions on disclosure and use of RESEARCHER Confidential Information survive for five (5) years after expiration, termination, or cancellation of this Agreement or after Lilly returns or destroys all records and information of the relevant Confidential Information in its possession or control, whichever is later.

Section 5 No Warranty/Ownership

5.1 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.

5.2 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 6 Injunctive Relief

- 6.1 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.
- 6.2 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 7 Integration and Amendment

- 7.1 This Agreement shall not be construed as an obligation to enter into any subsequent agreement.
- 7.2 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.
- 7.3 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 8 Export/Import Controls and Regulations

- 8.1 RESEARCHER and Lilly agree that goods, technology and software, including the Confidential Information, may be subject to U.S. or other country export or import controls and regulations. RESEARCHER and Lilly shall not export, re-export, or transfer such goods, technology and software, including the 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, as applicable.

Section 9 Contact Information

9.1 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

9.2 Notices to RESEARCHER:

RECINTO UNIVERSITARIO MAYAGUEZ
DBA UNIV OF PUERTO RICO AT MAYAGUEZ
C/O CAMPUS-RES & DEV
PO Box 9000
MAYAGUEZ PR 00682

(787)-366-4007 Rodolfo J. Romañach (mobile)
(787)-832-4040 ext. 2604 (office)

Section 10 Choice of Law

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

Section 11 Signatures

11.1 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: _____ **LILLY DEL CARIBE, INC.**

By: _____

Printed Name: Lourdes Colón

Title: President Board of Directors

Date: _____

UNIVERSITY OF PUERTO RICO, MAYAGUEZ CAMPUS

By: _____ March 19, 2015

Printed Name: John Fernández Van Cleve, Ph.D. *JVC*

Title: Chancellor

Address: University of Puerto Rico at Mayagüez Campus

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