



## **LOBBYIST AGREEMENT**

This Lobbyist Agreement ("Agreement") sets forth the terms and conditions of the agreement between Lilly USA, LLC ("Lilly") and TLM Associates, LLC (hereinafter referred to as "TLM Associates, LLC") under which TLM Associates, LLC will provide certain political consulting and government lobbying services to Lilly as described in Section 2 ("Services").

**Section 1: Term.** The term of this Agreement shall begin January 1, 2019 and terminate at the close of business December 31, 2019. This Agreement may be terminated upon thirty (30) days written notice by either party. In the event of any such early termination, any payment made in advance to TLM Associates, LLC prior to such termination for Services that were to have been performed after such termination shall be returned to Lilly. Upon termination of this Agreement, payment under Section 4 shall cease; provided, however, that TLM Associates, LLC shall be entitled to payment for periods or partial periods that occurred prior to the date of termination and for which TLM Associates, LLC has not yet been paid.

This Agreement may be extended upon mutual consent and under conditions agreed to in writing by both parties.

**Section 2: Responsibilities of TLM Associates, LLC.** TLM Associates, LLC will provide political consulting and government lobbying in matters of interest to Lilly in New York (the "State"), including the following:

- (a) Appropriately represent Lilly's interest during communications with members and staff of the legislative and executive branches of the State. Such representation shall include, but not be limited to matters involving managed care in Medicaid budgets, discriminatory pricing, prior authorization of pharmaceuticals, drug pricing, and policy and program issues in mental health budgets.

*Robin Bocock*  
*Global Procurement*  
*20 Dec 2018*

- (b) Monitor all legislation introduced and advise Lilly on relevant legislative and regulatory activities, including the efforts of other individuals or organizations, which may be helpful in supporting Lilly position.
- (c) Communicate with various associations, organizations, and professionals on behalf of Lilly.
- (d) Assist Lilly in developing access to, and communicating with federal congressional representatives and their staffs in the State.
- (e) Provide strategic advice to Lilly on any initiatives that Lilly wants to undertake in the State. Such Services would include assisting with strategy development, communications/public relations, and coalition building activities.

Lilly will provide directions to TLM Associates, LLC and advise TLM Associates, LLC of Lilly's position on various issues. Lilly and TLM Associates, LLC will discuss Lilly's position on the issues and the priority of each issue to Lilly. TLM Associates, LLC will assist Lilly in coordinating coalition support or opposition, as requested by Lilly.

In each of these matters, TLM Associates, LLC will utilize its best efforts on behalf of Lilly interests. In addition, TLM Associates, LLC agrees to provide such normal personnel support as is appropriate in the performance of the Services provided for herein.

This Agreement is limited to lobbyist Services only and will NOT be used for any IT related work/activities. IT related purchases and work will result in a separate IT specific agreement and governed by IT contractual terms.

**Section 3: Compliance with Law, Regulations and Lilly Policies.** In the performance of the Services and its obligations under this Agreement, TLM Associates, LLC shall comply with all applicable laws, regulations, applicable Lilly policies and professional standards, including, but not limited to:

- (a) The Anti-Bribery Commitments for Lilly Procurement Contracts as revised by Lilly from time to time and published at: <https://www.lilly.com/suppliers/new-and-existing-suppliers/supplier-notifications>, or otherwise made available to TLM Associates, LLC;
- (b) Applicable provisions of the Supplier Privacy Standard as revised by Lilly from time to time and published at: <https://www.lilly.com/suppliers/new-and-existing-suppliers/supplier-notifications>, or otherwise made available to TLM Associates, LLC;

(c) The Information Security Standard as revised by Lilly from time to time and published at <https://www.lilly.com/suppliers/new-and-existing-suppliers/supplier-notifications>, or otherwise made available to TLM Associates, LLC;

(d) Applicable federal and state statutes and regulations relevant to gift and related ethics provisions, lobby registration and reporting and political contribution laws of the State. TLM Associates, LLC agrees to provide Lilly with advance copies of all required lobbying registrations and reports filed on behalf of Lilly no later than seven (7) business days before dues dates. TLM Associates, LLC may not file any such reports without prior approval of Lilly.

(e) 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;

(f) **Lilly and TLM Associates, LLC will, if applicable, abide by the requirements of 41 CFR 60-1.4, 60-1-7, 60-1.35(c), 60-300.5(a) and 60-741.5(a) and 29 CFR part 471, Appendix A to Subpart A, as updated from time to time. Among other requirements, these regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability;**

(f) TLM Associates, LLC shall ensure that its personnel receive appropriate training, including any training required by applicable law or reasonably requested by Lilly.

**Section 4: Fees and Expenses.** Lilly agrees to pay TLM Associates, LLC the amount of \$50,000.00 for the term of this Agreement. TLM Associates, LLC shall submit monthly invoices to Lilly each in an amount of \$4,166.66 until paid in full. Lilly will not reimburse TLM Associates, LLC for routine out-of-pocket expenses such as telecommunications, local travel, photocopying or meals or entertainment. Lilly will reimburse TLM Associates, LLC for extraordinary expenses including certain travel and lodging when approved in advance by Lilly. Such expenses shall be itemized and invoiced separately, promptly at the end of each month.

Lilly issues payments on a weekly basis. All invoices which have reached their payment term maturity will be accumulated and paid in the next weekly payment. Lilly's standard payment terms are sixty (60) days after Lilly's Accounts Payable Department receives an invoice that complies with the requirements of this Agreement, except that Lilly may withhold payment of any amount that it may

reasonably dispute in good faith until such dispute is resolved. TLM Associates, LLC may offer a discount for shorter payment terms either as a term of their overall contract as described below or on individual invoices at the time of invoice entry to the Direct Commerce system; those discounted invoices will be paid on the actual due date. TLM Associates, LLC must provide banking instructions to allow payments to be made electronically. Lilly will receive a discount of one percent (1%) off any invoiced amount paid thirty (30) days prior to the due date stated above. All payments will be in United States Dollars.

**Section 5: Taxes.** With respect to the activities of this Agreement, the Parties agree to fully cooperate with each other to enable proper filing of taxes or recovery of any taxes paid. Each Party will be responsible for its own taxes, including property taxes on property it owns or leases, income taxes on its business and, any other taxes incurred by such Party in connection with its business and with performing its obligations hereunder. Lilly will be responsible for any transaction taxes properly collectible from Lilly under applicable law. TLM Associates, LLC will be responsible for payment of any transaction taxes that are, under applicable law, properly borne by TLM Associates, LLC; including but not limited to all export and import taxes. The calculation of taxes shall not include, and Lilly shall not pay, any taxes that are related to intra-corporate transfers or intermediate supplies between TLM Associates, LLC and its affiliates or between TLM Associates, LLC affiliates and related entities.

**Section 6: Scope of Authority.** With respect to TLM Associates, LLC's Services enumerated in Section 2 hereof, TLM Associates, LLC may represent and make statements on behalf of Lilly in the performance of the Services; provided, however, that such statements are made pursuant to directions, either specific or general, from Lilly. Any inquiry received by TLM Associates, LLC from the media shall be directed to Lilly for response, and TLM Associates, LLC shall not undertake to respond to such inquiries without specific direction from Lilly.

**Section 7: Confidentiality.** During the term of this Agreement, TLM Associates, LLC may have access to information of a confidential nature, such as Lilly trade secrets, research activities, manufacturing processes, marketing plans data and Lilly positions and objectives with respect to legislation, regulations, or the like. TLM Associates, LLC shall maintain such information in strict confidence during the term of this Agreement and for such time thereafter as such information is not generally known to the public and shall not, without first obtaining approval from Lilly, communicate in any fashion to anyone the substance or content of any confidential written materials, conversations, or observations, or use such information for any purpose other than the performance of consulting duties under this Agreement. The obligations of confidentiality and non-use do not apply to any information received by TLM Associates, LLC: that (a) was known by TLM Associates, LLC before

disclosure by Lilly and was not acquired by TLM Associates, LLC from Lilly; (b) is known to the public at the time of disclosure hereunder or subsequently becomes known to the public through no fault of TLM Associates, LLC; or (c) is disclosed to TLM Associates, LLC by a third party having a legal right to make such disclosure.

Except to the extent required by law, TLM Associates, LLC agrees not to disclose the terms of this Agreement.

TLM Associates, LLC and Lilly may engage in communications which are subject to the attorney-client privilege, the attorney work product privilege and/or other privileges. The parties intend to maintain the privileged nature of such communications.

**Section 8: Rights to Work Product.** In the performance of this Agreement, if TLM Associates, LLC prepares any written presentation, reports or other material, specific to Lilly, then all title and interest to such material, whether in preparation or in final form, shall be the exclusive property of Lilly. Upon request of Lilly or upon termination of this Agreement, all such material shall be immediately transferred to Lilly by TLM Associates, LLC and TLM Associates, LLC shall certify in writing to Lilly that all such material has been so transferred.

**Section 9: Ownership of Lilly Data.** Lilly Data is and shall remain the exclusive property of Lilly or its affiliates, as applicable. TLM Associates, LLC will not possess or assert any lien or other right against or to Lilly Data. The Lilly Data shall not be (i) used by TLM Associates, LLC other than as specified in this Agreement and then only in connection with providing the Services set forth in this Agreement; (ii) sold, assigned, leased, disclosed or otherwise provided to, or used or accessed by, third parties by or through TLM Associates, LLC; or (iii) commercially exploited by or on behalf of TLM Associates, LLC, its employees or agents. For purposes of this Agreement, Lilly Data shall mean all data or information in whatever form or medium, that TLM Associates, LLC receives from, or otherwise gains access to through, Lilly or as a result of this Agreement, including, without limitation all data derived by Lilly, or by TLM Associates, LLC pursuant to its provision of the Services, or originating from third parties and to which Lilly has received certain rights.

Upon expiration or other termination of this Agreement, or upon request of Lilly, TLM Associates, LLC agrees to remove all copies and instances of Lilly Data from TLM Associates, LLC's systems and files, and at Lilly's discretion either promptly return all Lilly Data to Lilly or destroy the Lilly Data in its possession, and certify to the same.

**Section 10: Prohibition Against Assignment.** Neither party shall transfer or assign this Agreement or any right or obligation hereunder without the prior written consent of the other, nor shall

TLM Associates, LLC assign any monies due or to become due to it hereunder without the prior written consent of Lilly.

**Section 11: Amendment by Written Endorsement.** It is expressly agreed that there are no other agreements or understandings, either oral or in writing, between the parties affecting this Agreement; and that no term, provision or condition of this Agreement shall be held to be altered, amended, changed or waived in any respect except by written agreement of the parties.

**Section 12: Notices.** All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when emailed, addressed as follows:

Company: Lilly USA, LLC

Attn: Kathleen Straub

straub\_kathleen\_ann@lilly.com

Consultant: TLM Associates, LLC

Woolworth Building

233 Broadway, Suite 702

New York, NY 10007

Attn: Thomas McMahon

mailto:Tom@TLMNYC.com

Such addresses may be changed from time to time by either party by providing written notice in the manner set forth above.

**Section 13: Severability.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**Section 14: Waiver of Contractual Right.** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

**Section 15: Independent Contractor.** In performing its obligations under this Agreement, TLM Associates, LLC acts solely as an independent contractor. This Agreement does not create a partnership, joint venture, or any similar relationship between Lilly and TLM Associates, LLC. Neither TLM Associates, LLC nor Lilly has any authority to bind, incur any liability on behalf of, or otherwise commit the other or to act in any other manner as agent or representative of the other.


**Section 16: Governing Law.** This Agreement shall be governed by the laws of the State of Indiana.

**Section 17: No Healthcare Provider Services.** TLM Associates, LLC will not use any physician or teaching hospitals in providing Services under this Agreement, including any of its own representatives or subcontractors who meet the definition of physician or teaching hospital promulgated under the Physician Payment Sunshine Act without the express written consent of Lilly. Further, TLM Associates, LLC hereby represents that neither a Physician nor a Teaching Hospital has any ownership interest in TLM Associates, LLC.

TLM Associates, LLC agrees to notify Lilly promptly in writing if a physician and/or teaching hospital acquires such an ownership interest. TLM Associates, LLC also agrees to provide Lilly with all necessary information regarding any such ownership interest(s) as may be needed for Lilly to comply with the reporting obligations of the Physician Payment Sunshine Act

**Section 18: Acceptance of Agreement.** The terms and conditions contained in this Agreement constitute Lilly's offer to enter into this Agreement with TLM Associates, LLC. TLM Associates, LLC may accept this Agreement by signing below and returning to Kathleen Straub at [straub\\_kathleen\\_ann@lilly.com](mailto:straub_kathleen_ann@lilly.com) no later than **December 10, 2018**. This offer automatically expires if it is not accepted by TLM Associates, LLC by the deadline stated in the preceding sentence.

TLM Associates, LLC

By: 

Name: Thomas L. McMahon

Title: President

Date: December 5, 2018