Please note that the information contained in this document is confidential and not subject to disclosure under Exemption 4 to the Freedom of Information Act, 5 U.S.C. § 552(b)(4), and the Trade Secrets Act, 18 U.S.C. § 1905.

November 6, 2025

David A. Ricks, Chair and Chief Executive Officer
Eli Lilly and Company
Lilly Corporate Center
Indianapolis, IN 46285

SUBJECT: LETTER OF AGREEMENT – Implementing Voluntary Most Favored Nation (MFN) Drug Pricing in the United States through Tariff Measures

Dear Mr. Ricks:

WHEREAS, Executive Order 14273, *Lowering Drug Prices by Once Again Putting Americans First* and Executive Order 14297, *Delivering Most-Favored Nation Prescription Drug Pricing to American Patients* (May 12, 2025), contemplate a framework under which pharmaceutical manufacturers and the U.S. Department of Commerce ("Commerce") and Eli Lilly and Company ("COMPANY") may negotiate to achieve most-favored-nation price targets to bring prescription drug prices for American patients in line with comparably developed nations; and

WHEREAS, in response to discussions between COMPANY and Commerce, the parties are voluntarily proposing the following terms and agree to engage in diligent and good faith negotiations of definitive agreement(s) as may be necessary to effectuate these terms; and

WHEREAS, Commerce is conducting an investigation pursuant to section 232 of the Trade Expansion Act of 1962 on pharmaceutical products and their ingredients, which could lead to the imposition of tariffs (hereinafter "Section 232 Tariffs"),

NOW THEREFORE, Commerce and COMPANY agree to negotiate in good faith to reach a definitive agreement by December 1, 2025, which provides as follows:

[redacted]

[redacted] (b) (4)

[redacted] (b) (4)

If no definitive agreement is reached by December 1, 2025, this agreement shall automatically terminate and become null and void, with no further obligation on either party, other than the confidentiality obligations set forth herein, unless the parties mutually agree in writing to extend such deadline.

The parties understand and agree that this agreement is intended only to create the obligation between the parties to engage in diligent and good faith negotiations on the terms of future definitive agreement(s) pursuant to which the parties shall effectuate and further define the terms in this agreement. This agreement does not create any legally binding obligations, commitments or duties on either party, except as set forth in the prior sentence and each party's obligation to maintain the confidentiality of the existence and terms of this agreement.

By signing the agreement, each party recognizes that the choice to enter into future definitive agreement(s) (or not to enter in such agreement(s)) is voluntary.

Sincerely,

Howard W. Lutnick
Secretary of Commerce

Accepting:

David A. Ricks
Chief Executive Officer
Eli Lilly and Company