



Virginia Commonwealth University

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As Equal Opportunity/Affirmative Action University

January 13, 1995

Kenneth S. Houghton, Sr. Vice President  
Research and Development  
Phillip Morris USA  
Post Office Box 26853  
Richmond, Virginia 23261-6583

Dear Dr. Houghton:

This letter is to confirm our understanding and agreement relative to the provision of consulting services of Dr. Joseph Borzelleca of Medical College of Virginia, Virginia Commonwealth University to Philip Morris incorporated relative to all aspects of tobacco processing and cigarette manufacture.

The terms we have agreed to for the consultation services of Dr. Joseph Borzelleca are as follows:

1. Dr. Borzelleca agrees to perform consulting services relative to Phillip Morris' business activities relative to all aspects of tobacco processing and cigarette manufacture and to hold himself available to serve as a member of the Phillip Morris USA Scientific Advisory Board. Dr. Borzelleca will also make himself available to consult with and advise Philip Morris' directors and legal advisors as may be needed from time to time.
2. In exchange for the services of Dr. Borzelleca, Philip Morris agrees to pay a fee in the amount of \$2000 per day. This amount is inclusive of travel time for consultant services to Philip Morris. Payment is to be made to Virginia Commonwealth University, and mailed to Margie Booker, Director of Grants and Contracts Accounting, Post Office Box 843039, Richmond, Virginia 23284-3039.
3. Philip Morris shall have the right to audit and verify all costs, expenses, and disbursements made or incurred by Dr. Borzelleca in connection with the services performed pursuant to this agreement.
4. Dr. Borzelleca shall act as and be deemed to be an independent consultant for all purposes of this agreement and shall not act as nor be deemed to be an employee of Philip Morris. Virginia Commonwealth University shall be responsible for all taxes and worker's compensation benefits as they relate to Dr. Borzelleca.
5. Dr. Borzelleca acknowledges that in the course of performing services under this agreement, he shall be exposed to confidential information of

Borzelleca

Original  
X to Houghton  
1/18/95

No term on Agreement  
RUNS UNTIL Borzelleca  
terminates it.

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