

GENERAL TERMS OF SALE
Elanco Animal Health Inc. ("Elanco")

1 Basic Principle

- 1.1 The underlying transaction ("Transaction") between the parties is covered by these General Terms of Sale ("GTS").
- 1.2 The buyer of the Elanco products shall for the purpose of these GTS be referred hereinafter as "Buyer".
- 1.3 This Transaction shall be governed exclusively by these GTS, unless otherwise agreed in writing by the parties. Without limiting the above, Elanco shall not be bound by any standard or printed terms furnished by the Buyer or referred to in any documents of the Buyer.
- 1.4 In light of the fact that Elanco is a subsidiary of Eli Lilly and Company ("Lilly"), USA, the parties agree that it is a condition of any sale that any terms that are inconsistent with U. S. laws, regardless of whether such terms appear in the purchase order, letter of credit (if applicable to the Transaction) or elsewhere, shall be void and of no effect.

2 Orders

Elanco shall use reasonable endeavors to deliver the units of products (the "Products") as ordered by the Buyer and accepted by Elanco. If permissible by law, Elanco shall not be liable for any loss of profit, loss of goodwill, loss of anticipated savings, loss of business or any other consequential loss or damage suffered by the Buyer however caused in case of any delay in the delivery of the Products.

3 Delivery Terms

- 3.1 The Products shall, unless otherwise agreed in writing, be deemed delivered as soon as the Products are made available to the selected transport/freight forwarding company (or to their contractors or agents).
- 3.2 The risk of loss or damage to the Products shall pass to the Buyer as set forth by the applicable Incoterms (2010) as specified in the invoice.
- 3.3 Products are supplied on a non-returnable basis.

4 Price and Payment Terms

- 4.1 Prices, currency, and payment terms of Products shall be as stated in Elanco's order confirmation or invoice. The Buyer shall remit payment of invoice to Elanco upon such terms and conditions. The Buyer shall pay any duties or tax imposed on the importation or sale of the Products.
- 4.2 Without prejudice to Elanco's rights, in the event of partial payment, Elanco reserves the right to withhold delivery of any further Products until payment has been made in full.
- 4.3 Without prejudice to Elanco's rights, Elanco also reserves the right to immediately cancel any order if any invoice remains unpaid within the agreed payment period.

5 Warranty and Liability

- 5.1 Elanco warrants that, on the date of hand-over to the selected transport/freight forwarding company (or to their contractors or agents), the Products will conform to the specifications of the Products. Elanco further warrants that the Products are adequately contained, packaged and labeled and conform to the affirmations of fact on the container. Elanco warrants that it will convey good title to the Products free of all liens of any kind whatsoever.

- 5.2 The Buyer shall reasonably examine the outside packaging of the Products as well as the content of the shipment of the Products immediately following receipt, but at the latest seven (7) business days following receipt of said Products in its warehouse. If the content of a shipment of Products differs from the information in the shipping documents, or if any Products are damaged, the Buyer shall notify Elanco of such fact in writing within seven (7) business days of the date of receipt of the Products in its warehouse or the date on which the Buyer detected, or reasonably should have detected, such damage or difference from the shipping documents. Elanco shall reimburse the Buyer for accepted claims with the net invoiced price of such Products. For the purpose of these GTS, "net invoice price" shall be the invoiced price for the Products less all amounts for discounts, rebates, credits, allowances, commissions and similar customary reductions credited to the Buyer on the invoice or by separate credit note.

5.3 Destruction of Products

For the destruction of damaged Products, the Buyer shall strictly adhere to the written procedure provided by Elanco to the Buyer.

5.4 Liability of Buyer

The Buyer shall be liable for any loss or shortage of or damage to the Products of which Elanco is not properly notified as set forth above. If permissible by law, Elanco shall not be liable for any loss of profit, loss of goodwill, loss of anticipated savings, loss of business or any other consequential loss or damage suffered by the Buyer however caused.

5.5 Indemnity

Buyer shall hold Elanco harmless with respect to any claims by other persons who incur injury or loss as a result of any new products manufactured, sold, marketed, advertised or traded by the Buyer and containing the Products supplied by Elanco, or as a result of any other action of Buyer in violation of its covenants under these GTS.

- 5.6 The parties acknowledge that Buyer assumes all responsibilities for the quality of any new products manufactured by Buyer containing any of the Products supplied by Elanco, except to the extent of Elanco's warranty set forth in Section 5.

6 Miscellaneous

- 6.1 The Buyer shall inform Elanco within twenty four (24) hours of receipt of notification of any:
Suspected death in humans, adverse event or product quality complaint whether in humans or animals, counterfeiting or tampering or any enquiry related to the Products supplied by Elanco and/or any new product containing any Products supplied by Elanco.
- 6.2 The Buyer shall communicate such information, in English, by electronic mail to the following address:
Adverse_Events_Elanco@elanco.com
The Buyer shall fully cooperate with Elanco in answering any questions that Elanco may have so that Elanco can take the appropriate measures related to such occurrence.

- 6.3 In the event of a recall [the rapid recovery from the market of any lot or batch of a known or suspected defective Product (Elanco product and/or any new product containing Elanco Product) ordered by a government agency or by Elanco of any of

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the Products] (the "Recall"), Elanco and the Buyer shall cooperate fully with one another in conducting the Recall. In case of recall of the Products, Elanco will be responsible for the Recall except as required by law and agreed upon in writing by Elanco. Where the Recall is caused by any action of the Buyer in violation of its contractual or legal obligations, the Buyer shall pay all costs and expenses of any Recall. If the Recall is caused by reasons other than an action of the Buyer in violation of its contractual or legal obligations, Elanco shall pay all of the costs and expenses for such a Recall.

- 6.4 Each party shall ensure that it will at all times have all necessary licenses, consents and authorizations in full force and effect to enable performance of its obligations related to this Transaction and that it will at all times comply with all relevant laws, regulations and codes applicable to the performance of the Transaction. In case any license, consent or authorization is revoked, Buyer shall immediately inform Elanco. Buyer shall within a period of three (3) working days, provide a copy of the valid license to Elanco upon request. Elanco shall have the right to withhold the delivery of any Products if Buyer fails to provide the license as set forth above.
- 6.5 Nothing in these GTS shall prejudice any right or remedy which Elanco may be entitled to by law.
- 6.6 The Buyer may not assign or transfer any of the Buyer's rights or obligations under these GTS to a third party without Elanco's prior written consent.
- 6.7 A failure or delay by Elanco in exercising any rights under these GTS shall not operate as a waiver of that right, nor shall the single or partial exercise of any right preclude any other or future exercise of that right or the exercise of any other right.
- 6.8 Neither party shall be liable for failure to perform if the failure is attributable to any cause which is reasonably beyond the party's control ("Force Majeure"). In the event the actual period of non-performance by either party because of Force Majeure conditions exceeds one (1) month, the other party shall be entitled to terminate the Transaction based on thirty (30) days written notice to the non-performing party. Neither party shall owe to the other any damages, reimbursement, or indemnification as a result of such termination.

7 Non-Disclosure and Confidentiality

- 7.1 Unless required by law, neither party shall release any information to any third person with respect to the terms of the Transaction or these GTS without the prior written consent of the other party. This prohibition includes, but is not limited to, press releases, educational and scientific conferences, promotional materials, governmental filings, and discussion with lenders, investment bankers, public officials, and the media. Notwithstanding the foregoing, Elanco has the right to provide its affiliated companies with any information on the Transaction and these GTS.
- 7.2 Each party acknowledges that, as a result of this Transaction, each may acquire from the other certain confidential information of the other party (including information of a third party that a party is under an obligation to maintain in confidence), including trade secrets and know-how concerning the goods, processes or other products. Each party agrees to hold in confidence and not communicate or disclose to any other person nor use for its own benefit or the benefit of any other

person, any confidential information received from the disclosing party without the prior written consent of the disclosing party. However, this obligation of confidentiality and non-use shall not apply to information that was known to the receiving party prior to its receipt from the disclosing party, is known to the general public prior to its receipt from the disclosing party or subsequently becomes known to the public through no fault of the receiving party or is obtained by the receiving party from a third party who is not under an obligation of confidentiality and has a lawful right to make such disclosure.

8 Use of Personal Information

- 8.1 **Information Elanco Collects and How Elanco Uses It.** Buyer's personal information, including but not limited to name, contact information, bank details and information provided for the Transactions, etc. will be used by Lilly and/or Elanco, or third parties acting on Lilly and/or Elanco's behalf, in order to set up the Transaction. Elanco values Buyer's input about the quality of the Transactions Buyer receives and may also contact Buyer to ask for Buyer's opinion. Elanco may also use the information to meet legal or regulatory obligations, inclusive of company record retention that are in the legitimate interest of Eli Lilly ("Lilly") and/or Elanco.

Buyer's information will be processed electronically in order to process the Transaction and prepare future suitable offers. Buyer may object to profiling via automated-decision making by contacting Elanco using the information in the "How to Contact Elanco" section below.

Buyer does not have to share Buyer's information with Elanco, but if Buyer chooses not to share Buyer's information, Elanco will not be able to fulfill its obligations under the Transaction.

- 8.2 **Reasons Elanco Shares Buyer's Information.** Elanco may share Buyer's personal information with third parties including but not limited to transport companies and payment departments for purposes consistent with those identified in this GTS. All third parties that have access to Buyer's information have agreed to protect the information and to use it only as directed by Elanco.

Elanco may also be required to disclose Buyer's information in response to lawful requests by public authorities, including to comply with national security or law enforcement requests.

- 8.3 **Where Elanco Stores and Works With Buyer's Information.** Elanco may transmit personal information about Buyer to other Lilly affiliates worldwide, including Elanco. These affiliates may in turn transmit personal information about Buyer to other Lilly affiliates. Some of Lilly's affiliates may be located in countries that do not ensure an adequate level of data protection. Nevertheless, all of Lilly's affiliates are required to treat personal information in a manner consistent with this notice. To obtain additional information regarding the basis for transfers and safeguards that Lilly has in place for cross-border transfers of personal information, please contact Lilly at privacy@lilly.com or visit <https://www.lilly.com/privacy>

- 8.4 **How Long Elanco Keeps Buyer's Information.** Buyer's Information will be saved for a period of time needed to fulfill legitimate and lawful business purposes in accordance with Elanco's records retention policies and applicable laws and regulations.

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8.5 **How Elanco Secures Buyer's Information.** Elanco provides reasonable physical, electronic and procedural safeguards to protect information Elanco works with and maintains. Elanco limits access to Buyer's information to authorized employees, agents, contractors, vendors, subsidiaries, and business partners, or others who need such access to information to carry out their assigned roles and responsibilities on behalf of Lilly and/or Elanco. Please be aware, although Elanco tries to protect the information Elanco works with and maintains, no security system can prevent all potential security breaches.

8.6 **Buyer's Privacy Rights.** Buyer has the right to request information from Elanco on how Buyer's personal information is being used and with whom that information is being shared. Buyer also has the right to request to see and get a copy of the personal information that Elanco has about Buyer, request its correction or request its erasure.

Buyer also has the right to have Buyer's information transmitted to another entity or person in a machine-readable format, in limited circumstances.

There may be limitations on our ability to comply with Buyer's request.

8.7 **How to Contact Elanco.** Buyer may make any of the above requests by contacting Elanco at Elanco Animal Health Inc., Ethics & Compliance, Mattenstrasse 24a, 4058 Basel, Switzerland.

8.8 **How to Submit a Complaint.** If Buyer wish to raise a complaint on how Elanco has handled Buyer's personal information, Buyer can contact Elanco's Data Protection Officer at privacy@lilly.com who will investigate the matter.

If Buyer is not satisfied with Elanco's response or believes Elanco is working with Buyer's personal information not in accordance with the law Buyer can register a complaint with a Data Protection Authority (DPA).

9 Legal Compliance

9.1 **Compliance with Anti-Corruption Laws.** In connection with these GTS, Buyer has complied and will comply with all applicable local, national, and international laws, regulations, and industry codes dealing with government procurement, conflicts of interest, corruption or bribery, including, if applicable, the U. S. Foreign Corrupt Practices Act of 1977 ("FCPA"), as amended, and any laws enacted to implement the Organization of Economic Cooperation and Development ("OECD") Convention on Combating Bribery of Foreign Officials in International Business Transactions.

9.2 **Prohibited Conduct.** In connection with these GTS, Buyer has not made, offered, given, promised to give, or authorized, and will not make, offer, give, promise to give, or authorize, any bribe, kickback, payment or transfer of anything of value, directly or indirectly, to any person or to any Government Official for the purpose of: (i) improperly influencing any act or decision of the person or Government Official; (ii) inducing the person or Government Official to do or omit to do an act in violation of a lawful or otherwise required duty; (iii) securing any improper advantage; or (iv) inducing the person or Government Official to improperly influence the act or decision of any organization, including any government or government instrumentality to assist Buyer or Elanco in obtaining or retaining

business. For purposes of these GTS, "Government Official" shall mean: (i) any officer or employee of: (a) a government, or any department or agency thereof; (b) a government-owned or controlled company, institution, or other entity, including a government-owned hospital or university; or (c) a public international organization (such as the United Nations, the International Monetary Fund, the International Committee of the Red Cross, and the World Health Organization), or any department or agency thereof; (ii) any political party or party official or candidate for public or political party office; and (iii) any person acting in an official capacity on behalf of any of the foregoing.

9.3 **Accuracy of Books and Records / Cooperation with Audit Activities.** Buyer agrees that it will maintain accurate and complete records having to do with these GTS or the Transaction during the term of the Transaction and for a period of five (5) years thereafter. Buyer further agrees that it will maintain adequate internal controls. Buyer will make relevant documents available for review by Elanco, or an independent party nominated by Elanco, to show compliance with this requirement at Elanco's request.

9.4 **Cooperation in Investigation.** Buyer agrees to cooperate in good faith to investigate the extent of any potential violations of law in connection with these GTS or the Transaction.

9.5 **Disclosure Rights.** At any time, and without notice to Buyer, Elanco may disclose information relating to a possible violation of laws, or the existence of the terms of these GTS or the Transaction, including the compensation provisions, to a client, to a government or government agency, and to anyone that Elanco determines to have a legitimate need to know.

9.6 **Breach and Termination.** Buyer agrees that a breach of this section of these GTS shall be considered as a material breach of the GTS and that Elanco may immediately seek all remedies available under law and equity including termination of these GTS if it believes, in good faith, that a provision of this section of these GTS has been breached by Buyer.

10 Law and Jurisdiction

Any dispute in the interpretation or the execution of these GTS shall be submitted to the exclusive jurisdiction of the Courts of Basel, Switzerland. These GTS shall be governed by the laws of Switzerland. The Parties expressly agree that the UN Convention for International Sale of Goods (Vienna Convention) shall not apply to these GTS.

11 Severability

Each provision of these GTS is severable and if any provision (or any part of any provision) is or becomes invalid under applicable law the remaining provisions (and, where applicable, the remainder of the provision in question) shall not be affected and shall remain in full force.

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