

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Quarterly Period Ended March 31, 2025  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER 001-38661



Elanco Animal Health Incorporated

(Exact name of Registrant as specified in its charter)

INDIANA  
(State or other jurisdiction of  
incorporation or organization)

82-5497352  
(I.R.S. Employer  
Identification No.)

2500 INNOVATION WAY, GREENFIELD, INDIANA 46140  
(Address and zip code of principal executive offices)

Registrant's telephone number, including area code (877) 352-6261

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, no par value	ELAN	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of a "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of shares of common stock outstanding as of May 2, 2025 was 496,646,504.

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**ELANCO ANIMAL HEALTH INCORPORATED**  
**FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2025**  
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## FORWARD-LOOKING STATEMENTS AND RISK FACTOR SUMMARY

This Quarterly Report on Form 10-Q (Form 10-Q) includes forward-looking statements within the meaning of the federal securities laws. These forward-looking statements include, without limitation, statements concerning the impact on Elanco Animal Health Incorporated and its subsidiaries (collectively, Elanco, the Company, we, us or our) caused by the integration of business acquisitions, expected synergies and cost savings, product launches, global macroeconomic conditions, expectations relating to liquidity and sources of capital, our expected compliance with debt covenants, cost savings, expenses and reserves relating to restructuring actions, our industry and our operations, performance and financial condition, and including, in particular, statements relating to our business, growth strategies, distribution strategies, product development efforts and future expenses.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Important risk factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions, including but not limited to the following:

- operating in a highly competitive industry;
- the success of our research and development (R&D), regulatory approval and licensing efforts;
- the impact of disruptive innovations and advances in veterinary medical practices, animal health technologies and alternatives to animal-derived protein;
- competition from generic products that may be viewed as more cost-effective;
- changes in regulatory restrictions on the use of antibiotics in farm animals;
- an outbreak of infectious disease carried by farm animals;
- risks related to the evaluation of animals;
- consolidation of our customers and distributors;
- the impact of increased or decreased sales into our distribution channels resulting in fluctuations in our revenues;
- our dependence on the success of our top products;
- our ability to complete acquisitions and divestitures and to successfully integrate the businesses we acquire;
- our ability to implement our business strategies or achieve targeted cost efficiencies and gross margin improvements;
- manufacturing problems and capacity imbalances, including at our contract manufacturers;
- fluctuations in inventory levels in our distribution channels;
- risks related to the use of artificial intelligence in our business;
- our dependence on sophisticated information technology systems and infrastructure, including the use of third-party, cloud-based technologies, and the impact of outages or breaches of the information technology systems and infrastructure we rely on;
- the impact of weather conditions, including those related to climate change, and the availability of natural resources;
- demand, supply and operational challenges associated with the effects of a human disease outbreak, epidemic, pandemic or other widespread public health concern;
- the loss of key personnel or highly skilled employees;
- adverse effects of labor disputes, strikes and/or work stoppages;
- the effect of our substantial indebtedness on our business, including restrictions in our debt agreements that limit our operating flexibility and changes in our credit ratings that lead to higher borrowing expenses and restrict access to credit;
- changes in interest rates that adversely affect our earnings and cash flows;
- risks related to the write-down of goodwill or identifiable intangible assets;
- the lack of availability or significant increases in the cost of raw materials;
- risks related to foreign and domestic economic, political, legal and business environments;
- risks related to foreign currency exchange rate fluctuations;
- risks related to underfunded pension plan liabilities;

- our current plan not to pay dividends and restrictions on our ability to pay dividends;
- the potential impact that actions by activist shareholders could have on the pursuit of our business strategies;
- risks related to tax expense or exposures;
- actions by regulatory bodies, including as a result of their interpretation of studies on product safety;
- the possible slowing or cessation of acceptance and/or adoption of our farm animal sustainability initiatives;
- the impact of increased regulation or decreased governmental financial support related to the raising, processing or consumption of farm animals;
- risks related to tariffs, trade protection measures or other modifications of foreign trade policy;
- the impact of litigation, regulatory investigations and other legal matters, including the risk to our reputation and the risk that our insurance policies may be insufficient to protect us from the impact of such matters;
- challenges to our intellectual property rights or our alleged violation of rights of others;
- misuse, off-label or counterfeiting use of our products;
- unanticipated safety, quality or efficacy concerns and the impact of identified concerns associated with our products;
- insufficient insurance coverage against hazards and claims;
- compliance with privacy laws and security of information;
- risks related to environmental, health and safety laws and regulations; and
- inability to achieve goals or meet expectations of stakeholders with respect to environmental, social and governance matters.

See Item 1A, "Risk Factors," of Part I of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the United States (U.S.) Securities and Exchange Commission (SEC) ([2024 Form 10-K](#)), and Part II of this Form 10-Q, for a further description of these and other factors. Although we have attempted to identify important risk factors, there may be other risk factors not presently known to us or that we presently believe are not material that could cause actual results and developments to differ materially from those made in or suggested by the forward-looking statements contained in this quarterly report. If any of these risks materialize, or if any of the above assumptions underlying forward-looking statements prove incorrect, actual results and developments may differ materially from those made in or suggested by the forward-looking statements contained in this quarterly report. We caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this quarterly report. Any forward-looking statement made by us in this quarterly report speaks only as of the date hereof. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update or to revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

## PART I

### ITEM 1. FINANCIAL STATEMENTS

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**Elanco Animal Health Incorporated**  
**Condensed Consolidated Statements of Operations (Unaudited)**  
(in millions, except per-share data)

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Revenue	\$ 1,193	\$ 1,205
Cost of sales	509	515
Gross profit	684	690
Research and development	94	87
Marketing, selling and administrative	341	337
Amortization of intangible assets	128	133
Asset impairment, restructuring and other special charges	9	46
Interest expense, net of capitalized interest	40	66
Other expense, net	12	9
Income before income taxes	60	12
Income tax benefit	(7)	(20)
Net income	\$ 67	\$ 32
Earnings per share:		
Basic	\$ 0.14	\$ 0.06
Diluted	\$ 0.13	\$ 0.06
Weighted-average shares outstanding:		
Basic	495.1	493.2
Diluted	499.1	496.0

See accompanying notes to condensed consolidated financial statements.

**Elanco Animal Health Incorporated**  
**Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**  
(in millions)

	Three Months Ended March 31,	
	2025	2024
Net income	\$ 67	\$ 32
Other comprehensive income (loss):		
Cash flow hedges, net of taxes	(29)	32
Foreign currency translation, net of taxes	218	(227)
Defined benefit plans, net of taxes	(1)	(4)
Other comprehensive income (loss), net of taxes	188	(199)
Comprehensive income (loss)	\$ 255	\$ (167)

See accompanying notes to condensed consolidated financial statements.

**Elanco Animal Health Incorporated**  
**Condensed Consolidated Balance Sheets**  
(in millions, except share data)

	March 31, 2025 (Unaudited)	December 31, 2024
<b>Assets</b>		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 487	\$ 468
Accounts receivable, net	970	805
Other receivables	90	81
Inventories	1,592	1,574
Prepaid expenses and other	301	287
Total current assets	<u>3,440</u>	<u>3,215</u>
<i>Noncurrent Assets</i>		
Property and equipment, net	1,047	993
Goodwill	4,508	4,414
Other intangibles, net	3,634	3,681
Other noncurrent assets	312	311
Total assets	<u>\$ 12,941</u>	<u>\$ 12,614</u>
<b>Liabilities and Equity</b>		
<i>Current Liabilities</i>		
Accounts payable	\$ 330	\$ 296
Sales rebates and discounts	319	332
Current portion of long-term debt	44	44
Other current liabilities	576	643
Total current liabilities	<u>1,269</u>	<u>1,315</u>
<i>Noncurrent Liabilities</i>		
Long-term debt	4,351	4,277
Deferred taxes	481	449
Other noncurrent liabilities	487	477
Total liabilities	<u>6,588</u>	<u>6,518</u>
<i>Commitments and Contingencies</i>		
<i>Equity</i>		
Common stock, no par value, 5,000,000,000 shares authorized, 496,458,420 and 494,445,839 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	—	—
Additional paid-in capital	8,819	8,817
Accumulated deficit	(1,883)	(1,950)
Accumulated other comprehensive loss	(583)	(771)
Total equity	<u>6,353</u>	<u>6,096</u>
Total liabilities and equity	<u>\$ 12,941</u>	<u>\$ 12,614</u>

See accompanying notes to condensed consolidated financial statements.

**Elanco Animal Health Incorporated**  
**Condensed Consolidated Statements of Equity (Unaudited)**  
(in millions)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss				Total	Total Equity
	Shares	Amount			Cash Flow Hedges	Foreign Currency Translation	Defined Benefit Plans			
December 31, 2023	492.8	\$ —	\$ 8,777	\$ (2,288)	\$ 57	\$ (379)	\$ 56	\$ (266)	\$ 6,223	
Net income	—	—	—	32	—	—	—	—	32	
Other comprehensive (loss) income, net of tax	—	—	—	—	32	(227)	(4)	(199)	(199)	
Stock-based compensation activity, net	1.2	—	—	—	—	—	—	—	—	
March 31, 2024	494.0	\$ —	\$ 8,777	\$ (2,256)	\$ 89	\$ (606)	\$ 52	\$ (465)	\$ 6,056	
December 31, 2024	494.4	\$ —	\$ 8,817	\$ (1,950)	\$ 37	\$ (866)	\$ 58	\$ (771)	\$ 6,096	
Net income	—	—	—	67	—	—	—	—	67	
Other comprehensive income (loss), net of tax	—	—	—	—	(29)	218	(1)	188	188	
Stock-based compensation activity, net	2.1	—	2	—	—	—	—	—	2	
March 31, 2025	496.5	\$ —	\$ 8,819	\$ (1,883)	\$ 8	\$ (648)	\$ 57	\$ (583)	\$ 6,353	

See accompanying notes to condensed consolidated financial statements.

**Elanco Animal Health Incorporated**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**  
(in millions)

	Three Months Ended March 31,	
	2025	2024
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 67	\$ 32
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	161	166
Stock-based compensation expense	15	11
Changes in operating assets and liabilities, net of acquisitions and divestitures	(237)	(177)
Other non-cash operating activities, net	(10)	(30)
Net Cash (Used for) Provided by Operating Activities	(4)	2
<b>Cash Flows from Investing Activities</b>		
Net purchases of property and equipment and software	(65)	(24)
Proceeds from divestitures	9	66
Other investing activities, net	(2)	(5)
Net Cash (Used for) Provided by Investing Activities	(58)	37
<b>Cash Flows from Financing Activities</b>		
Proceeds from Revolving Credit Facility	125	50
Repayments of Revolving Credit Facility	(125)	(50)
Proceeds from Securitization Facility	125	50
Repayments of Securitization Facility	(40)	(50)
Repayments of long-term borrowings	(13)	(13)
Other financing activities, net	(20)	(14)
Net Cash Provided by (Used for) Financing Activities	52	(27)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	29	(19)
Net increase (decrease) in cash and cash equivalents	19	(7)
Cash and cash equivalents – beginning of period	468	352
Cash and cash equivalents – end of period	\$ 487	\$ 345

See accompanying notes to condensed consolidated financial statements.

**Elanco Animal Health Incorporated**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
(Tables present dollars and shares in millions, except per-share and per-unit data)

**Note 1. Basis of Presentation and Summary of Significant Accounting Policies**

We have prepared the accompanying unaudited condensed consolidated financial statements in accordance with the SEC requirements for interim reporting. As permitted under those rules, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the U.S. (GAAP) have been condensed or omitted. The information included in this Form 10-Q should be read in conjunction with our consolidated financial statements and accompanying notes for the year ended December 31, 2024, included in our [2024 Form 10-K](#). The significant accounting policies set forth in Note 2 to the consolidated financial statements in our [2024 Form 10-K](#) and the footnotes herein appropriately represent, in all material respects, the current status of our accounting policies.

In our opinion, the financial statements reflect all adjustments (including those that are normal and recurring) that are necessary for fair presentation of the results of operations for the periods shown. The preparation of financial statements in accordance with GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates. In addition, results for interim periods should not be considered indicative of results for any other interim period or for the full year ending December 31, 2025, or any other future period.

**Note 2. New Financial Accounting Pronouncements**

In December 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to enhance the transparency and usefulness of income tax disclosures by providing incremental and disaggregated income tax disclosures pertaining to the effective tax rate reconciliation and income taxes paid by jurisdiction. This standard is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The standard allows for prospective or retrospective application upon adoption. We are currently assessing the impact ASU 2023-09 will have on our consolidated financial statements, including our Income Taxes footnote disclosure.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which is intended to provide more detailed and disaggregated information about significant expense categories, such as purchases of inventory, employee compensation, depreciation and amortization and selling expenses. This standard, including related updates, is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted, and the amendments may be applied either prospectively or retrospectively. We are currently assessing the impact ASU 2024-03 will have on our consolidated financial statements, including our footnote disclosures.

**Note 3. Revenue**

The following table summarizes the activity in our global sales rebates and discounts liability:

	Three Months Ended March 31,	
	2025	2024
Beginning balance	\$ 332	\$ 367
Reduction of revenue	228	221
Payments	(245)	(266)
Foreign currency translation adjustments	4	(4)
Ending balance	<u>\$ 319</u>	<u>\$ 318</u>

Adjustments to revenue recognized due to changes in estimates for products shipped in previous periods were not material for either the three months ended March 31, 2025 or 2024. Actual global product returns were approximately 1% of net revenue for the three months ended March 31, 2025 and 2024.

### Disaggregation of Revenue

The following table summarizes our revenue disaggregated by product category:

	Three Months Ended March 31,	
	2025	2024
Pet Health	\$ 635	\$ 639
Farm Animal:		
Cattle	272	244
Poultry	189	197
Swine	85	84
Aqua <sup>(1)</sup>	—	31
Total Farm Animal	546	556
Contract Manufacturing and Other <sup>(2)</sup>	12	10
Revenue	\$ 1,193	\$ 1,205

(1) On July 9, 2024, we sold our aqua business to a subsidiary of Merck Animal Health (see Note 4. Acquisitions, Divestitures and Other Arrangements for further details).

(2) Represents revenue from arrangements in which we manufacture products on behalf of a third party and royalty revenue.

The following table summarizes our revenue disaggregated by geographic area:

	Three Months Ended March 31,	
	2025	2024
United States	\$ 554	\$ 531
International	639	674
Revenue	\$ 1,193	\$ 1,205

We have a single customer that accounted for approximately 12% and 9% of revenue for the three months ended March 31, 2025 and 2024, respectively. Product sales with this customer resulted in accounts receivable of \$118 million and \$90 million at March 31, 2025 and December 31, 2024, respectively.

### Note 4. Acquisitions, Divestitures and Other Arrangements

#### Acquisitions

In 2021 and 2022, respectively, we sold manufacturing facilities in Shawnee, Kansas, and Speke, United Kingdom (U.K.) to TriRx Pharmaceuticals (TriRx), and entered into contract manufacturing supply agreements with TriRx. We received the final cash proceeds from our sale of these facilities of \$66 million from TriRx, in addition to accrued interest, during the three months ended March 31, 2024.

In September 2024, TriRx Speke Ltd. (TriRx Speke), a subsidiary of TriRx, entered into trading administration, a formal insolvency process in the U.K., and we acquired the manufacturing facility in Speke, including its workforce and related assets in November 2024 for \$36 million in order to minimize supply disruption for our impacted farm animal product lines. This transaction was accounted for as a business combination under the acquisition method of accounting. The following table summarizes the preliminary fair value amounts recognized for assets acquired as of the acquisition date (the accounting for this acquisition has not been finalized as of March 31, 2025):

Inventories	\$ 20
Prepaid expenses and other	2
Property and equipment	14
Total consideration transferred	\$ 36

#### Divestitures

**New Zealand manufacturing facility:** On February 27, 2025, we closed the sale of our manufacturing facility in Manukau, New Zealand, to a third party for cash proceeds of \$9 million. Assets divested included property and equipment related to the facility and inventory. Additionally, approximately 50 individuals were transferred to the new owners as part of the divestiture. This transaction did not result in a material gain or loss on divestiture.

**Aqua business:** On July 9, 2024, we closed the sale of our aqua business to Intervet International B.V., a Dutch subsidiary of Merck Animal Health, for \$1,294 million in cash, the vast majority of which was utilized to repay previously outstanding term loan debt. Our aqua business included products across both warm-water and cold-water species and generated revenues of \$31 million during the three months ended March 31, 2024. Assets sold included inventories, real property and equipment, including our manufacturing sites in Canada and Vietnam, and

certain intellectual property, technology and other intangible assets, including marketed products. Additionally, approximately 280 commercial and manufacturing employees were transferred to Merck Animal Health as part of this divestiture. As of the disposal date, the carrying amounts of the following major assets were derecognized from our condensed consolidated balance sheet:

Inventories	\$	43
Goodwill		458
Other intangibles, net		51
Property and equipment, net		68
Other assets		14
Total assets	\$	<u>634</u>

Based on the aggregate carrying value of our aqua business and \$20 million of costs to sell, we recorded a pre-tax gain on divestiture of \$640 million in 2024. We also recognized income tax expense of approximately \$170 million related to the taxable gain, a majority of which is payable in 2025.

#### Note 5. Asset Impairment, Restructuring and Other Special Charges

In recent years, we have incurred substantial costs associated with restructuring programs and cost-reduction initiatives designed to achieve a flexible and competitive cost structure. Restructuring activities have primarily included charges associated with business and facility rationalizations and workforce reductions. We have also incurred costs associated with executing acquisitions, divestitures and other significant transactions and related integration and/or separation activities. Components of asset impairment, restructuring and other special charges were as follows:

	Three Months Ended March 31,	
	2025	2024
Restructuring charges <sup>(1)</sup>	\$ 1	\$ 39
Acquisition and divestiture-related charges <sup>(2)</sup>	—	7
Non-cash and other items <sup>(3)</sup>	8	—
Total expense	<u>\$ 9</u>	<u>\$ 46</u>

(1) Restructuring charges primarily related to cash-based severance costs associated with a restructuring program approved and announced in February 2024 intended to reallocate resources by shifting international resources from farm animal to pet health. This restructuring program also resulted in changes in how we operate in and sell into the Argentina market, among others.

(2) Acquisition and divestiture-related charges in 2024 consisted of transaction costs related to the divestiture of our aqua business (see Note 4. Acquisitions, Divestitures and Other Arrangements for further information).

(3) Other items in 2025 primarily related to upfront payments made in relation to new licensing arrangements.

The following table summarizes the activity in our reserves established in connection with restructuring activities:

Balance at December 31, 2024	\$	16
Charges		1
Cash paid		<u>(6)</u>
Balance at March 31, 2025	\$	<u>11</u>

Timing of when the restructuring reserve obligations are expected to be paid can vary due to certain country-specific negotiations and regulations. Of the total reserve, \$9 million was included within other current liabilities on our condensed consolidated balance sheet at March 31, 2025, with the remainder included within other noncurrent liabilities.

#### Note 6. Inventories

Inventories consisted of the following:

	March 31, 2025	December 31, 2024
Finished products	\$ 745	\$ 754
Work in process	818	783
Raw materials and supplies	96	98
Total	1,659	1,635
Decrease to LIFO cost	<u>(67)</u>	<u>(61)</u>
Inventories	<u>\$ 1,592</u>	<u>\$ 1,574</u>

## Note 7. Debt

Long-term debt consisted of the following:

	March 31, 2025	December 31, 2024
Term Loan B due 2027	\$ 2,582	\$ 2,593
Incremental Term Facility due 2028	369	370
Incremental Term Facility due 2029	186	187
Incremental Term Facility due 2031	348	349
Revolving Credit Facility <sup>(1)</sup>	—	—
Securitization Facility <sup>(2)</sup>	185	100
4.900% Senior Notes due 2028 <sup>(3)</sup>	750	750
Unamortized debt issuance costs	(25)	(28)
	<u>4,395</u>	<u>4,321</u>
Less current portion of long-term debt	44	44
Total long-term debt	<u>\$ 4,351</u>	<u>\$ 4,277</u>

(1) Our Revolving Credit Facility provides up to \$750 million in borrowing capacity and bears interest at Term SOFR plus a spread dependent on our Net Total Leverage Ratio, as defined within the agreement, which was 1.60% at March 31, 2025. During the three months ended March 31, 2025, we drew \$125 million on our Revolving Credit Facility to fund working capital needs, which we subsequently repaid with the proceeds from a draw on our Securitization Facility.

(2) Our Securitization Facility is secured and collateralized by our U.S. Net Eligible Receivables Balance, bears interest at Term SOFR plus 1.25% and matures in July 2026. Our borrowing capacity under our Securitization Facility is subject to monthly fluctuation based on the level of our borrowing base as reported to the lender. During the three months ended March 31, 2025, we drew \$125 million on our Securitization Facility, primarily to repay the outstanding balance on our Revolving Credit Facility (see above), with subsequent repayments totaling \$40 million prior to March 31, 2025.

(3) Subsequent to issuance in August 2018, our 4.900% Senior Notes due 2028 have been subject to interest rate increases related to credit rating agency downgrades. As of March 31, 2025, these notes bear interest at a rate of 6.650%.

As of March 31, 2025, approximately 80% of our long-term indebtedness bore interest at a fixed rate, including variable-rate debt converted to fixed-rate through the use of interest rate swaps (see Note 8. Financial Instruments for additional information). We were in compliance with all of our debt covenants as of March 31, 2025.

## Note 8. Financial Instruments

To manage our exposure to market risks, such as changes in foreign currency exchange rates and variable interest rates, we have entered into various derivative transactions. Derivative cash flows are principally classified in the operating activities section of our condensed consolidated statements of cash flows, consistent with the underlying hedged item. Further, we do not offset derivative assets and liabilities on our condensed consolidated balance sheets. Our outstanding positions are discussed below.

### Derivatives Not Designated as Hedges

We may enter into foreign currency exchange forward or option contracts to reduce the effects of fluctuating foreign currency exchange rates. As of March 31, 2025 and December 31, 2024, we had outstanding foreign currency exchange contracts with aggregate notional amounts of \$867 million and \$1,016 million, respectively. The amounts of net gains (losses) on derivative instruments not designated as hedging instruments, recorded in other expense, net for the three months ended March 31, were as follows:

	2025	2024
Foreign exchange forward contracts <sup>(1)</sup>	\$ 15	\$ (9)

(1) These amounts were substantially offset in other expense, net by the effect of changing exchange rates on the underlying foreign currency exposures.

### Derivatives Designated as Hedges – Net investment hedges

At December 31, 2024, we had a series of cross-currency fixed interest rate swaps to help mitigate the impact of foreign currency fluctuations on our operations in Switzerland with a combined 1,000 million CHF notional amount with tenors in 2026 and 2027. In January 2025, we took advantage of market opportunities to restructure our net investment hedges, paying \$10 million to settle these instruments early while also collecting \$5 million of accrued interest. We simultaneously entered into new cross-currency fixed interest rate swaps with the same 1,000 million CHF notional amounts and covering the same tenors. These instruments were determined to be, and were designated as, effective economic hedges of net investments in our CHF denominated net assets.

The amount of (losses) gains on net investment hedges, net of tax, recorded in accumulated other comprehensive loss for the three months ended March 31, were as follows:

	2025	2024
Cross-currency fixed interest rate swaps	\$ (24)	\$ 62

During the three months ended March 31, 2025 and 2024, these instruments also generated \$11 million and \$8 million of interest income, respectively, which was included as a contra interest expense, net of capitalized interest in our condensed consolidated statements of operations.

#### *Derivatives Designated as Hedges – Interest rate swaps*

We had outstanding interest rate swaps with aggregate notional amounts of \$2,800 million as of both March 31, 2025 and December 31, 2024, which have scheduled maturities in 2026. As of March 31, 2025 and December 31, 2024, we also had forward-starting interest rate swap agreements with a combined notional amount of \$850 million, which will become effective on August 1, 2026, and mature in line with the applicable Incremental Term Facility maturities, which range between 2028 and 2031.

The amounts of (losses) gains on interest rate swap contracts, net of tax, recorded in accumulated other comprehensive loss for the three months ended March 31, were as follows:

	2025	2024
Interest rate swaps	\$ (16)	\$ 63

The amounts of gains reclassified out of accumulated other comprehensive loss and recognized into earnings through interest expense, net of capitalized interest for the three months ended March 31, were as follows:

	2025	2024
Interest rate swaps	\$ 13	\$ 31

Over the next 12 months, we expect to reclassify a gain of \$9 million out of accumulated other comprehensive loss and into interest expense, net of capitalized interest related to our interest rate swaps.

As of March 31, 2025, when factoring in the impact from our interest rate swaps, the weighted-average effective interest rate on our outstanding indebtedness was 6.21% (excluding the expected future reclassifications to interest expense, net of capitalized interest related to past interest rate swap settlements).

#### **Note 9. Fair Value**

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value measurements are based on a framework that utilizes the inputs market participants use to determine the fair value of an asset or liability and establishes a fair value hierarchy to prioritize those inputs. Level 1 fair value measurements are based on quoted prices in active markets for identical assets or liabilities. We determine our Level 2 fair value measurements based on a market approach using quoted market values or significant other observable inputs for identical or comparable assets or liabilities. Our Level 3 fair value measurements are based on unobservable inputs based on little or no market activity.

The following table summarizes the fair value information at March 31, 2025 and December 31, 2024, for assets and liabilities measured at fair value on a recurring basis in the respective balance sheet line items, as well as long-term debt, for which fair value is disclosed on a recurring basis:

Financial statement line item	Carrying Amount	Fair Value Measurements Using			Fair Value
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
March 31, 2025					
<b>Recurring fair value measurements</b>					
Prepaid expenses and other - derivative instruments	\$ 3	\$ —	\$ 3	\$ —	\$ 3
Other current liabilities - derivative instruments	(2)	—	(2)	—	(2)
Other current liabilities - contingent consideration	(25)	—	—	(25)	(25)
Other noncurrent liabilities - derivative instruments	(47)	—	(47)	—	(47)
Other noncurrent liabilities - contingent consideration	(6)	—	—	(6)	(6)
<b>Financial instruments not carried at fair value</b>					
Long-term debt, including current portion	(4,420)	—	(4,427)	—	(4,427)
December 31, 2024					
<b>Recurring fair value measurements</b>					
Prepaid expenses and other - derivative instruments	\$ 32	\$ —	\$ 32	\$ —	\$ 32
Other current liabilities - derivative instruments	(54)	—	(54)	—	(54)
Other current liabilities - contingent consideration	(21)	—	—	(21)	(21)
Other noncurrent liabilities - derivative instruments	(18)	—	(18)	—	(18)
Other noncurrent liabilities - contingent consideration	(16)	—	—	(16)	(16)
<b>Financial instruments not carried at fair value</b>					
Long-term debt, including current portion	(4,349)	—	(4,362)	—	(4,362)

Cash and cash equivalents include cash on hand and all highly liquid investments with original maturities at the time of purchase of three months or less. The carrying values of cash and cash equivalents, accounts and other receivables, accounts payable and other current liabilities are reasonable estimates of their fair values due to the short-term nature of these assets and liabilities.

Contingent consideration liabilities presented in both periods relate to our past acquisitions of NutriQuest, LLC and NutriQuest Nutricao Animal Ltda. Contingent consideration for these acquisitions remains payable to the extent certain specific development, sales and geographic milestones are achieved, as outlined in the asset purchase agreements. The fair values of these liabilities were estimated using a Monte Carlo simulation model, consisting of inputs not observable in the market, including estimates relating to revenue forecasts, discount rates and volatility. We also had investments without readily determinable fair values which were classified as other noncurrent assets on our condensed consolidated balance sheets totaling \$15 million and \$17 million as of March 31, 2025 and December 31, 2024, respectively. These investments are not recorded at fair value on a recurring basis, and as such, are not included in the fair value table above.

#### Note 10. Income Taxes

	Three Months Ended March 31,	
	2025	2024
Income tax benefit	\$ (7)	\$ (20)
Effective tax rate	(12.2)%	(182.2)%

For the three months ended March 31, 2025 and 2024, we recognized income tax benefits of \$7 million and \$20 million, respectively. Our effective tax rate for the three months ended March 31, 2025, of (12.2)% differed from the statutory income tax rate primarily due to the tax impact from the jurisdictional mix of projected income and losses in non-U.S. jurisdictions and the utilization of net operating losses and a valuation allowance release in the U.S. Our effective tax rate of (182.2)% for the three months ended March 31, 2024, differed from the statutory

income tax rate primarily due to the partial release of a valuation allowance attributable to the anticipated sale of our aqua business, which closed on July 9, 2024, and a benefit related to the recognition of certain state tax credits.

We were included in Eli Lilly and Company's (Lilly's) U.S. tax examinations by the Internal Revenue Service through the full separation date of March 11, 2019. Pursuant to the tax matters agreement we executed with Lilly in connection with our initial public offering (IPO), the potential liabilities or potential refunds attributable to pre-IPO periods in which Elanco was included in a Lilly consolidated or combined tax return remain with Lilly. The U.S. examination of tax years 2016 to 2018 began in 2019 and remains ongoing. Final resolution of certain matters is dependent upon several factors, including the potential for formal administrative proceedings.

## **Note 11. Commitments and Contingencies**

### **Legal Matters**

We are party to various legal actions that oftentimes arise in the normal course of business. The most significant matters are described below. Under GAAP, loss contingency provisions are recorded when we deem it probable that we will incur a loss and we are able to formulate a reasonable estimate of that loss. For the legal matters discussed below, we either believe loss is not probable or are unable to reasonably estimate the possible loss or range of loss, if any. The process of resolving these matters is inherently uncertain and may develop over an extended period of time; therefore, at this time, the ultimate resolutions cannot be predicted. As of March 31, 2025 and December 31, 2024, we had no material liabilities established related to the legal matters discussed below.

On October 7, 2024, a putative securities class action lawsuit captioned *Joseph Barpar v. Elanco Animal Health Inc., et al. (Barpar)* was filed in the U.S. District Court for the District of Maryland against Elanco and two of its executives. *Barpar* alleged claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the Act), and specifically alleged that Elanco and the two executives made materially false and/or misleading statements and/or failed to disclose certain facts about the safety of and labeling for our *Zenrelia*<sup>®</sup> product, as well as the approval and launch timelines for *Zenrelia* and our *Credelio Quattro*<sup>™</sup> product. The plaintiff purported to represent purchasers of Elanco securities between November 7, 2023 and June 26, 2024. On March 21, 2025, plaintiff filed an amended complaint that extended the time period for which the plaintiff purported to represent purchasers of Elanco securities to between May 9, 2023 and June 26, 2024. The amended complaint also removed allegations concerning the approval and launch timelines for our *Credelio Quattro* product. On November 1, 2024, a shareholder derivative action captioned *Lawrence Hollin v. Lawrence E. Kurzius, et al. (Hollin)* was filed in the U.S. District Court for the District of Maryland against current members of Elanco's Board of Directors and senior management, alleging claims under Sections 10(b) and 20(a) of the Act and state law claims for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment and waste of corporate assets, based on allegations substantially similar to the allegations in the putative class action complaint in *Barpar*. On March 11, 2025, a shareholder derivative action captioned *James Habermehl v. Jeffrey N. Simmons, et al.* was filed in Hancock County Circuit Court of Indiana, against the same parties named in *Hollin*, alleging claims under Indiana state law for breach of fiduciary duty and unjust enrichment, based on allegations substantially similar to the allegations in the putative class action complaint in *Barpar*. On April 28, 2025, a shareholder derivative action captioned *Christopher Dougherty v. Elanco Animal Health, Inc., et al. (Dougherty)*, was filed in the District of Maryland, naming certain Elanco executives and 13 Elanco Board members as defendants. *Dougherty* alleges the defendants engaged in conspiratorial and individually culpable conduct based on materially false or misleading statements and omissions alleged in, referenced or related to, in large part, the putative class action complaint in *Barpar*, as well as breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and as to the certain executives, contribution under Section 15, U.S.C. § 78j(b) and Section 21D of the Act. We are vigorously defending our positions in connection with each of these actions.

On May 20, 2020, a shareholder class action lawsuit captioned *Hunter v. Elanco Animal Health Inc., et al. (Hunter)* was filed in the U.S. District Court for the Southern District of Indiana against Elanco and certain executives. On September 3, 2020, the court appointed a lead plaintiff, and on November 9, 2020, the lead plaintiff filed an amended complaint adding additional claims against Elanco, certain executives and other individuals. The lawsuit alleged, in part, that Elanco and certain of its executives made materially false and/or misleading statements and/or failed to disclose certain facts about Elanco's supply chain, inventory, revenue and projections. The lawsuit sought unspecified monetary damages and purports to represent purchasers of Elanco securities between September 30, 2018 and May 6, 2020, and purchasers of Elanco common stock issued in connection with Elanco's acquisition of Aratana Therapeutics, Inc. On January 13, 2021, we filed a motion to dismiss, and on August 17, 2022, the Court issued an order granting our motion to dismiss the case without prejudice. On October 14, 2022, the plaintiffs filed a motion for leave to amend the complaint. On December 7, 2022, we filed an opposition to the plaintiffs' motion, and on September 27, 2023, the court denied the plaintiffs' motion for leave, issuing final judgment in favor of Elanco. On October 25, 2023, the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Seventh Circuit. We intend to continue to vigorously defend our position.

On October 16, 2020, a shareholder class action lawsuit captioned *Safron Capital Corporation v. Elanco Animal Health Inc., et al.* was filed in the Marion Superior Court of Indiana against Elanco, certain executives and other individuals and entities. On December 23, 2020, the plaintiffs filed an amended complaint adding an additional plaintiff. The lawsuit alleges, in part, that Elanco and certain of its executives made materially false and/or misleading statements and/or failed to disclose certain facts about Elanco's relationships with third-party distributors and revenue attributable to those distributors within the registration statement on Form S-3 dated January 21, 2020, and accompanying prospectus filed in connection with Elanco's public offering which closed on or about January 27, 2020. The lawsuit seeks unspecified monetary damages and purports to represent purchasers of Elanco common stock or tangible equity units issued in connection with the public offering. From February 2021 to August 2022, this case was stayed in deference to *Hunter*. On October 24, 2022, we filed a motion to dismiss. On December 23, 2022, the plaintiffs filed their opposition to the motion to dismiss. Prior to the ruling on the motion to dismiss, on June 8, 2023, the plaintiffs filed a motion for leave to file a second amended complaint, which is now the operative complaint. We filed a motion to dismiss the second amended complaint on August 7, 2023, to which the plaintiffs filed their opposition on October 13, 2023. On April 17, 2024, our motion to dismiss was granted. On or about October 4, 2024, the plaintiffs appealed the dismissal to the Indiana Court of Appeals. Subsequently, on or about March 20, 2025, the plaintiffs' motion for oral argument was denied. We intend to continue to vigorously defend our position.

In the third quarter of 2019, Tevra Brands, LLC (Tevra) filed a complaint in the U.S. District Court of the Northern District of California, alleging that Bayer Animal Health (acquired by us in August 2020) had been involved in unlawful, exclusive dealing and tying of its flea and tick products *Advantage*, *Advantix* and *Seresto*™ and maintained a monopoly in the market. The complaint was amended in March 2020 and then dismissed in September 2020 with leave to amend. A second amended complaint was filed in March 2021 and realleged claims of unlawful exclusive dealing related to *Advantage* and *Advantix* and monopoly maintenance. A motion to dismiss the second amended complaint was denied in January 2022. Tevra's demands included both actual and treble damages. On April 16, 2024, the court granted our motion for summary judgment to exclude all damages subsequent to our acquisition of Bayer Animal Health in August 2020. A jury trial was held in July 2024, and on August 1, 2024, the jury returned a verdict in favor of Bayer Animal Health. In January 2025, Tevra's motion for a new trial was denied, and in February 2025, Tevra filed its notice of appeal. Following the initial Tevra trial, three additional matters have been filed against us, both in the Northern District of California and in the Southern District of Indiana, most recently in January 2025: *Tracy Spradlin v. Elanco Animal Health, Inc. (Spradlin)*, *Tevra Brands, LLC v. Elanco Animal Health, Inc. (Tevra v. Elanco)*, and *Susan Kraus-Silfen v. Elanco Animal Health, Inc. et. al. (Kraus-Silfen)*. While there are substantive and statutory differences, the allegations underpinning these matters are similar in some respects to the initial Tevra matter including, but not limited to, the family of pet health products and sales tactics and agreements alleged to drive a monopoly within the market. *Spradlin* and *Kraus-Silfen* are putative class actions, and all three of these additional matters seek injunctive relief and an unspecified amount of monetary relief. On March 31, 2025, our motion to dismiss *Tevra v. Elanco* was granted by the court without prejudice to plaintiff's right to file an amended claim. We are vigorously defending against the claims made in these matters.

#### **Other Commitments**

As of March 31, 2025, we had a lease commitment that has not yet commenced for our new corporate headquarters in Indianapolis, Indiana. Total minimum lease payments are estimated to be approximately \$378 million over a term of 25 years, excluding extensions. Final lease payments may vary depending on the actual cost of certain construction activities. Lease commencement is expected in 2025.

The land for our new corporate headquarters is located in a Tax Increment Finance District, and the project is, in part, funded through Tax Incremental Financing (TIF) through an incentive agreement between the City of Indianapolis and us. The agreement provides for an estimated total incentive of \$64 million to be funded by the City of Indianapolis in connection with the future tax increment revenue generated from the developed property. In December 2021, as part of a funding and development agreement entered into between the developer and us, we made a commitment to use the expected TIF proceeds towards the cost of developing and constructing the headquarters. In exchange, the developer reimbursed us up to the \$64 million commitment in 2021. During 2022, we refunded approximately \$15 million of the TIF proceeds to the developer. As a result, it is our expectation that our future lease payments will be reduced. The remaining accrued incentive was principally included in other noncurrent liabilities on our condensed consolidated balance sheets and will be amortized over the period we expect to benefit from the use of the new headquarters.

#### **Note 12. Earnings Per Share**

We compute basic earnings per share by dividing net income by the weighted-average number of common shares outstanding for the reporting period. Elanco has variable common stock equivalents relating to certain equity awards in stock-based compensation arrangements. Diluted earnings per share reflects the potential dilution that could have occurred if holders of the unvested equity awards converted their holdings into common stock. The weighted-average number of potentially dilutive shares outstanding was calculated using the treasury stock method. Potential

common shares that would have had the effect of increasing diluted earnings per share were considered to be anti-dilutive and as such, these shares were not included in the calculation of diluted earnings per share.

Basic and diluted weighted-average shares outstanding were as follows:

	Three Months Ended March 31,	
	2025	2024
Basic weighted-average common shares outstanding	495.1	493.2
Assumed conversion of dilutive common stock equivalents <sup>(1)</sup>	4.0	2.8
Diluted weighted-average shares outstanding	499.1	496.0

(1) For the three months ended March 31, 2025 and 2024, approximately 3.7 million and 0.8 million, respectively, of potential common shares were excluded from the calculation of diluted weighted-average shares outstanding because their effect was anti-dilutive.

### Note 13. Business Segment Information

We operate our business as a single segment engaged in the development, manufacturing, marketing and sales of animal health products for both pets and farm animals. Consistent with our operational structure, our Chief Executive Officer (CEO), as the chief operating decision maker, makes resource allocation and business process decisions globally across our consolidated business. Strategic and resource allocation decisions are managed globally, with global functional leaders responsible for determining significant costs and investments and with regional leaders responsible for overseeing the execution of our global strategy. Managing and allocating resources at the global corporate level enables our CEO to assess the overall level of resources available and how to best deploy these resources across functions, product types, regional commercial organizations and R&D projects in line with our overarching long-term corporate-wide strategic goals, rather than on a product or geographic basis. Consistent with this decision-making process, our CEO considers consolidated net income (loss), which is our single segment's principal measure of segment profit and loss, when evaluating performance. Our CEO also considers these measures, as well as other factors, such as an assessment of a new product's future market potential, when determining how to allocate company-wide resources.

Significant expenses are amounts that are regularly provided to our CEO and included in consolidated net income (loss), our primary measure of our single segment's profit or loss. Our CEO regularly reviews reported consolidated revenues, gross profit, and other significant expenses and consolidated net income (loss), in addition to forecasted revenues, significant expenses and net income (loss) amounts for future periods. A summary of our consolidated net income for the three months ended March 31, 2025 and 2024 is as follows, including the significant expenses provided to and regularly reviewed by our CEO, as well as other expenses, which are included in consolidated net income, but are not regularly provided to and/or reviewed by our CEO:

	2025	2024
Revenue	\$ 1,193	\$ 1,205
Cost of sales	509	515
Gross profit	684	690
Other significant segment expenses:		
Research and development	94	87
Marketing and selling	225	210
General and administrative	116	127
Interest expense, net of capitalized interest	40	66
Other expense, net	12	9
Income tax benefit	(7)	(20)
Total other significant segment expenses	480	479
Other expenses <sup>(1)</sup>	137	179
Net income	\$ 67	\$ 32

(1) Other expenses include amortization of intangible assets and asset impairment, restructuring and other special charges.

Depreciation expense related to property and equipment and amortization expense related to software for the three months ended March 31, 2025 and 2024, were as follows:

	2025	2024
Depreciation expense	\$ 24	\$ 22
Amortization of software	9	10

Given our single reporting segment structure, we manage our assets on a total company basis. Cash paid for acquisitions, intangible assets and property and equipment and software, and cash proceeds from divestitures, are all summarized in the Investing Activities section of our condensed consolidated statements of cash flows.

#### **Note 14. Subsequent Event**

##### ***Sale of Future Royalties and Milestones***

In May 2025, we executed a Purchase and Sale Agreement (PSA) with funds affiliated with Blackstone Life Sciences and Blackstone Credit & Insurance (collectively, Blackstone). Pursuant to the PSA, we received a payment of \$295 million from Blackstone for the rights to the proceeds from (a) the future royalties we are owed from net sales in the U.S. of XDEMZY® (lotilaner ophthalmic solution) 0.25%, a medical treatment for Demodex blepharitis in humans, by Tarsus Pharmaceuticals, Inc. (Tarsus) and (b) certain sales milestones we are owed based on global net sales of XDEMZY, both of which are pursuant to the terms of a previously executed license agreement with Tarsus. The PSA applies to net sales of XDEMZY in the U.S. from April 1, 2025 through August 24, 2033. We retain the rights to all royalty payments on net sales outside the U.S., and ownership of any royalties due on U.S. net sales after August 24, 2033, will remain with us. We also retain the rights to any future royalties or milestones earned due to the future expansion of lotilaner in other human health applications.

Under GAAP, the \$295 million proceeds, net of estimated costs of \$5 million, will be recorded as a liability for the sale of future revenue on our consolidated balance sheets. The transaction costs will be amortized to interest expense over the life of the arrangement. Under the terms of the PSA, we will be liable to pay Blackstone any qualifying royalties and milestones received from Tarsus. We will continue to recognize the future U.S. royalty revenues and milestone payments in our consolidated statements of operations, while incurring imputed interest expense associated with this liability. As royalty payments are earned by us and remitted to Blackstone, the balance of the liability will be reduced to the extent the payments remitted to Blackstone exceed the imputed interest expense for the period.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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### Introduction

Management's discussion and analysis of financial condition and results of operations (MD&A) is intended to assist the reader in understanding and assessing significant changes and trends related to our results of operation and financial position. This discussion and analysis should be read in conjunction with the condensed consolidated financial statements and accompanying footnotes in Item 1 of Part I of this Form 10-Q. Certain statements in this Item 2 of Part I of this Form 10-Q constitute forward-looking statements. Various risks and uncertainties, including, but not limited to those discussed in "Forward-Looking Statements" of this Form 10-Q, in Item 1A, "Risk Factors" of Part II of this Form 10-Q and in Item 1A, "Risk Factors" of Part I of our [2024 Form 10-K](#), may cause our actual results, financial position and cash flows to differ materially from these forward-looking statements.

### Business Overview

Elanco is a global leader in animal health, dedicated to innovating and delivering products and services to prevent and treat disease in farm animals and pets. Our diverse, durable product portfolio is sold in more than 90 countries and serves animals across many species, primarily: dogs and cats (collectively, pet health) and cattle, poultry, swine, sheep and, prior to the divestiture of our aqua business in July 2024, aqua (collectively, farm animal). With a heritage dating back to 1954, we consistently innovate to improve the health of animals and to benefit our customers while fostering an inclusive, cause-driven culture for our employees. We operate our business in a single segment, directed at advancing the well-being of animals, people and the planet, enabling us to realize our vision of Food and Companionship Enriching Life.

Our diverse product portfolio of approximately 200 brands helps make us a trusted partner to pet owners, veterinarians and farm animal producers. Our products are generally sold worldwide to third-party distributors and independent retailers and directly to farm animal producers and veterinarians. Our omnichannel presence extends to both the veterinary clinic and retail markets, including e-commerce.

### Product Development and Regulatory Update

A key element of our targeted value creation strategy is to drive revenue growth through portfolio development and product innovation. We continue to pursue the development of new chemical and biological molecules, as well as additional registrations and indications for current products. Our future growth and success depend on both our pipeline of new products, including new products we develop internally, develop with partners or that we obtain through licenses or acquisitions, and the life cycle management of our existing products. We believe we are an industry leader in animal health R&D, with a track record of successful product innovation, business development and commercialization. New product development, regulatory and product launch highlights throughout 2024 and 2025 include the following:

**Bovaer:** In May 2024, the U.S. Food & Drug Administration (FDA) completed its comprehensive, multi-year review of *Bovaer*<sup>®</sup> (3-NOP), a first-in-class methane-reducing feed ingredient for use in lactating dairy cattle. Producers began feeding the product to cattle in the U.S. during the third quarter of 2024.

**Zenrelia:** We received final FDA approval for *Zenrelia*<sup>®</sup>, a JAK inhibitor targeting control of pruritus and atopic dermatitis in dogs, in September 2024. We launched *Zenrelia* shortly after final approval and have also received approval for *Zenrelia* in Brazil, Canada and Japan. Additional reviews are ongoing in other key markets, including Europe, the U.K. and Australia.

**Credelio Quattro:** In October 2024, we received final approval from the FDA for *Credelio Quattro*<sup>™</sup>, a monthly chewable tablet for dogs that protects against fleas, ticks, heartworms, roundworms, hookworms and three different species of tapeworms. *Credelio Quattro* was launched, with the first commercial sale occurring in January 2025.

**Experior:** In October 2024, we received multiple combination clearance approvals from the FDA for *Experior*<sup>®</sup> to be used in combination with other farm animal products, allowing for broader use in heifers, which represent nearly 40% of the fed cattle population in the U.S.

**AdTab:** In April 2025, *AdTab*<sup>™</sup>, a chewable flea and tick treatment for dogs and cats, was approved and launched in the U.K.

### Other Key Trends and Factors Affecting Our Results of Operations

**Trade Environment and Other U.S. Government Initiatives:** Recent changes to U.S. trade policy have resulted in new or higher tariffs on goods imported from numerous countries, and some countries have imposed retaliatory tariffs on imports from the U.S. As disclosed in Item 1A, "Risk Factors – Tariffs, trade protection measures or other modifications of foreign trade policy may harm us or our customers", of our [2024 Form 10-K](#), our business is subject

to risks related to, among other factors, tariffs, trade and monetary policies and economic conditions and events. While pharmaceutical products are largely exempt from the recently imposed U.S. tariffs, it remains uncertain if this will continue to be the case. Additionally, pharmaceutical products are not exempt from all tariffs recently imposed outside of the U.S. The effects of these new and increased tariffs did not have a material impact on our results of operations for three months ended March 31, 2025; however, we continue to monitor the trade policies in the countries in which we operate and/or import products from closely and are taking actions, where possible, to mitigate the impact on our business.

Further, the U.S. presidential administration has sought to implement significant changes to the size and scope of the federal government, including the reduction of the federal government workforce, changes in budgetary priorities and other cost reduction measures. Included in these changes were a freeze in certain government incentives focused on the adoption of new products for the sole purpose of sustainability. As disclosed in Item 1A, "Risk Factors – *If the acceptance and/or adoption of our farm animal sustainability initiatives do not continue, our future results may be materially impacted*", of our [2024 Form 10-K](#), we have made significant progress in recent years in gaining acceptance of farm animal sustainability products. However, the expanded use of certain of our farm animal sustainability products may be negatively impacted in the absence of government incentives focused on such adoption, perhaps materially so. We continue to monitor the impact these changes may have on the adoption of certain of our farm animal sustainability products, although the potential impact to us remains uncertain.

**Aqua Business Divestiture:** On July 9, 2024, we closed the sale of our aqua business to a subsidiary of Merck Animal Health, for \$1,294 million in cash proceeds, which was paid at closing. Assets sold included inventories, real property and equipment, including our manufacturing sites in Canada and Vietnam, and certain intellectual property, technology and other intangible assets, including marketed products. Along with these assets, approximately 280 commercial and manufacturing employees were transferred to Merck Animal Health as part of this divestiture. We recorded a pre-tax gain on divestiture of \$640 million during the third quarter of 2024. Income tax expense associated with this gain on divestiture was \$170 million, a majority of which is payable in 2025. See Note 4. Acquisitions, Divestitures and Other Arrangements to the condensed consolidated financial statements for further information.

**Acquisition and Integration:** In November 2024, we acquired a manufacturing facility in Speke, U.K., including its workforce and related assets such as inventory and property and equipment, from a former contract manufacturing supply partner, TriRx Speke Ltd. (TriRx Speke), for \$36 million.

**Seasonality:** While many of our products are sold consistently throughout the year, we do experience seasonality in our pet health business due to increased demand for certain parasiticide product offerings in the first half of the year. For example, in 2024 approximately 70% and 55% of total annual revenue generated by our higher-margin parasiticide products *Seresto* and *Advantage Family*, respectively, occurred during the first half of the year, which is reflective of the flea and tick season in the Northern Hemisphere.

## Results of Operations

The following discussion and analysis of our results of operations should be read along with our condensed consolidated financial statements and the notes thereto. Our results of operations for the periods presented below may not be comparable with prior periods or with our results of operations in the future due to many factors, including but not limited to the factors identified above.

(Dollars in millions)	Three Months Ended March 31,		
	2025	2024	% Change
Revenue	\$ 1,193	\$ 1,205	(1)%
Cost of sales	509	515	(1)%
Gross profit	684	690	(1)%
Research and development	94	87	8 %
Marketing, selling and administrative	341	337	1 %
Amortization of intangible assets	128	133	(4)%
Asset impairment, restructuring and other special charges	9	46	(80)%
Interest expense, net of capitalized interest	40	66	(39)%
Other expense, net	12	9	33 %
Income before income taxes	60	12	400 %
Income tax benefit	(7)	(20)	(65)%
Net income	\$ 67	\$ 32	109 %

Certain amounts and percentages may reflect rounding adjustments.

## Revenue

Our products are sold in more than 90 countries, and as a result, a significant portion of our revenue is recorded in currencies other than the U.S. Dollar. Because of this, our revenue is influenced by changes in foreign currency exchange rates. During each of the three months ended March 31, 2025 and 2024, approximately 52% of our revenue was denominated in foreign currencies.

Further, increases or decreases in inventory levels in our distribution channels can positively or negatively impact our periodic revenue results, leading to variations in revenue. This can be a result of various factors, such as end customer demand, new customer contracts, heightened and generic competition, the need for certain inventory levels, our ability to renew distribution contracts with expected terms, our ability to implement commercial strategies, regulatory restrictions, unexpected customer behavior, proactive measures taken by us in response to shifting market dynamics, payment terms we extend, which are subject to internal policies, blackout shipping periods due to system downtime, implementations and integrations and procedures and environmental factors beyond our control.

Our revenue by product category for the three months ended March 31, 2025 and 2024, was as follows:

(Dollars in millions)	Revenue		% of Total Revenue		\$ Change	% Change
	2025	2024	2025	2024		
Pet Health	\$ 635	\$ 639	53 %	53 %	\$ (4)	(1)%
Farm Animal	546	556	46 %	46 %	(10)	(2)%
Contract Manufacturing and Other <sup>(1)</sup>	12	10	1 %	1 %	2	20 %
<b>Total</b>	<b>\$ 1,193</b>	<b>\$ 1,205</b>	<b>100 %</b>	<b>100 %</b>	<b>\$ (12)</b>	<b>(1)%</b>

Note: Numbers may not add due to rounding.

(1) Represents revenue from arrangements in which we manufacture products on behalf of a third party and royalty revenue.

The effects of price, foreign currency exchange rates, volume and the impact of the prior year divestiture of our aqua business on changes in revenue for the three months ended March 31, 2025, compared to the three months ended March 31, 2024, were as follows:

(Dollars in millions)	Revenue	Price	FX Rate	Volume	Divestiture	Total
Pet Health	\$ 635	2%	(2)%	(1)%	—%	(1)%
Farm Animal	546	3%	(3)%	4%	(6)%	(2)%
Contract Manufacturing and Other	12					20%
<b>Total</b>	<b>\$ 1,193</b>	<b>2%</b>	<b>(2)%</b>	<b>2%</b>	<b>(3)%</b>	<b>(1)%</b>

Pet health revenue decreased \$4 million, or 1%, for the three months ended March 31, 2025, compared to the same period in 2024, driven by the negative impacts from foreign currency exchange rate movements and lower volumes, partially offset by a 2% increase in pricing. Contributing to the lower volumes were the impact of an initial stocking of certain legacy Bayer Animal Health products into the U.S. distribution channel in the prior year that did not repeat in the current year, a challenging U.S. retail environment during the first quarter of 2025 and decreased vaccine sales in the U.S. compared to the three months ended March 31, 2024. These decreases were largely offset by increased revenue from new products and strong demand for parasiticide products in Europe.

Farm animal revenue decreased \$10 million, or 2%, for the three months ended March 31, 2025, compared to the same period in 2024, driven by the divestiture of our aqua business on July 9, 2024, and the negative impacts from foreign currency exchange rate movements. Partially offsetting these declines were a 4% increase in volumes, largely driven by strength in U.S. cattle, led by *Exporior*, and a 3% increase in pricing.

## Gross Profit

(Dollars in millions)	Three Months Ended March 31,		
	2025	2024	% Change
Gross profit	\$ 684	\$ 690	(1)%
Gross profit %	57 %	57 %	

Gross profit decreased \$6 million for the three months ended March 31, 2025, while gross profit as a percentage of total revenue was flat at 57% compared to the three months ended March 31, 2024. The decrease in gross profit was impacted by the sale of our aqua business in July 2024. The favorable impacts to gross profit as a percentage of revenue from increased pricing, favorable manufacturing performance and product mix were offset by the impacts of inflation and foreign currency exchange rate movements.

### Research and Development

(Dollars in millions)	Three Months Ended March 31,		
	2025	2024	% Change
Research and development	\$ 94	\$ 87	8 %
% of revenue	8 %	7 %	

Research and development expenses increased \$7 million for the three months ended March 31, 2025, as compared to the same period in the prior year, primarily driven by higher employee-related expenses and project costs.

### Marketing, Selling and Administrative

(Dollars in millions)	Three Months Ended March 31,		
	2025	2024	% Change
Marketing, selling and administrative	\$ 341	\$ 337	1 %
% of revenue	29 %	28 %	

Marketing, selling and administrative expenses increased \$4 million for the three months ended March 31, 2025, as compared to the same period in the prior year. The increase for the three months ended March 31, 2025, was primarily driven by higher employee related expenses and investments supporting our U.S. pet health business. These increases were partially offset by cost savings associated with the restructuring plan that was initiated in the first quarter of 2024.

### Amortization of Intangible Assets

(Dollars in millions)	Three Months Ended March 31,		
	2025	2024	% Change
Amortization of intangible assets	\$ 128	\$ 133	(4)%

Amortization of intangible assets decreased \$5 million, for the three months ended March 31, 2025, as compared to the same period in the prior year, primarily driven by changes in foreign currency exchange rates.

### Asset Impairment, Restructuring and Other Special Charges

(Dollars in millions)	Three Months Ended March 31,		
	2025	2024	% Change
Asset impairment, restructuring and other special charges	\$ 9	\$ 46	(80)%

Amounts recorded during the three months ended March 31, 2025, primarily consisted of upfront payments made in relation to new licensing arrangements. Amounts recorded during the three months ended March 31, 2024, consisted of \$39 million of restructuring costs associated with the restructuring plan announced in February 2024 and \$7 million of divestiture-related charges preceding the July 2024 divestiture of our aqua business.

### Interest Expense, Net of Capitalized Interest

(Dollars in millions)	Three Months Ended March 31,		
	2025	2024	% Change
Interest expense, net of capitalized interest	\$ 40	\$ 66	(39)%

Interest expense, net of capitalized interest decreased \$26 million for the three months ended March 31, 2025, as compared to the same period in the prior year, primarily due to lower average outstanding debt balances.

### Other expense, net

(Dollars in millions)	Three Months Ended March 31,		
	2025	2024	% Change
Other expense, net	\$ 12	\$ 9	33 %

Other expense, net for the three months ended March 31, 2025 and 2024, primarily consisted of foreign currency exchange losses.

### Income tax benefit

(Dollars in millions)	Three Months Ended March 31,		
	2025	2024	% Change
Income tax benefit	\$ (7)	\$ (20)	(65)%
Effective tax rate	(12.2)%	(182.2)%	

We recognized an income tax benefit of \$7 million and \$20 million for the three months ended March 31, 2025 and 2024, respectively. Our effective tax rate of (12.2)% for the three months ended March 31, 2025, differed from the statutory income tax rate primarily due to the tax impact from the jurisdictional mix of projected income and losses in non-U.S. jurisdictions and the utilization of net operating losses and a valuation allowance release in the U.S. Our effective tax rate for the three months ended March 31, 2024, was primarily driven by the partial release of a valuation allowance attributable to the anticipated sale of our aqua business, which closed on July 9, 2024, and a benefit related to the recognition of certain state tax credits.

### Liquidity and Capital Resources

Our primary sources of liquidity are cash on hand, cash flows from operations and funds available under our credit facilities. As a significant portion of our business is conducted internationally, we hold a significant portion of cash outside the U.S. We monitor and adjust the amount of foreign cash based on projected cash flow requirements. Our ability to use foreign cash to fund cash flow requirements in the U.S. may be impacted by local regulations and, to a lesser extent, the income taxes associated with transferring cash to the U.S. We intend to indefinitely reinvest substantially all foreign earnings for continued use in our foreign operations. As our business evolves, we may change that strategy, particularly to the extent we identify tax-efficient reinvestment alternatives for our foreign earnings or change our cash management strategy.

We believe our primary sources of liquidity are sufficient to fund our short-term and long-term existing and planned capital requirements, which include working capital obligations, funding existing marketed and pipeline products, capital expenditures, business development in our targeted areas, short-term and long-term debt obligations, including both principal and interest payments, as well as interest rate swaps, lease payments, purchase obligations and costs associated with mergers, acquisitions, divestitures, business integrations and/or restructuring activities. As of March 31, 2025, we had cash and cash equivalents of \$487 million and unused borrowing capacity on our Revolving Credit Facility of approximately \$750 million. In addition, our Securitization Facility provides for additional borrowing capacity based on our U.S. Net Eligible Receivable Balances. As of March 31, 2025, we had approximately \$75 million in undrawn borrowing capacity on this facility. We also have the ability to access capital markets to obtain debt financing for longer-term funding, if required. Further, we believe we have sufficient cash flow and liquidity to remain in compliance with our debt covenants.

Our ability to meet future funding requirements may be impacted by macroeconomic, business and financial volatility. As market conditions change, we will continue to monitor our liquidity position. However, a challenging economic environment or an economic downturn may impact our liquidity or ability to obtain future financing. See "Item 1A. Risk Factors – *We have substantial indebtedness*" in Part I of our [2024 Form 10-K](#).

### Cash Flows

The following table provides a summary of cash flows from operating, investing and financing activities for the three months ended March 31, 2025 and 2024:

(in millions)	2025	2024	\$ Change
<b>Net cash provided by (used for):</b>			
Operating activities	\$ (4)	\$ 2	\$ (6)
Investing activities	(58)	37	(95)
Financing activities	52	(27)	79
Effect of exchange rate changes on cash and cash equivalents	29	(19)	48
Net increase (decrease) in cash and cash equivalents	<u>\$ 19</u>	<u>\$ (7)</u>	<u>\$ 26</u>

#### Operating activities

Cash used for operating activities was \$4 million for the three months ended March 31, 2025, compared to cash provided by operating activities of \$2 million for the three months ended March 31, 2024. Changes in working capital were largely offset by increased net income year-over-year.

#### Investing activities

Cash used for investing activities was \$58 million for the three months ended March 31, 2025, compared to cash provided by investing activities of \$37 million for the three months ended March 31, 2024. Cash used for investing activities during the three months ended March 31, 2025, included \$65 million of net purchases of property and equipment and software, which is \$41 million higher than the three months ended March 31, 2024, principally due to the ongoing expansion of our monoclonal antibody manufacturing facility in Elwood, Kansas. Cash provided by investing activities during the three months ended March 31, 2024, also included the collection of a \$66 million receivable related to our prior divestitures of manufacturing facilities in Shawnee, Kansas, and Speke, U.K. (see Note 4. Acquisitions, Divestitures and Other Arrangements to the condensed consolidated financial statements for further information).

### *Financing activities*

Cash provided by financing activities was \$52 million for the three months ended March 31, 2025, compared to cash used for financing activities of \$27 million for the three months ended March 31, 2024. Cash provided by financing activities during the three months ended March 31, 2025, included \$85 million in net borrowings on our Securitization Facility, primarily for working capital purposes, partially offset by scheduled repayments of long-term borrowings. Cash used for financing activities of \$27 million during the three months ended March 31, 2024, included \$13 million in scheduled repayments of long-term borrowings.

### **Description of Indebtedness**

For a complete description of our existing debt and available credit facilities as of March 31, 2025 and December 31, 2024, see Note 8. Debt within Item 8, "Financial Statements and Supplementary Data," of Part II of our [2024 Form 10-K](#). New developments are discussed in Note 7. Debt of this Form 10-Q.

### **Critical Accounting Estimates**

The preparation of financial statements in accordance with GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures at the date of the financial statements and during the reporting period. Certain of our accounting estimates are considered critical because they are the most important to the fair presentation of our financial statements, including the disclosures thereto, and often require significant, difficult or complex judgments, probabilities and assumptions. We believe the ongoing assessment for goodwill impairment to be one of our critical accounting estimates. This includes assessing at each reporting date if there has been a significant change in events or circumstances that indicates the fair value of our single reporting unit is more likely than not less than its carrying amount (a "triggering event"). When required, a comparison of fair value to the carrying amount of our reporting unit is performed to determine the amount of impairment, if any. We begin by assessing qualitative factors to determine whether it is more likely than not that the fair value of our single reporting unit is less than its carrying value. Based on that qualitative assessment, if we conclude it is more likely than not that the fair value is less than its carrying value, we conduct a quantitative impairment test, which involves comparing the estimated fair value of our single reporting unit to its carrying value. For quantitative goodwill impairment tests, when required, we estimate the fair value of our single reporting unit using an income approach. If the carrying value of the reporting unit exceeds its estimated fair value, we recognize an impairment loss for the difference. Significant management judgment is required in estimating our reporting unit's fair value and in the creation of forecasts of future operating results to be used in the discounted cash flow method of the income approach valuation. These include, but are not limited to, estimates and assumptions regarding our future cash flows, revenue growth rates and other profitability measures such as gross margin and EBITDA margin; and the determination of an appropriate discount rate.

We will continue to monitor the evolving international trade environment and any related economic or market volatility and/or disruption, among other factors, to determine if a triggering event occurs. To the extent these or other factors lead to decreased assumptions regarding our future cash flows, revenue growth rates and/or other profitability measures such as gross margin and EBITDA margin, we potentially may need to record a future goodwill impairment charge. Further, our discount rate assumption is highly correlated with long-term treasury rates. To the extent of a material increase in long-term interest rates, we may need to correspondingly increase our discount rate assumption, potentially leading to a future goodwill impairment charge.

While we believe our critical accounting estimates to be reasonable based on all relevant information available, given their inherent uncertainty, if our estimates and assumptions are not representative of actual outcomes, our results could be materially impacted. We regularly evaluate our estimates and assumptions and adjust them when facts and circumstances indicate the need for change, and such changes generally would be reflected in our condensed consolidated financial statements in the period they are determined. We apply estimation methodologies consistently from year to year. Our critical accounting estimates are summarized in Item 7, "Management's Discussion & Analysis of Results of Financial Condition and Results of Operations," of our [2024 Form 10-K](#). There were no significant changes or developments in the application of our critical accounting estimates during the three months ended March 31, 2025.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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### Foreign Exchange Risk

We operate on a global basis and are exposed to the risk that our earnings, cash flows and equity could be adversely impacted by fluctuations in foreign currency exchange rates. We are exposed to foreign currency exchange risk as the functional currency financial statements of non-U.S. subsidiaries are translated to U.S. dollars. We are also subject to foreign currency transaction gains and losses to the extent revenue and expense transactions are not denominated in the functional currency of a subsidiary. We are primarily exposed to foreign currency exchange risk with respect to net assets denominated in the Euro, British pound, Swiss franc, Brazilian real, Australian dollar, Japanese yen, Canadian dollar and Chinese yuan.

Additionally, we generally identify hyperinflationary markets as those markets whose cumulative inflation rate over a three-year period exceeds 100%. We have applied hyperinflationary accounting for our subsidiary in Turkey since 2022 and, prior to its substantial liquidation in 2024, for our subsidiary in Argentina since 2018. As a result, we have changed these subsidiaries' functional currencies to the U.S. dollar. During the three months ended March 31, 2025, revenue in Turkey represented less than 1% of our consolidated revenue, while assets held in Turkey as of March 31, 2025, also represented less than 1% of our consolidated assets. While the application of hyperinflationary accounting did not have a material impact on our business during the three months ended March 31, 2025, we may in the future incur significant currency devaluations, which could have a material adverse impact on our results of operations.

### Interest Risk

At March 31, 2025, we held outstanding interest rate swap agreements with a combined notional amount of \$2,800 million that had the economic effect of modifying this amount of our variable-rate debt to fixed-rate. We also held forward-starting interest rate swap agreements with a combined notional amount of \$850 million, which will become effective in 2026. When including the variable-rate converted to fixed-rate through the use of interest rate swaps, as of March 31, 2025, approximately 80% of our long-term indebtedness bears interest at a fixed rate.

## ITEM 4. CONTROLS AND PROCEDURES

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(a) *Evaluation of Disclosure Controls and Procedures.* Under applicable SEC regulations, management of a reporting company, with the participation of the principal executive officer and principal financial officer, must periodically evaluate the company's disclosure controls and procedures, which are defined generally as controls and other procedures of a reporting company designed to ensure that information required to be disclosed by the reporting company in its periodic reports filed with the SEC (such as this Form 10-Q) is recorded, processed, summarized and reported on a timely basis.

Our management, with the participation of Jeffrey N. Simmons, president and chief executive officer, and Todd S. Young, executive vice president and chief financial officer, evaluated our disclosure controls and procedures as of March 31, 2025, and concluded they were effective.

(b) *Changes in Internal Controls.* During the first quarter of 2025, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II

### ITEM 1. LEGAL PROCEEDINGS

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See Note 11. Commitments and Contingencies to the condensed consolidated financial statements for a summary of our legal proceedings. This item should be read in conjunction with "Legal Proceedings" in Part I, Item 3 of our [2024 Form 10-K](#).

### ITEM 1A. RISK FACTORS

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Our risk factors are documented in Item 1A of Part I of our [2024 Form 10-K](#). There have been no material changes from the risk factors previously disclosed in the [2024 Form 10-K](#).

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

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(none)

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

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(none)

### ITEM 4. MINE SAFETY DISCLOSURES

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(none)

### ITEM 5. OTHER INFORMATION

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During the three months ended March 31, 2025, no director or officer of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

## ITEM 6. EXHIBITS

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The following exhibits are either filed or furnished herewith (as applicable) or, if so indicated, incorporated by reference to the documents indicated in parentheses, which have previously been filed or furnished with the SEC.

<b>Exhibit Number</b>	<b>Description</b>
<a href="#">10.1</a>	Elanco Animal Health Incorporated Amended and Restated Corporate Bonus Plan (filed herewith)*
<a href="#">10.2</a>	Form of Elanco Animal Health Incorporated Nonqualified Stock Option Award Agreement for executives with respect to annual awards commencing 2025 (filed herewith)*
<a href="#">10.3</a>	Form of Elanco Animal Health Incorporated Performance-Based Award Agreement for executives with respect to annual awards commencing 2025 (filed herewith)*
<a href="#">10.4</a>	Form of Elanco Animal Health Incorporated Restricted Stock Unit Award Agreement for executives with respect to annual awards commencing 2025 (filed herewith)*
<a href="#">10.5</a>	Form of Elanco Animal Health Incorporated Restricted Stock Unit Award Agreement for executives with respect to sign-on awards commencing 2025 (filed herewith)*
<a href="#">31.1</a>	Section 302 Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
<a href="#">31.2</a>	Section 302 Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
<a href="#">32</a>	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
101	Interactive Data Files (Inline XBRL).
104	Cover Page Interactive Data File (formatted as Inline XBRL document and included in Exhibit 101).

\*Management contracts or compensatory plans or arrangements

### Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ELANCO ANIMAL HEALTH INCORPORATED  
(Registrant)

Date: May 7, 2025

/s/ Jeffrey N. Simmons  
Jeffrey N. Simmons  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: May 7, 2025

/s/ Todd S. Young  
Todd S. Young  
Executive Vice President, Chief Financial Officer  
(Principal Financial Officer)

**The Elanco Corporate Bonus Plan**  
(as amended effective January 1, 2025)

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**The Elanco Corporate Bonus Plan**  
**(as amended effective January 1, 2025)**

**SECTION 1. PURPOSE**

The purpose of The Elanco Corporate Bonus Plan (the “Plan”) is to encourage and promote eligible employees to create and deliver innovative animal health-based solutions that enable Elanco Animal Health Incorporated (the “Company” or “Elanco”) to meet or exceed its business objectives through a constant stream of innovation. The Plan is designed to accomplish the following key objectives:

- a. Motivate superior employee performance through the implementation of a performance-based bonus system for all eligible global employees providing services to the Company;
- b. Create a direct relationship between key Company measurements and individual bonus payouts; and
- c. Enable the Company to attract and retain employees who will be instrumental in driving the Company’s sustained growth and performance by providing a competitive bonus program that rewards outstanding performance consistent with the Company’s mission, values and increased shareholder value.

**SECTION 2. DEFINITIONS**

The following words and phrases as used in this Plan will have the following meanings unless a different meaning is clearly required by the context. Any pronouns that reference a specific gender are to be read to refer to all:

- 2.1 Adjusted R&D Expense (or Adjusted Research & Development Expense) means the research and development expenses, excluding depreciation, presented in the statement of operations in the Company’s audited financial statements, adjusted for non-GAAP items.
- 2.2 Applicable Year means the calendar year immediately preceding the year in which payment of the Company Bonus is payable pursuant to Section 6. For example, the Applicable Year for 2026 payout is January 1, 2025 through December 31, 2025.
- 2.3 Bonus Target means the percentage of Participant Earnings for each Participant as described in Section 5.6(a) below.
- 2.4 Business Plan means Elanco Animal Health Incorporated’s annual plan for Revenue and EBITDA, as defined below.
- 2.5 Capital Charge means Gross Operating Assets multiplied by a percentage representing the opportunity cost of capital for Elanco.

- 2.6 Committee means the Compensation Committee of the Board of Directors of Elanco Animal Health Incorporated.
- 2.7 Company means Elanco Animal Health Incorporated and its subsidiaries.
- 2.8 Company Bonus means the amount of bonus compensation payable to a Participant as described in Section 5 below. Notwithstanding the foregoing, however, the Committee may determine, in its sole discretion, to reduce the amount of a Participant's Company Bonus if such Participant becomes eligible to participate in such other bonus program of the Company as may be specifically designated by the Committee. Such reduction may be by a stated percentage up to and including 100% of the Company Bonus.
- 2.9 Company Performance Bonus Multiple means the amount as calculated in Sections 5.3 and 5.4 below.
- 2.10 Disabled means a Participant who has become "disabled" and unable to work under the applicable disability benefit plan or program for the Participant, or, in the event that there is no such disability benefit plan or program, has become disabled and unable to work under applicable law.
- 2.11 Earnings means the Company's Earnings Before Interest and Taxes, Depreciation and Amortization included in the Company's Form 10-K filed with the U.S. Securities and Exchange Commission, excluding such items as may be specified by the Committee in accordance with Section 3.4 below.
- 2.12 EBITDA means Earnings Before Interest and Taxes, Depreciation and Amortization, adjusting for certain approved non-GAAP items.
- 2.13 EBITDA to Plan means the profit from business operations (gross profit less operating expenses and certain other income/expense items) before deduction of interest and taxes, depreciation and amortization, based on actual foreign currency rates, and excluding such items as may be adjusted by the Committee in accordance with Section 3.4 below, relative to the Company's annual plan for EBITDA.
- 2.14 Effective Date means January 1, 2025, as amended from time to time.
- 2.15 Elanco means Elanco Animal Health Incorporated and its subsidiaries.
- 2.16 Elanco Cash Earnings ("ECE") means Gross Cash Earnings less Capital Charge.
- 2.17 Eligible Employee means:
- a. With respect to employees of the Company working in the United States, including employees in Puerto Rico, a person who (1) is employed as an employee by Elanco; (2) does not participate in a local Elanco affiliate bonus or incentive program (i.e., a plan for eligible employees in sales, marketing and technical consulting) or any local site manufacturing bonus plan for Elanco;

(3) works on a scheduled basis of twenty (20) or more hours per week and is scheduled to work at least five (5) months per year; and (4) is receiving compensation, including temporary illness pay under a temporary illness pay program or similar short-term disability program, from the Company for services rendered as an employee. Notwithstanding anything herein to the contrary, the term “Eligible Employee” will not include:

- (1) a person who is Disabled;
- (2) a person who is a “leased employee” within the meaning of Section 414(n) of the Internal Revenue Code of 1986, as amended (the “Code”), or whose basic compensation for services on behalf of the Company is not paid directly by the Company;
- (3) a person who is classified as a “Fixed Duration Employee”, as that term is used by the Company;
- (4) a person who is classified as a special status employee because such person’s employment status is temporary, seasonal, or otherwise inconsistent with regular employment status;
- (5) a person who is a member of a recognized collective-bargaining unit, including those members of the United Food and Commercial Workers Local 6 at Fort Dodge, Iowa;
- (6) a person who is eligible to participate in other Company bonus or incentive programs as may be specifically designated by the Committee or its designee;
- (7) a person who submits to the Committee in writing a request that they not be considered eligible for participation in the Plan or is a member of the Board of Directors of Elanco unless they are also an Eligible Employee; or
- (8) any other category of employees designated by the Committee in its discretion with respect to any Applicable Year.

b. With respect to those employees who are employed by the Company and working outside the United States, an employee of the Company designated by the Committee as a Participant in the Plan with respect to any Applicable Year. In its discretion, the Committee may designate Participants either on an individual basis or by determining that all employees in specified job categories, classifications, levels, subsidiaries or other appropriate classification will be Participants.

c. Notwithstanding anything herein to the contrary, the term Eligible Employee will not include any person who is not so recorded on the payroll records of the Company, including any such person who is subsequently reclassified by a court of law or regulatory body as a common law employee of the Company.

Consistent with the foregoing, and for purposes of clarification only, the term employee or Eligible Employee does not include any individual who performs services for the Company as an independent contractor or under any other non-employee classification.

- 2.18 GAAP means generally accepted accounting principles currently applicable in the United States.
- 2.19 Gross Cash Earnings means EBITDA, plus Adjusted R&D Expense, less marginal taxes, and excluding such items as may be specified by the Committee in accordance with Section 3.4 below.
- 2.20 Gross Operating Assets means an average, over the prior four (4) quarters within the Applicable Year, of the sum of net working capital, plus certain long-term assets and liabilities, plus the prior eight (8) years (including the Applicable Year) of Adjusted R&D Expense, and excluding such items as may be specified by the Committee in accordance with Section 3.4 below.
- 2.21 Innovation Progression means measurements of Elanco's key scientific project progression and milestone delivery during the Applicable Year against goals established and approved by the Committee to be used for purposes of bonus calculations as described below. Such measures may include, but are not limited to, product approvals, products entering early or late-stage development, reaching specified project milestones and/or qualitative assessment of the portfolio's progress during the Applicable Year.
- 2.22 Participant means an Eligible Employee who is participating in the Plan.
- 2.23 Participant Earnings means:
- a. those amounts described below that are earned during the portion of the Applicable Year during which the employee is a Participant in the Plan:
    - (1) regular compensation (including applicable deferred compensation amounts), overtime, shift premiums and other forms of additional compensation determined by and paid currently pursuant to an established formula or procedure;
    - (2) salary reduction contributions to the Company's 401(k) plan or elective contributions under any similar tax-qualified plan that is intended to meet the requirements of Code Section 401(k) or a similar Company savings program;
    - (3) elective contributions to any cafeteria plan that is intended to meet the requirements of Code Section 125 or other pre-tax contributions to a similar Company benefit plan;

- (4) payments made under the terms of the Company's temporary illness pay program or other similar Company or government-required leave program during an Applicable Year to a Participant who is on approved leave of absence and is receiving one hundred percent (100%) of the Participant's base pay; and
- (5) other legally-mandated or otherwise required pre-tax deductions from a Participant's base salary.

b. The term "Participant Earnings" does not include:

- (1) compensation paid in lieu of earned vacation;
- (2) payments made under the terms of the Company's temporary illness pay program or other similar Company or government-required leave program during an Applicable Year to a Participant who is on approved leave of absence and is receiving less than the full amount of the Participant's base pay;
- (3) amounts paid under this Plan or another bonus, commission, or incentive program of the Company;
- (4) payments made under any severance-type benefits (whether company-sponsored or mandated by law) arising out of or relating to a Participant's termination of employment;
- (5) payments based upon the discretion of the Company;
- (6) earnings with respect to the exercise of stock options, vesting of restricted stock units, vesting of restricted stock, or vesting of phantom stock; and
- (7) allowances paid to or on behalf of a Participant (unless applicable law requires them to be included).

2.24 Performance Interval means a percentage of the Company's prior year revenue that, added to or subtracted from the Target ECE, results in a multiple in the range of 2.0 to 0.0.

2.25 Plan means The Elanco Corporate Bonus Plan as set forth herein and as hereafter modified or amended from time to time. The Plan is an incentive compensation program and is not subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), pursuant to Department of Labor Regulation Section 2510.3.

2.26 Plant Closing means the closing of a plant site or other Company location that directly results in termination of employment.

- 2.27 Position Elimination means the elimination of a job position.
- 2.28 Reduction in Workforce means the elimination of a work group, functional or business unit or other broadly applicable reduction in job positions.
- 2.29 Retirement means, for purposes of this Plan, an Employee has either (a) reached age sixty (60) and completed five (5) years of Service with the Company or an Affiliate, including any years of Service with Eli Lilly & Company (“Lilly”) prior to the Company’s spin-off from Lilly (unless otherwise prescribed under applicable law), or (b) completed thirty (30) years of Service with the Company or an affiliate, including any years of Service with Lilly prior to the Company’s spin-off from Lilly (unless otherwise prescribed under applicable law).
- 2.30 Revenue means, for any Applicable Year, the cumulative amount of total net sales by Elanco as reported by Elanco’s Corporate Financial Planning Department based on actual foreign currency rates, excluding such items as may be adjusted by the Committee in accordance with Section 3.4 below.
- 2.31 Revenue to Plan means, for any Applicable Year, the cumulative amount of total net sales by Elanco as reported by Elanco’s Corporate Financial Planning Department based on actual foreign currency rates, excluding such items as may be adjusted by the Committee in accordance with Section 3.4 below, relative to the Company’s annual plan for Revenue.
- 2.32 Service means the aggregate time of employment of an Eligible Employee by the Company.
- 2.33 Target ECE means the final ECE for the prior Applicable Year, adjusted for instances in which the final ECE falls outside the minimum and maximum Performance Interval described in Section 5.3 below, as well as any adjustments as determined by the Committee under Section 5.2 below.
- 2.34 Year-over-Year Change in ECE (“ΔECE”) means the final ECE for the Applicable Year, less the Target ECE.

### SECTION 3. ADMINISTRATION

- 3.1 Committee. The Plan will be administered by the Committee, or any successor committee having the same function as the Committee.
- 3.2 Powers of the Committee. The Committee will have the right to interpret the terms and provisions of the Plan and to resolve any and all questions arising under the Plan, including, without limitation, the right to remedy possible ambiguities, inconsistencies, or omissions by a general rule or particular decision. The Committee will have authority to adopt, amend and rescind rules consistent with the Plan, to make exceptions in particular cases to the rules of eligibility for participation in the Plan, and to delegate authority for

approval of participation of any Eligible Employee. The Committee will take all necessary action to establish annual performance benchmarks and approve the timing of payments, as necessary. The Committee may delegate all or a portion of its responsibilities within its sole discretion by resolution. Any reference in this Plan to the Committee or its authority will be deemed to include such designees (other than with respect to the purposes of Section 9).

- 3.3 Determination of Results. Before any amount is paid under the Plan, the Committee will determine in writing the calculation of the performance measures in use for the Applicable Year and the satisfaction of all other material terms of the calculation of the Company Performance Bonus Multiple and Company Bonus.
- 3.4 Adjustments for Significant Events. Not later than 90 days after the end of an Applicable Year, in the event of any unplanned events that may impact the business results positively or negatively, the Committee, in its sole discretion, may adjust the performance measures described in Section 5.2 to reflect the effects of acquisitions, significant collaborations, divestitures, accounting changes, restructurings, special charges or gains, foreign exchange, retirement benefit accrual changes, goodwill impairments, and/or other items as determined by the Committee.
- 3.5 Finality of Committee Determinations. Any determination by the Committee of any performance measure in use for the Applicable Year, performance benchmarks and the level and entitlement to Company Bonus, and any interpretation, rule, or decision adopted by the Committee under the Plan or in carrying out or administering the Plan, will be final and binding for all purposes and upon all interested persons, their heirs, and personal representatives. The Committee may rely on determinations made by its auditors to determine any other performance measures in use for the Applicable Year and related information for administration of the Plan, whether such information is determined by the Company, auditors or a third-party vendor engaged specifically to provide such information to the Company. This subsection is not intended to limit the Committee's power, to the extent it deems proper in its discretion, to take any action permitted under the Plan.

#### **SECTION 4. PARTICIPATION IN THE PLAN**

- 4.1 General Rule. Only Eligible Employees may participate in and receive payments under the Plan. Plan participation and payments hereunder are subject to all eligibility criteria, local laws, and regulations in the applicable jurisdiction.
- 4.2 Commencement of Participation. An Eligible Employee will become a Participant in the Plan as follows: (a) in the case of an Eligible Employee under Section 2.17(a), on the date on which the individual completes at least one hour of employment as an Eligible Employee within the United States, and (b) in the case of an Eligible Employee under Section 2.17(b), the later of the date on which the individual completes at least one hour of employment as an Eligible Employee or the date as of which the Committee has designated the individual to become a Participant in the Plan.

- 4.3 Termination of Participation. An Eligible Employee will cease to be a Participant upon termination of employment with the Company for any reason, or at the time they otherwise cease to be an Eligible Employee under the Plan; provided, however, a terminated Participant shall be eligible for a Company Bonus to the extent provided in Section 5.8 or to the extent required by applicable law.

## **SECTION 5. DEFINITION AND COMPUTATION OF COMPANY BONUS**

- 5.1 Computation for Eligible Employees. Company Bonus amounts will depend significantly on Company performance, as well as whether Participants met their job expectations for certain Eligible Employees. As more specifically described below, a Participant's Company Bonus is calculated by multiplying the Participant's Bonus Target by Participant Earnings and the Company Performance Bonus Multiple. For eligible management and those Participants designated by the Committee, whether an individual met the individual's job expectations will also impact the Company Bonus calculation, as described in Section 5.6(c) below. Company Bonuses are paid to eligible Participants in the manner provided below.
- 5.2 Establishment of Performance Measures. Not later than 90 days after the beginning of each Applicable Year, the Committee will, in its sole discretion, determine appropriate performance measures for use in calculating Company Bonus amounts. These performance measures may include, but are not limited to, Target ECE, Revenue to Plan, EBITDA to Plan, growth in net income, return on assets, return on equity, total shareholder return, Innovation Progression, or any of the foregoing, adjusted for items as determined by the Committee, as described in Section 3.4. Unless otherwise specified pursuant to a written resolution adopted by the Committee for the Applicable Year, the Committee will use Target ECE as the performance measure.
- 5.3 Establishment of Performance Benchmarks. Not later than 90 days after the beginning of each Applicable Year, the Committee will establish performance benchmarks for the Company based on the performance measure(s) described in Section 5.2 above. Unless otherwise specified pursuant to a written resolution adopted by the Committee for the Applicable Year, the performance benchmarks will correspond with Target ECE for the Applicable Year and will represent a 1.0 bonus multiple. The Committee will also select a Performance Interval to determine the extent to which the performance measure multiples will vary as the Company's actual results vary from the performance benchmarks. The Performance Interval will establish the upper and lower bounds of the multiple, and these bounds, along with the Target ECE, will determine the payout curve. Notwithstanding the foregoing, each performance measure multiple established above will be between 0.0 and 2.0 in any Applicable Year, regardless of the Company's actual results. In the event that the Company attains a result below a 0.0 or above a 2.0, the subsequent year Target ECE will be automatically set at the 0.0 threshold in the event of underperformance or the 2.0 threshold in the event of overperformance.
- 5.4 Company Performance Bonus Multiple. Unless otherwise specified pursuant to a written resolution adopted by the Committee not later than 90 days after the beginning of the

Applicable Year, the Company Performance Bonus Multiple is equal to the payout curve as determined by the Target ECE and Performance Intervals as described in Section 5.3 above.

5.5 Company Performance Bonus Multiple Threshold and Maximum. Notwithstanding Sections 5.3 and 5.4 above, the Company Performance Bonus Multiple will not be less than 0.0 or greater than 2.0 in an Applicable Year. Notwithstanding the foregoing Sections 5.3 and 5.4, and this Section 5.5, the Committee may reduce the Company Performance Bonus Multiple (including but not limited to a reduction to 0.0) for some or all Eligible Employees, in its discretion.

5.6 Participant Company Bonus.

- a. Bonus Target. Not later than 90 days after the beginning of the Applicable Year, the Bonus Target for each Participant, whether such Participant is designated on an individual basis or by specified job category, classification, level, subsidiary or other appropriate classification, will be determined by the Committee on a basis that takes into consideration a Participant's pay grade level and job responsibilities. The Bonus Target for each Participant for the Applicable Year will be expressed as a percentage of Participant Earnings as of December 31 of the Applicable Year. Early in the Applicable Year, each Participant will receive information regarding the Participant's Bonus Target. In the event that a Participant's pay grade level changes during the Applicable Year (e.g., because of promotion, demotion or otherwise), the Participant's Bonus Target will be prorated based on the Bonus Target applicable to each pay grade level (with related job responsibilities) and the percentage of time that the Participant is employed at each pay grade level during the Applicable Year.
- b. Company Bonus Calculation. Except as described in Section 5.6(c) below, or as provided in Section 5.8 or 6.2, a Participant's Company Bonus will equal the product of the Company Performance Bonus Multiple and the Participant's Bonus Target and the Participant's Earnings.
- c. Adjustment for Performance Multiplier, if Applicable. Notwithstanding anything herein to the contrary, all Eligible Employees in the United States and other employees as may be designated from time to time by the Committee are subject to individual performance multipliers. For all such Participants subject to an individual performance multiplier, the amount calculated in Section 5.6(b) above will be adjusted based on whether the Participant met job expectations as determined by the Company at the end of the Applicable Year. If a Participant does not meet such job expectations, the Participant will receive an individual performance multiplier equal to either 0.0 or 0.5, as determined by the Company. In that event, the individual performance multiplier will be multiplied by the amount described in Section 5.6(b) above to calculate the Participant's Company Bonus. If a Participant meets job expectations, the Participant's Company Bonus will equal the amount calculated in Section 5.6(b) above. Not later than 90 days after the beginning of the Applicable Year, the Committee will determine

applicable multipliers for meeting job expectations or ranges for the applicable rating system in effect for the Participant. For each such Participant, such rating will be determined by the Participant's supervisor.

In the event that a Participant does not receive a year-end performance rating, but is otherwise eligible for a Company Bonus, the amount calculated in Section 5.6(b) above will be multiplied by 1.0 so that the Participant's actual Company Bonus will be the amount calculated in Section 5.6(b) above.

- 5.7 Conditions on Company Bonus. Payment of any Company Bonus is neither guaranteed nor automatic. A Participant's Company Bonus is not considered to be any form of compensation, wages, or benefits, unless and until paid.
- 5.8 Required Employment. Except as provided below in this Section 5.8 or as otherwise designated by the Committee, if a Participant is not employed by the Company on the last day of the Applicable Year, or is otherwise not an Eligible Employee on that date, the Participant is not entitled to any Company Bonus payment under this Plan for that Applicable Year.
- a. Leave of Absence or Disability. A Participant who, on the last day of the Applicable Year, (i) is on approved leave of absence under the Family and Medical Leave Act of 1993, military leave under the Uniformed Services Employment and Reemployment Rights Act, or other approved leave of absence, or (ii) was an Eligible Employee for some portion of the Applicable Year and then became and remains Disabled through the end of the Applicable Year will, in either case, be considered to be an Eligible Employee on that date for purposes of this Plan.
  - b. Transfer. An employee who is a Participant in this Plan for a portion of the Applicable Year and then transfers to a position within the Company in which the employee is ineligible to participate in this Plan, but who remains employed by the Company on the last day of the Applicable Year, will be treated as satisfying the last-day-of-Applicable-Year requirement for purposes of this Plan. In that event, the employee's Company Bonus will be based on Participant Earnings for the portion of the Applicable Year in which the employee was a Participant in the Plan.
  - c. End of Career or Death. Except as described below in Section 5.8(e), a Participant who (i) was an Eligible Employee for some portion of the Applicable Year and then ends the Participant's career due to Retirement, or (ii) dies during the Applicable Year will, in either case, be considered to satisfy the last-day-of-Applicable-Year requirement described in this Section 5.8 for purposes of this Plan.
  - d. Plant Closing, Reduction in Workforce or Position Elimination. A Participant who was an Eligible Employee for some portion of the Applicable Year and whose employment is terminated as a result of a Plant Closing, Reduction in Workforce

or Position Elimination will be considered to satisfy the last-day-of-Applicable-Year requirement described in this Section 5.8 for purposes of this Plan. The Committee's or its designee's determination regarding whether a Participant's termination is a direct result of a Plant Closing, a Reduction in Workforce or a Position Elimination will be final and binding.

- e. Notice of Resignation. A Participant who submits a notice of resignation from employment with the Company prior to the end of the Applicable Year and whose effective date of resignation is two (2) weeks or less from the date of notice of resignation will be considered employed by the Company for purposes of this Plan until the end of the Participant's specified notice period. However, notwithstanding anything else in this Section 5.8, an Eligible Employee who has not received a year-end performance rating and (i) is on employment probation (or its equivalent outside the United States) and resigns in lieu of being terminated; or (ii) resigns in lieu of being terminated because of an immediately terminable offense (e.g., absence of three days without notice, insubordination, violation of illegal drug policy, possession of firearms, misconduct, or other event or circumstance) will not be considered to satisfy the last-day-of-Applicable Year requirement.

- 5.9 New Participants. If an Eligible Employee began participation in the Plan during an Applicable Year and is eligible for a Company Bonus, such Eligible Employee's Company Bonus will be based on Participant Earnings earned after the employee became a Participant.
- 5.10 Miscellaneous. All determinations necessary for computing a Company Bonus for the Applicable Year, including establishment of all components of the applicable performance measure(s), Company Performance Bonus Multiple and Bonus Target percentages, shall be made by the Committee not later than 90 days after the commencement of the Applicable Year, unless otherwise designated in writing by the Committee.
- 5.11 Minimum Amount. Notwithstanding any other provision of the Plan, the minimum total amount of Company Bonus payable to Participants in the aggregate as a group or applicable subgroup (the "Minimum Amount") may be fixed through a resolution of the Elanco Board of Directors or the Committee, made before the end of the Applicable Year. The Minimum Amount shall not be reduced or eliminated by the Company, including by either the Elanco Board of Directors or the Committee, following the end of the Applicable Year, but shall be payable to Participants as determined by the Company and consistent with the terms of the Plan. In addition, the Minimum Amount shall not be reduced by any discretionary action to reduce a particular Participant's Company Bonus and shall be payable to persons, as determined by the Company, who are Participants in the Plan during the Applicable Year and eligible to receive a Company Bonus.

## SECTION 6. TIME OF PAYMENT

- 6.1 General Rule. Payment under the Plan will be made in a single lump sum cash payment in the year following the Applicable Year on or prior to March 15 of such year for Eligible Employees in the United States and at such time as may be determined by the Committee for Eligible Employees outside the United States, consistent with applicable local requirements for such Eligible Employees, except to the extent that Section 6.2 below applies.
- 6.2 Employee Termination or Other Change in Status during Applicable Year.
- a. Except as provided in Section 5.8 above, in the event an Eligible Employee's employment with the Company ends for any reason prior to the last day of the Applicable Year, the Eligible Employee will not receive any Company Bonus for the Applicable Year.
  - b. If an Eligible Employee's employment with the Company or status as an Eligible Employee changes before the last day of the Applicable Year as a result of an event described in Section 5.8(c) or (d) above, then the Company Bonus, if any, determined to be payable to such Eligible Employee for the Applicable Year will be calculated based on Participant Earnings through the date of the applicable event, assuming a Company Performance Bonus Multiple of 1.0, and will be paid in a single lump sum cash payment within sixty (60) days after the date of the applicable event.

## SECTION 7. ADMINISTRATIVE GUIDELINES

- 7.1 Establishment and Amendment by the Committee. The Committee may establish objective and nondiscriminatory written guidelines for administering those provisions of the Plan that expressly provide for the determination of eligibility, Company Bonus or benefits on the basis of rules established by the Committee. The Committee may, from time to time, amend or supplement the administrative guidelines established in accordance with this Section 7.1. The administrative guidelines established or amended in accordance with this Section 7.1 will not be effective to the extent that they materially increase the Plan's liability, or to the extent that they are inconsistent with, or purport to amend, any provision of the Plan set forth in a document other than such administrative guidelines.
- 7.2. Amendment by Board of Directors. Any administrative guidelines established by the Committee pursuant to Section 7.1 above may be amended or revoked by the Board of Directors, either prospectively or retroactively, in accordance with the general amendment procedures set forth in Section 9 below.

## SECTION 8. MISCELLANEOUS

- 8.1 No Vested Right. No employee, Participant, beneficiary, or other individual will have a right to a Company Bonus or any part thereof until payment is made to them under Section 6.

- 8.2 No Employment Rights. No provision of the Plan or any action taken by the Company, the Board of Directors of the Company, or the Committee will give any person any right to be retained in the employ of the Company. The right and power of the Company to dismiss or discharge any Participant for any reason or no reason, with or without notice, is specifically reserved.
- 8.3 No Adjustments. After the certification of the calculation of the performance benchmark(s) for the Applicable Year and any other material terms of the calculation of the Company Performance Bonus Multiple and Company Bonus for the Applicable Year as described in Section 3.3 above, no adjustments will be made to reflect any subsequent change in accounting, the effect of federal, state, or municipal taxes later assessed or determined, or otherwise.
- 8.4 Other Representations. Nothing contained in this Plan, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind, or a fiduciary relationship between the Company and any employee, Participant, beneficiary, legal representative, or any other person. Although Participants generally have no right to any payment under this Plan, to the extent that any Participant acquires a right to receive payment from the Company under the Plan, such right will be no greater than the right of an unsecured general creditor of the Company. All payments to be made hereunder will be paid from the general funds of the Company and no special or separate fund will be established, and no segregation of assets will be made, to assure payment of such amount.
- 8.5 Tax Withholding. The Company will make such provisions and take such steps as it may deem necessary or appropriate for the withholding of all federal, state, local, and other taxes required by law to be withheld with respect to Company Bonus payments under the Plan, including, but not limited to, deducting the amount required to be withheld from the amount of cash otherwise payable under the Plan, or from salary or any other amount then or thereafter payable to an employee, Participant, beneficiary, or legal representative.
- 8.6 Currency. The Company Bonus will be based on the currency in which the highest portion of base pay is regularly paid. The Committee will determine the appropriate foreign exchange conversion methodology in its discretion.
- 8.7 Effect of Plan on Other Company Plans. Nothing contained in this Plan is intended to amend, modify, terminate, or rescind other benefit or compensation plans established or maintained by the Company. Whether and to what extent a Participant's Company Bonus is taken into account under any other plan will be determined solely in accordance with the terms of such plan.
- 8.8 Construction. This Plan and all the rights thereunder will be governed by, and construed in accordance with, the laws of the state of Indiana, without reference to the principles of conflicts of law thereof.
- 8.9 Notice. Any notice to be given to the Company or the Committee pursuant to the provisions of the Plan will be in writing and directed to Secretary, Elanco Animal Health

Incorporated, 2500 Innovation Way, Greenfield, IN 46140 (or, in the event of relocation, the then-current global headquarters address for the Company).

- 8.10 Facility of Payment. In the event an Eligible Employee dies before payment under the Plan is made, the Committee may, in its sole discretion, authorize the Company to pay to such Eligible Employee's estate the amount calculated under Section 6.2(b).
- 8.11 Imposition of Other Requirements; Clawback/Recovery. The Company reserves the right to impose other requirements on the Plan and any rights that arise hereunder, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to execute any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Plan and any amounts payable or paid hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required to comply with any requirements imposed under applicable law or pursuant to any clawback or compensation recovery policy of the Company.

#### **SECTION 9. AMENDMENT, SUSPENSION, OR TERMINATION**

The Elanco Board of Directors will have the right to amend, modify, suspend, revoke, or terminate the Plan, in whole or in part, at any time and without notice, by written resolution of the Board of Directors. The Committee also will have the right to amend the Plan, except that the Committee may not amend this Section 9.

## Elanco Animal Health Incorporated Nonqualified Stock Option Award Agreement

This Nonqualified Stock Option is granted on \_\_\_\_\_, 2025 ("Grant Date") by Elanco Animal Health Incorporated, an Indiana corporation ("Elanco" or the "Company"), to the Eligible Individual who has received this Nonqualified Stock Option Award Agreement (the "Grantee").

**Number of Shares: Log into UBS account at <https://onlineservices.ubs.com/wma/epas/resources>**

**Grantee:**

**Exercise Price: \$\_\_.\_\_ per Share**

**Vesting Date(s): 33% on March 1, 2026**

**33% on March 1, 2027**

**34% on March 1, 2028**

(except as otherwise provided in this  
Nonqualified Stock Option Award Agreement)

**Option Termination Date: \_\_\_\_\_, 2035**

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## Section 1. Grant of Nonqualified Stock Option

Elanco, an Indiana corporation (“Elanco” or the “Company”), has granted to the Eligible Individual who has received this Nonqualified Stock Option Award Agreement (the “Grantee”) an award of stock options (the “Option” or the “Award”) with respect to the number of shares of Elanco Common Stock (the “Shares”) and the option price per Share (the “Option Price”) set forth on the first page of this document pursuant to and subject to the terms and conditions set forth in the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan (the “Plan”) and to the terms and conditions set forth in this Nonqualified Stock Option Award Agreement, including any appendices, exhibits and addenda hereto (the “Award Agreement”). Unless otherwise stated in the Plan where the terms in this Award Agreement may govern, in the event of any conflict between the terms of the Plan and this Award Agreement the terms of the Plan shall otherwise govern.

Any capitalized terms used but not defined in this Award Agreement shall have the meanings set forth in the Plan.

## Section 2. Vesting

- a. The Award shall vest as to all or a portion of the Award at the close of business in Indiana, U.S.A. on the earliest of the following dates (each, a “Vesting Date”):
    - i. the scheduled Vesting Date(s) set forth on the first page of this document;
    - ii. the date of the Grantee’s Service termination due to the Grantee’s death; or
    - iii. the date of the Grantee’s Service termination due to a Qualifying Termination, as defined below.
  - b. In the event the Grantee’s Service is terminated due to the Grantee’s death, any unvested portion of the Award will accelerate and vest in full on the date of the Grantee’s Service termination due to death.
  - c. In the event the Grantee’s Service is terminated due to a Qualifying Termination for a reason other than death, a pro-rata portion of the Award tranche eligible to vest on the next scheduled Vesting Date will accelerate and vest on the date of the Grantee’s Service termination due to the Qualifying Termination based on the ratio of (x) the number of full or partial months worked by the Grantee from the *later* of the Grant Date *or* the most recent scheduled Vesting Date prior to the Service termination date to (y) the total number of months from (1) the *later* of the Grant Date *or* the most recent scheduled Vesting Date prior to the Service termination date to (2) the next scheduled Vesting Date set forth on the first page of this document.
  - d. In the event the Grantee’s Service is terminated due to Retirement, any unvested portion of the Award will continue to vest on the scheduled Vesting Date(s) set forth on the first page of this document (unless the Committee specifies another vesting date, in its sole discretion, under Section 3.3(j) of the Plan or otherwise provided in the Plan or this Award Agreement).
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“Retirement” for purposes of this Award Agreement means the Grantee has either (A) reached age sixty (60) and completed five (5) years of Service with the Company or an Affiliate, including any years of Service with Eli Lilly & Company (“Lilly”) prior to the Company’s spin-off from Lilly (unless otherwise prescribed under Applicable Laws), or (B) completed thirty (30) years of Service with the Company or an Affiliate, including any years of Service with Lilly prior to the Company’s spin-off from Lilly (unless otherwise prescribed under Applicable Laws). The Committee, in its sole discretion, shall determine whether and when a Retirement has occurred.

e. For purposes of this Award Agreement, a “Qualifying Termination” means any one of the following:

- i. the date the Grantee’s Service is terminated due to the Grantee’s death;
- ii. the date the Grantee’s Service is terminated by reason of Disability;
- iii. the date the Grantee’s Service is terminated due to a closing of a plant site or other corporate location;
- iv. the date the Grantee’s Service is terminated due to the elimination of a work group, functional or business unit or other broadly applicable reduction in job positions; or
- v. the date the Grantee’s Service is terminated due to the elimination of the Grantee’s job position.

The Committee, in its sole discretion, shall determine whether and when a Qualifying Termination has occurred and/or if a leave of absence or transfer of employment between the Company and an Affiliate or between Affiliates constitutes a termination of Service. Such determination shall be final and binding on the Grantee.

- f. Any portion of the Award that does not vest pursuant to Section 2(a), 2(b), 2(c) or 2(d) shall be forfeited upon the Grantee’s termination of Service. Further, in the event the Grantee’s Service is terminated prior to a Vesting Date for any reason or in any circumstance other than those specified in Section 2(a), 2(b), 2(c) or 2(d) above, any unvested portion of the Award shall be forfeited.

### **Section 3. Option Exercise Period**

This Option may be exercised from the Vesting Date to and including through the earliest of the following dates (the “Option Exercise Period”):

- a. the Termination Date set forth on the first page of this Award Agreement (which generally applies under circumstances not covered by paragraphs (b) through (d) of this Section 3 (such as Retirement));
  - b. the one (1)-year anniversary of the date that the Grantee’s Service is terminated due to death or Disability;
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- c. the 90th day following the date that the Grantee's Service is terminated due to Qualifying Termination (other than death or Disability).
- d. the 30th day following the date that the Grantee's Service is terminated for any reason other than a Qualifying Termination or Retirement.

#### **Section 4. Change in Control**

The provisions of Section 13.2 of the Plan apply to this Award with the following modifications:

- a. The only Change in Control event that shall result in a benefit under this Section 4 shall be the consummation of a merger, share exchange, or consolidation of the Company, as defined in Section 2.6(c) of the Plan (a "Transaction").
- b. In the event that the Award is not converted, assumed, substituted, continued or replaced by a successor or surviving corporation, or a parent or subsidiary thereof, in connection with a Transaction, then immediately prior to the Transaction, the Award shall vest automatically in full.
- c. In the event that the Award is converted, assumed, substituted, continued or replaced by a successor or surviving corporation, or a parent or subsidiary thereof, in connection with a Transaction and the Grantee is subject to a Covered Termination (as defined below) prior to any applicable Vesting Date, the Award shall vest automatically in full.

For purposes of this provision, "Covered Termination" shall mean a Qualifying Termination, Grantee's termination without Cause or the Grantee's resignation for Good Reason. "Cause" and "Good Reason" shall have the meanings ascribed to them in the Elanco Animal Health Incorporated 2018 Change in Control Severance Pay Plan for Employees or the Elanco Animal Health Incorporated 2018 Change in Control Severance Pay Plan for Select Employees (both as amended from time to time) or any successor plan or arrangement thereto, as applicable.

d. If the Grantee is entitled to receive stock of the acquiring entity or successor to the Company as a result of the application of this Section 4, then references to Shares in this Award Agreement shall be read to mean stock of the successor or surviving corporation, or a parent or subsidiary thereof, as and when applicable.

#### **Section 5. Exercise of Option**

- a. Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in this Award Agreement; *provided* that the per-Share exercise price for any Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant.
  - b. Number of shares. The Grantee may exercise this Option by delivering to the Company or the exercise agent, as applicable, in accordance with Section 12(a), a notice of exercise in the form of a notice to be approved by the Company and made available to the Grantee.
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- c. Mode of payment. The following additional provisions apply, as applicable, depending on the mode of payment selected by the Grantee:
- i. Cash Exercise. The Grantee may choose to pay the Option Price by delivering funds directly. In that event, the notice of exercise must be accompanied by cash, a personal check, or a cashier's check in U.S. dollars in the amount of the Option Price and any required withholding for Tax-Related Items (as defined in Section 8 below). The notice of exercise must specify the number of Shares covered by the exercise. Once delivered, the notice of exercise shall be irrevocable. Upon receipt of the notice of exercise and payment of the Option Price, the Company shall deliver to the Grantee a statement of the fair market value of Shares on the exercise date and the amount of withholding for Tax-Related Items due, if any.
  - ii. Exercise using shares (stock swap). To the extent permitted by the Committee, the Grantee may exchange Shares owned by the Grantee whose current value covers the Option Price. The notice of exercise must state the number of Shares being exchanged as well as the number of Shares covered by the exercise. Any required withholding for Tax-Related Items must be paid by cash, a personal check, or a cashier's check in U.S. dollars. Once delivered, the notice of exercise shall be irrevocable. Upon receipt of the notice of exercise, the Company shall deliver to the Grantee a statement of the fair market value of Shares on the exercise date and the amount of withholding for Tax-Related Items due, if any.
  - iii. Cashless Exercise. The Grantee may choose to pay the Option Price through a sale of Shares received upon exercise of this Option. The exercise agent, a financial or brokerage institution approved by the Company, shall execute such a sale. The exercise agent shall agree to pay on behalf of the Grantee the Option Price and any withholding for Tax-Related Items. At the election of the Grantee, the exercise agent shall either:
    - A. Sell, and retain the proceeds of, a sufficient number of Shares from the exercise to pay the Option Price, any withholding for Tax-Related Items, and transaction costs, with the remaining Shares and any cash balance to be delivered to the Grantee; or
    - B. Sell all the Shares exercised and deliver to the Grantee the cash balance remaining after deduction of the Option Price, any withholding for Tax-Related Items, and transaction costs
  - iv. Net Exercise. The Grantee may choose to pay the Option Price through a "net exercise" arrangement pursuant to which the number of Shares issuable upon exercise of the Option shall be reduced by the largest whole number of Shares having an aggregate fair market value that does not exceed the aggregate Option Price (plus withholding taxes, if applicable) and any remaining balance of the aggregate Option Price (and/or applicable withholding taxes) not satisfied by such reduction in the number
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of whole Shares to be issued shall be paid by the Grantee by cash, a personal check, a cashier's check in U.S. dollars, or other form of payment approved by the Committee.

d. Notice of exercise. The notice of exercise shall be delivered in accordance with procedures to be established by the Company and communicated to the Grantee. Once delivered, the notice shall be irrevocable except that an attempted exercise may be deemed null and void by the Company or the exercise agent in its discretion if it determines that the anticipated proceeds from the sale of the Shares subject to the Option could be insufficient to cover the Option Price, withholding for Tax-Related Items, and transaction costs.

e. Procedure for Exercise. An Option shall be deemed exercised when the Company receives: (i) a notice of exercise as specified in this Award Agreement, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment permitted by this Award Agreement. Shares issued upon exercise of an Option shall be issued in Grantee's name.

## **Section 6. Rights of the Grantee**

- a. No Shareholder Rights until the Option Price is paid and taxes are withheld. The Company will not issue or transfer Shares upon exercise of this Option until the Option Price and any withholding for Tax-Related Items have been fully paid or the exercise agent has certified that it will make such payments in accordance with procedures satisfactory to the Company. The Grantee shall have no rights as a shareholder as to Shares covered by an exercise until the Shares are issued or transferred on the Company's books. At the time the Grantee becomes the owner of the Shares covered by the exercise, Grantee shall cease to be the owner of any Shares exchanged in payment of the Option Price.
- b. No Trust; Grantee's Rights Unsecured. Neither this Award Agreement nor any action in accordance with this Award Agreement shall be construed to create a trust of any kind. The right of the Grantee to receive payments of cash or Shares pursuant to this Award Agreement shall be an unsecured claim against the general assets of the Company.

## **Section 7. Prohibition Against Transfer**

The right of a Grantee to receive payments of Shares under this Award may not be transferred except to a duly appointed guardian of the estate of the Grantee or to a successor of the Grantee by will or the applicable laws of descent and distribution and then only subject to the provisions of this Award Agreement. A Grantee may not assign, sell, pledge, or otherwise transfer Shares or cash to which Grantee may be entitled hereunder prior to transfer or payment thereof to the Grantee, and any such attempted assignment, sale, pledge or transfer shall be void.

## **Section 8. Responsibility for Taxes**

- a. Regardless of any action the Company and/or the Grantee's employer (the "Employer") takes with respect to any or all income tax (including federal, state,
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local and non-U.S. tax), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the Option, the vesting of the Option, the exercise of the Option, the transfer and issuance of any Shares, the receipt of any dividends and the sale of any Shares acquired pursuant to this Award; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Grantee becomes subject to Tax-Related Items in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

b. Prior to the applicable taxable or tax withholding event, as applicable, the Grantee shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any obligations with regard to all Tax-Related Items by arranging for the sale of Shares to be issued upon exercise of the Award (on the Grantee's behalf and at the Grantee's direction pursuant to this authorization or such other authorization as the Grantee may be required to provide to the Company or its designated broker in order for such sale to be effectuated) and withhold from the proceeds of such sale or by one or a combination of the following methods: (i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer, and/or (ii) any other arrangement approved by the Company and permissible under Applicable laws.

c. Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Grantee may receive a refund of any over-withheld amount in cash as soon as practicable and without interest and will not be entitled to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding Shares, for tax purposes, the Grantee will be deemed to have been issued the full number of Shares to which Grantee is entitled pursuant to this Award, notwithstanding that a number of Shares are withheld to satisfy the obligation for Tax-Related Items.

d. The Company may require the Grantee to pay the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of any aspect of this Award that cannot be satisfied by the means previously described. The Company may refuse to deliver Shares to the Grantee if the Grantee fails to comply with the Grantee's obligation in connection with the Tax-Related Items as described in this Section 8.

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## Section 9. Nature of Grant

In accepting the grant, Grantee acknowledges, understands and agrees that:

- a. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;
  - b. the Award is voluntary and occasional and does not create any contractual or other right to receive future awards of Options, or benefits in lieu thereof, even if Options have been granted in the past;
  - c. all decisions with respect to future awards of Options or other awards, if any, will be at the sole discretion of the Committee;
  - d. the Grantee's participation in the Plan is voluntary;
  - e. the Award and any Shares subject to the Award are not intended to replace any pension rights or compensation;
  - f. the Award and any Shares subject to the Award, and the income from and value of same, are not part of normal or expected compensation for any purpose, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, holiday pay, leave pay, pension or welfare or retirement benefits or similar mandatory payments;
  - g. unless otherwise agreed with the Company, the Award and any Shares subject to the Award, and the income and value of same, are not granted as consideration for, or in connection with, the service the Grantee may provide as a director of an Affiliate;
  - h. neither the Award nor any provision of this Award Agreement, the Plan or the policies adopted pursuant to the Plan, confer upon the Grantee any right with respect to employment or continuation of current employment, and in the event that the Grantee is not an employee of the Company or any Affiliate of the Company, the Award shall not be interpreted to form an employment contract or relationship with the Company or any Affiliate;
  - i. the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;
  - j. if the underlying Shares do not increase in value, the Option will have no value;
  - k. if the Grantee exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Option Price;
  - l. no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the Grantee ceasing to provide employment or other services to the Company or the Employer (for any reason whatsoever, whether or
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not later found to be invalid or in breach of local labor laws in the jurisdiction where the Grantee is employed or the terms of Grantee's employment agreement, if any);

m. for purposes of the Award, the Grantee's employment will be considered terminated as of the date Grantee is no longer actively providing services to the Company, an Employer or an Affiliate and the Grantee's right, if any, to earn and exercise any portion of the Award after such termination of employment or services (regardless of the reason for such termination and whether or not such termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any) will be measured by the date the Grantee ceases to actively provide services and will not be extended by any notice period (e.g., active service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing Services for purposes of the Award (including whether the Grantee may still be considered to be actively providing services while on a leave of absence);

n. unless otherwise provided in the Plan or by the Committee in its discretion, the Award and the benefits evidenced by this Award Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

o. none of the Company, the Employer or any Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the Option or any amounts due to the Grantee pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

## **Section 10. Data Privacy**

- a. *Data Collection and Usage. The Company and the Employer may collect, process and use certain personal information about the Grantee, and persons closely associated with the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Options or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor ("Data"), for the purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Grantee's consent. Where required under Applicable Laws, Data may also be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made and the legal basis, where required, for such disclosure is the Applicable Laws.*
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b. Stock Plan Administration Service Providers. The Company transfers Data to UBS Financial Services Inc. and/or its affiliated companies (“UBS”), an independent service provider, which is assisting the Company with the implementation, administration and management of the Plan. The Company requires UBS to enter into a written agreement obligating UBS to maintain a level of data protection and security standards that are comparable to those implemented by the Company. In the future, the Company may select a different service provider and share Data with such other provider serving in a similar manner. The Grantee may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.

c. International Data Transfers. The Company and its service providers are based in the United States. The Grantee’s country or jurisdiction may have different data privacy laws and protections than the United States. The Company will nevertheless take steps to ensure an adequate level of protection and compliance with Applicable Laws irrespective of where the information is accessible or stored. The Company’s legal basis, where required, for the transfer of Data is the Grantee’s consent.

d. Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Grantee’s participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.

e. Data Subject Rights. The Grantee understands that data subject rights regarding the processing of Data vary depending on Applicable Law and that, depending on where the Grantee is based and subject to the conditions set out in such Applicable Law, the Grantee may have rights that include, but are not limited to, the right to (i) inquire whether and what kind of Data the Company holds about the Grantee and how it is processed, and to access or request copies of such Data, (ii) request the correction or supplementation of Data about the Grantee that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Data no longer necessary for the purposes underlying the processing, (iv) request the Company to restrict the processing of the Grantee’s Data in certain situations where the Grantee feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Data for legitimate interests, and (vi) request portability of the Grantee’s Data that the Grantee has actively or passively provided to the Company or the Employer (which does not include data derived or inferred from the collected data), where the processing of such Data is based on consent or the Grantee’s employment and is carried out by automated means. These rights may be subject to exceptions, limitations, or additional conditions under Applicable Law. In case of concerns, the Grantee understands that Grantee may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, the Grantee’s rights, the Grantee understands that Grantee should contact [privacy@elancoah.com](mailto:privacy@elancoah.com) or Grantee’s local human resources representative.

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*f. Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Grantee is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke the Grantee's consent, the Grantee's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant this Award or other awards to the Grantee or administer or maintain such awards.*

*g. Declaration of Consent. By accepting the Award and indicating consent via the Company's online acceptance procedure, the Grantee is declaring that Grantee agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.*

## **Section 11. Additional Terms and Conditions**

- a. Country-Specific Conditions. The Award shall be subject to any special terms and conditions set forth in any Appendix to this Award Agreement for the Grantee's country. Moreover, if the Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Award Agreement.
  - b. Insider Trading / Market Abuse Laws. The Grantee may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including but not limited to the United States and the Grantee's country of residence, which may affect the Grantee's ability to directly or indirectly, for the Grantee or for a third party, acquire or sell, or attempt to sell, or otherwise dispose of Shares or rights to acquire Shares (e.g., Options) under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as determined under the laws or regulations in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is Grantee's responsibility to comply with any applicable restrictions, and the Grantee should consult with Grantee's personal legal advisor on this matter.
  - c. Imposition of Other Requirements; Clawback/Recovery Imposition of Other Requirements ; Clawback/Recovery. The Company reserves the right to impose other requirements on the Award and any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to execute any additional agreements or undertakings that may be necessary to accomplish the foregoing. Without limitation to the foregoing, the Grantee agrees that the Option and any benefits or proceeds the Grantee may receive hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required to comply
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with any requirements imposed under Applicable Laws, or pursuant to any clawback or compensation recovery policy of the Company.

d. Non-Competition. This Section 11(d) shall apply only if the Grantee is an executive officer of the Company (as defined in Rule 3b-7 under the Exchange Act) and experiences a Qualifying Termination or Retirement that affects this Award.

- i. The Grantee understands the global nature of the Company's businesses and the effort the Company undertakes to develop and protect its business, goodwill, confidential information and competitive advantage. Accordingly, the Grantee recognizes and agrees that the scope and duration of the restrictions described in this provision are reasonable and necessary to protect the legitimate business interests of the Company. All payments and benefits to the Grantee under this Agreement are conditioned expressly on the Grantee's compliance with the provisions of this Section 11(d). During the Grantee's employment with the Company and for a period of one (1) year following the Grantee's termination of employment for any reason, the Grantee shall not:
  - A. singly, jointly, or in any other capacity, in a manner that contributes to any research, design, development, strategy, marketing, promotion, or sales, or that relates to the Grantee's employment with the Company, directly or beneficially engage in, manage, join, participate in the management, operation or control of, or work for (as an employee, a consultant or an independent contractor), or permit the use of the Grantee's name by, or provide financial or other assistance to, any person or entity operating in the animal health industry that provides products or services that are the same or substantially similar to those provided by the Company or any Affiliate (a "Competitor"), provided that the foregoing shall not limit the Grantee from providing services or assistance to a subsidiary or affiliate of a Competitor in a situation in which the Grantee provides no services or assistance whatsoever to the subsidiary or affiliate that is a Competitor without the express written approval of the Chairman of the Board; or
  - B. provide any service or assistance to a Competitor (1) that is of the general type of service or assistance provided by the Grantee to the Company or any Affiliate, (2) that relates to any animal health work with which the Grantee was involved during the Grantee's employment, or (3) in which there is a reasonable possibility that the Grantee may, intentionally or inadvertently, use or rely upon the Company's or an Affiliate's secret or confidential information.

Nothing in this Section 11 prohibits the Grantee from purchasing or owning less than five percent (5%) of the publicly traded securities of any

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corporation, provided that such ownership represents a passive investment and the Grantee is not a controlling person of, or a member of a group that controls, such corporation.

This provision does not in any way restrict or impede the Grantee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Grantee shall promptly provide written notice of any such order to the Company's CEO.

ii. If the Grantee breaches or threatens to breach the obligations described in this Section 11(d), the Company or its successors in interest shall have, in addition to all other remedies at law, the right to an injunction (without posting of bond to the extent legally permitted), specific performance, and other equitable relief to prevent violations of the Grantee's obligations under this Section 11(d) (including but not limited to the ability to cease and/or recoup payments and benefits provided under this Agreement). In the event that the Grantee is found to have breached any provision set forth in this Section 11(d), the applicable time period shall be deemed tolled for so long as the Grantee was in violation of that provision.

iii. If a court of competent jurisdiction declares that any term or provision of this Section 11(d) is invalid or unenforceable, the Company and the Grantee intend that (A) the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, (B) the Company and the Grantee shall request that the court exercise that power, and (C) the Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed.

## **Section 12. Miscellaneous Provisions**

- a. Notices (and Payments) and Electronic Delivery and Participation. Any notice to be given by the Grantee or successor Grantee shall be in writing, and any notice or payment shall be deemed to have been given or made only upon receipt thereof by the Corporate Secretary of the Company at the Elanco Animal Health Global Headquarters, Indiana, U.S.A. Any notice or communication by the Company in writing shall be deemed to have been given in the case of the Grantee if mailed or delivered to the Grantee at any address specified in writing to the Company by the Grantee and, in the case of any successor Grantee, at the address specified in writing to the Company by the successor Grantee. In addition, the Company may,
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in its sole discretion, decide to deliver any documents related to the Award and participation in the Plan by electronic means or request the Grantee's consent to participate in the Plan by electronic means. By accepting this Award, the Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

b. Language. Grantee acknowledges that Grantee is proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Grantee to understand the terms and conditions of this Award Agreement. If the Grantee has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

c. Waiver. The waiver by the Company of any provision of this Award Agreement at any time or for any purpose shall not operate as or be construed to be a waiver of that provision or any other provision of this Award Agreement at any subsequent time or for any other purpose.

d. Severability and Section Headings. If one or more of the provisions of this Award Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Award Agreement to be construed so as to foster the intent of this Award Agreement and the Plan. The section headings in this Award Agreement are for convenience of reference only and shall not be deemed a part of, or germane to, the interpretation or construction of this instrument.

e. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares. The Grantee should consult with Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

### **Section 13. Governing Law and Venue**

The validity and construction of this Award Agreement shall be governed by the laws of the State of Indiana, U.S.A. without regard to laws that might cause other law to govern under applicable principles of conflict of laws. For purposes of litigating any dispute that arises under this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Indiana and agree that such litigation shall be conducted in the courts of Marion County, Indiana, or the federal courts for the United States for the Southern District of Indiana, and no other courts, where this Award is granted and/or to be performed.

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#### **Section 14. Option Subject to Acknowledgement of Acceptance**

Notwithstanding any provisions of this Award Agreement, the Option is subject to acknowledgement of acceptance by the Grantee on or prior to 4:00 PM (EDT) on the 60th day after the Grant Date, through the website of UBS, the Company's stock plan administrator. If the Grantee does not acknowledge acceptance of the Option to 4:00 PM (EDT) on or prior to the 60th day after the Grant Date, the Option will be cancelled, subject to the Committee's discretion for unforeseen circumstances, provided, however, if the Grantee's Service is terminated due to a Qualifying Termination prior to the 60th day after the Grant Date, the Option will not be cancelled and will be deemed accepted on behalf of the Grantee or the Grantee's legal successor.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed in Greenfield, Indiana, by its proper officer.

ELANCO ANIMAL HEALTH INCORPORATED

/s/ Jeffrey N. Simmons  
Jeffrey N. Simmons  
President, Chief Executive Officer and Director

*Appendix to*

Elanco Animal Health Incorporated

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## Nonqualified Stock Option Award

This Appendix may, from time to time, include special terms and conditions applicable to the Grantee's country. These terms and conditions supplement or replace (as indicated) the terms and conditions set forth in the Award Agreement to which it is attached. If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or if the Grantee transfers employment or residency to a different country after the Award is granted, Elanco will, in its discretion, determine the extent to which the terms and conditions herein will apply. This Appendix also may include other information relevant to the Award.

Unless otherwise defined herein, the terms defined in the Plan or the Award Agreement, as applicable, shall have the same meanings in this Appendix.

The Grantee should be aware that Grantee may be required to take certain steps to comply with Applicable Laws in the Grantee's country in connection with the Award. For example, exchange control, foreign asset and/or account and/or other tax reporting obligations may apply to the Grantee upon receipt of the Award or the Shares subject to the Award or upon the sale of Shares. *For more information regarding such obligations, the Grantee should refer to the Employee Information Supplement for the Grantee's country, if any. The Grantee should also consult with Grantee's own personal tax and legal advisors to determine what, if any, obligations exist with respect to the Award and/or the acquisition or sale of Shares. Neither the Company nor the Employer is responsible for any failure on the part of the Grantee to be aware of or comply with Applicable Laws.*

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# Elanco Animal Health Incorporated Performance-Based Award Agreement

This Performance-Based Award is granted on \_\_\_\_\_, 2025 ("Grant Date") by Elanco Animal Health Incorporated, an Indiana corporation ("Elanco" or the "Company"), to the Eligible Individual who has received this Performance-Based Award Agreement (the "Grantee").

**Number of Shares:** Log into UBS account at

<https://onlineservices.ubs.com/wma/epas/resources>

**Grantee:**

**Performance Measures:**

- **Adjusted EBITDAR Target** = *Prior Year Adjusted EBITDAR + 10% X Incremental Investment ( $\Delta$  GOA)*
- **Performance Interval** = *8% of Prior Year Revenue*

**Performance Period: January 1, 2025 - December 31, 2026**

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## Section 1. Grant of Performance-Based Award

Elanco, an Indiana corporation (“Elanco” or the “Company”), has granted to the Eligible Individual who has received this Performance-Based Award Agreement (the “Grantee”) an award of performance-based restricted stock units (the “Performance-Based Award” or the “Award”). The number of shares of Elanco Common Stock (the “Shares”) (as set forth on the first page of this document) underlying the Award will vest based on the attainment of the Company’s performance conditions, in whole or in part, for the Performance Period and the other vesting conditions set forth below under Section 2. The Grantee may view the number of Shares underlying the Award by logging on to the UBS Financial Services Inc. website at <https://onlineservices.ubs.com/wma/epas/resources>.

The Award is made pursuant to and subject to the terms and conditions set forth in the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan (the “Plan”) and to the terms and conditions set forth in this Performance-Based Award Agreement, including any appendices, exhibits and addenda hereto (the “Award Agreement”). Unless otherwise stated in the Plan where the terms in this Award Agreement may govern in the event of any conflict between the terms of the Plan and this Award Agreement, in the event of any such conflict, the terms of the Plan shall otherwise govern.

Any capitalized terms used but not defined in this Award Agreement shall have the meanings set forth in the Plan.

## Section 2. Vesting

- a. The Award shall vest at the close of business in Indiana, U.S.A. on the last day of the Performance Period with respect to the Shares that become eligible to vest based on the application of the performance measures identified at the beginning of this Award Agreement and further described in this Section 2, provided the Grantee continues in Service through the last day of the Performance Period (or an exception applies under Section 3).

For accounting purposes with respect to the vesting determination under this Section 2, the Shares underlying this Award shall be divided in relation to the Performance Period as follows:

<b>Performance Period Segment</b>	<b>Allocable Portion of Shares</b>
Fiscal Year 2025	50% of Shares
Fiscal Year 2026	50% of Shares

- i. As soon as reasonably practicable following the end of the Performance Period, the Committee shall determine the number of Shares eligible to vest based on the Company’s Target Adjusted EBITDAR for the Performance Period in accordance with accounting principles currently applicable in the United States (“U.S. GAAP”), adjusted to the extent deemed appropriate by the Committee as set forth in Section 2(c) below for the Performance Period, the corresponding payout multiple and the number of Shares subject to this Award.

- ii. The Target Adjusted EBITDAR for the Performance Period shall be ascertained from data in the Company’s audited consolidated financial

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statements for each fiscal year or other specified measurement period of the Performance Period in accordance with U.S. GAAP, adjusted to the extent deemed appropriate by the Committee as set forth in Section 2(c) below.

For each Performance Period segment, Target Adjusted EBITDAR will be set based on prior year Adjusted EBITDAR, adjusted for instances in which the prior year Adjusted EBITDAR falls outside the minimum or maximum prior year Performance-Based Award Performance Interval, plus an expected rate of return multiplied by the incremental change in Gross Operating Assets from the end of the prior year to the end of the performance year, and excluding such items as may be specified by the Committee in accordance with Section 2(c) below. In the event that the Company attains a result above the maximum of 2.0 or below the minimum of 0.0, the subsequent year Adjusted EBITDAR will be automatically set at the 2.0 threshold in the event of overperformance or the 0.0 threshold in the event of underperformance.

- A. "Adjusted EBITDAR" means earnings before interest, tax, depreciation and amortization (EBITDA) adjusted for non-GAAP items, plus Adjusted R&D Expense.
- B. "Adjusted R&D Expense" means the research and development expenses, excluding depreciation, presented in the statement of operations in the Company's audited financial statements, adjusted for non-GAAP items.
- C. "Gross Operating Assets" means an average, over the prior four (4) quarters within the applicable measurement period, of the sum of net working capital, plus certain long-term assets and liabilities, plus the prior eight (8) years (including the performance year) of Adjusted R&D Expense.
- D. "Performance Interval" means a percentage of the Company's prior year revenue that, added to or subtracted from the Target EBITDAR, results in a multiple in the range of 2.0 to 0.0. This interval, along with the Target Adjusted EBITDAR, which is at 1.0 in the range, shall determine the payout multiple curve.

iii. The payout multiple corresponding to the Target Adjusted EBITDAR (as described in the "Performance Measures" section at the beginning of this document) for each fiscal year or other specified measurement period shall then be applied to the number of Shares subject to this Award.

iv. The number of Shares eligible to vest with respect to this Award will be the number of Shares resulting from the calculations described in subsections (ii) and (iii) above.

b. In the event the Grantee's Service is terminated prior to the last day of the Performance Period for any reason or in any circumstance other than a Qualifying Termination or Retirement (as described in Section 3 below), the Award shall be forfeited. Further, any portion of the Award that does not vest in connection with a

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Qualifying Termination or Retirement shall be forfeited upon the Grantee's termination of Service.

c. In the event of any unplanned events that may impact the business results positively or negatively, the Committee, in its sole discretion, may adjust the performance measures for the Performance Period for purposes of determining the payout multiple. The adjustments may include:

- i. the impact from the operations of any business divestiture, such as a major product or geography;
- ii. the impact of any acquisitions, significant collaborations, restructuring or external litigation;
- iii. foreign currency fluctuation impact greater than a 2% change to applicable plan rates;
- iv. the effects of accounting changes, special charges or gains, retirement benefit accrual changes, goodwill impairments;
- v. the impact of any non-GAAP adjustment provided each adjustment is approved by the Committee; and/or
- vi. any unforeseen adjustment provided such adjustment is approved by the Committee.

### **Section 3. Adjustments for Certain Employment Status Changes**

Unless the Committee determines, in its sole discretion, that such adjustments are not advisable after consideration of employment laws in the country where the Grantee resides, the number of Shares shall be determined based on or adjusted for changes in employment status during the Performance Period as follows:

a. Leaves of Absence. The number of Shares eligible to vest shall be reduced proportionally for any portion of the total days in the Performance Period during which the Grantee is on an approved unpaid leave of absence longer than ninety (90) days.

b. Demotions, Disciplinary Actions and Misconduct. The Committee may, in its sole discretion, cancel this Performance-Based Award or reduce the number of Shares eligible to vest, prorated according to time or other measure as determined appropriate by the Committee, if during any portion of the Performance Period the Grantee has been (i) subject to disciplinary action by the Company or (ii) determined to have committed a material violation of law or Company policy or to have failed to properly manage or monitor the conduct of an employee who has committed a material violation of law or Company policy whereby, in either case, such conduct causes significant harm to the Company, as determined in the sole discretion of the Company.

c. Qualifying Termination. In the event the Grantee's Service is terminated due to a Qualifying Termination (as defined below), a pro-rata portion of the Award will accelerate and vest on the date of the Grantee's Service termination due to the Qualifying Termination (unless the Committee specifies another vesting date, in its

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sole discretion, under Section 3.3(j) of the Plan) based on the ratio of (x) the number of full or partial months worked by the Grantee from the start of the Performance Period to the date of the Grantee's Service termination due to the Qualifying Termination to (y) the total number of months from the start of the Performance Period to the end of the Performance Period. The Committee shall determine the number of Shares eligible to vest based on the performance measures described in Section 2 above, as calculated by the Company as of the end of the most-recently completed calendar quarter immediately preceding the date of the Service termination. If the Qualifying Termination occurs during the first calendar quarter of the Performance Period, the number of Shares eligible to vest shall be determined as though the performance measures described in Section 2 above had been achieved at target, unless otherwise determined by the Committee in its discretion.

For purposes of this Award Agreement, a "Qualifying Termination" means any one of the following:

- i. the date the Grantee's Service is terminated due to the Grantee's death;
- ii. the date the Grantee's Service is terminated by reason of Disability;
- iii. the date the Grantee's Service is terminated due to a closing of a plant site or other corporate location;
- iv. the date the Grantee's Service is terminated due to the elimination of a work group, functional or business unit or other broadly applicable reduction in job positions; or
- v. the date the Grantee's Service is terminated due to the elimination of the Grantee's job position.

The Committee, in its sole discretion, shall determine whether and when a Qualifying Termination has occurred and/or if a leave of absence or transfer of employment between the Company and an Affiliate or between Affiliates constitutes a termination of Service. Such determination shall be final and binding on the Grantee.

d. Retirement. In the event the Grantee's Service is terminated due to Retirement (as defined below), a pro-rata portion of the Award will accelerate and vest on the date of the Grantee's Service termination due to Retirement (unless the Committee specifies another vesting date, in its sole discretion, under Section 3.3(j) of the Plan) based on the ratio of (x) the number of full or partial months worked by the Grantee from the start of the Performance Period to the date of the Grantee's Service termination due to Retirement to (y) the total number of months from the start of the Performance Period to the end of the Performance Period. The Committee shall determine the number of Shares eligible to vest based on the performance measures described in Section 2 above, as calculated by the Company as of the end of the most-recently completed calendar quarter immediately preceding the date of the Service termination.

For purposes of this Award Agreement, "Retirement" means the Grantee has either (A) reached age sixty (60) and completed five (5) years of Service with the Company or an Affiliate, including any years of Service with Eli Lilly & Company ("Lilly") prior to the Company's spin-off from Lilly (unless otherwise prescribed under Applicable Laws), or (B) completed thirty (30) years of Service with the Company or an Affiliate,

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including any years of Service with Lilly prior to the Company's spin-off from Lilly (unless otherwise prescribed under Applicable Laws). The Committee, in its sole discretion, shall determine whether and when a Retirement has occurred.

#### **Section 4. Change in Control**

The provisions of Section 13.2 of the Plan apply to this Award with the following modifications:

- a. The only Change in Control event that shall result in a benefit under this Section 4 shall be the consummation of a merger, share exchange, or consolidation of the Company, as defined in Section 2.6(c) of the Plan (a "Transaction").
- b. In the event that the Award is not converted, assumed, substituted, continued or replaced by a successor or surviving corporation, or a parent or subsidiary thereof, in connection with a Transaction, then immediately prior to the Transaction, the Award shall accelerate and vest, with the portion of the Award subject to Company performance vesting determined based on the target level of attainment.
- c. In the event that the Award is converted, assumed, substituted, continued or replaced by a successor or surviving corporation, or a parent or subsidiary thereof, in connection with a Transaction and the Grantee is subject to a Covered Termination (as defined below) prior to any applicable vesting date, the Award shall accelerate and vest automatically in full with the portion of the Award subject to Company performance vesting determined based on the target level of attainment.

For purposes of this provision, "Covered Termination" shall mean a Qualifying Termination, Grantee's termination without Cause or the Grantee's resignation for Good Reason. "Cause" and "Good Reason" shall have the meanings ascribed to them in the Elanco Animal Health, Inc. 2018 Change in Control Severance Pay Plan for Employees or the Elanco Animal Health, Inc. 2018 Change in Control Severance Pay Plan for Select Employees (both as amended from time to time) or any successor plan or arrangement thereto, as applicable.

- d. If the Grantee is entitled to receive stock of the acquiring entity or successor to the Company as a result of the application of this Section 4, then references to Shares in this Award Agreement shall be read to mean stock of the successor or surviving corporation, or a parent or subsidiary thereof, as and when applicable.

#### **Section 5. Settlement**

- a. Except as provided below, the Award shall be paid to the Grantee as soon as practicable, but in no event later than seventy-five (75) days, following the last day of the Performance Period or, if applicable, the vesting date determined under Section 3.
  - b. If the Award vests pursuant to Section 4(b), the Award shall be paid to the Grantee immediately prior to the Transaction, provided that if the Award is considered an item of non-qualified deferred compensation subject to Section 409A of the Code ("NQ Deferred Compensation") and the Transaction does not constitute a "change in control event," within the meaning of the U.S. Treasury Regulations (a "409A CIC"), then the Award shall be paid in cash (calculated based on the value of the Shares
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established for the consideration to be paid to holders of Shares in the Transaction) on the earliest of the date that the Grantee experiences a "separation from service" within the meaning of Section 409A of the Code (a "Section 409A Separation") (subject to any delay applicable to "specified employees" described in Section 5(c) below), the date of the Grantee's death, and the date set forth in Section 2(a) above.

c. If the Award vests pursuant to Section 3(c) or (d) or Section 4(c) and the Award is NQ Deferred Compensation, (i) the Award shall be paid within seventy-five (75) days following the date the Grantee experiences a Section 409A Separation and (ii) if the Grantee is a "specified employee" within the meaning of Section 409A of the Code as of the date of the Grantee's Section 409A Separation, the Award shall instead be paid on the earliest of (1) the first day following the six (6) month anniversary of the Grantee's Section 409A Separation, (2) the date set forth in Section 2(a) above, and (3) the date of the Grantee's death.

d. At the time of settlement provided in this Section 5, the Company shall issue or transfer Shares or the cash equivalent, as contemplated under Section 5(e) below, to the Grantee. In the event the Grantee is entitled to a fractional Share, the fraction may be paid in cash or rounded, in the Committee's discretion.

e. At any time prior to the end of the Performance Period or until the Award is paid in accordance with this Section 5, the Committee may, if it so elects, determine to pay part or all of the Award in cash in lieu of issuing or transferring Shares. The amount of cash shall be calculated based on the Fair Market Value of the Shares on the last day of the Performance Period in the case of payment pursuant to Section 5(a) and on the date of payment in the case of a payment pursuant to Section 5(c).

f. In the event of the death of the Grantee, the payments described above shall be made to the successor of the Grantee.

#### **Section 6. Rights of the Grantee**

a. No Shareholder Rights. The Performance-Based Award does not entitle the Grantee to any rights of a shareholder of the Company until such time as the Performance-Based Award is settled and Shares are issued or transferred to the Grantee.

b. No Trust; Grantee's Rights Unsecured. Neither this Award Agreement nor any action pursuant to or in accordance with this Award Agreement shall be construed to create a trust of any kind. The right of the Grantee to receive payments of cash or Shares pursuant to this Award Agreement shall be an unsecured claim against the general assets of the Company.

#### **Section 7. Prohibition Against Transfer**

The right of a Grantee to receive payments of Shares and/or cash under this Award may not be transferred except to a duly appointed guardian of the estate of the Grantee or to a successor of the Grantee by will or the applicable laws of descent and distribution and then only subject to the provisions of this Award Agreement. A Grantee may not assign, sell, pledge, or otherwise transfer Shares or cash to which Grantee may be entitled hereunder prior to transfer or payment thereof to the Grantee, and any such attempted assignment, sale, pledge or transfer shall be void.

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## Section 8. Responsibility for Taxes

- a. Regardless of any action the Company and/or the Grantee's employer (the "Employer") takes with respect to any or all income tax (including federal, state, local and non-U.S. tax), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the Performance-Based Award, the expiration of the Performance Period, the issuance of Shares, the transfer and issuance of Shares, the receipt of any cash pursuant to the Award, the receipt of any dividends and the sale of any Shares acquired pursuant to this Award; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Grantee becomes subject to Tax-Related Items in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
  - b. Prior to the applicable taxable or tax withholding event, as applicable, the Grantee shall pay, or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.
  - c. In the case of any cash payment made to the Grantee pursuant to this Award, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any obligation for Tax-Related Items by withholding from the cash amount paid to the Grantee or from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer.
  - d. If the Performance-Based Award is paid in Shares and the Grantee is not subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to (i) withhold from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer, (ii) arrange for the sale of Shares to be issued pursuant to the Award (on the Grantee's behalf and at the Grantee's direction pursuant to this authorization or such other authorization as the Grantee may be required to provide to the Company or its designated broker in order for such sale to be effectuated) and withhold from the proceeds of such sale, and/or (iii) withhold in Shares otherwise issuable to the Grantee pursuant to this Award.
  - e. If the Performance-Based Award is paid in Shares and the Grantee is subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Company will withhold in Shares otherwise issuable to the Grantee pursuant to this Award, unless the use of such withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, in which case the withholding obligation
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for Tax-Related Items may be satisfied by one or a combination of the methods set forth in Section 8(d)(i) and (ii) above.

f. Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Grantee will receive a refund of any over-withheld amount in cash as soon as practicable and without interest and will not be entitled to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding Shares, for tax purposes, the Grantee will be deemed to have been issued the full number of Shares to which Grantee is entitled pursuant to the Performance-Based Award, notwithstanding that a number of Shares are withheld to satisfy the obligation for Tax-Related Items.

g. The Company may require Grantee to pay the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of any aspect of this Award that cannot be satisfied by the means previously described. The Company may refuse to deliver Shares or any cash payment to the Grantee if the Grantee fails to comply with the Grantee's obligation in connection with the Tax-Related Items as described in this Section 8.

#### **Section 9. Section 409A Compliance**

To the extent applicable, it is intended that this Performance-Based Award comply with the requirements of Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance issued thereunder ("Section 409A") and this Award shall be interpreted and applied by the Committee in a manner consistent with this intent in order to avoid the imposition of any additional tax under Section 409A.

#### **Section 10. Nature of Grant**

In accepting this Performance-Based Award, the Grantee acknowledges, understands and agrees that:

- a. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;
  - b. the Performance-Based Award is voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu thereof, even if Awards have been granted in the past;
  - c. all decisions with respect to future grants of Awards or other grants, if any, will be at the sole discretion of the Company;
  - d. the Grantee's participation in the Plan is voluntary;
  - e. the Performance-Based Award and any Shares subject to the Award are not intended to replace any pension rights or compensation;
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f. the Award and any Shares subject to the Award, and the income from and value of same, are not part of normal or expected compensation for any purpose, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, holiday pay, leave pay, pension or welfare or retirement benefits or similar mandatory payments;

g. unless otherwise agreed with the Company, the Award and any Shares subject to the Award, and the income and value of same, are not granted as consideration for, or in connection with, the service the Grantee may provide as a director of an Affiliate;

h. neither the Award nor any provision of this Award Agreement, the Plan or the policies adopted pursuant to the Plan, confer upon the Grantee any right with respect to employment or continuation of current employment, and in the event that the Grantee is not an employee of the Company or any Affiliate of the Company, the Award shall not be interpreted to form an employment contract or relationship with the Company or any Affiliate;

i. the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

j. no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the Grantee ceasing to provide employment or other services to the Company or the Employer (for any reason whatsoever, whether or not later found to be invalid or in breach of local labor laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any);

k. for purposes of the Award, the Grantee's employment will be considered terminated as of the date Grantee is no longer actively providing services to the Company, an Employer or an Affiliate, and the Grantee's right, if any, to vest in and be paid any portion of the Award after such termination of employment or services (regardless of the reason for such termination and whether or not such termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any) will be measured by the date the Grantee ceases to actively provide services and will not be extended by any notice period (e.g., active service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing services for purposes of the Award (including whether the Grantee may still be considered to be actively providing services while on a leave of absence);

l. unless otherwise provided in the Plan or by the Committee in its discretion, the Award and the benefits evidenced by this Award Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

m. none of the Company, the Employer or any Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United

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States Dollar that may affect the value of the Award or any amounts due to the Grantee pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.

## **Section 11. Data Privacy**

a. Data Collection and Usage. *The Company and the Employer may collect, process and use certain personal information about the Grantee, and persons closely associated with the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor ("Data"), for the purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Grantee's consent. Where required under Applicable Laws, Data may also be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made and the legal basis, where required, for such disclosure is the Applicable Laws.*

b. Stock Plan Administration Service Providers. *The Company transfers Data to UBS Financial Services Inc. and/or its affiliated companies ("UBS"), an independent service provider, which is assisting the Company with the implementation, administration and management of the Plan. The Company requires UBS to enter into a written agreement obligating UBS to maintain a level of data protection and security standards that are comparable to those implemented by the Company. In the future, the Company may select a different service provider and share Data with such other provider serving in a similar manner. The Grantee may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.*

c. International Data Transfers. *The Company and its service providers are based in the United States. The Grantee's country or jurisdiction may have different data privacy laws and protections than the United States. The Company will nevertheless take steps to ensure an adequate level of protection and compliance with Applicable Laws irrespective of where the information is accessible or stored. The Company's legal basis, where required, for the transfer of Data is the Grantee's consent.*

d. Data Retention. *The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.*

e. Data Subject Rights. *The Grantee understands that data subject rights regarding the processing of Data vary depending on Applicable Law and that, depending on where the Grantee is based and subject to the conditions set out in such Applicable Law, the Grantee may have rights that include, but are not limited to, the right to (i) inquire whether and what kind of Data the Company holds about the Grantee and how it is processed, and to access or request copies of such Data, (ii) request the correction or supplementation of Data about the Grantee that is inaccurate, incomplete or out-*

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of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Data no longer necessary for the purposes underlying the processing, (iv) request the Company to restrict the processing of the Grantee's Data in certain situations where the Grantee feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Data for legitimate interests, and (vi) request portability of the Grantee's Data that the Grantee has actively or passively provided to the Company or the Employer (which does not include data derived or inferred from the collected data), where the processing of such Data is based on consent or the Grantee's employment and is carried out by automated means. These rights may be subject to exceptions, limitations, or additional conditions under Applicable Law. In case of concerns, the Grantee understands that Grantee may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, the Grantee's rights, the Grantee understands that Grantee should contact [privacy@elancoah.com](mailto:privacy@elancoah.com) or Grantee's local human resources representative.

*f. Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Grantee is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke the Grantee's consent, the Grantee's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant this Award or other awards to the Grantee or administer or maintain such awards.*

*g. Declaration of Consent. By accepting the Award and indicating consent via the Company's online acceptance procedure, the Grantee is declaring that Grantee agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.*

## **Section 12. Additional Terms and Conditions**

- a. Country-Specific Conditions. The Award shall be subject to any special terms and conditions set forth in any Appendix to this Award Agreement for the Grantee's country. Moreover, if the Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Award Agreement.
  - b. Insider Trading / Market Abuse Laws. The Grantee may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including but not limited to the United States and the Grantee's country of residence, which may affect the Grantee's ability to directly or indirectly, for the Grantee or for a third party, acquire or sell, or attempt to sell, or otherwise dispose of Shares or rights to acquire Shares (e.g., the Performance-Based Award) under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as determined under the laws or regulations in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any
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restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is Grantee's responsibility to comply with any applicable restrictions, and the Grantee should consult with Grantee's personal legal advisor on this matter.

c. Imposition of Other Requirements; Clawback/Recovery. The Company reserves the right to impose other requirements on the Award and any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to execute any additional agreements or undertakings that may be necessary to accomplish the foregoing. Without limitation to the foregoing, the Grantee agrees that the Award and any benefits or proceeds the Grantee may receive hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required to comply with any requirements imposed under Applicable Laws, or pursuant to any clawback or compensation recovery policy of the Company.

d. Non-Competition. This Section 12(d) shall apply only if the Grantee is an executive officer of the Company (as defined in Rule 3b-7 under the Exchange Act) and experiences a Qualifying Termination or Retirement that affects this Award.

- i. The Grantee understands the global nature of the Company's businesses and the effort the Company undertakes to develop and protect its business, goodwill, confidential information and competitive advantage. Accordingly, the Grantee recognizes and agrees that the scope and duration of the restrictions described in this provision are reasonable and necessary to protect the legitimate business interests of the Company. All payments and benefits to the Grantee under this Agreement are conditioned expressly on the Grantee's compliance with the provisions of this Section 12(d). During the Grantee's employment with the Company and for a period of one (1) year following the Grantee's termination of employment for any reason, the Grantee shall not:
  - A. singly, jointly, or in any other capacity, in a manner that contributes to any research, design, development, strategy, marketing, promotion, or sales, or that relates to the Grantee's employment with the Company, directly or beneficially engage in, manage, join, participate in the management, operation or control of, or work for (as an employee, a consultant or an independent contractor), or permit the use of the Grantee's name by, or provide financial or other assistance to, any person or entity operating in the animal health industry that provides products or services that are the same or substantially similar to those provided by the Company or any Affiliate (a "Competitor"), provided that the foregoing shall not limit the Grantee from providing services or assistance to a subsidiary or affiliate of a Competitor in a situation in which the Grantee provides no services or assistance whatsoever to the subsidiary or affiliate that is a Competitor without the express written approval of the Chairman of the Board; or

B. provide any service or assistance to a Competitor (1) that is of the general type of service or assistance provided by the Grantee to the Company or any Affiliate, (2) that relates to any animal health work with which the Grantee was involved during the Grantee's employment, or (3) in which there is a reasonable possibility that the Grantee may, intentionally or inadvertently, use or rely upon the Company's or an Affiliate's secret or confidential information.

Nothing in this Section 12(d) prohibits the Grantee from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and the Grantee is not a controlling person of, or a member of a group that controls, such corporation.

This provision does not in any way restrict or impede the Grantee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Grantee shall promptly provide written notice of any such order to the Company's CEO.

- ii. If the Grantee breaches or threatens to breach the obligations described in this Section 12(d), the Company or its successors in interest shall have, in addition to all other remedies at law, the right to an injunction (without posting of bond to the extent legally permitted), specific performance, and other equitable relief to prevent violations of the Grantee's obligations under this Section 12(d) (including but not limited to the ability to cease and/or recoup payments and benefits provided under this Agreement). In the event that the Grantee is found to have breached any provision set forth in this Section 12(d), the applicable time period shall be deemed tolled for so long as the Grantee was in violation of that provision.
- iii. If a court of competent jurisdiction declares that any term or provision of this Section 12(d) is invalid or unenforceable, the Company and the Grantee intend that (A) the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, (B) the Company and the Grantee shall request that the court exercise that power, and (C) the Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed.

### **Section 13. Miscellaneous Provisions**

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- a. Notices and Electronic Delivery and Participation. Any notice to be given by the Grantee or successor Grantee shall be in writing, and any notice or payment shall be deemed to have been given or made only upon receipt thereof by the Corporate Secretary of the Company at the Elanco Animal Health Global Headquarters, Indiana, U.S.A. Any notice or communication by the Company in writing shall be deemed to have been given in the case of the Grantee if mailed or delivered to the Grantee at any address specified in writing to the Company by the Grantee and, in the case of any successor Grantee, at the address specified in writing to the Company by the successor Grantee. In addition, the Company may, in its sole discretion, decide to deliver any documents related to the Award and participation in the Plan by electronic means or request the Grantee's consent to participate in the Plan by electronic means. By accepting this Award, the Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
- b. Language. Grantee acknowledges that Grantee is proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Grantee to understand the terms and conditions of this Award Agreement. If the Grantee has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
- c. Waiver. The waiver by the Company of any provision of this Award Agreement at any time or for any purpose shall not operate as or be construed to be a waiver of that provision or any other provision of this Award Agreement at any subsequent time or for any other purpose.
- d. Severability and Section Headings. If one or more of the provisions of this Award Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Award Agreement to be construed so as to foster the intent of this Award Agreement and the Plan. The section headings in this Award Agreement are for convenience of reference only and shall not be deemed a part of, or germane to, the interpretation or construction of this instrument.
- e. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares. The Grantee should consult with Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

#### **Section 14. Governing Law and Venue**

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The validity and construction of this Performance-Based Award shall be governed by the laws of the State of Indiana, U.S.A. without regard to laws that might cause other law to govern under applicable principles of conflict of laws. For purposes of litigating any dispute that arises under this Performance-Based Award, the parties hereby submit to and consent to the jurisdiction of the State of Indiana, and agree that such litigation shall be conducted in the courts of Marion County, Indiana, or the federal courts for the United States for the Southern District of Indiana, and no other courts, where this Award is granted and/or to be performed.

**Section 15. Award Subject to Acknowledgement of Acceptance**

Notwithstanding any provisions of this Award Agreement, the Award is subject to acknowledgement of acceptance by the Grantee on or prior to 4:00 PM (EDT) on the 60th day after the Grant Date, through the website of UBS, the Company's stock plan administrator. If the Grantee does not acknowledge acceptance of the Award prior to 4:00 PM (EDT) on or prior to the 60th day after the Grant Date, the Award will be cancelled, subject to the Committee's discretion for unforeseen circumstances, provided, however, if the Grantee's Service is terminated due to a Qualifying Termination prior to the 60th day after the Grant Date, the Award will not be cancelled and will be deemed accepted on behalf of the Grantee or the Grantee's legal successor.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed in Greenfield, Indiana, by its proper officer.

ELANCO ANIMAL HEALTH INCORPORATED

/s/ Jeffrey N. Simmons  
Jeffrey N. Simmons  
President, Chief Executive Officer and Director

Appendix to  
Elanco Animal Health Incorporated  
Performance-Based Award Agreement

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This Appendix includes special terms and conditions applicable to the Grantee's country. These terms and conditions supplement or replace (as indicated) the terms and conditions set forth in the Award Agreement to which it is attached. If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or if the Grantee transfers employment or residency to a different country after the Award is granted, Elanco will, in its discretion, determine the extent to which the terms and conditions herein will apply. This Appendix also includes other information relevant to the Award.

Unless otherwise defined herein, the terms defined in the Plan or the Award Agreement, as applicable, shall have the same meanings in this Appendix.

There are no special terms and conditions or information for the following countries: Austria, Ireland, Japan, Korea, Netherlands and Norway.

However, the Grantee should be aware that Grantee may be required to take certain steps to comply with Applicable Laws in the Grantee's country in connection with the Award. For example, exchange control, foreign asset and/or account and/or other tax reporting obligations may apply to the Grantee upon receipt of the Award or the Shares subject to the Award or upon the sale of Shares. *For more information regarding such obligations, the Grantee should refer to the Employee Information Supplement for the Grantee's country, if any. The Grantee should also consult with Grantee's own personal tax and legal advisors to determine what, if any, obligations exist with respect to the Award and/or the acquisition or sale of Shares. Neither the Company nor the Employer is responsible for any failure on the part of the Grantee to be aware of or comply with Applicable Laws.*

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## **ARGENTINA**

### ***Notifications***

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Securities Law Information. The Award and the Shares to be issued pursuant to the Award are offered as a private transaction and are not listed on any stock exchange in Argentina. This offering is not subject to a prospectus requirement in Argentina.

Exchange Control Information. Exchange control regulations in Argentina are subject to frequent change. The Grantee is solely responsible for complying with any applicable exchange control rules and should consult with Grantee's personal legal advisor prior to remitting proceeds from the sale of Shares or cash dividends paid on Shares.

## **AUSTRALIA**

### ***Terms and Conditions***

Securities Law Information. Additional details regarding the offer of the Award are set out in the Australian Offer Document, a copy of which is attached to this Appendix for Australia as Annex 1

Breach of Law. Notwithstanding anything to the contrary in the Award Agreement or the Plan, the Grantee will not be entitled to, and shall not claim, any benefit (including without limitation a legal right) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the *Corporations Act 2001*, any other provision of that act, or any other applicable statute, rule or regulation that limits or restricts the provision of such benefit.

### ***Notifications***

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding the specified AUD threshold and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on behalf of the Grantee.

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Ctch) applies (subject to the conditions in that act).

**Annex 1 to Appendix for Australia**  
AUSTRALIA - OFFER DOCUMENT  
ELANCO ANIMAL HEALTH INCORPORATED  
PERFORMANCE-BASED AWARD AGREEMENT

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The Company is providing the Grantee an offer to participate in the Plan. This offer sets out information regarding the grant of Performance-Based Awards to Australian resident employees of the Company and its Affiliates. This information is provided by the Company to ensure compliance of the Plan with Australian Securities and Investments Commission (“ASIC”) Class Order 14/1000 and relevant provisions of the *Corporations Act 2001*.

In addition to the information set out in the Award Agreement, the Grantee is also being provided with copies of the following documents (collectively, the “Additional Documents”):

- 1 Notification regarding Award;
- 2 Plan;
- 3 Information Summary/Prospectus; and
- 4 Employee Information Supplement for Australia
- 5

The Additional Documents provide further information to help the Grantee make an informed investment decision about participating in the Plan. Neither the Plan nor the Information Summary/Prospectus is a prospectus for purposes of the *Corporations Act 2001*.

The Grantee should not rely upon any oral statements made in relation to this offer. The Grantee should rely only upon the statements contained in the Award Agreement and the Additional Documents when considering participation in the Plan.

#### **Securities Law Notification**

Investment in Shares involves a degree of risk. Grantees who elect to participate in the Plan should monitor their participation and consider all risk factors relevant to the acquisition of Shares under the Plan as set out in the Award Agreement and the Additional Documents.

The information contained in this offer is general information only. It is not advice or information that takes into account the Grantee’s objectives, financial situation and needs.

The Grantee should consider obtaining Grantee’s own financial product advice from an independent person who is licensed by ASIC to give advice about participation in the Plan.

#### **Additional Risk Factors for Australian Residents**

The Grantee should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of Common Stock. For example, the price at which the Common Stock is traded on the New York Stock Exchange may increase or decrease due to a number of factors. There is no guarantee that the price of the Common Stock will increase. Factors which may affect the price of Common Stock include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil

prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

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For information about factors that could affect Elanco's business and financial results, refer to the risk factors discussion in Elanco's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov) and <https://investor.elanco.com/financials/sec-filings/default.aspx>, and upon request to the Company.

In addition, the Grantee should be aware that the Australian dollar value of any Shares acquired pursuant to the Award will be affected by the U.S. dollar/Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

### **Common Stock**

Common stock of a U.S. corporation is analogous to ordinary shares of an Australian corporation. Each holder of the Common Stock is entitled to one vote for each Share held.

Dividends may be paid on the Common Stock out of any funds of the Company legally available for dividends at the discretion of the Board.

The Common Stock is traded on the New York Stock Exchange in the United States of America under the symbol "ELAN."

The Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

### **Ascertaining the Market Price of Shares**

The Grantee may ascertain the current market price of the Common Stock as traded on the New York Stock Exchange at <http://www.nyse.com> under the symbol "ELAN." The Australian dollar equivalent of that price can be obtained at: <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

*This is not a prediction of what the market price of the Common Stock will be on any applicable vesting date or when Shares are issued to the Grantee or at any other time or of the applicable exchange rate at such time.*

## **BELGIUM**

### **Notifications**

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Stock Exchange Tax. A stock exchange tax applies to transactions executed by Belgian residents through a non-Belgian financial intermediary. The stock exchange tax likely applies when Shares are sold. The Grantee should consult with the Grantee's personal tax advisor to determine the Grantee's obligations with respect to the stock exchange tax.

Asset and Account Reporting. Belgian residents are required to report on their annual tax return any security (e.g., Shares acquired under the Plan) or bank account established outside of Belgium. Belgian residents also are required to provide to the National Bank of Belgium details of any foreign securities or bank accounts (including the account number, bank name and country in which such account was opened). The report (and instructions for completing it) is available on the National Bank of Belgium website, [www.nbb.be](http://www.nbb.be), through the *Kredietcentrales/ Centrales des crédits* link. The Grantee should consult with the Grantee's personal advisor to ensure compliance with applicable reporting obligations.

Annual Securities Account Tax Information. An annual securities account tax may apply if the total value of securities held in a Belgian or foreign securities account exceeds a specified amount on four reference dates within the relevant reporting period (i.e., December 31, March 31, June 30 and September 30). In that case, the tax will be due on the value of the qualifying securities held in such account. The Grantee should consult with the Grantee's professional tax or financial advisor for more information regarding the Grantee's annual securities accounts tax payment obligations.

## **BRAZIL**

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 10 of the Award Agreement:

By accepting the Award, the Grantee agrees that (i) Grantee is making an investment decision, (ii) the Shares will be issued to the Grantee only if the performance goals are met and any necessary Services are rendered between the Grant Date and the end of the Performance Period, and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the Performance Period without compensation to the Grantee.

Labor Law Acknowledgment. The Grantee agrees, for all legal purposes, (i) the benefits provided under the Award Agreement and the Plan are the result of commercial transactions unrelated to the Grantee's employment; (ii) the Award Agreement and the Plan are not a part of the terms and conditions of the Grantee's employment; and (iii) the income from the Award or Shares, if any, is not part of the Grantee's remuneration from employment.

Compliance with Law. By accepting the Award, the Grantee agrees to comply with all applicable Brazilian laws and agrees to report and pay any and all applicable taxes associated with the Award and the sale of the Shares and the receipt of any dividends paid on Shares acquired under the Plan.

### ***Notifications***

Exchange Control Information. If the Grantee is resident or domiciled in Brazil, the Grantee may be required to submit to the Central Bank of Brazil an annual declaration of assets and rights held outside of Brazil if the aggregate value of such assets and rights equals or exceeds an amount designated by the Bank of Brazil. Quarterly reporting is required if such amount exceeds a designated amount. Assets and rights

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that must be reported include Shares, and may include Restricted Stock Units granted under the Plan. The Grantee is responsible for complying with any applicable exchange control laws.

Tax on Financial Transactions. Repatriation of funds (such as proceeds from the sale of Shares) into Brazil and the conversion of USD into BRL associated with such a fund transfer may be subject to the Tax on Financial Transactions. The Grantee is responsible for complying with any applicable Tax on Financial Transactions resulting from the Grantee's participation in the Plan.

## **CANADA**

### ***Terms and Conditions***

Award Payable Only in Shares. The Award shall be paid in Shares only and does not provide the Grantee with any right to receive a cash payment.

Termination of Service. The following provision replaces Section 10(k) of the Award Agreement:

For purposes of the Award, the Grantee's Service shall be considered terminated as of the date that is the earliest of (i) the date on which the Grantee's Service is terminated, (ii) the date that the Grantee receives notice of termination of the Grantee's Service, or (iii) the date the Grantee is no longer actively providing Service to the Company or any Affiliate, regardless of any notice period or period of pay in lieu of such notice required under applicable employment laws in the jurisdiction where the Grantee is employed or otherwise providing Service (including, but not limited to statutory law, regulatory law and/or common law) or the terms of the Grantee's employment or other service agreement, if any. The Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing Service for purposes of the Award (including whether the Grantee may still be considered to be providing Service while on a leave of absence). Notwithstanding the foregoing, if applicable employment legislation explicitly requires continued participation in the Plan during a statutory notice period, the Grantee acknowledges that Grantee's right to participate in the Plan, if any, will terminate effective as of the last day of the Grantee's minimum statutory notice period, but the Grantee will not earn or be entitled to any pro-rated vesting if the vesting date is after the end of the Grantee's statutory notice period and the Grantee will not be entitled to any compensation for lost vesting.

*The following terms and conditions apply to employees resident in Quebec:*

Language. The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

Data Privacy. This provision supplements Section 11 of the Award Agreement:

The Grantee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant and necessary information from personnel, professional or non-professional, involved in the administration and operation of the Plan. The Grantee further authorizes the Company and any Affiliate and the Committee to disclose and discuss the Plan

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with their advisors and to record all relevant information and keep such information in the Grantee's employee file.

### **Notifications**

Securities Law Information. The Grantee is permitted to sell Shares acquired under the Plan through UBS or such other broker designated under the Plan, provided the resale of such Shares takes place outside of Canada through the facilities of a stock exchange on which the Company's Shares are listed. The Company's Shares are currently traded on the New York Stock Exchange ("NYSE") which is located outside of Canada, under the ticker symbol "ELAN", and Shares acquired under the Plan may be sold through this exchange.

Foreign Asset/Account Reporting Information. Canadian residents are required to report to the tax authorities any foreign property held outside of Canada (including Restricted Stock Units and Shares acquired under the Plan) annually on form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds the applicable limit at any time in the year. The form must be filed by April 30 of the following year. Restricted Stock Units must be reported--generally at a nil cost--if the applicable limit is exceeded because of other foreign property the Grantee holds. If Shares are acquired, their cost generally is the adjusted cost basis of the Shares. The adjusted cost basis normally would equal the fair market value of the Shares at vesting, but if the Grantee owns other Shares, this adjusted cost basis may require averaging with the adjusted cost basis of the other Shares. The Grantee should consult with the Grantee's personal tax advisor to ensure compliance with applicable reporting requirements.

## **CHILE**

### **Notifications**

Securities Law Notice. The grant of the Award constitutes a private offering in Chile effective as of the date of the Award Agreement. This offer of the Award is made subject to General Ruling N° 336 of the Chilean Commission for the Financial Market ("CMF"). This offer refers to securities not registered at the Securities Registry or at the Foreign Securities Registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the Award is not registered in Chile, the Company is not required to provide public information about the Award or Shares in Chile. Unless the Award and/or the Shares are registered with the CMF, a public offering of such securities cannot be made in Chile.

*Esta oferta de los Derechos de Acciones Restringidas constituye una oferta privada de valores en Chile se inicia en la fecha de este documento. Esta oferta de los Derechos de Acciones Restringidas se acoge a las disposiciones de la norma de Carácter General N° 336 de la Comisión para el Mercado Financiero (CMF). Esta oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la CMF, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de los Derechos de Acciones Restringidas no inscritos en Chile no existe la obligación por parte del emisor de entregar en Chile información pública respecto de los mismos. Estos Derechos de Acciones Restringidas no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el registro de valores correspondiente.*

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Exchange Control Information. Exchange control regulations in Chile may apply to the Grantee's award, and are subject to change. The Grantee should consult with the Grantee's personal legal advisor regarding any exchange control obligations that the Grantee may have in connection with the vesting of the Restricted Stock Units, cash dividends or dividend equivalent payments, or the sale of Shares acquired at vesting.

## **CHINA**

### ***Terms and Conditions***

*This provision supplements Section 2 and Section 3 of the Award Agreement:*

To facilitate compliance with any Applicable Laws or regulations in China, the Grantee agrees and acknowledges that the Company (or a brokerage firm instructed by the Company) is entitled to sell any or all Shares issued to the Grantee on or as soon as practicable after the applicable Vesting Date or other vesting event (on behalf of the Grantee and at the Grantee's direction pursuant to this authorization), either immediately after such Shares are issued to the Grantee or when the Grantee ceases Service or transfers employment to a Company entity outside of China or at such other time as the Company may determine is necessary or advisable to facilitate compliance with Applicable Laws or the administration of the Plan. The Grantee also agrees to sign any forms and/or consents that may be required by the Company and acknowledges that neither the Company nor the brokerage firm is under any obligation to arrange for such sale of the Shares at any particular price. In any event, when the Shares acquired under the Plan are sold, the proceeds of the sale of the Shares, less any Tax-Related Items and broker's fees or commissions, will be remitted to the Grantee in accordance with applicable exchange control laws and regulations.

Exchange Control Restrictions. The Grantee understands and agrees that, due to exchange control laws in China, the Grantee will be required to immediately repatriate to China any funds (e.g., proceeds from the sale of Shares) received pursuant to this Award. The Grantee further understands that such repatriation of the funds may need to be effected through a special exchange control account established by the Company or any Affiliate. The Grantee hereby consents and agrees that any funds received pursuant to this Award may be transferred to such special account prior to being delivered to the Grantee's personal account. The Grantee also understands that the Company will deliver the funds to the Grantee as soon as possible, but there may be delays in distributing the funds to the Grantee due to exchange control requirements in China. Funds may be paid to the Grantee in U.S. dollars or local currency at the Company's discretion. If the funds are paid to the Grantee in U.S. dollars, the Grantee will be required to set up a U.S. dollar bank account in China so that the funds may be deposited into this account. If the funds are paid to the Grantee in local currency, the Company is under no obligation to secure any particular exchange conversion rate and the Company may face delays in converting the funds to local currency due to exchange control restrictions. The Grantee further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Neither the Company nor any Affiliate shall be liable for any costs, fees, lost interest or dividends or other losses the Grantee may incur or suffer resulting from the enforcement of the terms of this Addendum or otherwise from the Company's operation and enforcement of the Plan, the Award Agreement and the Shares in accordance with Chinese law, including, without

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limitation, any applicable State Administration of Foreign Exchange ("SAFE") rules, regulations and requirements.

Additional Restrictions. The Award will not vest and the Shares will not be issued at vesting unless the Company determines that such vesting and the issuance and delivery of Shares complies with all relevant provisions of law. The Company is under no obligation to vest the Award and/or issue Shares if the Company's SAFE approval becomes invalid or ceases to be in effect by the time the Grantee vests in the Award.

## **COLOMBIA**

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 10 of the Award Agreement:

In accepting the Award, the Grantee acknowledges, understands and agrees that, pursuant to Article 128 of the Colombian Labor Code, the Award and any payment the Grantee receives pursuant to the Award do not constitute a component of "salary" and will not be considered as a salary nature payment for any legal purpose. Therefore, the Award and any related benefit will not be included and/or considered for purposes of calculating any labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions and/or any other labor-related amount which may be payable.

### ***Notifications***

Securities Law Information. The Shares are not and will not be registered with the Colombian registry of publicly traded securities (Registro Nacional de Valores y Emisores) and therefore the Shares may not be offered to the public in Colombia. Nothing in the Award Agreement should be construed as making a public offer of securities in Colombia.

Exchange Control Information. Investment in assets located abroad (such as Shares acquired under the Plan) does not require prior approval. However, the Grantee's investments held abroad, including Shares, must be registered with the Central Bank (Banco de la Republica), regardless of the value of such investments.

## **CZECH REPUBLIC**

### ***Notifications***

Exchange Control Information. The Czech National Bank may require the Grantee to provide notification in relation to the acquisition of Shares and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, the Grantee should consult the Grantee's personal legal advisor prior to the vesting of the Restricted Stock Units and the sale of Shares to ensure compliance with current regulations. The Grantee is responsible for complying with any applicable exchange control laws.

## **DENMARK**

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 10 of the Award Agreement:

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In accepting the Award, the Grantee acknowledges, understands and agrees that it relates to future services to be performed and is not a bonus or compensation for past services.

Stock Option Act. In addition to the Plan and the Agreement, the Grantee must review the Employer Statement (Denmark) provided under the Danish Act on the Use of Rights to Purchase or Subscribe for Shares in the Employment Relationship, as amended as of January 1, 2019 (the "Stock Option Act ") for important information applicable to the Award. This document is accessible on the UBS website at <https://onlineservices.ubs.com/wma/epas/resources>. By accepting the Award, the Grantee acknowledges that Grantee has received an Employer Statement, translated into Danish, which includes a description of the terms of the Award as required by the Danish Stock Option Act.

## **EGYPT**

### ***Notifications***

Exchange Control Information. If the Grantee transfers funds into Egypt in connection with Restricted Stock Units or Shares, the Grantee will be required to transfer the funds through a registered bank in Egypt.

## **FRANCE**

### ***Terms and Conditions***

Award Not French-Qualified. The Award is not intended to be "French-qualified," *i.e.*, it is not intended to qualify for specific tax and/or social security treatment in France.

Language Consent. In accepting the Award, the Grantee confirms having read and understood the documents relating to the Award (the Plan and the Award Agreement, including this Appendix), which were provided in English. The Grantee accepts the terms of those documents accordingly.

*Consentement Relatif à la Langue Utilisée. En acceptant cette Attribution, le Bénéficiaire confirme avoir lu et compris les documents relatifs à cette Attribution (le Plan le Contrat d'Attribution incluant cette Annexe), qui ont été remis en langue anglaise. Le Bénéficiaire accepte les termes de ces documents en conséquence.*

## **GERMANY**

### ***Notifications***

Exchange Control Information. Cross-border payments in excess of the applicable amount designated by the German Federal Bank ("*Bundesbank*") must be reported monthly to the *Bundesbank*. With respect to payments in connection with securities (including proceeds realized upon the sale of Shares or from the receipt of dividends paid on such Shares), the report must be made by the 5th day of the month following the month in which the payment was received. The report must be filed electronically. The form of report ("*Allgemeine Meldeportal Statistik*") is accessible via the *Bundesbank's* website ([www.bundesbank.de](http://www.bundesbank.de)) and is

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available in both German and English. The Grantee is responsible for complying with applicable exchange control requirements.

## **INDIA**

### **Notifications**

Exchange Control Information. The Grantee is required to repatriate the proceeds from the sale of Shares and any dividends received in relation to the Shares to India within any time frame prescribed under applicable Indian exchange control laws, as may be amended from time to time. The Grantee must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Grantee's employer requests proof of repatriation. It is the Grantee's responsibility to comply with applicable exchange control laws in India.

## **INDONESIA**

### **Terms and Conditions**

Language Consent and Notification. By accepting the Award, the Grantee (i) confirms having read and understood the documents relating to the grant (*i.e.*, the Notification of Grant, the Plan and the Award Agreement) which were provided in the English language, (ii) accepts the terms of those documents, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Persetujuan dan Pemberitahuan Bahasa. Dengan menerima pemberian Unit Saham Terbatas ini, Peserta (i) memberikan konfirmasi bahwa dirinya telah membaca dan memahami dokumen-dokumen berkaitan dengan pemberian ini (yaitu, Pemberitahuan Pemberian, Perjanjian Penghargaan dan Program) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan).

### **Notifications**

Exchange Control Information. Indonesian residents are required to provide the Indonesian central bank (Bank Indonesia) information about foreign exchange activities. If there is any change to foreign assets held (including Shares acquired under the Plan), the Grantee must report such change online through the Bank Indonesia website no later than the 15th day of the month following the month in which the foreign exchange activity occurs.

If the Grantee remits proceeds from the sale of Shares or the receipt of any dividends paid on such Shares into Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to Bank Indonesia for statistical reporting purposes. For transactions that equal or exceed the USD threshold amount, a more detailed description of the transaction must be included in the report and the Grantee may be required to provide information about the transaction to the bank to complete the transaction.

## **ITALY**

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### ***Terms and Conditions***

Plan Document Acknowledgment. In accepting the Award, the Grantee acknowledges that Grantee has received a copy of the Plan, has reviewed the Plan and the Award Agreement (including this Appendix) in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement (including this Appendix).

### ***Notifications***

Foreign Asset/Account Reporting Information. Italian residents who hold investments abroad or foreign financial assets (e.g., cash, Shares) during the fiscal year that may generate income taxable in Italy are required to report such information on their annual tax returns (UNICO form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. The same reporting obligations apply to Italian residents who, even if they do not directly hold investments abroad or foreign financial assets (e.g., cash, Shares), are beneficial owners of an investment or foreign financial asset pursuant to Italian money laundering provisions. The Grantee should consult with the Grantee's personal tax advisor to ensure compliance with applicable reporting obligations.

Tax on Foreign Financial Assets. The value of the financial assets (such as Shares) held by Italian residents outside of Italy may be subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (such as Shares) assessed at the end of the calendar year and is subject to proration for the portion of the year that the Grantee holds the Shares received at settlement. The value of financial assets held abroad must be reported in Form RM of the annual return. The Grantee should consult with the Grantee's personal tax advisor for additional information on the tax on foreign financial assets.

## **LEBANON**

### ***Terms and Conditions***

Securities Law Information. The Plan does not constitute the marketing or offering of securities in Lebanon pursuant to Law No. 161 (2011), the Capital Markets Law. Offers under the Plan are being made only to Eligible Individuals.

## **MALAYSIA**

### ***Notifications***

Director Notification Information. If the Grantee is a director of a Malaysian Affiliate, Grantee is subject to certain notification requirements under the Malaysian Companies Act, 2016. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Grantee receives or disposes of an interest (e.g., the Award, Shares) in the Company or a related company. This notification must be made within fourteen (14) days after acquiring or disposing of any interest in the Company or a related company.

## **MEXICO**

### ***Terms and Conditions***

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Acknowledgement of the Award Agreement. By accepting the Performance-Based Award, the Grantee acknowledges that Grantee has received a copy of the Plan and the Award Agreement, including this Appendix, which Grantee has reviewed. The Grantee further acknowledges that Grantee accepts all the provisions of the Plan and the Award Agreement, including this Appendix. The Grantee also acknowledges that Grantee has read and specifically and expressly approves the terms and conditions set forth in the “Grantee’s Acknowledgement” section of the Award Agreement, which clearly provide as follows:

- (1) The Grantee’s participation in the Plan does not constitute an acquired right;
- (2) The Plan and the Grantee’s participation in it are offered by the Company on a wholly discretionary basis;
- (3) The Grantee’s participation in the Plan is voluntary; and
- (4) The Company and its Affiliates are not responsible for any decrease in the value of any Shares acquired pursuant to the Performance-Based Awards.

Labor Law Acknowledgement and Policy Statement. By accepting the Award, the Grantee acknowledges that the Company, with registered offices at the Elanco Animal Health Inc. Global Headquarters, Indiana, U.S.A., is solely responsible for the administration of the Plan. The Grantee further acknowledges that Grantee’s participation in the Plan, the grant of Performance-Based Awards and any acquisition of Shares under the Plan do not constitute an employment relationship between the Grantee and the Company because the Grantee is participating in the Plan on a wholly commercial basis and Grantee’s sole employer is Elanco Salud Animal SA de CV (“Elanco-Mexico”). Based on the foregoing, the Grantee expressly acknowledges that the Plan and the benefits that Grantee may derive from participation in the Plan do not establish any rights between the Grantee and Grantee’s Employer, Elanco-Mexico, and do not form part of the employment conditions and/or benefits provided by Elanco-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Grantee’s employment.

The Grantee further understands that Grantee’s participation in the Plan is the result of a unilateral and discretionary decision of the Company and, therefore, the Company reserves the absolute right to amend and/or discontinue the Grantee’s participation in the Plan at any time, without any liability to the Grantee.

Finally, the Grantee hereby declares that Grantee does not reserve to the Grantee any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that Grantee therefore grants a full and broad release to the Company, its subsidiaries, affiliates, branches, representation offices, shareholders, officers, agents or legal representatives, with respect to any claim that may arise.

### ***Spanish Translation***

Reconocimiento del Convenio de Concesión. Al aceptar el Premio de Desempeño, el Beneficiario reconoce que ha recibido y revisado una copia del Plan y del Convenio de Concesión, incluyendo este Apéndice. El Beneficiario reconoce y acepta todas las disposiciones del Plan y del Convenio de Concesión, incluyendo este Apéndice. El Beneficiario también reconoce que ha leído y aprobado de forma expresa los términos y condiciones establecidos en la sección: “Naturaleza de la Concesión” del Convenio de Concesión, que claramente establece lo siguiente:

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- (1) La participación del Beneficiario en el Plan no constituye un derecho adquirido;
- (2) El Plan y la participación del Beneficiario en el es ofrecido por la Compañía de manera completamente discrecional;
- (3) La participación del Beneficiario en el Plan es voluntaria; y
- (4) La Compañía y sus Afiliadas no son responsables por ninguna disminución en el valor de las Acciones adquiridas de conformidad con el Premio de Desempeño.

*Reconocimiento de la legislación Laboral aplicable y Declaración de la Política. Al aceptar el Premio, el Beneficiario reconoce que Company, con domicilio social en the Elanco Animal Health Global Headquarters, , Indiana, U.S.A., es la única responsable por la administración del Plan. Además, el Beneficiario reconoce que su participación en el Plan, la concesión de Unidades de Acciones Restringidas y cualquier adquisición de Acciones bajo el Plan no constituyen una relación laboral entre el Beneficiario y Company, en virtud de que el Beneficiario está participando en el Plan en su totalidad sobre una base comercial y su único empleador es Elanco Salud Animal SA de CV ("Elanco-Mexico"). Por lo anterior, el Beneficiario expresamente reconoce que el Plan y los beneficios que puedan derivarse de su participación no establecen ningún derecho entre el Beneficiario y su empleador, Elanco-México, y que no forman parte de las condiciones de trabajo y/o beneficios otorgados por Elanco-México, y cualquier modificación del Plan o la terminación del mismo no constituirá un cambio o modificación de los términos y condiciones en el empleo del Beneficiario.*

*Además, el Beneficiario comprende que su participación en el Plan es el resultado de una decisión discrecional y unilateral de la Company, por lo que Company se reserva el derecho absoluto de modificar y/o suspender la participación del Beneficiario en el Plan en cualquier momento, sin responsabilidad frente al Beneficiario.*

*Finalmente, el Beneficiario manifiesta que no se reserva acción o derecho alguno que origine una demanda en contra de Company, por cualquier compensación o daño relacionada con las disposiciones del Plan o de los beneficios otorgados en el mismo, y en consecuencia el Beneficiario libera de la manera más amplia y total de responsabilidad a E Company, sus subsidiarias, afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales de cualquier demanda que pudiera surgir.*

#### **Notifications**

Securities Law Information. The Award and any Shares issued under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Award Agreement and any other document relating to the Award may not be publicly distributed in Mexico. These materials are addressed to the Grantee because of the Grantee's existing relationship with the Company and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities, but is a private placement of securities addressed specifically to individuals who are present service providers made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

#### **NEW ZEALAND**

##### **Terms and Conditions**

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The Grantee has been granted an award under the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan (“Plan”) and has been or will be provided with a description of the Plan and its terms and conditions separately from the Award Agreement. Copies of the Plan and the Plan prospectus are available at: <https://onlineservices.ubs.com/wma/epas/resources>. The following information is provided in compliance with an exemption under New Zealand law.

### **Notifications**

Annual Report and Financial Statements. Grantee has the right to receive from Elanco, on request and free of charge, a copy of Elanco’s latest annual report, financial statements and audit report on those financial statements. Grantee also can view or obtain copies of these documents electronically at the following website: <https://investor.elanco.com/financials/quarterly-results/default.aspx>.

Securities Law Notice. This is an offer of restricted stock units (“RSUs”). To the extent that the RSUs vest and are settled in accordance with the terms of the Plan and the Award Agreement, they will be converted into shares of Elanco common stock. The shares will give Grantee a stake in the ownership of Elanco. The Grantee may receive a return on the shares if Elanco pays dividends.

If Elanco encounters financial difficulties and is wound up, Grantee will be paid only after all creditors have been paid and may lose some or all of Grantee’s investment (if any). New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make informed decisions. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, Grantee may not be given all of the information that is usually required and will have fewer other legal protections for this investment. The Grantee should ask questions, read all documents carefully, and seek independent financial advice before committing to the Award.

The RSUs are not listed, but Elanco shares are traded on the New York Stock Exchange (“NYSE”). This means that if Grantee receives Elanco shares following the vesting of RSUs, Grantee may be able to sell the shares on the NYSE if there are interested buyers. The price will depend on the demand for the shares. For information about risk factors affecting Elanco’s business that may affect the value of the shares, please refer to the risk factors discussion in Elanco’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov) and <https://investor.elanco.com/financials/sec-filings/default.aspx>.

The Grantee may request copies of Elanco’s SEC filings free of charge by contacting Elanco. The Grantee should read the referenced materials carefully before making a decision whether to participate in the Plan and note that values generally are reported in US dollars unless otherwise specified. In addition, Grantee should consult Grantee’s tax advisor for specific information concerning Grantee’s personal tax situation with regard to Plan participation.

## **PHILIPPINES**

### **Terms and Conditions**

Compliance with Law. The following provision supplements Section 3.3(h) of the Plan:

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The Grantee acknowledges that the Grantee's participation in the Plan is subject to the Company maintaining an exemption from the registration requirements under Section 10.2 of the Philippines Securities Regulation Code. Without limitation to the foregoing, the Grantee understands and agrees that the issuance and delivery of Shares pursuant to the Award will be subject to the availability of such exemption and the determination that the issuance of the Shares can be made in compliance with applicable laws, and that the Company alternatively may settle the Award in cash, in its sole discretion.

### ***Notifications***

Securities Law Notice. The risks of participating in the Plan include (without limitation) the risk of fluctuation in the price of the Shares on the New York Stock Exchange and the risk of currency fluctuations between the U.S. Dollar and Grantee's local currency. The value of any Shares the Grantee may acquire under the Plan may decrease below the value of the Shares at vesting and fluctuations in foreign exchange rates between the Grantee's local currency and the U.S. Dollar may affect the value of any amounts due to Grantee pursuant to the subsequent sale of any Shares acquired upon vesting. The Company is not making any representations, projections or assurances about the value of the Shares now or in the future.

For further information on risk factors impacting the Company's business that may affect the value of the Shares, Grantee may refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov), as well as on the Company's "Investor Relations" website at <https://investor.elanco.com/home/default.aspx>.

The Grantee is permitted to sell Shares acquired under the Plan through the designated Plan broker appointed by the Company (or such other broker to whom the Grantee transfers Shares), provided that such sale takes place outside of the Philippines through the facilities of the New York Stock Exchange on which the Shares are listed.

## **POLAND**

### ***Notifications***

Exchange Control Information. If the Grantee holds foreign securities (including Shares) and maintains accounts abroad, the Grantee may be required to file certain reports with the National Bank of Poland regarding transactions and balances of foreign accounts. The Grantee also may be required to handle funds transfers into or out of Poland through a bank in Poland. Polish residents are required to retain all documents related to foreign exchange transactions for a period of five years. The Grantee is responsible for complying with applicable exchange control requirements.

## **PORTUGAL**

### ***Terms and Conditions***

Language Acknowledgement. The Grantee hereby expressly declares that Grantee has full knowledge of the English language and has read, understood and freely accepted and agreed with the terms and conditions established in the Plan and the Award Agreement.

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*Conhecimento da Língua.* O Contratado, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo de Atribuição (Award Agreement em inglês).

### **Notifications**

Exchange Control Information. If the Grantee is a resident of Portugal and receives Shares, the acquisition of such Shares should be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report to the Banco de Portugal. If the Shares are not deposited with a commercial bank, broker or financial intermediary in Portugal, the Grantee is responsible for submitting the report to the Banco de Portugal.

## **RUSSIA**

### **Terms and Conditions**

U.S. Transaction. The Grantee understands that accepting the Award and the terms and conditions of the Award Agreement will result in a contract between the Grantee and the Company completed in the United States and that the Award Agreement is governed by U.S. law. The Grantee understands and acknowledges that any Shares issued under the Plan shall be delivered to the Grantee through a brokerage account maintained outside Russia. The Grantee understands that the Grantee may hold Shares in a brokerage account outside Russia; however, in no event will Shares issued to the Grantee and/or share certificates or other instruments be delivered to the Grantee in Russia. The Grantee acknowledges and agrees that the Grantee is not permitted to sell or otherwise transfer the Shares directly to other Russian legal entities or individuals. Finally, the Grantee acknowledges and agrees that the Grantee may sell or otherwise transfer the Shares only outside Russia.

### **Notifications**

Securities Law Information. This Appendix, the Award Agreement, the Plan and all other materials that the Grantee may receive regarding the Plan, do not constitute advertising or an offering of securities in Russia. The issuance of securities pursuant to the Plan has not and will not be registered in Russia; hence, the securities described in any Plan-related documents may not be used for offering or public circulation in Russia.

Exchange Control Information. Under exchange control regulations in Russia, certain funds received outside of Russia must be repatriated to Russia as soon as the Grantee intends to use those amounts for any purpose, including reinvestment. Such funds must initially be credited to the Grantee through a foreign currency account at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws.

The above-mentioned repatriation requirement may not apply with respect to cash amounts received in an account considered by the Central Bank of Russia to be a foreign brokerage account opened with a financial market institution other than a bank. Statutory exceptions to the repatriation requirement also may apply.

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**Anti-Corruption Information.** Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (such as shares of foreign companies such as the Company). The Grantee should inform the Company if the Grantee is covered by these laws because the Grantee should not hold Shares under the Plan.

## **SLOVENIA**

### ***Terms and Conditions***

**Language Acknowledgment.** By accepting the Award, the Grantee acknowledges that the Grantee is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Notification of Grant, the Award Agreement and the Plan), which were provided in the English language. The Grantee accepts the terms of those documents accordingly.

**Soglasje za Uporabo Angleškega Jezika.** S sprejetjem dodelitve RSU Udeleženec (Participant) priznava in potrjuje, da je sposoben brati in razumeti angleški jezik ter v celoti razume pogoje dokumentov, povezanih z dodelitvijo (Obvestilo (Notice of Grant), pogodba (Award Agreement) in Načrt (Plan)), ki so bili posredovani v angleškem jeziku. Udeleženec skladno s tem sprejema pogoje teh dokumentov.

## **SOUTH AFRICA**

### ***Terms and Conditions***

**Securities Law Information.** In compliance with South African securities law, the Grantee acknowledges that Grantee has been notified that the following documents listed below are available for the Grantee's review at the applicable website listed below:

- (1) The Company's most recent annual financial statement, available at: <https://investor.elanco.com/financials/quarterly-results/default.aspx>.
- (2) The Company's most recent Information Summary/Prospectus, which is viewable within the Recordkeeping Information Document Library on UBS Financial Services Inc. at: <https://onlineservices.ubs.com/wma/epas/resources>.

The Grantee acknowledges that Grantee may have a copy of the above documents sent to the Grantee, without fee, on written request to the Secretary of the Company at the Elanco Animal Health Global Headquarters, Indiana, U.S.A.

**Responsibility for Taxes.** This provision supplements Section 8 of the Award Agreement: The Grantee should contact the Grantee's tax advisor for specific information concerning the Grantee's personal tax situation with regard to Plan participation.

**Exchange Control Information.** By accepting the Award, the Grantee acknowledges that the Grantee is solely responsible for complying with applicable South African exchange control regulations. Because the exchange control regulations change frequently and without notice, the Grantee should consult the Grantee's legal advisor prior to the acquisition or sale of Shares acquired under the Plan to ensure compliance with current regulations. It is the Grantee's responsibility to comply with South African exchange control laws, and neither the Company nor

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any Employer or Affiliate will be liable for any fines or penalties resulting from the Grantee's failure to comply with applicable laws.

## **SPAIN**

### ***Terms and Conditions***

Vesting. This provision supplements Section 2 of the Award Agreement:

As a condition of the grant of the Award, termination of the Grantee's Service for any reason (including for the reasons listed below but excluding for the reasons specified in Section 3(c) or (d) of the Award Agreement) will automatically result in the forfeiture and loss of the Award and the underlying Shares to the extent that the Award has not yet vested as of the date of termination of the Grantee's Service. In particular, and without limitation to the provisions of the Award Agreement and the Plan, the Grantee understands and agrees that the Award will be cancelled without entitlement to the underlying Shares or to any amount as indemnification if the Grantee terminates employment by reason of, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause (unless such layoff falls within the meaning of a plant closing or reduction in workforce as described in Section 3(c)), material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985. The Grantee acknowledges that Grantee has read and specifically accepts the vesting conditions referred to in Section 2 of the Award Agreement.

Grantee's Acknowledgement. This provision supplements Section 10 of the Award Agreement:

The Grantee understands that the Company has unilaterally, gratuitously and discretionally decided to grant Performance-Based Awards under the Plan to individuals who may be Employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis except to the extent otherwise provided in the Plan and this Award Agreement. Consequently, the Grantee understands that the Performance-Based Awards are granted on the assumption and condition that the Performance-Based Awards and any Shares acquired pursuant to the Performance-Based Awards shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Grantee understands that this grant would not be made to the Grantee but for the assumptions and conditions referred to above; thus, the Grantee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of Performance-Based Awards may be cancelled.

### ***Notifications***

Securities Law Information. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the Award. The Award Agreement has not nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

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Exchange Control Information. The Grantee is responsible for complying with the exchange control regulations in Spain. The Grantee must declare the acquisition of Shares for statistical purposes to the Spanish *Dirección General de Comercio e Inversiones* (the “DGCI”) of the Ministry of Economy and Competitiveness. Generally, such declaration must be filed on a D-6 form in January for Shares owned as of December 31 of each year, subject to earlier filing (within one month after the date of acquisition or sale, as applicable) if the value of the Shares or the sale proceeds exceeds the specified value threshold.

When receiving foreign currency payments in excess of the applicable value limit derived from the ownership of Shares (such as from the sale of Shares or the receipt of dividends), the Grantee must inform the financial institution receiving the payment of the basis upon which such payment is made. The Grantee may be required to provide the institution with the following information: (i) the Grantee’s name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any additional information that may be required. The Grantee is required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the Shares held in such accounts, if the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed the specified value threshold.

Foreign Asset/Account Reporting Information. To the extent that the Grantee holds rights or assets (e.g. Shares and/or bank accounts) outside Spain with a value in excess of the specified value threshold (for each type of right or asset) as of December 31, the Grantee will be required to report information on such rights and assets on his or her tax return (form 720) for such year. After such Shares and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported Shares or accounts increases by more than the specified amount or if the Grantee sells or otherwise disposes of any previously-reported Shares or accounts. The Grantee should consult with the Grantee’s personal tax advisor to ensure compliance with applicable reporting requirements.

## **SWEDEN**

### ***Terms and Conditions***

Withholding Authorization. This provision supplements Section 8 of the Award Agreement:

Without limiting the Company’s and the Employer’s authority to satisfy withholding obligations for Tax-Related Items as set forth in Section 8 of the Award Agreement, by accepting the grant of the Restricted Stock Units, the Grantee authorizes the Company and/or the Employer to withhold Shares or to sell Shares otherwise deliverable to the Grantee at vesting to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer is obligated to withhold such Tax-Related Items.

## **SWITZERLAND**

### ***Notifications***

Securities Law Information. The grant of the Performance-Based Awards and the issuance of Shares is not intended to be publicly offered in or from Switzerland. Because this is a private offering in Switzerland, the Performance-Based Awards are not subject to registration in

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Switzerland. Neither this Award Agreement nor any other materials relating to the Performance-Based Awards (i) constitute a prospectus according to articles 35 et seq. of the Swiss Federation Act on Financial Services, (ii) may be publicly distributed or otherwise made publicly available in Switzerland, or (iii) have been or will be filed with, approved or supervised by any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority ("FINMA").

## **TAIWAN**

### ***Notifications***

Securities Law Information. The offer of participation in the Plan is available only for Employees of the Company and its Affiliates. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. The Grantee may acquire and remit foreign currency (including proceeds from the Shares and dividends paid on such Shares) into and out of Taiwan up to the specified USD limit per year. If the transaction amount is equal to or greater than the specified TWD limit in a single transaction, the Grantee must submit a Foreign Exchange Transaction Form and provide supporting documentation satisfactory to the remitting bank.

## **THAILAND**

### ***Notifications***

Exchange Control Information. The Grantee may be required to immediately repatriate and report the remittance of the proceeds from the sale of Shares or the receipt of dividends to Thailand if the proceeds realized in a single transaction exceed a value determined from time to time by the Bank of Thailand. The Grantee is responsible for complying with applicable exchange control requirements.

## **TURKEY**

### ***Notifications***

Securities Law Information. Under Turkish law, the Grantee is not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange in the United States of America, under the ticker symbol of "ELAN" and Shares acquired under the Plan may be sold through this exchange.

Financial Intermediary Information. Activity related to investments in foreign securities (such as the sale of Shares acquired under the Plan) must be conducted through a bank or financial intermediary institution licensed by the Turkish Capital Markets Board and should be reported to the Turkish Capital Markets Board. The Grantee is responsible for complying with these requirements and should contact the Grantee's personal legal advisor for information regarding the Grantee's obligations.

## **UNITED KINGDOM**

### ***Terms and Conditions***

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Settlement. Section 5(e) of the Award Agreement shall not apply to Performance-Based Awards granted in the United Kingdom.

Responsibility for Taxes. This provision supplements Section 8 of the Award Agreement:

Without limitation to Section 8 of the Award Agreement, the Grantee agrees that Grantee is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company and/or the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Grantee also agrees to indemnify and keep indemnified the Company and/or the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Grantee's behalf.

Notwithstanding the foregoing, if the Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the foregoing provision will not apply. In this case, the amount of any Tax-Related Items not collected from or paid by the Grantee may constitute a benefit to the Grantee on which additional income tax and National Insurance contributions ("NICs") may be payable. The Grantee understands that Grantee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company and/or the Employer (as appropriate) the amount of any employee NICs due on this additional benefit. Grantee acknowledges that the Company and/or the Employer (as appropriate) may recover such additional NICs at any time thereafter by any of the means referred to in Section 8 of the Award Agreement.

Joint Election. As a condition of Grantee's participation in the Plan and vesting of the Performance-Based Awards, the Grantee agrees to accept any liability for secondary Class 1 national insurance contributions which may be payable by the Company and/or the Employer in connection with the Performance-Based Awards and any event giving rise to Tax-Related Items (the "Employer NICs"). Without prejudice to the foregoing, by accepting this Award, the Grantee is entering into a joint election with the Company or the Employer if Grantee has not already done so, the form of such joint election being formally approved by HMRC (the "Joint Election"), a copy of which is attached to this Appendix for the United Kingdom as Annex 1, and any other required consent or election. The Grantee further agrees to execute such other joint elections as may be required between him or her and any successor to the Company and/or the Employer. The Grantee further agrees that the Company and/or the Employer may collect the Employer NICs from him or her by any of the means set forth in Section 8 of the Award Agreement.

**Annex 1 to Appendix for United Kingdom**

**Important Note on the Joint Election for Transfer of Liability for Employer National Insurance Contributions to the Grantee:**

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As a condition of the Grantee's participation in the Amended and Restated Elanco Animal Health Incorporated 2018 Stock Plan, as amended from time to time (the "Plan"), the Grantee is required to enter into a joint election to transfer to the Grantee any liability for employer National Insurance contributions (the "Employer NICs") that may arise in connection with the Performance-Based Award (the "Award") and in connection with future awards, if any, that may be granted to the Grantee under the Plan (the "Joint Election").

By entering into the Joint Election:

- the Grantee agrees that any liability for Employer NICs that may arise in connection with or pursuant to the vesting of the Award and the acquisition of shares of common stock of Elanco Animal Health Inc. (the "Company") or other taxable events in connection with the Award will be transferred to the Grantee; and
- the Grantee authorizes the Company and/or the Grantee's employer to recover an amount sufficient to cover this liability by any method set forth in the Award Agreement and/or the Joint Election.

*To enter into the Joint Election and to accept the Award, please select the button next to "Accept" where indicated on the Pending Acceptance screen. Please note that selecting the button next to "Accept" indicates the Grantee's agreement to be bound by all of the terms of the Joint Election.*

*Please note that even if the Grantee has indicated Grantee's acceptance of this Joint Election electronically, the Grantee may still be required to sign a paper copy of this Joint Election (or a substantially similar form) if the Company determines such is necessary to give effect to the Joint Election.*

**Please read the terms of the Joint Election carefully before accepting the Award Agreement and the Joint Election. The Grantee should print and keep a copy of this Joint Election for Grantee's records.**

**United Kingdom**

**Joint Election for Transfer of Liability for Employer National Insurance Contributions to Employee**

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## Election To Transfer the Employer's National Insurance Liability to the Employee

This Election is between:

- A. The individual who has obtained authorised access to this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**") and who is eligible to receive performance based awards (the "**Performance-Based Award**") pursuant to the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan (the "**Plan**"), and
- B. Elanco Animal Health Inc., an Indiana corporation, with registered offices in Indiana, U.S.A. (the "**Company**"), which may grant Performance-Based Awards under the Plan and is entering into this Election on behalf of the Employer.

### 1. Introduction

1.1 This Election relates to all Performance-Based Awards granted to the Employee under the Plan up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

- a. "**Chargeable Event**" means any event giving rise to Relevant Employment Income.
- b. "**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.
- c. "**Relevant Employment Income**" from Performance-Based Awards on which Employer's National Insurance Contributions becomes due is defined as:

(i) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);

(ii) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or

(iii) any gain that is treated as remuneration derived from the earner's employment by virtue of section 4(4)(a) SSCBA, including without limitation:

- (A) The acquisition of securities pursuant to the Performance-Based Awards (within the meaning of section 477(3)(a) of ITEPA);
  - (B) the assignment (if applicable) or release of the Performance-Based Awards in return for consideration (within the meaning of section 477(3)(b) of ITEPA);
  - (C) the receipt of a benefit in connection with the Performance-Based Awards, other than a benefit within (i) or (ii) above (within the meaning of section 477(3)(c) of ITEPA).
-

d. "SSCBA" means the Social Security Contributions and Benefits Act 1992.

1.3 This Election relates to the Employer's secondary Class 1 National Insurance Contributions (the "Employer's Liability") which may arise in respect of Relevant Employment Income in respect of the Performance-Based Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.

1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

## **2. The Election**

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability that arises on any Relevant Employment Income is hereby transferred to the Employee. The Employee understands that, by accepting the Performance-Based Award (whether in hard copy or electronically) or by accepting this Election (whether in hard copy or electronically), Grantee will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

## **3. Payment of the Employer's Liability**

3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability in respect of any Relevant Employment Income from the Employee at any time after the Chargeable Event:

- (a) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
  - (b) directly from the Employee by payment in cash or cleared funds; and/or
  - (c) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Performance-Based Awards, the proceeds from which must be delivered to the Employer in sufficient time for payment to be made to Her Majesty's Revenue & Customs ("HMRC") by the due date; and/or
  - (d) where the proceeds of the gain are to be paid through a third party, the Employee will authorize that party to withhold an amount from the payment or to sell some of the securities which the Employee is entitled to receive in respect of the Performance-Based Awards, such amount to be paid in sufficient time to enable the Company and/or the Employer to make payment to HMRC by the due date; and/or
  - (e) by any other means specified in the applicable Performance-Based Award agreement entered into between the Employee and the Company.
-

3.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Performance-Based Awards until full payment of the Employer's Liability is received.

3.3 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HMRC on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs if payments are made electronically).

#### **4. Duration of Election**

4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.

4.2 Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Performance-Based Awards in circumstances where section 483 of ITEPA applies.

4.3 This Election will continue in effect until the earliest of the following:

- (a) the date on which the Employee and the Company agree in writing that it should cease to have effect;
- (b) the date on which the Company serves written notice on the Employee terminating its effect;
- (c) the date on which HMRC withdraws approval of this Election; or
- (d) the date on which, after due payment of the Employer's Liability in respect of the entirety of the Performance-Based Awards to which this Election relates or could relate, the Election ceases to have effect in accordance with its own terms.

4.4 This Election will continue in force regardless of whether the Employee ceases to be an employee of the Employer.

#### **Acceptance by the Employee**

**The Employee acknowledges that, by clicking on the button next to "Accept" to accept the Performance-Based Awards Agreement and this Election (or by signing the Performance-Based Awards Agreement or this Election whether in hard copy or electronically), the Employee agrees to be bound by the terms of this Election.**

#### **Acceptance by the Company**

**The Company acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.**

---

Signature for and on behalf of the Company

Position

**Schedule of Employer Companies**

The employing companies to which this Election relates include:

Name:	Elanco UK AH Limited
Registered Office:	Form 2, Bartley Way Bartley Wood Business Park, Hook RG27 9XA
Company Registration Number:	11378434

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Corporation Tax Reference:	4312717782
PAYE Reference:	475/FB88335

# Elanco Animal Health Incorporated Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award is granted on \_\_\_\_\_, 2025 (“Grant Date”) by Elanco Animal Health Incorporated, an Indiana corporation (“Elanco” or the “Company”), to the Eligible Individual who has received this Restricted Stock Unit Award Agreement (the “Grantee”).

**Number of Shares:** **Log into UBS account at**  
**<https://onlineservices.ubs.com/wma/epas/resources>**

**Grantee:**

**Vesting Date(s):** **33% on March 1, 2026**  
**33% on March 1, 2027**  
**34% on March 1, 2028**

(except as otherwise provided in this  
Restricted Stock Unit Award Agreement)

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## Section 1. Grant of Restricted Stock Units

Elanco, an Indiana corporation (“Elanco” or the “Company”), has granted to the Eligible Individual who has received this Restricted Stock Unit Award Agreement (the “Grantee”) an award of restricted stock units (the “Restricted Stock Units” or the “Award”) with respect to the number of shares of Elanco Common Stock (the “Shares”) referenced on the first page of this document, pursuant to and subject to the terms and conditions set forth in the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan (the “Plan”) and to the terms and conditions set forth in this Restricted Stock Unit Award Agreement, including any appendices, exhibits and addenda hereto (the “Award Agreement”). Unless otherwise stated in the Plan where the terms in this Award Agreement may govern in the event of any conflict between the terms of the Plan and this Award Agreement, in the event of any such conflict, the terms of the Plan shall otherwise govern.

Any capitalized terms used but not defined in this Award Agreement shall have the meanings set forth in the Plan.

## Section 2. Vesting

- a. The Award shall vest as to all or a portion of the Award at the close of business in Indiana, U.S.A. on the earliest of the following dates (each, a “Vesting Date”):
  - i. the scheduled Vesting Date(s) set forth on the first page of this document;
  - ii. the date of the Grantee’s Service termination due to the Grantee’s death;
  - iii. the date of the Grantee’s Service termination due to a Qualifying Termination, as defined below; or
  - iv. the date of the Grantee’s Service termination due to the Grantee’s Retirement, as defined below.
- b. In the event the Grantee’s Service is terminated due to the Grantee’s death, any unvested portion of the Award will accelerate and vest in full on the date of the Grantee’s Service termination due to death.
- c. In the event the Grantee’s Service is terminated due to a Qualifying Termination for a reason other than death, a pro-rata portion of the Award tranche eligible to vest on the next scheduled Vesting Date will accelerate and vest on the date of the Grantee’s Service termination due to the Qualifying Termination based on the ratio of (x) the number of full or partial months worked by the Grantee from the *later* of the Grant Date *or* the most recent scheduled Vesting Date prior to the Service termination date to (y) the total number of months from (1) the *later* of the Grant Date *or* the most recent scheduled Vesting Date prior to the Service termination date to (2) the next scheduled Vesting Date set forth on the first page of this document.
- d. In the event the Grantee’s Service is terminated due to Retirement, a pro-rata portion of the Award tranche eligible to vest on the next scheduled Vesting Date will accelerate and vest on the date of the Grantee’s Service termination due to Retirement based on the ratio of (x) the number of full or partial months worked by the Grantee from the *later* of the Grant Date *or* the most recent scheduled Vesting

Date prior to the Service termination date to (y) the total number of months from (1) the *later* of the Grant Date or the most recent scheduled Vesting Date prior to the Service termination date to (2) the next scheduled Vesting Date set forth on the first page of this document.

“Retirement” for purposes of this Award Agreement means the Grantee has either (A) reached age sixty (60) and completed five (5) years of Service with the Company or an Affiliate, including any years of Service with Eli Lilly & Company (“Lilly”) prior to the Company’s spin-off from Lilly (unless otherwise prescribed under Applicable Laws), or (B) completed thirty (30) years of Service with the Company or an Affiliate, including any years of Service with Lilly prior to the Company’s spin-off from Lilly (unless otherwise prescribed under Applicable Laws). The Committee, in its sole discretion, shall determine whether and when a Retirement has occurred.

- e. For purposes of this Award Agreement, a “Qualifying Termination” means any one of the following:
- i. the date the Grantee’s Service is terminated due to the Grantee’s death;
  - ii. the date the Grantee’s Service is terminated by reason of Disability;
  - iii. the date the Grantee’s Service is terminated due to a closing of a plant site or other corporate location;
  - iv. the date the Grantee’s Service is terminated due to the elimination of a work group, functional or business unit or other broadly applicable reduction in job positions; or
  - v. the date the Grantee’s Service is terminated due to the elimination of the Grantee’s job position.

The Committee, in its sole discretion, shall determine whether and when a Qualifying Termination has occurred and/or if a leave of absence or transfer of employment between the Company and an Affiliate or between Affiliates constitutes a termination of Service. Such determination shall be final and binding on the Grantee.

- f. Any portion of the Award that does not vest pursuant to Section 2(a), 2(b), 2(c) or 2(d) shall be forfeited upon the Grantee’s termination of Service. Further, in the event the Grantee’s Service is terminated prior to a Vesting Date for any reason or in any circumstance other than those specified in Section 2(a), 2(b), 2(c) or 2(d) above, any unvested portion of the Award shall be forfeited.

### **Section 3. Change in Control**

The provisions of Section 13.2 of the Plan apply to this Award with the following modifications:

- a. The only Change in Control event that shall result in a benefit under this Section 3 shall be the consummation of a merger, share exchange, or consolidation of the Company, as defined in Section 2.6(c) of the Plan (a “Transaction”).

- b. In the event that the Award is not converted, assumed, substituted, continued or replaced by a successor or surviving corporation, or a parent or subsidiary thereof, in connection with a Transaction, then immediately prior to the Transaction, the Award shall vest automatically in full.
- c. In the event that the Award is converted, assumed, substituted, continued or replaced by a successor or surviving corporation, or a parent or subsidiary thereof, in connection with a Transaction and the Grantee is subject to a Covered Termination (as defined below) prior to any applicable Vesting Date, the Award shall vest automatically in full.

For purposes of this provision, "Covered Termination" shall mean a Qualifying Termination, Grantee's termination without Cause or the Grantee's resignation for Good Reason. "Cause" and "Good Reason" shall have the meanings ascribed to them in the Elanco Animal Health, Inc. 2018 Change in Control Severance Pay Plan for Employees or the Elanco Animal Health, Inc. 2018 Change in Control Severance Pay Plan for Select Employees (both as amended from time to time) or any successor plan or arrangement thereto, as applicable.

- d. If the Grantee is entitled to receive stock of the acquiring entity or successor to the Company as a result of the application of this Section 3, then references to Shares in this Award Agreement shall be read to mean stock of the successor or surviving corporation, or a parent or subsidiary thereof, as and when applicable.

#### **Section 4. Settlement**

- a. Except as provided below, the Award shall be paid to the Grantee as soon as practicable, and in no event later than seventy-five (75) days, following the applicable Vesting Date, or, if earlier, a vesting event contemplated under Section 3 above.
- b. If the Award is considered an item of non-qualified deferred compensation subject to Section 409A of the Code ("NQ Deferred Compensation") and the settlement date or period is determined by reference to the date of the termination of the Grantee's Service, (i) the Award shall not be paid unless and until the Grantee experiences a "separation from service" within the meaning of Section 409A of the Code (a "Section 409A Separation") and (ii) if the Grantee is a "specified employee" within the meaning of Section 409A of the Code as of the date of the Grantee's Section 409A Separation, the vested portion of the Award shall instead be paid on the earliest of (1) the Vesting Dates set forth in Section 2(a)(i) with respect to the portion of the Award that was scheduled to vest on such Vesting Dates, (2) the first day following the six (6) month anniversary of the Grantee's Section 409A Separation, (3) the date of a Section 409A CIC (as defined below), and (4) the date of the Grantee's death. If the Award is considered NQ Deferred Compensation and the vesting event is a Transaction that does not constitute a "change in control event" within the meaning of Section 409A of the Code (a "Section 409A CIC"), the Award shall instead be settled on the earliest of (A) the Vesting Dates set forth in Section 2(a)(i) with respect to the portion of the Award that was scheduled to vest on such Vesting Dates, (B) the date of a Section 409A CIC, and (C) the date of the Grantee's death.

- c. At the time of settlement provided in this Section 4, the Company shall issue or transfer Shares or the cash equivalent, as contemplated under Section 4(d) below, to the Grantee. In the event the Grantee is entitled to a fractional Share, the fraction may be paid in cash or rounded, in the Committee's discretion.
- d. At any time prior to the applicable Vesting Date or until the Award is paid in accordance with this Section 4, the Committee may, if it so elects, determine to pay part or all of the Award in cash in lieu of issuing or transferring Shares. The amount of cash shall be based on the Fair Market Value of the Shares on the applicable Vesting Date.
- e. In the event of the death of the Grantee, the payments described above shall be made to the successor of the Grantee.

**Section 5. Rights of the Grantee**

- a. No Shareholder Rights. The Restricted Stock Units do not entitle the Grantee to any rights of a shareholder of the Company until such time as the Restricted Stock Units vest and Shares are issued or transferred to the Grantee.
- b. No Trust; Grantee's Rights Unsecured. Neither this Award Agreement nor any action in accordance with this Award Agreement shall be construed to create a trust of any kind. The right of the Grantee to receive payments of cash or Shares pursuant to this Award Agreement shall be an unsecured claim against the general assets of the Company.

**Section 6. Prohibition Against Transfer**

The right of a Grantee to receive payments of Shares and/or cash under this Award may not be transferred except to a duly appointed guardian of the estate of the Grantee or to a successor of the Grantee by will or the applicable laws of descent and distribution and then only subject to the provisions of this Award Agreement. A Grantee may not assign, sell, pledge, or otherwise transfer Shares or cash to which Grantee may be entitled hereunder prior to transfer or payment thereof to the Grantee, and any such attempted assignment, sale, pledge or transfer shall be void.

**Section 7. Responsibility for Taxes**

- a. Regardless of any action the Company and/or the Grantee's employer (the "Employer") takes with respect to any or all income tax (including federal, state, local and non-U.S. tax), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the Restricted Stock Units, the vesting of the Restricted Stock Units and the lapse of restrictions, the transfer and issuance of any Shares, the receipt of any cash payment pursuant to the Award, the receipt of any dividends and the sale of any Shares acquired pursuant to this Award; and (ii) do not commit

to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Grantee becomes subject to Tax-Related Items in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

- b. Prior to the applicable taxable or tax withholding event, as applicable, the Grantee shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.
- c. If the Restricted Stock Units are paid to the Grantee in cash in lieu of Shares, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any obligation for Tax-Related Items by withholding from the cash amount paid to the Grantee pursuant to the Award or from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer.
- d. If the Restricted Stock Units are paid to the Grantee in Shares and the Grantee is not subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to (i) withhold from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer, (ii) arrange for the sale of Shares to be issued upon settlement of the Award (on the Grantee's behalf and at the Grantee's direction pursuant to this authorization or such other authorization as the Grantee may be required to provide to the Company or its designated broker in order for such sale to be effectuated) and withhold from the proceeds of such sale, and/or (iii) withhold in Shares otherwise issuable to the Grantee pursuant to this Award.
- e. If the Restricted Stock Units are paid to the Grantee in Shares and the Grantee is subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Company will withhold in Shares otherwise issuable to the Grantee pursuant to this Award, unless the use of such withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, in which case the withholding obligation for Tax-Related Items may be satisfied by one or a combination of the methods set forth in Section 7(d)(i) and (ii) above.
- f. Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Grantee may receive a refund of any over-withheld amount in cash as soon as practicable and without interest and will not be entitled to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding Shares, for tax purposes, the Grantee will be deemed to have been issued the full number of Shares to which Grantee is entitled pursuant to this Award, notwithstanding that a number of Shares are withheld to satisfy the obligation for Tax-Related Items.

- g. The Company may require the Grantee to pay the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of any aspect of this Award that cannot be satisfied by the means previously described. The Company may refuse to deliver Shares or any cash payment to the Grantee if the Grantee fails to comply with the Grantee's obligation in connection with the Tax-Related Items as described in this Section 7.

#### **Section 8. Section 409A Compliance**

To the extent applicable, it is intended that this Award comply with the requirements of Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance issued thereunder ("Section 409A") and this Award shall be interpreted and applied by the Committee in a manner consistent with this intent in order to avoid the imposition of any additional tax under Section 409A.

#### **Section 9. Nature of Grant**

In accepting the grant, Grantee acknowledges, understands and agrees that:

- a. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;
- b. the Award is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu thereof, even if Restricted Stock Units have been granted in the past;
- c. all decisions with respect to future awards of Restricted Stock Units or other awards, if any, will be at the sole discretion of the Committee;
- d. the Grantee's participation in the Plan is voluntary;
- e. the Award and any Shares subject to the Award are not intended to replace any pension rights or compensation;
- f. the Award and any Shares subject to the Award, and the income from and value of same, are not part of normal or expected compensation for any purpose, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, holiday pay, leave pay, pension or welfare or retirement benefits or similar mandatory payments;
- g. unless otherwise agreed with the Company, the Award and any Shares subject to the Award, and the income and value of same, are not granted as consideration for, or in connection with, the service the Grantee may provide as a director of an Affiliate;
- h. neither the Award nor any provision of this Award Agreement, the Plan or the policies adopted pursuant to the Plan, confer upon the Grantee any right with respect to employment or continuation of current employment, and in the event that

the Grantee is not an employee of the Company or any Affiliate of the Company, the Award shall not be interpreted to form an employment contract or relationship with the Company or any Affiliate;

- i. the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;
- j. no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the Grantee ceasing to provide employment or other services to the Company or the Employer (for any reason whatsoever, whether or not later found to be invalid or in breach of local labor laws in the jurisdiction where the Grantee is employed or the terms of Grantee's employment agreement, if any);
- k. for purposes of the Award, the Grantee's employment will be considered terminated as of the date Grantee is no longer actively providing services to the Company, an Employer or an Affiliate, and the Grantee's right, if any, to vest in and be paid any portion of the Award after such termination of employment or services (regardless of the reason for such termination and whether or not such termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any) will be measured by the date the Grantee ceases to actively provide services and will not be extended by any notice period (e.g., active service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing services for purposes of the Award (including whether the Grantee may still be considered to be actively providing services while on a leave of absence);
- l. unless otherwise provided in the Plan or by the Committee in its discretion, the Award and the benefits evidenced by this Award Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and
- m. none of the Company, the Employer or any Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the Award or any amounts due to the Grantee pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.

#### **Section 10. Data Privacy**

- a. *Data Collection and Usage.* The Company and the Employer may collect, process and use certain personal information about the Grantee, and persons closely associated with the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or

directorships held in the Company, details of all Restricted Stock Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor ("Data"), for the purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Grantee's consent. Where required under Applicable Laws, Data may also be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made and the legal basis, where required, for such disclosure is the Applicable Laws.

- b. Stock Plan Administration Service Providers. The Company transfers Data to UBS Financial Services Inc. and/or its affiliated companies ("UBS"), an independent service provider, which is assisting the Company with the implementation, administration and management of the Plan. The Company requires UBS to enter into a written agreement obligating UBS to maintain a level of data protection and security standards that are comparable to those implemented by the Company. In the future, the Company may select a different service provider and share Data with such other provider serving in a similar manner. The Grantee may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.
- c. International Data Transfers. The Company and its service providers are based in the United States. The Grantee's country or jurisdiction may have different data privacy laws and protections than the United States. The Company will nevertheless take steps to ensure an adequate level of protection and compliance with Applicable Laws irrespective of where the information is accessible or stored. The Company's legal basis, where required, for the transfer of Data is the Grantee's consent.
- d. Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.
- e. Data Subject Rights. The Grantee understands that data subject rights regarding the processing of Data vary depending on Applicable Law and that, depending on where the Grantee is based and subject to the conditions set out in such Applicable Law, the Grantee may have rights that include, but are not limited to, the right to (i) inquire whether and what kind of Data the Company holds about the Grantee and how it is processed, and to access or request copies of such Data, (ii) request the correction or supplementation of Data about the Grantee that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Data no longer necessary for the purposes underlying the processing, (iv) request the Company to restrict the processing of the Grantee's Data in certain situations where the Grantee feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Data for legitimate interests, and (vi) request portability of the Grantee's Data that the Grantee has actively or passively provided to the Company or the Employer (which does not include data derived or inferred from the collected data), where the processing of such Data is based on consent or the Grantee's employment and is

carried out by automated means. These rights may be subject to exceptions, limitations, or additional conditions under Applicable Law. In case of concerns, the Grantee understands that Grantee may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, the Grantee's rights, the Grantee understands that Grantee should contact [privacy@elancoah.com](mailto:privacy@elancoah.com) or Grantee's local human resources representative.

- f. Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Grantee is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke the Grantee's consent, the Grantee's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant this Award or other awards to the Grantee or administer or maintain such awards.
- g. Declaration of Consent. By accepting the Award and indicating consent via the Company's online acceptance procedure, the Grantee is declaring that Grantee agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.

#### **Section 11. Additional Terms and Conditions**

- a. Country-Specific Conditions. The Award shall be subject to any special terms and conditions set forth in any Appendix to this Award Agreement for the Grantee's country. Moreover, if the Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Award Agreement.
- b. Insider Trading / Market Abuse Laws. The Grantee may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including but not limited to the United States and the Grantee's country of residence, which may affect the Grantee's ability to directly or indirectly, for the Grantee or for a third party, acquire or sell, or attempt to sell, or otherwise dispose of Shares or rights to acquire Shares (e.g., Restricted Stock Units) under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as determined under the laws or regulations in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is Grantee's responsibility to comply with any applicable restrictions, and the Grantee should consult with Grantee's personal legal advisor on this matter.
- c. Imposition of Other Requirements; Clawback/Recovery. The Company reserves the right to impose other requirements on the Award and any Shares acquired

under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to execute any additional agreements or undertakings that may be necessary to accomplish the foregoing. Without limitation to the foregoing, the Grantee agrees that the Restricted Stock Unit Award and any benefits or proceeds the Grantee may receive hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required to comply with any requirements imposed under Applicable Laws, or pursuant to any clawback or compensation recovery policy of the Company.

- d. Non-Competition. This Section 11(d) shall apply only if the Grantee is an executive officer of the Company (as defined in Rule 3b-7 under the Exchange Act) and experiences a Qualifying Termination or Retirement that affects this Award.
- i. The Grantee understands the global nature of the Company's businesses and the effort the Company undertakes to develop and protect its business, goodwill, confidential information and competitive advantage. Accordingly, the Grantee recognizes and agrees that the scope and duration of the restrictions described in this provision are reasonable and necessary to protect the legitimate business interests of the Company. All payments and benefits to the Grantee under this Agreement are conditioned expressly on the Grantee's compliance with the provisions of this Section 11(d). During the Grantee's employment with the Company and for a period of one (1) year following the Grantee's termination of employment for any reason, the Grantee shall not:
- A. singly, jointly, or in any other capacity, in a manner that contributes to any research, design, development, strategy, marketing, promotion, or sales, or that relates to the Grantee's employment with the Company, directly or beneficially engage in, manage, join, participate in the management, operation or control of, or work for (as an employee, a consultant or an independent contractor), or permit the use of the Grantee's name by, or provide financial or other assistance to, any person or entity operating in the animal health industry that provides products or services that are the same or substantially similar to those provided by the Company or any Affiliate (a "Competitor"), provided that the foregoing shall not limit the Grantee from providing services or assistance to a subsidiary or affiliate of a Competitor in a situation in which the Grantee provides no services or assistance whatsoever to the subsidiary or affiliate that is a Competitor without the express written approval of the Chairman of the Board; or
- B. provide any service or assistance to a Competitor (1) that is of the general type of service or assistance provided by the Grantee to the Company or any Affiliate, (2) that relates to any animal health work with which the Grantee was involved during the Grantee's employment, or (3) in which there is a reasonable possibility that the Grantee may, intentionally or inadvertently, use or rely upon the Company's or an Affiliate's secret or confidential information.

Nothing in this Section 11(d) prohibits the Grantee from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and the Grantee is not a controlling person of, or a member of a group that controls, such corporation.

This provision does not in any way restrict or impede the Grantee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Grantee shall promptly provide written notice of any such order to the Company's CEO.

- ii. If the Grantee breaches or threatens to breach the obligations described in this Section 11(d), the Company or its successors in interest shall have, in addition to all other remedies at law, the right to an injunction (without posting of bond to the extent legally permitted), specific performance, and other equitable relief to prevent violations of the Grantee's obligations under this Section 11(d) (including but not limited to the ability to cease and/or recoup payments and benefits provided under this Agreement). In the event that the Grantee is found to have breached any provision set forth in this Section 11(d), the applicable time period shall be deemed tolled for so long as the Grantee was in violation of that provision.
- iii. If a court of competent jurisdiction declares that any term or provision of this Section 11(d) is invalid or unenforceable, the Company and the Grantee intend that (A) the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, (B) the Company and the Grantee shall request that the court exercise that power, and (C) the Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed.

## **Section 12. Miscellaneous Provisions**

- a. Notices and Electronic Delivery and Participation. Any notice to be given by the Grantee or successor Grantee shall be in writing, and any notice or payment shall be deemed to have been given or made only upon receipt thereof by the Corporate Secretary of the Company at the Elanco Animal Health Global Headquarters, Indiana, U.S.A. Any notice or communication by the Company in writing shall be deemed to have been given in the case of the Grantee if mailed or delivered to the Grantee at any address specified in writing to the Company by the Grantee and, in the case of any successor Grantee, at the address specified in writing to the Company by the successor Grantee. In addition, the Company may, in its sole

discretion, decide to deliver any documents related to the Award and participation in the Plan by electronic means or request the Grantee's consent to participate in the Plan by electronic means. By accepting this Award, the Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

- b. Language. Grantee acknowledges that Grantee is proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Grantee to understand the terms and conditions of this Award Agreement. If the Grantee has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
- c. Waiver. The waiver by the Company of any provision of this Award Agreement at any time or for any purpose shall not operate as or be construed to be a waiver of that provision or any other provision of this Award Agreement at any subsequent time or for any other purpose.
- d. Severability and Section Headings. If one or more of the provisions of this Award Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Award Agreement to be construed so as to foster the intent of this Award Agreement and the Plan. The section headings in this Award Agreement are for convenience of reference only and shall not be deemed a part of, or germane to, the interpretation or construction of this instrument.
- e. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares. The Grantee should consult with Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

### **Section 13. Governing Law and Venue**

The validity and construction of this Award Agreement shall be governed by the laws of the State of Indiana, U.S.A. without regard to laws that might cause other law to govern under applicable principles of conflict of laws. For purposes of litigating any dispute that arises under this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Indiana, and agree that such litigation shall be conducted in the courts of Marion County, Indiana, or the federal courts for the United States for the Southern District of Indiana, and no other courts, where this Award is granted and/or to be performed.

**Section 14. Award Subject to Acknowledgement of Acceptance**

Notwithstanding any provisions of this Award Agreement, the Award is subject to acknowledgement of acceptance by the Grantee on or prior to 4:00 PM (EDT) on the 60th day after the Grant Date, through the website of UBS, the Company's stock plan administrator. If the Grantee does not acknowledge acceptance of the Award prior to 4:00 PM (EDT) on or prior to the 60th day after the Grant Date, the Award will be cancelled, subject to the Committee's discretion for unforeseen circumstances, provided, however, if the Grantee's Service is terminated due to a Qualifying Termination prior to the 60th day after the Grant Date, the Award will not be cancelled and will be deemed accepted on behalf of the Grantee or the Grantee's legal successor.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed in Greenfield, Indiana, by its proper officer.

ELANCO ANIMAL HEALTH INCORPORATED

/s/ Jeffrey N. Simmons  
Jeffrey N. Simmons  
President, Chief Executive Officer and Director

*Appendix to*

**Elanco Animal Health Incorporated  
Restricted Stock Unit Award Agreement**

This Appendix includes special terms and conditions applicable to the Grantee's country. These terms and conditions supplement or replace (as indicated) the terms and conditions set forth in the Award Agreement to which it is attached. If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or if the Grantee transfers employment or residency to a different country after the Award is granted, Elanco will, in its discretion, determine the extent to which the terms and conditions herein will apply. This Appendix also includes other information relevant to the Award.

Unless otherwise defined herein, the terms defined in the Plan or the Award Agreement, as applicable, shall have the same meanings in this Appendix.

There are no special terms and conditions or information for the following countries: Austria, Ireland, Japan, Korea, Netherlands and Norway.

However, the Grantee should be aware that Grantee may be required to take certain steps to comply with Applicable Laws in the Grantee's country in connection with the Award. For example, exchange control, foreign asset and/or account and/or other tax reporting obligations may apply to the Grantee upon receipt of the Award or the Shares subject to the Award or upon the sale of Shares. *For more information regarding such obligations, the Grantee should refer to the Employee Information Supplement for the Grantee's country, if any. The Grantee should also consult with Grantee's own personal tax and legal advisors to determine what, if any, obligations exist with respect to the Award and/or the acquisition or sale of Shares. Neither the Company nor the Employer is responsible for any failure on the part of the Grantee to be aware of or comply with Applicable Laws.*

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## **ARGENTINA**

### ***Notifications***

Securities Law Information. The Award and the Shares to be issued pursuant to the Award are offered as a private transaction and are not listed on any stock exchange in Argentina. This offering is not subject to a prospectus requirement in Argentina.

Exchange Control Information. Exchange control regulations in Argentina are subject to frequent change. The Grantee is solely responsible for complying with any applicable exchange control rules and should consult with Grantee's personal legal advisor prior to remitting proceeds from the sale of Shares or cash dividends paid on Shares.

## **AUSTRALIA**

### ***Terms and Conditions***

Securities Law Information. Additional details regarding the offer of the Award are set out in the Australian Offer Document, a copy of which is attached to this Appendix for Australia as Annex 1.

Breach of Law. Notwithstanding anything to the contrary in the Award Agreement or the Plan, the Grantee will not be entitled to, and shall not claim, any benefit (including without limitation a legal right) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the *Corporations Act 2001*, any other provision of that act, or any other applicable statute, rule or regulation that limits or restricts the provision of such benefit.

### ***Notifications***

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding the specified AUD threshold and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on behalf of the Grantee.

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Ctch) applies (subject to the conditions in that act).

## **Annex 1 to Appendix for Australia**

### AUSTRALIA - OFFER DOCUMENT

#### ELANCO ANIMAL HEALTH INCORPORATED

#### RESTRICTED STOCK UNIT AWARD AGREEMENT

The Company is providing the Grantee an offer to participate in the Plan. This offer sets out information regarding the grant of Restricted Stock Unit Awards to Australian resident employees of the Company and its Affiliates. This information is provided by the Company to ensure compliance of the Plan with Australian Securities and Investments Commission ("ASIC") Class Order 14/1000 and relevant provisions of the *Corporations Act 2001*.

In addition to the information set out in the Award Agreement, the Grantee is also being provided with copies of the following documents (collectively, the "Additional Documents"):

1. Notification regarding Award;
2. Plan;
3. Information Summary/Prospectus; and
4. Employee Information Supplement for Australia

The Additional Documents provide further information to help the Grantee make an informed investment decision about participating in the Plan. Neither the Plan nor the Information Summary/Prospectus is a prospectus for purposes of the *Corporations Act 2001*.

The Grantee should not rely upon any oral statements made in relation to this offer. The Grantee should rely only upon the statements contained in the Award Agreement and the Additional Documents when considering participation in the Plan.

#### **Securities Law Notification**

Investment in Shares involves a degree of risk. Grantees who elect to participate in the Plan should monitor their participation and consider all risk factors relevant to the acquisition of Shares under the Plan as set out in the Award Agreement and the Additional Documents.

The information contained in this offer is general information only. It is not advice or information that takes into account the Grantee's objectives, financial situation and needs.

The Grantee should consider obtaining Grantee's own financial product advice from an independent person who is licensed by ASIC to give advice about participation in the Plan.

#### **Additional Risk Factors for Australian Residents**

The Grantee should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of Common Stock. For example, the price at which the Common Stock is traded on the New York Stock Exchange may increase or decrease due to a number of factors. There is no guarantee that the price of the Common Stock will increase. Factors which may affect the price of Common Stock include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

For information about factors that could affect Elanco's business and financial results, refer to the risk factors discussion in Elanco's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov) and <https://investor.elanco.com/financials/sec-filings/default.aspx>, and upon request to the Company.

In addition, the Grantee should be aware that the Australian dollar value of any Shares acquired pursuant to the Award will be affected by the U.S. dollar/Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

### **Common Stock**

Common stock of a U.S. corporation is analogous to ordinary shares of an Australian corporation. Each holder of the Common Stock is entitled to one vote for each Share held.

Dividends may be paid on the Common Stock out of any funds of the Company legally available for dividends at the discretion of the Board.

The Common Stock is traded on the New York Stock Exchange in the United States of America under the symbol "ELAN."

The Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

### **Ascertaining the Market Price of Shares**

The Grantee may ascertain the current market price of the Common Stock as traded on the New York Stock Exchange at <http://www.nyse.com/> under the symbol "ELAN." The Australian dollar equivalent of that price can be obtained at: <https://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

*This is not a prediction of what the market price of the Common Stock will be on any applicable vesting date or when Shares are issued to the Grantee or at any other time or of the applicable exchange rate at such time.*

## **BELGIUM**

### **Notifications**

Stock Exchange Tax. A stock exchange tax applies to transactions executed by Belgian residents through a non-Belgian financial intermediary. The stock exchange tax likely applies when Shares are sold. The Grantee should consult with the Grantee's personal tax advisor to determine the Grantee's obligations with respect to the stock exchange tax.

Asset and Account Reporting. Belgian residents are required to report on their annual tax return any security (e.g., Shares acquired under the Plan) or bank account established outside of Belgium. Belgian residents also are required to provide to the National Bank of Belgium details of any foreign securities or bank accounts (including the account number, bank name and country in which such account was opened). The report (and instructions for completing it) is available on the National Bank of Belgium website, [www.nbb.be](http://www.nbb.be), through the *Kredietcentrales/ Centrales des crédits* link.

The Grantee should consult with the Grantee's personal advisor to ensure compliance with applicable reporting obligations.

Annual Securities Account Tax Information. An annual securities account tax may apply if the total value of securities held in a Belgian or foreign securities account exceeds a specified amount on four reference dates within the relevant reporting period (i.e., December 31, March 31, June 30 and September 30). In that case, the tax will be due on the value of the qualifying securities held in such account. The Grantee should consult with the Grantee's professional tax or financial advisor for more information regarding the Grantee's annual securities accounts tax payment obligations.

## **BRAZIL**

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 9 of the Award Agreement:

By accepting the Award, the Grantee agrees that (i) Grantee is making an investment decision, (ii) the Shares will be issued to the Grantee only if the vesting conditions are met and any necessary Services are rendered between the Grant Date and each applicable Vesting Date, and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Grantee.

Labor Law Acknowledgment. The Grantee agrees, for all legal purposes, (i) the benefits provided under the Award Agreement and the Plan are the result of commercial transactions unrelated to the Grantee's employment; (ii) the Award Agreement and the Plan are not a part of the terms and conditions of the Grantee's employment; and (iii) the income from the Award or Shares, if any, is not part of the Grantee's remuneration from employment.

Compliance with Law. By accepting the Award, the Grantee agrees to comply with all applicable Brazilian laws and agrees to report and pay any and all applicable taxes associated with the Award and the sale of the Shares and the receipt of any dividends paid on Shares acquired under the Plan.

### ***Notifications***

Exchange Control Information. If the Grantee is resident or domiciled in Brazil, the Grantee may be required to submit to the Central Bank of Brazil an annual declaration of assets and rights held outside of Brazil if the aggregate value of such assets and rights equals or exceeds an amount designated by the Bank of Brazil. Quarterly reporting is required if such amount exceeds a designated amount. Assets and rights that must be reported include Shares, and may include Restricted Stock Units granted under the Plan. The Grantee is responsible for complying with any applicable exchange control laws.

Tax on Financial Transactions. Repatriation of funds (such as proceeds from the sale of Shares) into Brazil and the conversion of USD into BRL associated with such a fund transfer may be subject to the Tax on Financial Transactions. The Grantee is responsible for complying with any applicable Tax on Financial Transactions resulting from the Grantee's participation in the Plan.

## CANADA

### **Terms and Conditions**

Award Payable Only in Shares. The Award shall be paid in Shares only and does not provide the Grantee with any right to receive a cash payment.

Termination of Service. The following provision replaces Section 9(k) of the Award Agreement:

For purposes of the Award, the Grantee's Service shall be considered terminated as of the date that is the earliest of (i) the date on which the Grantee's Service is terminated, (ii) the date that the Grantee receives notice of termination of the Grantee's Service, or (iii) the date the Grantee is no longer actively providing Service to the Company or any Affiliate, regardless of any notice period or period of pay in lieu of such notice required under applicable employment laws in the jurisdiction where the Grantee is employed or otherwise providing Service (including, but not limited to statutory law, regulatory law and/or common law) or the terms of the Grantee's employment or other service agreement, if any. The Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing Service for purposes of the Award (including whether the Grantee may still be considered to be providing Service while on a leave of absence). Notwithstanding the foregoing, if applicable employment legislation explicitly requires continued participation in the Plan during a statutory notice period, the Grantee acknowledges that Grantee's right to participate in the Plan, if any, will terminate effective as of the last day of the Grantee's minimum statutory notice period, but the Grantee will not earn or be entitled to any pro-rated vesting if the vesting date is after the end of the Grantee's statutory notice period and the Grantee will not be entitled to any compensation for lost vesting.

*The following terms and conditions apply to employees resident in Quebec:*

Language. The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

Data Privacy. This provision supplements Section 10 of the Award Agreement:

The Grantee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant and necessary information from personnel, professional or non-professional, involved in the administration and operation of the Plan. The Grantee further authorizes the Company and any Affiliate and the Committee to disclose and discuss the Plan with their advisors and to record all relevant information and keep such information in the Grantee's employee file.

### **Notifications**

Securities Law Information. The Grantee is permitted to sell Shares acquired under the Plan through UBS or such other broker designated under the Plan, provided the resale of such Shares takes place outside of Canada through the facilities of a stock exchange on which the Company's Shares are listed. The Company's Shares are currently traded on the New York Stock Exchange

("NYSE") which is located outside of Canada, under the ticker symbol "ELAN", and Shares acquired under the Plan may be sold through this exchange.

**Foreign Asset/Account Reporting Information.** Canadian residents are required to report to the tax authorities any foreign property held outside of Canada (including Restricted Stock Units and Shares acquired under the Plan) annually on form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds the applicable limit at any time in the year. The form must be filed by April 30 of the following year. Restricted Stock Units must be reported – generally at a nil cost – if the applicable limit is exceeded because of other foreign property the Grantee holds. If Shares are acquired, their cost generally is the adjusted cost basis of the Shares. The adjusted cost basis normally would equal the fair market value of the Shares at vesting, but if the Grantee owns other Shares, this adjusted cost basis may require averaging with the adjusted cost basis of the other Shares. The Grantee should consult with the Grantee's personal tax advisor to ensure compliance with applicable reporting requirements.

## **CHILE**

### **Notifications**

**Securities Law Notice.** The grant of the Award constitutes a private offering in Chile effective as of the date of the Award Agreement. This offer of the Award is made subject to General Ruling N° 336 of the Chilean Commission for the Financial Market ("CMF"). This offer refers to securities not registered at the Securities Registry or at the Foreign Securities Registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the Award is not registered in Chile, the Company is not required to provide public information about the Award or Shares in Chile. Unless the Award and/or the Shares are registered with the CMF, a public offering of such securities cannot be made in Chile.

*Esta oferta de los Derechos de Acciones Restringidas constituye una oferta privada de valores en Chile se inicia en la fecha de este documento. Esta oferta de los Derechos de Acciones Restringidas se acoge a las disposiciones de la norma de Carácter General N° 336 de la Comisión para el Mercado Financiero (CMF). Esta oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la CMF, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de los Derechos de Acciones Restringidas no inscritos en Chile no existe la obligación por parte del emisor de entregar en Chile información pública respecto de los mismos. Estos Derechos de Acciones Restringidas no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el registro de valores correspondiente.*

**Exchange Control Information.** Exchange control regulations in Chile may apply to the Grantee's award, and are subject to change. The Grantee should consult with the Grantee's personal legal advisor regarding any exchange control obligations that the Grantee may have in connection with the vesting of the Restricted Stock Units, cash dividends or dividend equivalent payments, or the sale of Shares acquired at vesting.

## **CHINA**

### **Terms and Conditions**

*This provision supplements Section 2 of the Award Agreement.*

To facilitate compliance with any Applicable Laws or regulations in China, the Grantee agrees and acknowledges that the Company (or a brokerage firm instructed by the Company) is entitled to sell any or all Shares issued to the Grantee on or as soon as practicable after the applicable Vesting Date or other vesting event (on behalf of the Grantee and at the Grantee's direction pursuant to this authorization), either immediately after such Shares are issued to the Grantee or when the Grantee ceases Service or transfers employment to a Company entity outside of China or at such other time as the Company may determine is necessary or advisable to facilitate compliance with Applicable Laws or the administration of the Plan. The Grantee also agrees to sign any forms and/or consents that may be required by the Company and acknowledges that neither the Company nor the brokerage firm is under any obligation to arrange for such sale of the Shares at any particular price. In any event, when the Shares acquired under the Plan are sold, the proceeds of the sale of the Shares, less any Tax-Related Items and broker's fees or commissions, will be remitted to the Grantee in accordance with applicable exchange control laws and regulations.

Exchange Control Restrictions. The Grantee understands and agrees that, due to exchange control laws in China, the Grantee will be required to immediately repatriate to China any funds (e.g., proceeds from the sale of Shares) received pursuant to this Award. The Grantee further understands that such repatriation of the funds may need to be effected through a special exchange control account established by the Company or any Affiliate. The Grantee hereby consents and agrees that any funds received pursuant to this Award may be transferred to such special account prior to being delivered to the Grantee's personal account. The Grantee also understands that the Company will deliver the funds to the Grantee as soon as possible, but there may be delays in distributing the funds to the Grantee due to exchange control requirements in China. Funds may be paid to the Grantee in U.S. dollars or local currency at the Company's discretion. If the funds are paid to the Grantee in U.S. dollars, the Grantee will be required to set up a U.S. dollar bank account in China so that the funds may be deposited into this account. If the funds are paid to the Grantee in local currency, the Company is under no obligation to secure any particular exchange conversion rate and the Company may face delays in converting the funds to local currency due to exchange control restrictions. The Grantee further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Neither the Company nor any Affiliate shall be liable for any costs, fees, lost interest or dividends or other losses the Grantee may incur or suffer resulting from the enforcement of the terms of this Addendum or otherwise from the Company's operation and enforcement of the Plan, the Award Agreement and the Shares in accordance with Chinese law, including, without limitation, any applicable State Administration of Foreign Exchange ("SAFE") rules, regulations and requirements.

Additional Restrictions. The Award will not vest and the Shares will not be issued at vesting unless the Company determines that such vesting and the issuance and delivery of Shares complies with all relevant provisions of law. The Company is under no obligation to vest the Award and/or issue Shares if the Company's SAFE approval becomes invalid or ceases to be in effect by the time the Grantee vests in the Award.

## COLOMBIA

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 9 of the Award Agreement:

In accepting the Award, the Grantee acknowledges, understands and agrees that, pursuant to Article 128 of the Colombian Labor Code, the Award and any payment the Grantee receives pursuant to the Award do not constitute a component of “salary” and will not be considered as a salary nature payment for any legal purpose. Therefore, the Award and any related benefit will not be included and/or considered for purposes of calculating any labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions and/or any other labor-related amount which may be payable.

### ***Notifications***

Securities Law Information. The Shares are not and will not be registered with the Colombian registry of publicly traded securities (Registro Nacional de Valores y Emisores) and therefore the Shares may not be offered to the public in Colombia. Nothing in the Award Agreement should be construed as making a public offer of securities in Colombia.

Exchange Control Information. Investment in assets located abroad (such as Shares acquired under the Plan) does not require prior approval. However, the Grantee’s investments held abroad, including Shares, must be registered with the Central Bank (Banco de la Republica), regardless of the value of such investments.

## CZECH REPUBLIC

### ***Notifications***

Exchange Control Information. The Czech National Bank may require the Grantee to provide notification in relation to the acquisition of Shares and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, the Grantee should consult the Grantee’s personal legal advisor prior to the vesting of the Restricted Stock Units and the sale of Shares to ensure compliance with current regulations. The Grantee is responsible for complying with any applicable exchange control laws.

## DENMARK

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 9 of the Award Agreement:

In accepting the Award, the Grantee acknowledges, understands and agrees that it relates to future services to be performed and is not a bonus or compensation for past services.

Stock Option Act. In addition to the Plan and the Agreement, the Grantee must review the Employer Statement (Denmark) provided under the Danish Act on the Use of Rights to Purchase or Subscribe for Shares in the Employment Relationship, as amended as of January 1, 2019 (the “Stock Option Act”) for important information applicable to the Award. This document is accessible on the UBS website at <https://onlineservices.ubs.com/wma/epas/resources>. By accepting the

Award, the Grantee acknowledges that Grantee has received an Employer Statement, translated into Danish, which includes a description of the terms of the Award as required by the Danish Stock Option Act.

## **EGYPT**

### **Notifications**

Exchange Control Information. If the Grantee transfers funds into Egypt in connection with Restricted Stock Units or Shares, the Grantee will be required to transfer the funds through a registered bank in Egypt.

## **FRANCE**

### **Terms and Conditions**

Award Not French-Qualified. The Award is not intended to be "French-qualified," *i.e.*, it is not intended to qualify for specific tax and/or social security treatment in France.

Language Consent. In accepting the Award, the Grantee confirms having read and understood the documents relating to the Award (the Plan and the Award Agreement, including this Appendix), which were provided in English. The Grantee accepts the terms of those documents accordingly.

*Consentement Relatif à la Langue Utilisée. En acceptant cette Attribution, le Bénéficiaire confirme avoir lu et compris les documents relatifs à cette Attribution (le Plan le Contrat d'Attribution incluant cette Annexe), qui ont été remis en langue anglaise. Le Bénéficiaire accepte les termes de ces documents en conséquence.*

## **GERMANY**

### **Notifications**

Exchange Control Information. Cross-border payments in excess of the applicable amount designated by the German Federal Bank ("*Bundesbank*") must be reported monthly to the *Bundesbank*. With respect to payments in connection with securities (including proceeds realized upon the sale of Shares or from the receipt of dividends paid on such Shares), the report must be made by the 5th day of the month following the month in which the payment was received. The report must be filed electronically. The form of report ("*Allgemeine Meldeportal Statistik*") is accessible via the *Bundesbank's* website ([www.bundesbank.de](http://www.bundesbank.de)) and is available in both German and English. The Grantee is responsible for complying with applicable exchange control requirements.

## **INDIA**

### **Notifications**

Exchange Control Information. The Grantee is required to repatriate the proceeds from the sale of Shares and any dividends received in relation to the Shares to India within any time frame prescribed under applicable Indian exchange control laws, as may be amended from time to time. The Grantee must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Grantee's

employer requests proof of repatriation. It is the Grantee's responsibility to comply with applicable exchange control laws in India.

## **INDONESIA**

### **Terms and Conditions**

Language Consent and Notification. By accepting the Award, the Grantee (i) confirms having read and understood the documents relating to the grant (*i.e.*, the Notification of Grant, the Plan and the Award Agreement) which were provided in the English language, (ii) accepts the terms of those documents, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Persetujuan dan Pemberitahuan Bahasa. Dengan menerima pemberian Unit Saham Terbatas ini, Peserta (i) memberikan konfirmasi bahwa dirinya telah membaca dan memahami dokumen-dokumen berkaitan dengan pemberian ini (yaitu, Pemberitahuan Pemberian, Perjanjian Penghargaan dan Program) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan).

### **Notifications**

Exchange Control Information. Indonesian residents are required to provide the Indonesian central bank (Bank Indonesia) information about foreign exchange activities. If there is any change to foreign assets held (including Shares acquired under the Plan), the Grantee must report such change online through the Bank Indonesia website no later than the 15th day of the month following the month in which the foreign exchange activity occurs.

If the Grantee remits proceeds from the sale of Shares or the receipt of any dividends paid on such Shares into Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to Bank Indonesia for statistical reporting purposes. For transactions that equal or exceed the USD threshold amount, a more detailed description of the transaction must be included in the report and the Grantee may be required to provide information about the transaction to the bank to complete the transaction.

## **ITALY**

### **Terms and Conditions**

Plan Document Acknowledgment. In accepting the Award, the Grantee acknowledges that Grantee has received a copy of the Plan, has reviewed the Plan and the Award Agreement (including this Appendix) in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement (including this Appendix).

### **Notifications**

Foreign Asset/Account Reporting Information. Italian residents who hold investments abroad or foreign financial assets (e.g., cash, Shares) during the fiscal year that may generate income taxable

in Italy are required to report such information on their annual tax returns (UNICO form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. The same reporting obligations apply to Italian residents who, even if they do not directly hold investments abroad or foreign financial assets (e.g., cash, Shares), are beneficial owners of an investment or foreign financial asset pursuant to Italian money laundering provisions. The Grantee should consult with the Grantee's personal tax advisor to ensure compliance with applicable reporting obligations.

Tax on Foreign Financial Assets. The value of the financial assets (such as Shares) held by Italian residents outside of Italy may be subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (such as Shares) assessed at the end of the calendar year and is subject to proration for the portion of the year that the Grantee holds the Shares received at settlement. The value of financial assets held abroad must be reported in Form RM of the annual return. The Grantee should consult with the Grantee's personal tax advisor for additional information on the tax on foreign financial assets.

## **LEBANON**

### ***Terms and Conditions***

Securities Law Information. The Plan does not constitute the marketing or offering of securities in Lebanon pursuant to Law No. 161 (2011), the Capital Markets Law. Offers under the Plan are being made only to Eligible Individuals.

## **MALAYSIA**

### ***Notifications***

Director Notification Information. If the Grantee is a director of a Malaysian Affiliate, Grantee is subject to certain notification requirements under the Malaysian Companies Act, 2016. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Grantee receives or disposes of an interest (e.g., the Award or Shares) in the Company or a related company. This notification must be made within fourteen (14) days after acquiring or disposing of any interest in the Company or a related company.

## **MEXICO**

### ***Terms and Conditions***

Acknowledgement of the Award Agreement. By accepting the Restricted Stock Unit Award, the Grantee acknowledges that Grantee has received a copy of the Plan and the Award Agreement, including this Appendix, which Grantee has reviewed. The Grantee further acknowledges that Grantee accepts all the provisions of the Plan and the Award Agreement, including this Appendix. The Grantee also acknowledges that Grantee has read and specifically and expressly approves the terms and conditions set forth in the "Grantee's Acknowledgement" section of the Award Agreement, which clearly provide as follows:

- (1) The Grantee's participation in the Plan does not constitute an acquired right;
- (2) The Plan and the Grantee's participation in it are offered by the Company on a wholly discretionary basis;

- (3) The Grantee's participation in the Plan is voluntary; and
- (4) The Company and its Affiliates are not responsible for any decrease in the value of any Shares acquired pursuant to the Restricted Stock Unit Awards.

Labor Law Acknowledgement and Policy Statement. By accepting the Award, the Grantee acknowledges that the Company, with registered offices at the Elanco Animal Health Inc. Global Headquarters, Indiana, U.S.A., is solely responsible for the administration of the Plan. The Grantee further acknowledges that Grantee's participation in the Plan, the grant of Restricted Stock Unit Awards and any acquisition of Shares under the Plan do not constitute an employment relationship between the Grantee and the Company because the Grantee is participating in the Plan on a wholly commercial basis and Grantee's sole employer is Elanco Salud Animal SA de CV ("Elanco-Mexico"). Based on the foregoing, the Grantee expressly acknowledges that the Plan and the benefits that Grantee may derive from participation in the Plan do not establish any rights between the Grantee and Grantee's Employer, Elanco-Mexico, and do not form part of the employment conditions and/or benefits provided by Elanco-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Grantee's employment.

The Grantee further understands that Grantee's participation in the Plan is the result of a unilateral and discretionary decision of the Company and, therefore, the Company reserves the absolute right to amend and/or discontinue the Grantee's participation in the Plan at any time, without any liability to the Grantee.

Finally, the Grantee hereby declares that Grantee does not reserve to the Grantee any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that Grantee therefore grants a full and broad release to the Company, its subsidiaries, affiliates, branches, representation offices, shareholders, officers, agents or legal representatives, with respect to any claim that may arise.

#### **Spanish Translation**

Reconocimiento del Convenio de Concesión. *Al aceptar el Premio de Desempeño, el Beneficiario reconoce que ha recibido y revisado una copia del Plan y del Convenio de Concesión, incluyendo este Apéndice. El Beneficiario reconoce y acepta todas las disposiciones del Plan y del Convenio de Concesión, incluyendo este Apéndice. El Beneficiario también reconoce que ha leído y aprobado de forma expresa los términos y condiciones establecidos en la sección: "Naturaleza de la Concesión" del Convenio de Concesión, que claramente establece lo siguiente:*

- (1) *La participación del Beneficiario en el Plan no constituye un derecho adquirido;*
- (2) *El Plan y la participación del Beneficiario en el es ofrecido por la Compañía de manera completamente discrecional;*
- (3) *La participación del Beneficiario en el Plan es voluntaria; y*
- (4) *La Compañía y sus Afiliadas no son responsables por ninguna disminución en el valor de las Acciones adquiridas de conformidad con el Premio de Desempeño.*

Reconocimiento de la legislación Laboral aplicable y Declaración de la Política. *Al aceptar el Premio, el Beneficiario reconoce que Company, con domicilio social en the Elanco Animal Health*

*Global Headquarters, Indiana, U.S.A., es la única responsable por la administración del Plan. Además, el Beneficiario reconoce que su participación en el Plan, la concesión de Unidades de Acciones Restringidas y cualquier adquisición de Acciones bajo el Plan no constituyen una relación laboral entre el Beneficiario y Company, en virtud de que el Beneficiario está participando en el Plan en su totalidad sobre una base comercial y su único empleador es Elanco Salud Animal SA de CV ("Elanco-Mexico"). Por lo anterior, el Beneficiario expresamente reconoce que el Plan y los beneficios que puedan derivarse de su participación no establecen ningún derecho entre el Beneficiario y su empleador, Elanco-México, y que no forman parte de las condiciones de trabajo y/o beneficios otorgados por Elanco-México, y cualquier modificación del Plan o la terminación del mismo no constituirá un cambio o modificación de los términos y condiciones en el empleo del Beneficiario.*

*Además, el Beneficiario comprende que su participación en el Plan es el resultado de una decisión discrecional y unilateral de la Company, por lo que Company se reserva el derecho absoluto de modificar y/o suspender la participación del Beneficiario en el Plan en cualquier momento, sin responsabilidad frente al Beneficiario.*

*Finalmente, el Beneficiario manifiesta que no se reserva acción o derecho alguno que origine una demanda en contra de Company, por cualquier compensación o daño relacionada con las disposiciones del Plan o de los beneficios otorgados en el mismo, y en consecuencia el Beneficiario libera de la manera más amplia y total de responsabilidad a E Company, sus subsidiarias, afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales de cualquier demanda que pudiera surgir.*

### **Notifications**

**Securities Law Information.** The Award and any Shares issued under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Award Agreement and any other document relating to the Award may not be publicly distributed in Mexico. These materials are addressed to the Grantee because of the Grantee's existing relationship with the Company and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities, but is a private placement of securities addressed specifically to individuals who are present service providers made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

### **NEW ZEALAND**

#### **Terms and Conditions**

The Grantee has been granted an award under the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan ("Plan") and has been or will be provided with a description of the Plan and its terms and conditions separately from the Award Agreement. Copies of the Plan and the Plan prospectus are available at: <https://onlineservices.ubs.com/wma/epas/resources>. The following information is provided in compliance with an exemption under New Zealand law.

#### **Notifications**

**Annual Report and Financial Statements.** Grantee has the right to receive from Elanco, on request and free of charge, a copy of Elanco's latest annual report, financial statements and audit report on

those financial statements. The Grantee also can view or obtain copies of these documents electronically at the following website: <https://investor.elanco.com/financials/quarterly-results/default.aspx>.

**Securities Law Notice.** This is an offer of restricted stock units ("RSUs"). To the extent that the RSUs vest and are settled in accordance with the terms of the Plan and the Award Agreement, they will be converted into shares of Elanco common stock. The shares will give Grantee a stake in the ownership of Elanco. The Grantee may receive a return on the shares if Elanco pays dividends.

If Elanco encounters financial difficulties and is wound up, Grantee will be paid only after all creditors have been paid and may lose some or all of Grantee's investment (if any). New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make informed decisions. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, Grantee may not be given all of the information that is usually required and will have fewer other legal protections for this investment. The Grantee should ask questions, read all documents carefully, and seek independent financial advice before committing to the Award.

The RSUs are not listed, but Elanco shares are traded on the New York Stock Exchange ("NYSE"). This means that if Grantee receives Elanco shares following the vesting of RSUs, Grantee may be able to sell the shares on the NYSE if there are interested buyers. The price will depend on the demand for the shares. For information about risk factors affecting Elanco's business that may affect the value of the shares, please refer to the risk factors discussion in Elanco's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov) and <https://investor.elanco.com/financials/sec-filings/default.aspx>.

The Grantee may request copies of Elanco's SEC filings free of charge by contacting Elanco. The Grantee should read the referenced materials carefully before making a decision whether to participate in the Plan and note that values generally are reported in US dollars unless otherwise specified. In addition, Grantee should consult Grantee's tax advisor for specific information concerning Grantee's personal tax situation with regard to Plan participation.

## **PHILIPPINES**

### ***Terms and Conditions***

**Compliance with Law.** The following provision supplements Section 3.3(h) of the Plan:

The Grantee acknowledges that the Grantee's participation in the Plan is subject to the Company maintaining an exemption from the registration requirements under Section 10.2 of the Philippines Securities Regulation Code. Without limitation to the foregoing, the Grantee understands and agrees that the issuance and delivery of Shares pursuant to the Award will be subject to the availability of such exemption and the determination that the issuance of the Shares can be made in compliance with applicable laws, and that the Company alternatively may settle the Award in cash, in its sole discretion.

### ***Notifications***

**Securities Law Notice.** The risks of participating in the Plan include (without limitation) the risk of fluctuation in the price of the Shares on the New York Stock Exchange and the risk of currency

fluctuations between the U.S. Dollar and Grantee's local currency. The value of any Shares the Grantee may acquire under the Plan may decrease below the value of the Shares at vesting and fluctuations in foreign exchange rates between the Grantee's local currency and the U.S. Dollar may affect the value of any amounts due to Grantee pursuant to the subsequent sale of any Shares acquired upon vesting. The Company is not making any representations, projections or assurances about the value of the Shares now or in the future.

For further information on risk factors impacting the Company's business that may affect the value of the Shares, Grantee may refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov), as well as on the Company's "Investor Relations" website at <https://investor.elanco.com/home/default.aspx>.

The Grantee is permitted to sell Shares acquired under the Plan through the designated Plan broker appointed by the Company (or such other broker to whom the Grantee transfers Shares), provided that such sale takes place outside of the Philippines through the facilities of the New York Stock Exchange on which the Shares are listed.

## **POLAND**

### ***Notifications***

Exchange Control Information. If the Grantee holds foreign securities (including Shares) and maintains accounts abroad, the Grantee may be required to file certain reports with the National Bank of Poland regarding transactions and balances of foreign accounts. The Grantee also may be required to handle funds transfers into or out of Poland through a bank in Poland. Polish residents are required to retain all documents related to foreign exchange transactions for a period of five years. The Grantee is responsible for complying with applicable exchange control requirements.

## **PORTUGAL**

### ***Terms and Conditions***

Language Acknowledgement. The Grantee hereby expressly declares that Grantee has full knowledge of the English language and has read, understood and freely accepted and agreed with the terms and conditions established in the Plan and the Award Agreement.

Conhecimento da Língua. *O Contratado, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo de Atribuição (Award Agreement em inglês).*

### ***Notifications***

Exchange Control Information. If the Grantee is a resident of Portugal and receives Shares, the acquisition of such Shares should be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report to the Banco de Portugal. If the Shares are not deposited with a commercial bank, broker or financial intermediary in Portugal, the Grantee is responsible for submitting the report to the Banco de Portugal.

## **RUSSIA**

### ***Terms and Conditions***

U.S. Transaction. The Grantee understands that accepting the Award and the terms and conditions of the Award Agreement will result in a contract between the Grantee and the Company completed in the United States and that the Award Agreement is governed by U.S. law. The Grantee understands and acknowledges that any Shares issued under the Plan shall be delivered to the Grantee through a brokerage account maintained outside Russia. The Grantee understands that the Grantee may hold Shares in a brokerage account outside Russia; however, in no event will Shares issued to the Grantee and/or share certificates or other instruments be delivered to the Grantee in Russia. The Grantee acknowledges and agrees that the Grantee is not permitted to sell or otherwise transfer the Shares directly to other Russian legal entities or individuals. Finally, the Grantee acknowledges and agrees that the Grantee may sell or otherwise transfer the Shares only outside Russia.

### ***Notifications***

Securities Law Information. This Appendix, the Award Agreement, the Plan and all other materials that the Grantee may receive regarding the Plan, do not constitute advertising or an offering of securities in Russia. The issuance of securities pursuant to the Plan has not and will not be registered in Russia; hence, the securities described in any Plan-related documents may not be used for offering or public circulation in Russia.

Exchange Control Information. Under exchange control regulations in Russia, certain funds received outside of Russia must be repatriated to Russia as soon as the Grantee intends to use those amounts for any purpose, including reinvestment. Such funds must initially be credited to the Grantee through a foreign currency account at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws.

The above-mentioned repatriation requirement may not apply with respect to cash amounts received in an account considered by the Central Bank of Russia to be a foreign brokerage account opened with a financial market institution other than a bank. Statutory exceptions to the repatriation requirement also may apply.

Anti-Corruption Information. Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (such as shares of foreign companies such as the Company). The Grantee should inform the Company if the Grantee is covered by these laws because the Grantee should not hold Shares under the Plan.

## SLOVENIA

### **Terms and Conditions**

Language Acknowledgment. By accepting the Award, the Grantee acknowledges that the Grantee is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Notification of Grant, the Award Agreement and the Plan), which were provided in the English language. The Grantee accepts the terms of those documents accordingly.

Soglasje za Uporabo Angleškega Jezika. S sprejetjem dodelitve RSU Udeleženec (Participant) priznava in potrjuje, da je sposoben brati in razumeti angleški jezik ter v celoti razume pogoje dokumentov, povezanih z dodelitvijo (Obvestilo (Notice of Grant), pogodba (Award Agreement) in Načrt (Plan)), ki so bili posredovani v angleškem jeziku. Udeleženec skladno s tem sprejema pogoje teh dokumentov.

## SOUTH AFRICA

### **Terms and Conditions**

Securities Law Information. In compliance with South African securities law, the Grantee acknowledges that Grantee has been notified that the following documents listed below are available for the Grantee's review at the applicable website listed below:

- (1) The Company's most recent annual financial statement, available at: <https://investor.elanco.com/financials/quarterly-results/default.aspx>.
- (2) The Company's most recent Information Summary/Prospectus, which is viewable within the Recordkeeping Information Document Library on UBS Financial Services Inc. at: <https://onlineservices.ubs.com/wma/epas/resources>.

The Grantee acknowledges that Grantee may have a copy of the above documents sent to the Grantee, without fee, on written request to the Secretary of the Company at the Elanco Animal Health Global Headquarters, Indiana, U.S.A.

Responsibility for Taxes. This provision supplements Section 7 of the Award Agreement:

The Grantee should contact the Grantee's tax advisor for specific information concerning the Grantee's personal tax situation with regard to Plan participation.

Exchange Control Information. By accepting the Award, the Grantee acknowledges that the Grantee is solely responsible for complying with applicable South African exchange control regulations. Because the exchange control regulations change frequently and without notice, the Grantee should consult the Grantee's legal advisor prior to the acquisition or sale of Shares acquired under the Plan to ensure compliance with current regulations. It is the Grantee's responsibility to comply with South African exchange control laws, and neither the Company nor any Employer or Affiliate will be liable for any fines or penalties resulting from the Grantee's failure to comply with applicable laws.

## SPAIN

### **Terms and Conditions**

Vesting. This provision supplements Section 2 of the Award Agreement:

As a condition of the grant of the Award, termination of the Grantee's Service for any reason (including for the reasons listed below but excluding for the reasons specified in Section 2(d) or (e) of the Award Agreement) will automatically result in the forfeiture and loss of the Award and the underlying Shares to the extent that the Award has not yet vested as of the date of termination of the Grantee's Service. In particular, and without limitation to the provisions of the Award Agreement and the Plan, the Grantee understands and agrees that the Award will be cancelled without entitlement to the underlying Shares or to any amount as indemnification if the Grantee terminates employment by reason of, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause (unless such layoff falls within the meaning of a plant closing or reduction in workforce as described in Section 2(e)), material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985. The Grantee acknowledges that Grantee has read and specifically accepts the vesting conditions referred to in Section 2 of the Award Agreement.

Grantee's Acknowledgement. This provision supplements Section 9 of the Award Agreement:

The Grantee understands that the Company has unilaterally, gratuitously and discretionally decided to grant Restricted Stock Unit Awards under the Plan to individuals who may be Employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis except to the extent otherwise provided in the Plan and this Award Agreement. Consequently, the Grantee understands that the Restricted Stock Unit Awards are granted on the assumption and condition that the Restricted Stock Unit Awards and any Shares acquired pursuant to the Restricted Stock Unit Awards shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Grantee understands that this grant would not be made to the Grantee but for the assumptions and conditions referred to above; thus, the Grantee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of Restricted Stock Unit Awards may be cancelled.

### **Notifications**

Securities Law Information. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the Award. The Award Agreement has not nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information. The Grantee is responsible for complying with the exchange control regulations in Spain. The Grantee must declare the acquisition of Shares for statistical purposes to

the Spanish *Dirección General de Comercio e Inversiones* (the “DGCI”) of the Ministry of Economy and Competitiveness. Generally, such declaration must be filed on a D-6 form in January for Shares owned as of December 31 of each year, subject to earlier filing (within one month after the date of acquisition or sale, as applicable) if the value of the Shares or the sale proceeds exceeds the specified value threshold.

When receiving foreign currency payments in excess of the applicable value limit derived from the ownership of Shares (such as from the sale of Shares or the receipt of dividends), the Grantee must inform the financial institution receiving the payment of the basis upon which such payment is made. The Grantee may be required to provide the institution with the following information: (i) the Grantee’s name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any additional information that may be required. The Grantee is required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the Shares held in such accounts, if the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed the specified value threshold.

Foreign Asset/Account Reporting Information. To the extent that the Grantee holds rights or assets (e.g. Shares and/or bank accounts) outside Spain with a value in excess of the specified value threshold (for each type of right or asset) as of December 31, the Grantee will be required to report information on such rights and assets on his or her tax return (form 720) for such year. After such Shares and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported Shares or accounts increases by more than the specified amount or if the Grantee sells or otherwise disposes of any previously-reported Shares or accounts. The Grantee should consult with the Grantee’s personal tax advisor to ensure compliance with applicable reporting requirements.

## **SWEDEN**

### ***Terms and Conditions***

Withholding Authorization. This provision supplements Section 7 of the Award Agreement:

Without limiting the Company’s and the Employer’s authority to satisfy withholding obligations for Tax-Related Items as set forth in Section 7 of the Award Agreement, by accepting the grant of the Restricted Stock Units, the Grantee authorizes the Company and/or the Employer to withhold Shares or to sell Shares otherwise deliverable to the Grantee at vesting to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer is obligated to withhold such Tax-Related Items.

## **SWITZERLAND**

### ***Notifications***

Securities Law Information. The grant of the Restricted Stock Unit Awards and the issuance of Shares is not intended to be publicly offered in or from Switzerland. Because this is a private offering in Switzerland, the Restricted Stock Unit Awards are not subject to registration in Switzerland. Neither this Award Agreement nor any other materials relating to the Restricted Stock Unit Awards (i) constitute a prospectus according to articles 35 et seq. of the Swiss Federation Act

on Financial Services, (ii) may be publicly distributed or otherwise made publicly available in Switzerland, or (iii) have been or will be filed with, approved or supervised by any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (“FINMA”).

## **TAIWAN**

### ***Notifications***

Securities Law Information. The offer of participation in the Plan is available only for Employees of the Company and its Affiliates. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. The Grantee may acquire and remit foreign currency (including proceeds from the Shares and dividends paid on such Shares) into and out of Taiwan up to the specified USD limit per year. If the transaction amount is equal to or greater than the specified TWD limit in a single transaction, the Grantee must submit a Foreign Exchange Transaction Form and provide supporting documentation satisfactory to the remitting bank.

## **THAILAND**

### ***Notifications***

Exchange Control Information. The Grantee may be required to immediately repatriate and report the remittance of the proceeds from the sale of Shares or the receipt of dividends to Thailand if the proceeds realized in a single transaction exceed a value determined from time to time by the Bank of Thailand. The Grantee is responsible for complying with applicable exchange control requirements.

## **TURKEY**

### ***Notifications***

Securities Law Information. Under Turkish law, the Grantee is not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange in the United States of America, under the ticker symbol of “ELAN” and Shares acquired under the Plan may be sold through this exchange.

Financial Intermediary Information. Activity related to investments in foreign securities (such as the sale of Shares acquired under the Plan) must be conducted through a bank or financial intermediary institution licensed by the Turkish Capital Markets Board and should be reported to the Turkish Capital Markets Board. The Grantee is responsible for complying with these requirements and should contact the Grantee’s personal legal advisor for information regarding the Grantee’s obligations.

## **UNITED KINGDOM**

### ***Terms and Conditions***

Settlement. Section 4(d) of the Award Agreement shall not apply to Restricted Stock Unit Awards granted in the United Kingdom.

Responsibility for Taxes. This provision supplements Section 7 of the Award Agreement:

Without limitation to Section 7 of the Award Agreement, the Grantee agrees that Grantee is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company and/or the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Grantee also agrees to indemnify and keep indemnified the Company and/or the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Grantee's behalf.

Notwithstanding the foregoing, if the Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the foregoing provision will not apply. In this case, the amount of any Tax-Related Items not collected from or paid by the Grantee may constitute a benefit to the Grantee on which additional income tax and National Insurance contributions ("NICs") may be payable. The Grantee understands that Grantee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company and/or the Employer (as appropriate) the amount of any employee NICs due on this additional benefit. Grantee acknowledges that the Company and/or the Employer (as appropriate) may recover such additional NICs at any time thereafter by any of the means referred to in Section 7 of the Award Agreement.

Joint Election. As a condition of Grantee's participation in the Plan and vesting of the Restricted Stock Unit Awards, the Grantee agrees to accept any liability for secondary Class 1 national insurance contributions which may be payable by the Company and/or the Employer in connection with the Restricted Stock Unit Awards and any event giving rise to Tax-Related Items (the "Employer NICs"). Without prejudice to the foregoing, by accepting this Award, the Grantee is entering into a joint election with the Company or the Employer if Grantee has not already done so, the form of such joint election being formally approved by HMRC (the "Joint Election"), a copy of which is attached to this Appendix for the United Kingdom as Annex 1, and any other required consent or election. The Grantee further agrees to execute such other joint elections as may be required between him or her and any successor to the Company and/or the Employer. The Grantee further agrees that the Company and/or the Employer may collect the Employer NICs from him or her by any of the means set forth in Section 7 of the Award Agreement.

## **Annex 1 to Appendix for United Kingdom**

### **Important Note on the Joint Election for Transfer of Liability for Employer National Insurance Contributions to the Grantee:**

As a condition of the Grantee's participation in the Amended and Restated Elanco Animal Health Incorporated 2018 Stock Plan, as amended from time to time (the "Plan"), the Grantee is required to enter into a joint election to transfer to the Grantee any liability for employer National Insurance contributions (the "Employer NICs") that may arise in connection with the Restricted Stock Unit Award (the "Award") and in connection with future awards, if any, that may be granted to the Grantee under the Plan (the "Joint Election").

By entering into the Joint Election:

- the Grantee agrees that any liability for Employer NICs that may arise in connection with or pursuant to the vesting of the Award and the acquisition of shares of common stock of Elanco Animal Health Inc. (the "Company") or other taxable events in connection with the Award will be transferred to the Grantee; and
- the Grantee authorizes the Company and/or the Grantee's employer to recover an amount sufficient to cover this liability by any method set forth in the Award Agreement and/or the Joint Election.

*To enter into the Joint Election and to accept the Award, please select the button next to "Accept" where indicated on the Pending Acceptance screen. Please note that selecting the button next to "Accept" indicates the Grantee's agreement to be bound by all of the terms of the Joint Election.*

*Please note that even if the Grantee has indicated Grantee's acceptance of this Joint Election electronically, the Grantee may still be required to sign a paper copy of this Joint Election (or a substantially similar form) if the Company determines such is necessary to give effect to the Joint Election.*

**Please read the terms of the Joint Election carefully before accepting the Award Agreement and the Joint Election. The Grantee should print and keep a copy of this Joint Election for Grantee's records.**

**United Kingdom**  
**Joint Election for Transfer of Liability for**  
**Employer National Insurance Contributions to Employee**  
**Election To Transfer the Employer's National Insurance Liability to the Employee**

This Election is between:

- A. The individual who has obtained authorised access to this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**") and who is eligible to receive restricted stock unit awards (the "**Restricted Stock Unit Award**") pursuant to the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan (the "**Plan**"), and
- B. Elanco Animal Health Inc., an Indiana corporation, with registered offices in Indiana, U.S.A. (the "**Company**"), which may grant Restricted Stock Unit Awards under the Plan and is entering into this Election on behalf of the Employer.

**1. Introduction**

1.1 This Election relates to all Restricted Stock Unit Awards granted to the Employee under the Plan up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

- (a) "**Chargeable Event**" means any event giving rise to Relevant Employment Income.
- (b) "**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.
- (c) "**Relevant Employment Income**" from Restricted Stock Unit Awards on which Employer's National Insurance Contributions becomes due is defined as:
  - (i) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);
  - (ii) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or
  - (iii) any gain that is treated as remuneration derived from the earner's employment by virtue of section 4(4)(a) SSCBA, including without limitation:
    - (A) the acquisition of securities pursuant to the Restricted Stock Unit Awards (within the meaning of section 477(3)(a) of ITEPA);
    - (B) the assignment (if applicable) or release of the Restricted Stock Unit Awards in return for consideration (within the meaning of section 477(3)(b) of ITEPA);
    - (C) the receipt of a benefit in connection with the Restricted Stock Unit Awards, other than a benefit within (i) or (ii) above (within the meaning of section 477(3)(c) of ITEPA).
- (d) "**SSCBA**" means the Social Security Contributions and Benefits Act 1992.

- 1.3 This Election relates to the Employer's secondary Class 1 National Insurance Contributions (the "Employer's Liability") which may arise in respect of Relevant Employment Income in respect of the Restricted Stock Unit Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.
- 1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
- 1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

## **2. The Election**

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability that arises on any Relevant Employment Income is hereby transferred to the Employee. The Employee understands that, by accepting the Restricted Stock Unit Award (whether in hard copy or electronically) or by accepting this Election (whether in hard copy or electronically), Grantee will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

## **3. Payment of the Employer's Liability**

- 3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability in respect of any Relevant Employment Income from the Employee at any time after the Chargeable Event:
  - (a) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
  - (b) directly from the Employee by payment in cash or cleared funds; and/or
  - (c) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Restricted Stock Unit Awards, the proceeds from which must be delivered to the Employer in sufficient time for payment to be made to Her Majesty's Revenue & Customs ("HMRC") by the due date; and/or
  - (d) where the proceeds of the gain are to be paid through a third party, the Employee will authorize that party to withhold an amount from the payment or to sell some of the securities which the Employee is entitled to receive in respect of the Restricted Stock Unit Awards, such amount to be paid in sufficient time to enable the Company and/or the Employer to make payment to HMRC by the due date; and/or
  - (e) by any other means specified in the applicable Restricted Stock Unit Award agreement entered into between the Employee and the Company.
- 3.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Restricted Stock Unit Awards until full payment of the Employer's Liability is received.

3.3 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HMRC on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs if payments are made electronically).

#### **4. Duration of Election**

4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.

4.2 Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Restricted Stock Unit Awards in circumstances where section 483 of ITEPA applies.

4.3 This Election will continue in effect until the earliest of the following:

- (a) the date on which the Employee and the Company agree in writing that it should cease to have effect;
- (b) the date on which the Company serves written notice on the Employee terminating its effect;
- (c) the date on which HMRC withdraws approval of this Election; or
- (d) the date on which, after due payment of the Employer's Liability in respect of the entirety of the Restricted Stock Unit Awards to which this Election relates or could relate, the Election ceases to have effect in accordance with its own terms.

4.4 This Election will continue in force regardless of whether the Employee ceases to be an employee of the Employer.

#### **Acceptance by the Employee**

**The Employee acknowledges that, by clicking on the button next to "Accept" to accept the Restricted Stock Unit Awards Agreement and this Election (or by signing the Restricted Stock Unit Awards Agreement or this Election whether in hard copy or electronically), the Employee agrees to be bound by the terms of this Election.**

#### **Acceptance by the Company**

**The Company acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.**

\_\_\_\_\_  
Signature for and on behalf of the Company

\_\_\_\_\_  
Position

### Schedule of Employer Companies

The employing companies to which this Election relates include:

Name:	Elanco UK AH Limited
Registered Office:	Form 2, Bartley Way Bartley Wood Business Park, Hook RG27 9XA
Company Registration Number:	11378434
Corporation Tax Reference:	4312717782
PAYE Reference:	475/FB88335

# Elanco Animal Health Incorporated Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award is granted on \_\_\_\_\_, 2025 (“Grant Date”) by Elanco Animal Health Incorporated, an Indiana corporation (“Elanco” or the “Company”), to the Eligible Individual who has received this Restricted Stock Unit Award Agreement (the “Grantee”).

**Number of Shares:** Log into UBS account at  
<https://onlineservices.ubs.com/wma/epas/resources>

**Grantee:**

**Vesting Date(s):** 50% on \_\_\_\_\_, 2026  
50% on \_\_\_\_\_, 2027

(except as otherwise provided in this  
Restricted Stock Unit Award Agreement)

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**Section 1. Grant of Restricted Stock Units**

Elanco, an Indiana corporation (“Elanco” or the “Company”), has granted to the Eligible Individual who has received this Restricted Stock Unit Award Agreement (the “Grantee”) an award of restricted stock units (the “Restricted Stock Units” or the “Award”) with respect to the number of shares of Elanco Common Stock (the “Shares”) referenced on the first page of this document, pursuant to and subject to the terms and conditions set forth in the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan (the “Plan”) and to the terms and conditions set forth in this Restricted Stock Unit Award Agreement, including any appendices, exhibits and addenda hereto (the “Award Agreement”). Unless otherwise stated in the Plan where the terms in this Award Agreement may govern in the event of any conflict between the terms of the Plan and this Award Agreement, in the event of any such conflict, the terms of the Plan shall otherwise govern.

Any capitalized terms used but not defined in this Award Agreement shall have the meanings set forth in the Plan.

**Section 2. Vesting**

- a. The Award shall vest as to all or a portion of the Award at the close of business in Indiana, U.S.A. on the earliest of the following dates (each, a “Vesting Date”):
  - i. the scheduled Vesting Date(s) set forth on the first page of this document;
  - ii. the date of the Grantee’s Service termination due to the Grantee’s death;
  - iii. the date of the Grantee’s Service termination due to a Qualifying Termination, as defined below; or
  - iv. the date of the Grantee’s Service termination due to the Grantee’s Retirement, as defined below.
- b. In the event the Grantee’s Service is terminated due to the Grantee’s death, any unvested portion of the Award will accelerate and vest in full on the date of the Grantee’s Service termination due to death.
- c. In the event the Grantee’s Service is terminated due to a Qualifying Termination for a reason other than death, a pro-rata portion of the Award tranche eligible to vest on the next scheduled Vesting Date will accelerate and vest on the date of the Grantee’s Service termination due to the Qualifying Termination based on the ratio of (x) the number of full or partial months worked by the Grantee from the *later* of the Grant Date *or* the most recent scheduled Vesting Date prior to the Service termination date to (y) the total number of months from (1) the *later* of the Grant Date *or* the most recent scheduled Vesting Date prior to the Service termination date to (2) the next scheduled Vesting Date set forth on the first page of this document.
- d. In the event the Grantee’s Service is terminated due to Retirement, a pro-rata portion of the Award tranche eligible to vest on the next scheduled Vesting Date will accelerate and vest on the date of the Grantee’s Service termination due to Retirement based on the ratio of (x) the number of full or partial months worked by the Grantee from the *later* of the Grant Date *or* the most recent scheduled Vesting

Date prior to the Service termination date to (y) the total number of months from (1) the *later* of the Grant Date or the most recent scheduled Vesting Date prior to the Service termination date to (2) the next scheduled Vesting Date set forth on the first page of this document.

“Retirement” for purposes of this Award Agreement means the Grantee has either (A) reached age sixty (60) and completed five (5) years of Service with the Company or an Affiliate, including any years of Service with Eli Lilly & Company (“Lilly”) prior to the Company’s spin-off from Lilly (unless otherwise prescribed under Applicable Laws), or (B) completed thirty (30) years of Service with the Company or an Affiliate, including any years of Service with Lilly prior to the Company’s spin-off from Lilly (unless otherwise prescribed under Applicable Laws). The Committee, in its sole discretion, shall determine whether and when a Retirement has occurred.

- e. For purposes of this Award Agreement, a “Qualifying Termination” means any one of the following:
- i. the date the Grantee’s Service is terminated due to the Grantee’s death;
  - ii. the date the Grantee’s Service is terminated by reason of Disability;
  - iii. the date the Grantee’s Service is terminated due to a closing of a plant site or other corporate location;
  - iv. the date the Grantee’s Service is terminated due to the elimination of a work group, functional or business unit or other broadly applicable reduction in job positions; or
  - v. the date the Grantee’s Service is terminated due to the elimination of the Grantee’s job position.

The Committee, in its sole discretion, shall determine whether and when a Qualifying Termination has occurred and/or if a leave of absence or transfer of employment between the Company and an Affiliate or between Affiliates constitutes a termination of Service. Such determination shall be final and binding on the Grantee.

- f. Any portion of the Award that does not vest pursuant to Section 2(a), 2(b), 2(c) or 2(d) shall be forfeited upon the Grantee’s termination of Service. Further, in the event the Grantee’s Service is terminated prior to a Vesting Date for any reason or in any circumstance other than those specified in Section 2(a), 2(b), 2(c) or 2(d) above, any unvested portion of the Award shall be forfeited.

**Section 3. Change in Control**

The provisions of Section 13.2 of the Plan apply to this Award with the following modifications:

- a. The only Change in Control event that shall result in a benefit under this Section 3 shall be the consummation of a merger, share exchange, or consolidation of the Company, as defined in Section 2.6(c) of the Plan (a “Transaction”).

- b. In the event that the Award is not converted, assumed, substituted, continued or replaced by a successor or surviving corporation, or a parent or subsidiary thereof, in connection with a Transaction, then immediately prior to the Transaction, the Award shall vest automatically in full.
- c. In the event that the Award is converted, assumed, substituted, continued or replaced by a successor or surviving corporation, or a parent or subsidiary thereof, in connection with a Transaction and the Grantee is subject to a Covered Termination (as defined below) prior to any applicable Vesting Date, the Award shall vest automatically in full.

For purposes of this provision, "Covered Termination" shall mean a Qualifying Termination, Grantee's termination without Cause or the Grantee's resignation for Good Reason. "Cause" and "Good Reason" shall have the meanings ascribed to them in the Elanco Animal Health, Inc. 2018 Change in Control Severance Pay Plan for Employees or the Elanco Animal Health, Inc. 2018 Change in Control Severance Pay Plan for Select Employees (both as amended from time to time) or any successor plan or arrangement thereto, as applicable.

- d. If the Grantee is entitled to receive stock of the acquiring entity or successor to the Company as a result of the application of this Section 3, then references to Shares in this Award Agreement shall be read to mean stock of the successor or surviving corporation, or a parent or subsidiary thereof, as and when applicable.

#### **Section 4. Settlement**

- a. Except as provided below, the Award shall be paid to the Grantee as soon as practicable, and in no event later than seventy-five (75) days, following the applicable Vesting Date, or, if earlier, a vesting event contemplated under Section 3 above.
- b. If the Award is considered an item of non-qualified deferred compensation subject to Section 409A of the Code ("NQ Deferred Compensation") and the settlement date or period is determined by reference to the date of the termination of the Grantee's Service, (i) the Award shall not be paid unless and until the Grantee experiences a "separation from service" within the meaning of Section 409A of the Code (a "Section 409A Separation") and (ii) if the Grantee is a "specified employee" within the meaning of Section 409A of the Code as of the date of the Grantee's Section 409A Separation, the vested portion of the Award shall instead be paid on the earliest of (1) the Vesting Dates set forth in Section 2(a)(i) with respect to the portion of the Award that was scheduled to vest on such Vesting Dates, (2) the first day following the six (6) month anniversary of the Grantee's Section 409A Separation, (3) the date of a Section 409A CIC (as defined below), and (4) the date of the Grantee's death. If the Award is considered NQ Deferred Compensation and the vesting event is a Transaction that does not constitute a "change in control event" within the meaning of Section 409A of the Code (a "Section 409A CIC"), the Award shall instead be settled on the earliest of (A) the Vesting Dates set forth in Section 2(a)(i) with respect to the portion of the Award that was scheduled to vest on such Vesting Dates, (B) the date of a Section 409A CIC, and (C) the date of the Grantee's death.

- c. At the time of settlement provided in this Section 4, the Company shall issue or transfer Shares or the cash equivalent, as contemplated under Section 4(d) below, to the Grantee. In the event the Grantee is entitled to a fractional Share, the fraction may be paid in cash or rounded, in the Committee's discretion.
- d. At any time prior to the applicable Vesting Date or until the Award is paid in accordance with this Section 4, the Committee may, if it so elects, determine to pay part or all of the Award in cash in lieu of issuing or transferring Shares. The amount of cash shall be based on the Fair Market Value of the Shares on the applicable Vesting Date.
- e. In the event of the death of the Grantee, the payments described above shall be made to the successor of the Grantee.

**Section 5. Rights of the Grantee**

- a. No Shareholder Rights. The Restricted Stock Units do not entitle the Grantee to any rights of a shareholder of the Company until such time as the Restricted Stock Units vest and Shares are issued or transferred to the Grantee.
- b. No Trust; Grantee's Rights Unsecured. Neither this Award Agreement nor any action in accordance with this Award Agreement shall be construed to create a trust of any kind. The right of the Grantee to receive payments of cash or Shares pursuant to this Award Agreement shall be an unsecured claim against the general assets of the Company.

**Section 6. Prohibition Against Transfer**

The right of a Grantee to receive payments of Shares and/or cash under this Award may not be transferred except to a duly appointed guardian of the estate of the Grantee or to a successor of the Grantee by will or the applicable laws of descent and distribution and then only subject to the provisions of this Award Agreement. A Grantee may not assign, sell, pledge, or otherwise transfer Shares or cash to which Grantee may be entitled hereunder prior to transfer or payment thereof to the Grantee, and any such attempted assignment, sale, pledge or transfer shall be void.

**Section 7. Responsibility for Taxes**

- a. Regardless of any action the Company and/or the Grantee's employer (the "Employer") takes with respect to any or all income tax (including federal, state, local and non-U.S. tax), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant of the Restricted Stock Units, the vesting of the Restricted Stock Units and the lapse of restrictions, the transfer and issuance of any Shares, the receipt of any cash payment pursuant to the Award, the receipt of any dividends and the sale of any Shares acquired pursuant to this Award; and (ii) do not commit

to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Grantee becomes subject to Tax-Related Items in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

- b. Prior to the applicable taxable or tax withholding event, as applicable, the Grantee shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.
- c. If the Restricted Stock Units are paid to the Grantee in cash in lieu of Shares, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any obligation for Tax-Related Items by withholding from the cash amount paid to the Grantee pursuant to the Award or from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer.
- d. If the Restricted Stock Units are paid to the Grantee in Shares and the Grantee is not subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to (i) withhold from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer, (ii) arrange for the sale of Shares to be issued upon settlement of the Award (on the Grantee's behalf and at the Grantee's direction pursuant to this authorization or such other authorization as the Grantee may be required to provide to the Company or its designated broker in order for such sale to be effectuated) and withhold from the proceeds of such sale, and/or (iii) withhold in Shares otherwise issuable to the Grantee pursuant to this Award.
- e. If the Restricted Stock Units are paid to the Grantee in Shares and the Grantee is subject to the short-swing profit rules of Section 16(b) of the Exchange Act, the Company will withhold in Shares otherwise issuable to the Grantee pursuant to this Award, unless the use of such withholding method is prevented by applicable law or has materially adverse accounting or tax consequences, in which case the withholding obligation for Tax-Related Items may be satisfied by one or a combination of the methods set forth in Section 7(d)(i) and (ii) above.
- f. Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Grantee may receive a refund of any over-withheld amount in cash as soon as practicable and without interest and will not be entitled to the equivalent amount in Shares. If the obligation for Tax-Related Items is satisfied by withholding Shares, for tax purposes, the Grantee will be deemed to have been issued the full number of Shares to which Grantee is entitled pursuant to this Award, notwithstanding that a number of Shares are withheld to satisfy the obligation for Tax-Related Items.

- g. The Company may require the Grantee to pay the Company and/or the Employer any amount of Tax-Related Items that the Company and/or the Employer may be required to withhold or account for as a result of any aspect of this Award that cannot be satisfied by the means previously described. The Company may refuse to deliver Shares or any cash payment to the Grantee if the Grantee fails to comply with the Grantee's obligation in connection with the Tax-Related Items as described in this Section 7.

**Section 8. Section 409A Compliance**

To the extent applicable, it is intended that this Award comply with the requirements of Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance issued thereunder ("Section 409A") and this Award shall be interpreted and applied by the Committee in a manner consistent with this intent in order to avoid the imposition of any additional tax under Section 409A.

**Section 9. Nature of Grant**

In accepting the grant, Grantee acknowledges, understands and agrees that:

- a. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan;
- b. the Award is voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Stock Units, or benefits in lieu thereof, even if Restricted Stock Units have been granted in the past;
- c. all decisions with respect to future awards of Restricted Stock Units or other awards, if any, will be at the sole discretion of the Committee;
- d. the Grantee's participation in the Plan is voluntary;
- e. the Award and any Shares subject to the Award are not intended to replace any pension rights or compensation;
- f. the Award and any Shares subject to the Award, and the income from and value of same, are not part of normal or expected compensation for any purpose, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, holiday pay, leave pay, pension or welfare or retirement benefits or similar mandatory payments;
- g. unless otherwise agreed with the Company, the Award and any Shares subject to the Award, and the income and value of same, are not granted as consideration for, or in connection with, the service the Grantee may provide as a director of an Affiliate;
- h. neither the Award nor any provision of this Award Agreement, the Plan or the policies adopted pursuant to the Plan, confer upon the Grantee any right with respect to employment or continuation of current employment, and in the event that

the Grantee is not an employee of the Company or any Affiliate of the Company, the Award shall not be interpreted to form an employment contract or relationship with the Company or any Affiliate;

- i. the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;
- j. no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the Grantee ceasing to provide employment or other services to the Company or the Employer (for any reason whatsoever, whether or not later found to be invalid or in breach of local labor laws in the jurisdiction where the Grantee is employed or the terms of Grantee's employment agreement, if any);
- k. for purposes of the Award, the Grantee's employment will be considered terminated as of the date Grantee is no longer actively providing services to the Company, an Employer or an Affiliate, and the Grantee's right, if any, to vest in and be paid any portion of the Award after such termination of employment or services (regardless of the reason for such termination and whether or not such termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any) will be measured by the date the Grantee ceases to actively provide services and will not be extended by any notice period (e.g., active service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing services for purposes of the Award (including whether the Grantee may still be considered to be actively providing services while on a leave of absence);
- l. unless otherwise provided in the Plan or by the Committee in its discretion, the Award and the benefits evidenced by this Award Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and
- m. none of the Company, the Employer or any Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the Award or any amounts due to the Grantee pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.

**Section 10. Data Privacy**

- a. *Data Collection and Usage.* The Company and the Employer may collect, process and use certain personal information about the Grantee, and persons closely associated with the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or

directorships held in the Company, details of all Restricted Stock Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor ("Data"), for the purposes of implementing, administering and managing the Plan. The legal basis, where required, for the processing of Data is the Grantee's consent. Where required under Applicable Laws, Data may also be disclosed to certain securities or other regulatory authorities where the Company's securities are listed or traded or regulatory filings are made and the legal basis, where required, for such disclosure is the Applicable Laws.

- b. Stock Plan Administration Service Providers. The Company transfers Data to UBS Financial Services Inc. and/or its affiliated companies ("UBS"), an independent service provider, which is assisting the Company with the implementation, administration and management of the Plan. The Company requires UBS to enter into a written agreement obligating UBS to maintain a level of data protection and security standards that are comparable to those implemented by the Company. In the future, the Company may select a different service provider and share Data with such other provider serving in a similar manner. The Grantee may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition to the ability to participate in the Plan.
- c. International Data Transfers. The Company and its service providers are based in the United States. The Grantee's country or jurisdiction may have different data privacy laws and protections than the United States. The Company will nevertheless take steps to ensure an adequate level of protection and compliance with Applicable Laws irrespective of where the information is accessible or stored. The Company's legal basis, where required, for the transfer of Data is the Grantee's consent.
- d. Data Retention. The Company will hold and use the Data only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan, or as required to comply with legal or regulatory obligations, including under tax and security laws.
- e. Data Subject Rights. The Grantee understands that data subject rights regarding the processing of Data vary depending on Applicable Law and that, depending on where the Grantee is based and subject to the conditions set out in such Applicable Law, the Grantee may have rights that include, but are not limited to, the right to (i) inquire whether and what kind of Data the Company holds about the Grantee and how it is processed, and to access or request copies of such Data, (ii) request the correction or supplementation of Data about the Grantee that is inaccurate, incomplete or out-of-date in light of the purposes underlying the processing, (iii) obtain the erasure of Data no longer necessary for the purposes underlying the processing, (iv) request the Company to restrict the processing of the Grantee's Data in certain situations where the Grantee feels its processing is inappropriate, (v) object, in certain circumstances, to the processing of Data for legitimate interests, and (vi) request portability of the Grantee's Data that the Grantee has actively or passively provided to the Company or the Employer (which does not include data derived or inferred from the collected data), where the processing of such Data is based on consent or the Grantee's employment and is

carried out by automated means. These rights may be subject to exceptions, limitations, or additional conditions under Applicable Law. In case of concerns, the Grantee understands that Grantee may also have the right to lodge a complaint with the competent local data protection authority. Further, to receive clarification of, or to exercise any of, the Grantee's rights, the Grantee understands that Grantee should contact [privacy@elancoah.com](mailto:privacy@elancoah.com) or Grantee's local human resources representative.

- f. Voluntariness and Consequences of Consent Denial or Withdrawal. Participation in the Plan is voluntary and the Grantee is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke the Grantee's consent, the Grantee's salary from or employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Grantee's consent is that the Company would not be able to grant this Award or other awards to the Grantee or administer or maintain such awards.
- g. Declaration of Consent. By accepting the Award and indicating consent via the Company's online acceptance procedure, the Grantee is declaring that Grantee agrees with the data processing practices described herein and consents to the collection, processing and use of Data by the Company and the transfer of Data to the recipients mentioned above, including recipients located in countries which do not adduce an adequate level of protection from a European (or other non-U.S.) data protection law perspective, for the purposes described above.

#### **Section 11. Additional Terms and Conditions**

- a. Country-Specific Conditions. The Award shall be subject to any special terms and conditions set forth in any Appendix to this Award Agreement for the Grantee's country. Moreover, if the Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Award Agreement.
- b. Insider Trading / Market Abuse Laws. The Grantee may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including but not limited to the United States and the Grantee's country of residence, which may affect the Grantee's ability to directly or indirectly, for the Grantee or for a third party, acquire or sell, or attempt to sell, or otherwise dispose of Shares or rights to acquire Shares (e.g., Restricted Stock Units) under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as determined under the laws or regulations in the applicable jurisdictions). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is Grantee's responsibility to comply with any applicable restrictions, and the Grantee should consult with Grantee's personal legal advisor on this matter.
- c. Imposition of Other Requirements; Clawback/Recovery. The Company reserves the right to impose other requirements on the Award and any Shares acquired

under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to execute any additional agreements or undertakings that may be necessary to accomplish the foregoing. Without limitation to the foregoing, the Grantee agrees that the Restricted Stock Unit Award and any benefits or proceeds the Grantee may receive hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required to comply with any requirements imposed under Applicable Laws, or pursuant to any clawback or compensation recovery policy of the Company.

- d. Non-Competition. This Section 11(d) shall apply only if the Grantee is an executive officer of the Company (as defined in Rule 3b-7 under the Exchange Act) and experiences a Qualifying Termination or Retirement that affects this Award.
- i. The Grantee understands the global nature of the Company's businesses and the effort the Company undertakes to develop and protect its business, goodwill, confidential information and competitive advantage. Accordingly, the Grantee recognizes and agrees that the scope and duration of the restrictions described in this provision are reasonable and necessary to protect the legitimate business interests of the Company. All payments and benefits to the Grantee under this Agreement are conditioned expressly on the Grantee's compliance with the provisions of this Section 11(d). During the Grantee's employment with the Company and for a period of one (1) year following the Grantee's termination of employment for any reason, the Grantee shall not:
- A. singly, jointly, or in any other capacity, in a manner that contributes to any research, design, development, strategy, marketing, promotion, or sales, or that relates to the Grantee's employment with the Company, directly or beneficially engage in, manage, join, participate in the management, operation or control of, or work for (as an employee, a consultant or an independent contractor), or permit the use of the Grantee's name by, or provide financial or other assistance to, any person or entity operating in the animal health industry that provides products or services that are the same or substantially similar to those provided by the Company or any Affiliate (a "Competitor"), provided that the foregoing shall not limit the Grantee from providing services or assistance to a subsidiary or affiliate of a Competitor in a situation in which the Grantee provides no services or assistance whatsoever to the subsidiary or affiliate that is a Competitor without the express written approval of the Chairman of the Board; or
- B. provide any service or assistance to a Competitor (1) that is of the general type of service or assistance provided by the Grantee to the Company or any Affiliate, (2) that relates to any animal health work with which the Grantee was involved during the Grantee's employment, or (3) in which there is a reasonable possibility that the Grantee may, intentionally or inadvertently, use or rely upon the Company's or an Affiliate's secret or confidential information.

Nothing in this Section 11(d) prohibits the Grantee from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and the Grantee is not a controlling person of, or a member of a group that controls, such corporation.

This provision does not in any way restrict or impede the Grantee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order. The Grantee shall promptly provide written notice of any such order to the Company's CEO.

- ii. If the Grantee breaches or threatens to breach the obligations described in this Section 11(d), the Company or its successors in interest shall have, in addition to all other remedies at law, the right to an injunction (without posting of bond to the extent legally permitted), specific performance, and other equitable relief to prevent violations of the Grantee's obligations under this Section 11(d) (including but not limited to the ability to cease and/or recoup payments and benefits provided under this Agreement). In the event that the Grantee is found to have breached any provision set forth in this Section 11(d), the applicable time period shall be deemed tolled for so long as the Grantee was in violation of that provision.
- iii. If a court of competent jurisdiction declares that any term or provision of this Section 11(d) is invalid or unenforceable, the Company and the Grantee intend that (A) the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or geographic area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, (B) the Company and the Grantee shall request that the court exercise that power, and (C) the Agreement shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be appealed.

## **Section 12. Miscellaneous Provisions**

- a. Notices and Electronic Delivery and Participation. Any notice to be given by the Grantee or successor Grantee shall be in writing, and any notice or payment shall be deemed to have been given or made only upon receipt thereof by the Corporate Secretary of the Company at the Elanco Animal Health Global Headquarters, Indiana, U.S.A. Any notice or communication by the Company in writing shall be deemed to have been given in the case of the Grantee if mailed or delivered to the Grantee at any address specified in writing to the Company by the Grantee and, in the case of any successor Grantee, at the address specified in writing to the Company by the successor Grantee. In addition, the Company may, in its sole

discretion, decide to deliver any documents related to the Award and participation in the Plan by electronic means or request the Grantee's consent to participate in the Plan by electronic means. By accepting this Award, the Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

- b. Language. Grantee acknowledges that Grantee is proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Grantee to understand the terms and conditions of this Award Agreement. If the Grantee has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
- c. Waiver. The waiver by the Company of any provision of this Award Agreement at any time or for any purpose shall not operate as or be construed to be a waiver of that provision or any other provision of this Award Agreement at any subsequent time or for any other purpose.
- d. Severability and Section Headings. If one or more of the provisions of this Award Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Award Agreement to be construed so as to foster the intent of this Award Agreement and the Plan. The section headings in this Award Agreement are for convenience of reference only and shall not be deemed a part of, or germane to, the interpretation or construction of this instrument.
- e. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the underlying Shares. The Grantee should consult with Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

### **Section 13. Governing Law and Venue**

The validity and construction of this Award Agreement shall be governed by the laws of the State of Indiana, U.S.A. without regard to laws that might cause other law to govern under applicable principles of conflict of laws. For purposes of litigating any dispute that arises under this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Indiana, and agree that such litigation shall be conducted in the courts of Marion County, Indiana, or the federal courts for the United States for the Southern District of Indiana, and no other courts, where this Award is granted and/or to be performed.

**Section 14. Award Subject to Acknowledgement of Acceptance**

Notwithstanding any provisions of this Award Agreement, the Award is subject to acknowledgement of acceptance by the Grantee on or prior to 4:00 PM (EDT) on the 60th day after the Grant Date, through the website of UBS, the Company's stock plan administrator. If the Grantee does not acknowledge acceptance of the Award prior to 4:00 PM (EDT) on or prior to the 60th day after the Grant Date, the Award will be cancelled, subject to the Committee's discretion for unforeseen circumstances, provided, however, if the Grantee's Service is terminated due to a Qualifying Termination prior to the 60th day after the Grant Date, the Award will not be cancelled and will be deemed accepted on behalf of the Grantee or the Grantee's legal successor.

IN WITNESS WHEREOF, the Company has caused this Award Agreement to be executed in Greenfield, Indiana, by its proper officer.

ELANCO ANIMAL HEALTH INCORPORATED

/s/ Jeffrey N. Simmons  
Jeffrey N. Simmons  
President, Chief Executive Officer and Director

*Appendix to*

**Elanco Animal Health Incorporated  
Restricted Stock Unit Award Agreement**

This Appendix includes special terms and conditions applicable to the Grantee's country. These terms and conditions supplement or replace (as indicated) the terms and conditions set forth in the Award Agreement to which it is attached. If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or if the Grantee transfers employment or residency to a different country after the Award is granted, Elanco will, in its discretion, determine the extent to which the terms and conditions herein will apply. This Appendix also includes other information relevant to the Award.

Unless otherwise defined herein, the terms defined in the Plan or the Award Agreement, as applicable, shall have the same meanings in this Appendix.

There are no special terms and conditions or information for the following countries: Austria, Ireland, Japan, Korea, Netherlands and Norway.

However, the Grantee should be aware that Grantee may be required to take certain steps to comply with Applicable Laws in the Grantee's country in connection with the Award. For example, exchange control, foreign asset and/or account and/or other tax reporting obligations may apply to the Grantee upon receipt of the Award or the Shares subject to the Award or upon the sale of Shares. *For more information regarding such obligations, the Grantee should refer to the Employee Information Supplement for the Grantee's country, if any. The Grantee should also consult with Grantee's own personal tax and legal advisors to determine what, if any, obligations exist with respect to the Award and/or the acquisition or sale of Shares. Neither the Company nor the Employer is responsible for any failure on the part of the Grantee to be aware of or comply with Applicable Laws.*

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## **ARGENTINA**

### ***Notifications***

Securities Law Information. The Award and the Shares to be issued pursuant to the Award are offered as a private transaction and are not listed on any stock exchange in Argentina. This offering is not subject to a prospectus requirement in Argentina.

Exchange Control Information. Exchange control regulations in Argentina are subject to frequent change. The Grantee is solely responsible for complying with any applicable exchange control rules and should consult with Grantee's personal legal advisor prior to remitting proceeds from the sale of Shares or cash dividends paid on Shares.

## **AUSTRALIA**

### ***Terms and Conditions***

Securities Law Information. Additional details regarding the offer of the Award are set out in the Australian Offer Document, a copy of which is attached to this Appendix for Australia as Annex 1.

Breach of Law. Notwithstanding anything to the contrary in the Award Agreement or the Plan, the Grantee will not be entitled to, and shall not claim, any benefit (including without limitation a legal right) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the *Corporations Act 2001*, any other provision of that act, or any other applicable statute, rule or regulation that limits or restricts the provision of such benefit.

### ***Notifications***

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding the specified AUD threshold and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on behalf of the Grantee.

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Ctch) applies (subject to the conditions in that act).

## **Annex 1 to Appendix for Australia**

### AUSTRALIA - OFFER DOCUMENT

#### ELANCO ANIMAL HEALTH INCORPORATED

#### RESTRICTED STOCK UNIT AWARD AGREEMENT

The Company is providing the Grantee an offer to participate in the Plan. This offer sets out information regarding the grant of Restricted Stock Unit Awards to Australian resident employees of the Company and its Affiliates. This information is provided by the Company to ensure compliance of the Plan with Australian Securities and Investments Commission ("ASIC") Class Order 14/1000 and relevant provisions of the *Corporations Act 2001*.

In addition to the information set out in the Award Agreement, the Grantee is also being provided with copies of the following documents (collectively, the "Additional Documents"):

1. Notification regarding Award;
2. Plan;
3. Information Summary/Prospectus; and
4. Employee Information Supplement for Australia

The Additional Documents provide further information to help the Grantee make an informed investment decision about participating in the Plan. Neither the Plan nor the Information Summary/Prospectus is a prospectus for purposes of the *Corporations Act 2001*.

The Grantee should not rely upon any oral statements made in relation to this offer. The Grantee should rely only upon the statements contained in the Award Agreement and the Additional Documents when considering participation in the Plan.

#### **Securities Law Notification**

Investment in Shares involves a degree of risk. Grantees who elect to participate in the Plan should monitor their participation and consider all risk factors relevant to the acquisition of Shares under the Plan as set out in the Award Agreement and the Additional Documents.

The information contained in this offer is general information only. It is not advice or information that takes into account the Grantee's objectives, financial situation and needs.

The Grantee should consider obtaining Grantee's own financial product advice from an independent person who is licensed by ASIC to give advice about participation in the Plan.

#### **Additional Risk Factors for Australian Residents**

The Grantee should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of Common Stock. For example, the price at which the Common Stock is traded on the New York Stock Exchange may increase or decrease due to a number of factors. There is no guarantee that the price of the Common Stock will increase. Factors which may affect the price of Common Stock include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

For information about factors that could affect Elanco's business and financial results, refer to the risk factors discussion in Elanco's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov) and <https://investor.elanco.com/financials/sec-filings/default.aspx>, and upon request to the Company.

In addition, the Grantee should be aware that the Australian dollar value of any Shares acquired pursuant to the Award will be affected by the U.S. dollar/Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

### **Common Stock**

Common stock of a U.S. corporation is analogous to ordinary shares of an Australian corporation. Each holder of the Common Stock is entitled to one vote for each Share held.

Dividends may be paid on the Common Stock out of any funds of the Company legally available for dividends at the discretion of the Board.

The Common Stock is traded on the New York Stock Exchange in the United States of America under the symbol "ELAN."

The Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

### **Ascertaining the Market Price of Shares**

The Grantee may ascertain the current market price of the Common Stock as traded on the New York Stock Exchange at <http://www.nyse.com/> under the symbol "ELAN." The Australian dollar equivalent of that price can be obtained at: <https://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

*This is not a prediction of what the market price of the Common Stock will be on any applicable vesting date or when Shares are issued to the Grantee or at any other time or of the applicable exchange rate at such time.*

## **BELGIUM**

### **Notifications**

Stock Exchange Tax. A stock exchange tax applies to transactions executed by Belgian residents through a non-Belgian financial intermediary. The stock exchange tax likely applies when Shares are sold. The Grantee should consult with the Grantee's personal tax advisor to determine the Grantee's obligations with respect to the stock exchange tax.

Asset and Account Reporting. Belgian residents are required to report on their annual tax return any security (e.g., Shares acquired under the Plan) or bank account established outside of Belgium. Belgian residents also are required to provide to the National Bank of Belgium details of any foreign securities or bank accounts (including the account number, bank name and country in which such account was opened). The report (and instructions for completing it) is available on the National Bank of Belgium website, [www.nbb.be](http://www.nbb.be), through the *Kredietcentrales/ Centrales des crédits* link.

The Grantee should consult with the Grantee's personal advisor to ensure compliance with applicable reporting obligations.

Annual Securities Account Tax Information. An annual securities account tax may apply if the total value of securities held in a Belgian or foreign securities account exceeds a specified amount on four reference dates within the relevant reporting period (i.e., December 31, March 31, June 30 and September 30). In that case, the tax will be due on the value of the qualifying securities held in such account. The Grantee should consult with the Grantee's professional tax or financial advisor for more information regarding the Grantee's annual securities accounts tax payment obligations.

## **BRAZIL**

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 9 of the Award Agreement:

By accepting the Award, the Grantee agrees that (i) Grantee is making an investment decision, (ii) the Shares will be issued to the Grantee only if the vesting conditions are met and any necessary Services are rendered between the Grant Date and each applicable Vesting Date, and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Grantee.

Labor Law Acknowledgment. The Grantee agrees, for all legal purposes, (i) the benefits provided under the Award Agreement and the Plan are the result of commercial transactions unrelated to the Grantee's employment; (ii) the Award Agreement and the Plan are not a part of the terms and conditions of the Grantee's employment; and (iii) the income from the Award or Shares, if any, is not part of the Grantee's remuneration from employment.

Compliance with Law. By accepting the Award, the Grantee agrees to comply with all applicable Brazilian laws and agrees to report and pay any and all applicable taxes associated with the Award and the sale of the Shares and the receipt of any dividends paid on Shares acquired under the Plan.

### ***Notifications***

Exchange Control Information. If the Grantee is resident or domiciled in Brazil, the Grantee may be required to submit to the Central Bank of Brazil an annual declaration of assets and rights held outside of Brazil if the aggregate value of such assets and rights equals or exceeds an amount designated by the Bank of Brazil. Quarterly reporting is required if such amount exceeds a designated amount. Assets and rights that must be reported include Shares, and may include Restricted Stock Units granted under the Plan. The Grantee is responsible for complying with any applicable exchange control laws.

Tax on Financial Transactions. Repatriation of funds (such as proceeds from the sale of Shares) into Brazil and the conversion of USD into BRL associated with such a fund transfer may be subject to the Tax on Financial Transactions. The Grantee is responsible for complying with any applicable Tax on Financial Transactions resulting from the Grantee's participation in the Plan.

## CANADA

### **Terms and Conditions**

Award Payable Only in Shares. The Award shall be paid in Shares only and does not provide the Grantee with any right to receive a cash payment.

Termination of Service. The following provision replaces Section 9(k) of the Award Agreement:

For purposes of the Award, the Grantee's Service shall be considered terminated as of the date that is the earliest of (i) the date on which the Grantee's Service is terminated, (ii) the date that the Grantee receives notice of termination of the Grantee's Service, or (iii) the date the Grantee is no longer actively providing Service to the Company or any Affiliate, regardless of any notice period or period of pay in lieu of such notice required under applicable employment laws in the jurisdiction where the Grantee is employed or otherwise providing Service (including, but not limited to statutory law, regulatory law and/or common law) or the terms of the Grantee's employment or other service agreement, if any. The Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing Service for purposes of the Award (including whether the Grantee may still be considered to be providing Service while on a leave of absence). Notwithstanding the foregoing, if applicable employment legislation explicitly requires continued participation in the Plan during a statutory notice period, the Grantee acknowledges that Grantee's right to participate in the Plan, if any, will terminate effective as of the last day of the Grantee's minimum statutory notice period, but the Grantee will not earn or be entitled to any pro-rated vesting if the vesting date is after the end of the Grantee's statutory notice period and the Grantee will not be entitled to any compensation for lost vesting.

*The following terms and conditions apply to employees resident in Quebec:*

Language. The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.*

Data Privacy. This provision supplements Section 10 of the Award Agreement:

The Grantee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant and necessary information from personnel, professional or non-professional, involved in the administration and operation of the Plan. The Grantee further authorizes the Company and any Affiliate and the Committee to disclose and discuss the Plan with their advisors and to record all relevant information and keep such information in the Grantee's employee file.

### **Notifications**

Securities Law Information. The Grantee is permitted to sell Shares acquired under the Plan through UBS or such other broker designated under the Plan, provided the resale of such Shares takes place outside of Canada through the facilities of a stock exchange on which the Company's Shares are listed. The Company's Shares are currently traded on the New York Stock Exchange

("NYSE") which is located outside of Canada, under the ticker symbol "ELAN", and Shares acquired under the Plan may be sold through this exchange.

**Foreign Asset/Account Reporting Information.** Canadian residents are required to report to the tax authorities any foreign property held outside of Canada (including Restricted Stock Units and Shares acquired under the Plan) annually on form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds the applicable limit at any time in the year. The form must be filed by April 30 of the following year. Restricted Stock Units must be reported – generally at a nil cost – if the applicable limit is exceeded because of other foreign property the Grantee holds. If Shares are acquired, their cost generally is the adjusted cost basis of the Shares. The adjusted cost basis normally would equal the fair market value of the Shares at vesting, but if the Grantee owns other Shares, this adjusted cost basis may require averaging with the adjusted cost basis of the other Shares. The Grantee should consult with the Grantee's personal tax advisor to ensure compliance with applicable reporting requirements.

## **CHILE**

### **Notifications**

**Securities Law Notice.** The grant of the Award constitutes a private offering in Chile effective as of the date of the Award Agreement. This offer of the Award is made subject to General Ruling N° 336 of the Chilean Commission for the Financial Market ("CMF"). This offer refers to securities not registered at the Securities Registry or at the Foreign Securities Registry of the CMF, and, therefore, such securities are not subject to oversight of the CMF. Given that the Award is not registered in Chile, the Company is not required to provide public information about the Award or Shares in Chile. Unless the Award and/or the Shares are registered with the CMF, a public offering of such securities cannot be made in Chile.

*Esta oferta de los Derechos de Acciones Restringidas constituye una oferta privada de valores en Chile se inicia en la fecha de este documento. Esta oferta de los Derechos de Acciones Restringidas se acoge a las disposiciones de la norma de Carácter General N° 336 de la Comisión para el Mercado Financiero (CMF). Esta oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la CMF, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de los Derechos de Acciones Restringidas no inscritos en Chile no existe la obligación por parte del emisor de entregar en Chile información pública respecto de los mismos. Estos Derechos de Acciones Restringidas no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el registro de valores correspondiente.*

**Exchange Control Information.** Exchange control regulations in Chile may apply to the Grantee's award, and are subject to change. The Grantee should consult with the Grantee's personal legal advisor regarding any exchange control obligations that the Grantee may have in connection with the vesting of the Restricted Stock Units, cash dividends or dividend equivalent payments, or the sale of Shares acquired at vesting.

## **CHINA**

### **Terms and Conditions**

*This provision supplements Section 2 of the Award Agreement.*

To facilitate compliance with any Applicable Laws or regulations in China, the Grantee agrees and acknowledges that the Company (or a brokerage firm instructed by the Company) is entitled to sell any or all Shares issued to the Grantee on or as soon as practicable after the applicable Vesting Date or other vesting event (on behalf of the Grantee and at the Grantee's direction pursuant to this authorization), either immediately after such Shares are issued to the Grantee or when the Grantee ceases Service or transfers employment to a Company entity outside of China or at such other time as the Company may determine is necessary or advisable to facilitate compliance with Applicable Laws or the administration of the Plan. The Grantee also agrees to sign any forms and/or consents that may be required by the Company and acknowledges that neither the Company nor the brokerage firm is under any obligation to arrange for such sale of the Shares at any particular price. In any event, when the Shares acquired under the Plan are sold, the proceeds of the sale of the Shares, less any Tax-Related Items and broker's fees or commissions, will be remitted to the Grantee in accordance with applicable exchange control laws and regulations.

Exchange Control Restrictions. The Grantee understands and agrees that, due to exchange control laws in China, the Grantee will be required to immediately repatriate to China any funds (e.g., proceeds from the sale of Shares) received pursuant to this Award. The Grantee further understands that such repatriation of the funds may need to be effected through a special exchange control account established by the Company or any Affiliate. The Grantee hereby consents and agrees that any funds received pursuant to this Award may be transferred to such special account prior to being delivered to the Grantee's personal account. The Grantee also understands that the Company will deliver the funds to the Grantee as soon as possible, but there may be delays in distributing the funds to the Grantee due to exchange control requirements in China. Funds may be paid to the Grantee in U.S. dollars or local currency at the Company's discretion. If the funds are paid to the Grantee in U.S. dollars, the Grantee will be required to set up a U.S. dollar bank account in China so that the funds may be deposited into this account. If the funds are paid to the Grantee in local currency, the Company is under no obligation to secure any particular exchange conversion rate and the Company may face delays in converting the funds to local currency due to exchange control restrictions. The Grantee further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Neither the Company nor any Affiliate shall be liable for any costs, fees, lost interest or dividends or other losses the Grantee may incur or suffer resulting from the enforcement of the terms of this Addendum or otherwise from the Company's operation and enforcement of the Plan, the Award Agreement and the Shares in accordance with Chinese law, including, without limitation, any applicable State Administration of Foreign Exchange ("SAFE") rules, regulations and requirements.

Additional Restrictions. The Award will not vest and the Shares will not be issued at vesting unless the Company determines that such vesting and the issuance and delivery of Shares complies with all relevant provisions of law. The Company is under no obligation to vest the Award and/or issue Shares if the Company's SAFE approval becomes invalid or ceases to be in effect by the time the Grantee vests in the Award.

## COLOMBIA

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 9 of the Award Agreement:

In accepting the Award, the Grantee acknowledges, understands and agrees that, pursuant to Article 128 of the Colombian Labor Code, the Award and any payment the Grantee receives pursuant to the Award do not constitute a component of “salary” and will not be considered as a salary nature payment for any legal purpose. Therefore, the Award and any related benefit will not be included and/or considered for purposes of calculating any labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions and/or any other labor-related amount which may be payable.

### ***Notifications***

Securities Law Information. The Shares are not and will not be registered with the Colombian registry of publicly traded securities (Registro Nacional de Valores y Emisores) and therefore the Shares may not be offered to the public in Colombia. Nothing in the Award Agreement should be construed as making a public offer of securities in Colombia.

Exchange Control Information. Investment in assets located abroad (such as Shares acquired under the Plan) does not require prior approval. However, the Grantee’s investments held abroad, including Shares, must be registered with the Central Bank (Banco de la Republica), regardless of the value of such investments.

## CZECH REPUBLIC

### ***Notifications***

Exchange Control Information. The Czech National Bank may require the Grantee to provide notification in relation to the acquisition of Shares and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, the Grantee should consult the Grantee’s personal legal advisor prior to the vesting of the Restricted Stock Units and the sale of Shares to ensure compliance with current regulations. The Grantee is responsible for complying with any applicable exchange control laws.

## DENMARK

### ***Terms and Conditions***

Nature of Grant. This provision supplements Section 9 of the Award Agreement:

In accepting the Award, the Grantee acknowledges, understands and agrees that it relates to future services to be performed and is not a bonus or compensation for past services.

Stock Option Act. In addition to the Plan and the Agreement, the Grantee must review the Employer Statement (Denmark) provided under the Danish Act on the Use of Rights to Purchase or Subscribe for Shares in the Employment Relationship, as amended as of January 1, 2019 (the “Stock Option Act”) for important information applicable to the Award. This document is accessible on the UBS website at <https://onlineservices.ubs.com/wma/epas/resources>. By accepting the

Award, the Grantee acknowledges that Grantee has received an Employer Statement, translated into Danish, which includes a description of the terms of the Award as required by the Danish Stock Option Act.

## **EGYPT**

### **Notifications**

Exchange Control Information. If the Grantee transfers funds into Egypt in connection with Restricted Stock Units or Shares, the Grantee will be required to transfer the funds through a registered bank in Egypt.

## **FRANCE**

### **Terms and Conditions**

Award Not French-Qualified. The Award is not intended to be "French-qualified," *i.e.*, it is not intended to qualify for specific tax and/or social security treatment in France.

Language Consent. In accepting the Award, the Grantee confirms having read and understood the documents relating to the Award (the Plan and the Award Agreement, including this Appendix), which were provided in English. The Grantee accepts the terms of those documents accordingly.

*Consentement Relatif à la Langue Utilisée. En acceptant cette Attribution, le Bénéficiaire confirme avoir lu et compris les documents relatifs à cette Attribution (le Plan le Contrat d'Attribution incluant cette Annexe), qui ont été remis en langue anglaise. Le Bénéficiaire accepte les termes de ces documents en conséquence.*

## **GERMANY**

### **Notifications**

Exchange Control Information. Cross-border payments in excess of the applicable amount designated by the German Federal Bank ("*Bundesbank*") must be reported monthly to the *Bundesbank*. With respect to payments in connection with securities (including proceeds realized upon the sale of Shares or from the receipt of dividends paid on such Shares), the report must be made by the 5th day of the month following the month in which the payment was received. The report must be filed electronically. The form of report ("*Allgemeine Meldeportal Statistik*") is accessible via the *Bundesbank's* website ([www.bundesbank.de](http://www.bundesbank.de)) and is available in both German and English. The Grantee is responsible for complying with applicable exchange control requirements.

## **INDIA**

### **Notifications**

Exchange Control Information. The Grantee is required to repatriate the proceeds from the sale of Shares and any dividends received in relation to the Shares to India within any time frame prescribed under applicable Indian exchange control laws, as may be amended from time to time. The Grantee must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Grantee's

employer requests proof of repatriation. It is the Grantee's responsibility to comply with applicable exchange control laws in India.

## **INDONESIA**

### **Terms and Conditions**

Language Consent and Notification. By accepting the Award, the Grantee (i) confirms having read and understood the documents relating to the grant (*i.e.*, the Notification of Grant, the Plan and the Award Agreement) which were provided in the English language, (ii) accepts the terms of those documents, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Persetujuan dan Pemberitahuan Bahasa. Dengan menerima pemberian Unit Saham Terbatas ini, Peserta (i) memberikan konfirmasi bahwa dirinya telah membaca dan memahami dokumen-dokumen berkaitan dengan pemberian ini (yaitu, Pemberitahuan Pemberian, Perjanjian Penghargaan dan Program) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan).

### **Notifications**

Exchange Control Information. Indonesian residents are required to provide the Indonesian central bank (Bank Indonesia) information about foreign exchange activities. If there is any change to foreign assets held (including Shares acquired under the Plan), the Grantee must report such change online through the Bank Indonesia website no later than the 15th day of the month following the month in which the foreign exchange activity occurs.

If the Grantee remits proceeds from the sale of Shares or the receipt of any dividends paid on such Shares into Indonesia, the Indonesian bank through which the transaction is made will submit a report on the transaction to Bank Indonesia for statistical reporting purposes. For transactions that equal or exceed the USD threshold amount, a more detailed description of the transaction must be included in the report and the Grantee may be required to provide information about the transaction to the bank to complete the transaction.

## **ITALY**

### **Terms and Conditions**

Plan Document Acknowledgment. In accepting the Award, the Grantee acknowledges that Grantee has received a copy of the Plan, has reviewed the Plan and the Award Agreement (including this Appendix) in their entirety and fully understands and accepts all provisions of the Plan and the Award Agreement (including this Appendix).

### **Notifications**

Foreign Asset/Account Reporting Information. Italian residents who hold investments abroad or foreign financial assets (e.g., cash, Shares) during the fiscal year that may generate income taxable

in Italy are required to report such information on their annual tax returns (UNICO form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. The same reporting obligations apply to Italian residents who, even if they do not directly hold investments abroad or foreign financial assets (e.g., cash, Shares), are beneficial owners of an investment or foreign financial asset pursuant to Italian money laundering provisions. The Grantee should consult with the Grantee's personal tax advisor to ensure compliance with applicable reporting obligations.

Tax on Foreign Financial Assets. The value of the financial assets (such as Shares) held by Italian residents outside of Italy may be subject to a foreign asset tax. The taxable amount will be the fair market value of the financial assets (such as Shares) assessed at the end of the calendar year and is subject to proration for the portion of the year that the Grantee holds the Shares received at settlement. The value of financial assets held abroad must be reported in Form RM of the annual return. The Grantee should consult with the Grantee's personal tax advisor for additional information on the tax on foreign financial assets.

## **LEBANON**

### ***Terms and Conditions***

Securities Law Information. The Plan does not constitute the marketing or offering of securities in Lebanon pursuant to Law No. 161 (2011), the Capital Markets Law. Offers under the Plan are being made only to Eligible Individuals.

## **MALAYSIA**

### ***Notifications***

Director Notification Information. If the Grantee is a director of a Malaysian Affiliate, Grantee is subject to certain notification requirements under the Malaysian Companies Act, 2016. Among these requirements is an obligation to notify the Malaysian Affiliate in writing when the Grantee receives or disposes of an interest (e.g., the Award or Shares) in the Company or a related company. This notification must be made within fourteen (14) days after acquiring or disposing of any interest in the Company or a related company.

## **MEXICO**

### ***Terms and Conditions***

Acknowledgement of the Award Agreement. By accepting the Restricted Stock Unit Award, the Grantee acknowledges that Grantee has received a copy of the Plan and the Award Agreement, including this Appendix, which Grantee has reviewed. The Grantee further acknowledges that Grantee accepts all the provisions of the Plan and the Award Agreement, including this Appendix. The Grantee also acknowledges that Grantee has read and specifically and expressly approves the terms and conditions set forth in the "Grantee's Acknowledgement" section of the Award Agreement, which clearly provide as follows:

- (1) The Grantee's participation in the Plan does not constitute an acquired right;
- (2) The Plan and the Grantee's participation in it are offered by the Company on a wholly discretionary basis;

- (3) The Grantee's participation in the Plan is voluntary; and
- (4) The Company and its Affiliates are not responsible for any decrease in the value of any Shares acquired pursuant to the Restricted Stock Unit Awards.

Labor Law Acknowledgement and Policy Statement. By accepting the Award, the Grantee acknowledges that the Company, with registered offices at the Elanco Animal Health Inc. Global Headquarters, Indiana, U.S.A., is solely responsible for the administration of the Plan. The Grantee further acknowledges that Grantee's participation in the Plan, the grant of Restricted Stock Unit Awards and any acquisition of Shares under the Plan do not constitute an employment relationship between the Grantee and the Company because the Grantee is participating in the Plan on a wholly commercial basis and Grantee's sole employer is Elanco Salud Animal SA de CV ("Elanco-Mexico"). Based on the foregoing, the Grantee expressly acknowledges that the Plan and the benefits that Grantee may derive from participation in the Plan do not establish any rights between the Grantee and Grantee's Employer, Elanco-Mexico, and do not form part of the employment conditions and/or benefits provided by Elanco-Mexico, and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of the Grantee's employment.

The Grantee further understands that Grantee's participation in the Plan is the result of a unilateral and discretionary decision of the Company and, therefore, the Company reserves the absolute right to amend and/or discontinue the Grantee's participation in the Plan at any time, without any liability to the Grantee.

Finally, the Grantee hereby declares that Grantee does not reserve to the Grantee any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and that Grantee therefore grants a full and broad release to the Company, its subsidiaries, affiliates, branches, representation offices, shareholders, officers, agents or legal representatives, with respect to any claim that may arise.

#### **Spanish Translation**

Reconocimiento del Convenio de Concesión. *Al aceptar el Premio de Desempeño, el Beneficiario reconoce que ha recibido y revisado una copia del Plan y del Convenio de Concesión, incluyendo este Apéndice. El Beneficiario reconoce y acepta todas las disposiciones del Plan y del Convenio de Concesión, incluyendo este Apéndice. El Beneficiario también reconoce que ha leído y aprobado de forma expresa los términos y condiciones establecidos en la sección: "Naturaleza de la Concesión" del Convenio de Concesión, que claramente establece lo siguiente:*

- (1) *La participación del Beneficiario en el Plan no constituye un derecho adquirido;*
- (2) *El Plan y la participación del Beneficiario en el es ofrecido por la Compañía de manera completamente discrecional;*
- (3) *La participación del Beneficiario en el Plan es voluntaria; y*
- (4) *La Compañía y sus Afiliadas no son responsables por ninguna disminución en el valor de las Acciones adquiridas de conformidad con el Premio de Desempeño.*

Reconocimiento de la legislación Laboral aplicable y Declaración de la Política. *Al aceptar el Premio, el Beneficiario reconoce que Company, con domicilio social en the Elanco Animal Health*

*Global Headquarters, , Indiana, U.S.A., es la única responsable por la administración del Plan. Además, el Beneficiario reconoce que su participación en el Plan, la concesión de Unidades de Acciones Restringidas y cualquier adquisición de Acciones bajo el Plan no constituyen una relación laboral entre el Beneficiario y Company, en virtud de que el Beneficiario está participando en el Plan en su totalidad sobre una base comercial y su único empleador es Elanco Salud Animal SA de CV ("Elanco-Mexico"). Por lo anterior, el Beneficiario expresamente reconoce que el Plan y los beneficios que puedan derivarse de su participación no establecen ningún derecho entre el Beneficiario y su empleador, Elanco-México, y que no forman parte de las condiciones de trabajo y/o beneficios otorgados por Elanco-México, y cualquier modificación del Plan o la terminación del mismo no constituirá un cambio o modificación de los términos y condiciones en el empleo del Beneficiario.*

*Además, el Beneficiario comprende que su participación en el Plan es el resultado de una decisión discrecional y unilateral de la Company, por lo que Company se reserva el derecho absoluto de modificar y/o suspender la participación del Beneficiario en el Plan en cualquier momento, sin responsabilidad frente al Beneficiario.*

*Finalmente, el Beneficiario manifiesta que no se reserva acción o derecho alguno que origine una demanda en contra de Company, por cualquier compensación o daño relacionada con las disposiciones del Plan o de los beneficios otorgados en el mismo, y en consecuencia el Beneficiario libera de la manera más amplia y total de responsabilidad a E Company, sus subsidiarias, afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales de cualquier demanda que pudiera surgir.*

### **Notifications**

**Securities Law Information.** The Award and any Shares issued under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Award Agreement and any other document relating to the Award may not be publicly distributed in Mexico. These materials are addressed to the Grantee because of the Grantee's existing relationship with the Company and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities, but is a private placement of securities addressed specifically to individuals who are present service providers made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

### **NEW ZEALAND**

#### **Terms and Conditions**

The Grantee has been granted an award under the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan ("Plan") and has been or will be provided with a description of the Plan and its terms and conditions separately from the Award Agreement. Copies of the Plan and the Plan prospectus are available at: <https://onlineservices.ubs.com/wma/epas/resources>. The following information is provided in compliance with an exemption under New Zealand law.

#### **Notifications**

**Annual Report and Financial Statements.** Grantee has the right to receive from Elanco, on request and free of charge, a copy of Elanco's latest annual report, financial statements and audit report on

those financial statements. The Grantee also can view or obtain copies of these documents electronically at the following website: <https://investor.elanco.com/financials/quarterly-results/default.aspx>.

**Securities Law Notice.** This is an offer of restricted stock units ("RSUs"). To the extent that the RSUs vest and are settled in accordance with the terms of the Plan and the Award Agreement, they will be converted into shares of Elanco common stock. The shares will give Grantee a stake in the ownership of Elanco. The Grantee may receive a return on the shares if Elanco pays dividends.

If Elanco encounters financial difficulties and is wound up, Grantee will be paid only after all creditors have been paid and may lose some or all of Grantee's investment (if any). New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make informed decisions. The usual rules do not apply to this offer because it is made under an employee share scheme. As a result, Grantee may not be given all of the information that is usually required and will have fewer other legal protections for this investment. The Grantee should ask questions, read all documents carefully, and seek independent financial advice before committing to the Award.

The RSUs are not listed, but Elanco shares are traded on the New York Stock Exchange ("NYSE"). This means that if Grantee receives Elanco shares following the vesting of RSUs, Grantee may be able to sell the shares on the NYSE if there are interested buyers. The price will depend on the demand for the shares. For information about risk factors affecting Elanco's business that may affect the value of the shares, please refer to the risk factors discussion in Elanco's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov) and <https://investor.elanco.com/financials/sec-filings/default.aspx>.

The Grantee may request copies of Elanco's SEC filings free of charge by contacting Elanco. The Grantee should read the referenced materials carefully before making a decision whether to participate in the Plan and note that values generally are reported in US dollars unless otherwise specified. In addition, Grantee should consult Grantee's tax advisor for specific information concerning Grantee's personal tax situation with regard to Plan participation.

## **PHILIPPINES**

### ***Terms and Conditions***

**Compliance with Law.** The following provision supplements Section 3.3(h) of the Plan:

The Grantee acknowledges that the Grantee's participation in the Plan is subject to the Company maintaining an exemption from the registration requirements under Section 10.2 of the Philippines Securities Regulation Code. Without limitation to the foregoing, the Grantee understands and agrees that the issuance and delivery of Shares pursuant to the Award will be subject to the availability of such exemption and the determination that the issuance of the Shares can be made in compliance with applicable laws, and that the Company alternatively may settle the Award in cash, in its sole discretion.

### ***Notifications***

**Securities Law Notice.** The risks of participating in the Plan include (without limitation) the risk of fluctuation in the price of the Shares on the New York Stock Exchange and the risk of currency

fluctuations between the U.S. Dollar and Grantee's local currency. The value of any Shares the Grantee may acquire under the Plan may decrease below the value of the Shares at vesting and fluctuations in foreign exchange rates between the Grantee's local currency and the U.S. Dollar may affect the value of any amounts due to Grantee pursuant to the subsequent sale of any Shares acquired upon vesting. The Company is not making any representations, projections or assurances about the value of the Shares now or in the future.

For further information on risk factors impacting the Company's business that may affect the value of the Shares, Grantee may refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at [www.sec.gov](http://www.sec.gov), as well as on the Company's "Investor Relations" website at <https://investor.elanco.com/home/default.aspx>.

The Grantee is permitted to sell Shares acquired under the Plan through the designated Plan broker appointed by the Company (or such other broker to whom the Grantee transfers Shares), provided that such sale takes place outside of the Philippines through the facilities of the New York Stock Exchange on which the Shares are listed.

## **POLAND**

### ***Notifications***

Exchange Control Information. If the Grantee holds foreign securities (including Shares) and maintains accounts abroad, the Grantee may be required to file certain reports with the National Bank of Poland regarding transactions and balances of foreign accounts. The Grantee also may be required to handle funds transfers into or out of Poland through a bank in Poland. Polish residents are required to retain all documents related to foreign exchange transactions for a period of five years. The Grantee is responsible for complying with applicable exchange control requirements.

## **PORTUGAL**

### ***Terms and Conditions***

Language Acknowledgement. The Grantee hereby expressly declares that Grantee has full knowledge of the English language and has read, understood and freely accepted and agreed with the terms and conditions established in the Plan and the Award Agreement.

Conhecimento da Língua. *O Contratado, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo de Atribuição (Award Agreement em inglês).*

### ***Notifications***

Exchange Control Information. If the Grantee is a resident of Portugal and receives Shares, the acquisition of such Shares should be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report to the Banco de Portugal. If the Shares are not deposited with a commercial bank, broker or financial intermediary in Portugal, the Grantee is responsible for submitting the report to the Banco de Portugal.

## **RUSSIA**

### ***Terms and Conditions***

U.S. Transaction. The Grantee understands that accepting the Award and the terms and conditions of the Award Agreement will result in a contract between the Grantee and the Company completed in the United States and that the Award Agreement is governed by U.S. law. The Grantee understands and acknowledges that any Shares issued under the Plan shall be delivered to the Grantee through a brokerage account maintained outside Russia. The Grantee understands that the Grantee may hold Shares in a brokerage account outside Russia; however, in no event will Shares issued to the Grantee and/or share certificates or other instruments be delivered to the Grantee in Russia. The Grantee acknowledges and agrees that the Grantee is not permitted to sell or otherwise transfer the Shares directly to other Russian legal entities or individuals. Finally, the Grantee acknowledges and agrees that the Grantee may sell or otherwise transfer the Shares only outside Russia.

### ***Notifications***

Securities Law Information. This Appendix, the Award Agreement, the Plan and all other materials that the Grantee may receive regarding the Plan, do not constitute advertising or an offering of securities in Russia. The issuance of securities pursuant to the Plan has not and will not be registered in Russia; hence, the securities described in any Plan-related documents may not be used for offering or public circulation in Russia.

Exchange Control Information. Under exchange control regulations in Russia, certain funds received outside of Russia must be repatriated to Russia as soon as the Grantee intends to use those amounts for any purpose, including reinvestment. Such funds must initially be credited to the Grantee through a foreign currency account at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws.

The above-mentioned repatriation requirement may not apply with respect to cash amounts received in an account considered by the Central Bank of Russia to be a foreign brokerage account opened with a financial market institution other than a bank. Statutory exceptions to the repatriation requirement also may apply.

Anti-Corruption Information. Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (such as shares of foreign companies such as the Company). The Grantee should inform the Company if the Grantee is covered by these laws because the Grantee should not hold Shares under the Plan.

## SLOVENIA

### **Terms and Conditions**

Language Acknowledgment. By accepting the Award, the Grantee acknowledges that the Grantee is proficient in reading and understanding English and fully understands the terms of the documents related to the grant (the Notification of Grant, the Award Agreement and the Plan), which were provided in the English language. The Grantee accepts the terms of those documents accordingly.

Soglasje za Uporabo Angleškega Jezika. S sprejetjem dodelitve RSU Udeleženec (Participant) priznava in potrjuje, da je sposoben brati in razumeti angleški jezik ter v celoti razume pogoje dokumentov, povezanih z dodelitvijo (Obvestilo (Notice of Grant), pogodba (Award Agreement) in Načrt (Plan)), ki so bili posredovani v angleškem jeziku. Udeleženec skladno s tem sprejema pogoje teh dokumentov.

## SOUTH AFRICA

### **Terms and Conditions**

Securities Law Information. In compliance with South African securities law, the Grantee acknowledges that Grantee has been notified that the following documents listed below are available for the Grantee's review at the applicable website listed below:

- (1) The Company's most recent annual financial statement, available at: <https://investor.elanco.com/financials/quarterly-results/default.aspx>.
- (2) The Company's most recent Information Summary/Prospectus, which is viewable within the Recordkeeping Information Document Library on UBS Financial Services Inc. at: <https://onlineservices.ubs.com/wma/epas/resources>.

The Grantee acknowledges that Grantee may have a copy of the above documents sent to the Grantee, without fee, on written request to the Secretary of the Company at the Elanco Animal Health Global Headquarters, , Indiana, U.S.A.

Responsibility for Taxes. This provision supplements Section 7 of the Award Agreement:

The Grantee should contact the Grantee's tax advisor for specific information concerning the Grantee's personal tax situation with regard to Plan participation.

Exchange Control Information. By accepting the Award, the Grantee acknowledges that the Grantee is solely responsible for complying with applicable South African exchange control regulations. Because the exchange control regulations change frequently and without notice, the Grantee should consult the Grantee's legal advisor prior to the acquisition or sale of Shares acquired under the Plan to ensure compliance with current regulations. It is the Grantee's responsibility to comply with South African exchange control laws, and neither the Company nor any Employer or Affiliate will be liable for any fines or penalties resulting from the Grantee's failure to comply with applicable laws.

## SPAIN

### **Terms and Conditions**

Vesting. This provision supplements Section 2 of the Award Agreement:

As a condition of the grant of the Award, termination of the Grantee's Service for any reason (including for the reasons listed below but excluding for the reasons specified in Section 2(d) or (e) of the Award Agreement) will automatically result in the forfeiture and loss of the Award and the underlying Shares to the extent that the Award has not yet vested as of the date of termination of the Grantee's Service. In particular, and without limitation to the provisions of the Award Agreement and the Plan, the Grantee understands and agrees that the Award will be cancelled without entitlement to the underlying Shares or to any amount as indemnification if the Grantee terminates employment by reason of, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.*, subject to a "*despido improcedente*"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause (unless such layoff falls within the meaning of a plant closing or reduction in workforce as described in Section 2(e)), material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985. The Grantee acknowledges that Grantee has read and specifically accepts the vesting conditions referred to in Section 2 of the Award Agreement.

Grantee's Acknowledgement. This provision supplements Section 9 of the Award Agreement:

The Grantee understands that the Company has unilaterally, gratuitously and discretionally decided to grant Restricted Stock Unit Awards under the Plan to individuals who may be Employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis except to the extent otherwise provided in the Plan and this Award Agreement. Consequently, the Grantee understands that the Restricted Stock Unit Awards are granted on the assumption and condition that the Restricted Stock Unit Awards and any Shares acquired pursuant to the Restricted Stock Unit Awards shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Grantee understands that this grant would not be made to the Grantee but for the assumptions and conditions referred to above; thus, the Grantee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of Restricted Stock Unit Awards may be cancelled.

### **Notifications**

Securities Law Information. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the Award. The Award Agreement has not nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information. The Grantee is responsible for complying with the exchange control regulations in Spain. The Grantee must declare the acquisition of Shares for statistical purposes to

the Spanish *Dirección General de Comercio e Inversiones* (the “DGCI”) of the Ministry of Economy and Competitiveness. Generally, such declaration must be filed on a D-6 form in January for Shares owned as of December 31 of each year, subject to earlier filing (within one month after the date of acquisition or sale, as applicable) if the value of the Shares or the sale proceeds exceeds the specified value threshold.

When receiving foreign currency payments in excess of the applicable value limit derived from the ownership of Shares (such as from the sale of Shares or the receipt of dividends), the Grantee must inform the financial institution receiving the payment of the basis upon which such payment is made. The Grantee may be required to provide the institution with the following information: (i) the Grantee’s name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; (iv) the currency used; (v) the country of origin; (vi) the reasons for the payment; and (vii) any additional information that may be required. The Grantee is required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the Shares held in such accounts, if the value of the transactions during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed the specified value threshold.

Foreign Asset/Account Reporting Information. To the extent that the Grantee holds rights or assets (e.g. Shares and/or bank accounts) outside Spain with a value in excess of the specified value threshold (for each type of right or asset) as of December 31, the Grantee will be required to report information on such rights and assets on his or her tax return (form 720) for such year. After such Shares and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported Shares or accounts increases by more than the specified amount or if the Grantee sells or otherwise disposes of any previously-reported Shares or accounts. The Grantee should consult with the Grantee’s personal tax advisor to ensure compliance with applicable reporting requirements.

## **SWEDEN**

### ***Terms and Conditions***

Withholding Authorization. This provision supplements Section 7 of the Award Agreement:

Without limiting the Company’s and the Employer’s authority to satisfy withholding obligations for Tax-Related Items as set forth in Section 7 of the Award Agreement, by accepting the grant of the Restricted Stock Units, the Grantee authorizes the Company and/or the Employer to withhold Shares or to sell Shares otherwise deliverable to the Grantee at vesting to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer is obligated to withhold such Tax-Related Items.

## **SWITZERLAND**

### ***Notifications***

Securities Law Information. The grant of the Restricted Stock Unit Awards and the issuance of Shares is not intended to be publicly offered in or from Switzerland. Because this is a private offering in Switzerland, the Restricted Stock Unit Awards are not subject to registration in Switzerland. Neither this Award Agreement nor any other materials relating to the Restricted Stock Unit Awards (i) constitute a prospectus according to articles 35 et seq. of the Swiss Federation Act

on Financial Services, (ii) may be publicly distributed or otherwise made publicly available in Switzerland, or (iii) have been or will be filed with, approved or supervised by any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (“FINMA”).

## **TAIWAN**

### ***Notifications***

Securities Law Information. The offer of participation in the Plan is available only for Employees of the Company and its Affiliates. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. The Grantee may acquire and remit foreign currency (including proceeds from the Shares and dividends paid on such Shares) into and out of Taiwan up to the specified USD limit per year. If the transaction amount is equal to or greater than the specified TWD limit in a single transaction, the Grantee must submit a Foreign Exchange Transaction Form and provide supporting documentation satisfactory to the remitting bank.

## **THAILAND**

### ***Notifications***

Exchange Control Information. The Grantee may be required to immediately repatriate and report the remittance of the proceeds from the sale of Shares or the receipt of dividends to Thailand if the proceeds realized in a single transaction exceed a value determined from time to time by the Bank of Thailand. The Grantee is responsible for complying with applicable exchange control requirements.

## **TURKEY**

### ***Notifications***

Securities Law Information. Under Turkish law, the Grantee is not permitted to sell any Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange in the United States of America, under the ticker symbol of “ELAN” and Shares acquired under the Plan may be sold through this exchange.

Financial Intermediary Information. Activity related to investments in foreign securities (such as the sale of Shares acquired under the Plan) must be conducted through a bank or financial intermediary institution licensed by the Turkish Capital Markets Board and should be reported to the Turkish Capital Markets Board. The Grantee is responsible for complying with these requirements and should contact the Grantee’s personal legal advisor for information regarding the Grantee’s obligations.

## **UNITED KINGDOM**

### ***Terms and Conditions***

Settlement. Section 4(d) of the Award Agreement shall not apply to Restricted Stock Unit Awards granted in the United Kingdom.

Responsibility for Taxes. This provision supplements Section 7 of the Award Agreement:

Without limitation to Section 7 of the Award Agreement, the Grantee agrees that Grantee is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company and/or the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Grantee also agrees to indemnify and keep indemnified the Company and/or the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Grantee's behalf.

Notwithstanding the foregoing, if the Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the foregoing provision will not apply. In this case, the amount of any Tax-Related Items not collected from or paid by the Grantee may constitute a benefit to the Grantee on which additional income tax and National Insurance contributions ("NICs") may be payable. The Grantee understands that Grantee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company and/or the Employer (as appropriate) the amount of any employee NICs due on this additional benefit. Grantee acknowledges that the Company and/or the Employer (as appropriate) may recover such additional NICs at any time thereafter by any of the means referred to in Section 7 of the Award Agreement.

Joint Election. As a condition of Grantee's participation in the Plan and vesting of the Restricted Stock Unit Awards, the Grantee agrees to accept any liability for secondary Class 1 national insurance contributions which may be payable by the Company and/or the Employer in connection with the Restricted Stock Unit Awards and any event giving rise to Tax-Related Items (the "Employer NICs"). Without prejudice to the foregoing, by accepting this Award, the Grantee is entering into a joint election with the Company or the Employer if Grantee has not already done so, the form of such joint election being formally approved by HMRC (the "Joint Election"), a copy of which is attached to this Appendix for the United Kingdom as Annex 1, and any other required consent or election. The Grantee further agrees to execute such other joint elections as may be required between him or her and any successor to the Company and/or the Employer. The Grantee further agrees that the Company and/or the Employer may collect the Employer NICs from him or her by any of the means set forth in Section 7 of the Award Agreement.

## **Annex 1 to Appendix for United Kingdom**

### **Important Note on the Joint Election for Transfer of Liability for Employer National Insurance Contributions to the Grantee:**

As a condition of the Grantee's participation in the Amended and Restated Elanco Animal Health Incorporated 2018 Stock Plan, as amended from time to time (the "Plan"), the Grantee is required to enter into a joint election to transfer to the Grantee any liability for employer National Insurance contributions (the "Employer NICs") that may arise in connection with the Restricted Stock Unit Award (the "Award") and in connection with future awards, if any, that may be granted to the Grantee under the Plan (the "Joint Election").

By entering into the Joint Election:

- the Grantee agrees that any liability for Employer NICs that may arise in connection with or pursuant to the vesting of the Award and the acquisition of shares of common stock of Elanco Animal Health Inc. (the "Company") or other taxable events in connection with the Award will be transferred to the Grantee; and
- the Grantee authorizes the Company and/or the Grantee's employer to recover an amount sufficient to cover this liability by any method set forth in the Award Agreement and/or the Joint Election.

*To enter into the Joint Election and to accept the Award, please select the button next to "Accept" where indicated on the Pending Acceptance screen. Please note that selecting the button next to "Accept" indicates the Grantee's agreement to be bound by all of the terms of the Joint Election.*

*Please note that even if the Grantee has indicated Grantee's acceptance of this Joint Election electronically, the Grantee may still be required to sign a paper copy of this Joint Election (or a substantially similar form) if the Company determines such is necessary to give effect to the Joint Election.*

**Please read the terms of the Joint Election carefully before accepting the Award Agreement and the Joint Election. The Grantee should print and keep a copy of this Joint Election for Grantee's records.**

**United Kingdom**  
**Joint Election for Transfer of Liability for**  
**Employer National Insurance Contributions to Employee**  
**Election To Transfer the Employer's National Insurance Liability to the Employee**

This Election is between:

- A. The individual who has obtained authorised access to this Election (the "**Employee**"), who is employed by one of the employing companies listed in the attached schedule (the "**Employer**") and who is eligible to receive restricted stock unit awards (the "**Restricted Stock Unit Award**") pursuant to the Amended and Restated 2018 Elanco Animal Health Incorporated Stock Plan (the "**Plan**"), and
- B. Elanco Animal Health Inc., an Indiana corporation, with registered offices in, Indiana, U.S.A. (the "**Company**"), which may grant Restricted Stock Unit Awards under the Plan and is entering into this Election on behalf of the Employer.

**1. Introduction**

1.1 This Election relates to all Restricted Stock Unit Awards granted to the Employee under the Plan up to the termination date of the Plan.

1.2 In this Election the following words and phrases have the following meanings:

- (a) "**Chargeable Event**" means any event giving rise to Relevant Employment Income.
- (b) "**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.
- (c) "**Relevant Employment Income**" from Restricted Stock Unit Awards on which Employer's National Insurance Contributions becomes due is defined as:
  - (i) an amount that counts as employment income of the earner under section 426 ITEPA (restricted securities: charge on certain post-acquisition events);
  - (ii) an amount that counts as employment income of the earner under section 438 of ITEPA (convertible securities: charge on certain post-acquisition events); or
  - (iii) any gain that is treated as remuneration derived from the earner's employment by virtue of section 4(4)(a) SSCBA, including without limitation:
    - (A) the acquisition of securities pursuant to the Restricted Stock Unit Awards (within the meaning of section 477(3)(a) of ITEPA);
    - (B) the assignment (if applicable) or release of the Restricted Stock Unit Awards in return for consideration (within the meaning of section 477(3)(b) of ITEPA);
    - (C) the receipt of a benefit in connection with the Restricted Stock Unit Awards, other than a benefit within (i) or (ii) above (within the meaning of section 477(3)(c) of ITEPA).
- (d) "**SSCBA**" means the Social Security Contributions and Benefits Act 1992.

- 1.3 This Election relates to the Employer's secondary Class 1 National Insurance Contributions (the "Employer's Liability") which may arise in respect of Relevant Employment Income in respect of the Restricted Stock Unit Awards pursuant to section 4(4)(a) and/or paragraph 3B(1A) of Schedule 1 of the SSCBA.
- 1.4 This Election does not apply in relation to any liability, or any part of any liability, arising as a result of regulations being given retrospective effect by virtue of section 4B(2) of either the SSCBA, or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.
- 1.5 This Election does not apply to the extent that it relates to relevant employment income which is employment income of the earner by virtue of Chapter 3A of Part VII of ITEPA (employment income: securities with artificially depressed market value).

## **2. The Election**

The Employee and the Company jointly elect that the entire liability of the Employer to pay the Employer's Liability that arises on any Relevant Employment Income is hereby transferred to the Employee. The Employee understands that, by accepting the Restricted Stock Unit Award (whether in hard copy or electronically) or by accepting this Election (whether in hard copy or electronically), Grantee will become personally liable for the Employer's Liability covered by this Election. This Election is made in accordance with paragraph 3B(1) of Schedule 1 of the SSCBA.

## **3. Payment of the Employer's Liability**

- 3.1 The Employee hereby authorises the Company and/or the Employer to collect the Employer's Liability in respect of any Relevant Employment Income from the Employee at any time after the Chargeable Event:
  - (a) by deduction from salary or any other payment payable to the Employee at any time on or after the date of the Chargeable Event; and/or
  - (b) directly from the Employee by payment in cash or cleared funds; and/or
  - (c) by arranging, on behalf of the Employee, for the sale of some of the securities which the Employee is entitled to receive in respect of the Restricted Stock Unit Awards, the proceeds from which must be delivered to the Employer in sufficient time for payment to be made to Her Majesty's Revenue & Customs ("HMRC") by the due date; and/or
  - (d) where the proceeds of the gain are to be paid through a third party, the Employee will authorize that party to withhold an amount from the payment or to sell some of the securities which the Employee is entitled to receive in respect of the Restricted Stock Unit Awards, such amount to be paid in sufficient time to enable the Company and/or the Employer to make payment to HMRC by the due date; and/or
  - (e) by any other means specified in the applicable Restricted Stock Unit Award agreement entered into between the Employee and the Company.
- 3.2 The Company hereby reserves for itself and the Employer the right to withhold the transfer of any securities to the Employee in respect of the Restricted Stock Unit Awards until full payment of the Employer's Liability is received.

3.3 The Company agrees to procure the remittance by the Employer of the Employer's Liability to HMRC on behalf of the Employee within 14 days after the end of the UK tax month during which the Chargeable Event occurs (or within 17 days after the end of the UK tax month during which the Chargeable Event occurs if payments are made electronically).

#### **4. Duration of Election**

4.1 The Employee and the Company agree to be bound by the terms of this Election regardless of whether the Employee is transferred abroad or is not employed by the Employer on the date on which the Employer's Liability becomes due.

4.2 Any reference to the Company and/or the Employer shall include that entity's successors in title and assigns as permitted in accordance with the terms of the Plan and relevant award agreement. This Election will continue in effect in respect of any awards which replace the Restricted Stock Unit Awards in circumstances where section 483 of ITEPA applies.

4.3 This Election will continue in effect until the earliest of the following:

- (a) the date on which the Employee and the Company agree in writing that it should cease to have effect;
- (b) the date on which the Company serves written notice on the Employee terminating its effect;
- (c) the date on which HMRC withdraws approval of this Election; or
- (d) the date on which, after due payment of the Employer's Liability in respect of the entirety of the Restricted Stock Unit Awards to which this Election relates or could relate, the Election ceases to have effect in accordance with its own terms.

4.4 This Election will continue in force regardless of whether the Employee ceases to be an employee of the Employer.

#### **Acceptance by the Employee**

**The Employee acknowledges that, by clicking on the button next to "Accept" to accept the Restricted Stock Unit Awards Agreement and this Election (or by signing the Restricted Stock Unit Awards Agreement or this Election whether in hard copy or electronically), the Employee agrees to be bound by the terms of this Election.**

#### **Acceptance by the Company**

**The Company acknowledges that, by signing this Election or arranging for the scanned signature of an authorised representative to appear on this Election, the Company agrees to be bound by the terms of this Election.**

\_\_\_\_\_  
Signature for and on behalf of the Company

\_\_\_\_\_  
Position

### Schedule of Employer Companies

The employing companies to which this Election relates include:

Name:	Elanco UK AH Limited
Registered Office:	Form 2, Bartley Way Bartley Wood Business Park, Hook RG27 9XA
Company Registration Number:	11378434
Corporation Tax Reference:	4312717782
PAYE Reference:	475/FB88335



## CERTIFICATIONS

I, Todd S. Young, certify that:

1. I have reviewed this report on Form 10-Q of Elanco Animal Health Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

By: /s/ Todd S. Young

Todd S. Young  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

**CERTIFICATION OF THE  
CHIEF EXECUTIVE OFFICER AND  
CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Elanco Animal Health Incorporated, an Indiana corporation (the "Company"), does hereby certify that, to the best of their knowledge:

The Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

/s/ Jeffrey N. Simmons

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Jeffrey N. Simmons  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: May 7, 2025

/s/ Todd S. Young

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Todd S. Young  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)