

# **Elanco Animal Health Incorporated Compensation and Human Capital Committee Charter**

## **Purpose**

The primary function of the Compensation and Human Capital Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Elanco Animal Health Incorporated (the “Company”) in fulfilling its oversight of:

- The Company’s compensation policies and practices, including determining and approving the compensation of the executive officers of the Company and the Company’s compensation plans, including by reviewing and approving incentive compensation and equity compensation policies and programs;
- The Company’s compensation program for non-employee directors;
- The stock ownership levels of the Company’s executive officers and, if appropriate, the stock ownership and/or retention guidelines for executive officers of the Company;
- The Company’s risk management related to its compensation programs;
- Succession plans and leadership development for the Chief Executive Officer (“CEO”) position and other executive officer positions, including a broad review of the Company’s succession planning;
- The Company’s performance in the area of diversity in its workforce; and
- The development, implementation and effectiveness of the Company’s policies and strategies relating to its human capital management function.

## **Composition and Term**

The Committee shall consist of no fewer than three directors. All Committee members must meet applicable New York Stock Exchange (“NYSE”) independence and experience requirements or any stricter requirements as may be established by the Committee or the Board. The Committee members must qualify as “non-employee directors” under Rule 16b-3 of the Securities Exchange Act of 1934, as amended. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership.

The Committee members shall be appointed annually by the Board and will serve at the Board’s discretion. The Committee chair shall be designated by the Board.

## **Administrative Matters**

The Committee shall meet at such times as it determines to be necessary or appropriate, but not less than four times per year. A majority of the members of the Committee shall constitute a quorum for meeting and the affirmative vote of a majority of the members present at a meeting at which a quorum is present shall constitute action of the Committee. The Committee may also take action without a meeting by the unanimous written consent of its members.

The Committee shall meet in executive session at least once each year in connection with the assessment of the performance and compensation of the CEO and in connection with oversight of succession management and may meet in executive session at any other time it deems appropriate.

The Committee shall report to the Board at the next Board meeting following each Committee meeting.

The Committee may request any officer or employee of the Company, or the Company's outside counsel to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. Requests for information from Committee members shall be directed to and coordinated through the Chair of the Committee, who shall liaise with members of management as needed with respect to such requests that concern fulfilling the Committee's duties and responsibilities.

### **Delegation**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee, so long as such subcommittee is solely comprised of one or more members of the Committee and such delegation is not otherwise inconsistent with law and applicable rules and regulations of the Securities and Exchange Commission and the NYSE.

### **External Resources**

The Committee shall (at the Company's expense) have the sole authority to retain and/or terminate any outside advisors it deems necessary to fulfill its duties, including a compensation consultant, independent legal counsel and other outside advisors to assist the Committee, and to approve the fees and other retention terms of any such advisors. Subject to the exceptions described in the NYSE listed company manual, in selecting a compensation consultant, independent legal counsel and other outside advisors, the Committee must take into consideration all factors relevant to that person's independence from management, including factors specified in the NYSE listed company manual.

### **Duties and Responsibilities**

The Committee shall have the following duties and responsibilities:

1. Together with the independent chairman of the Board, at least annually, review and approve the goals and objectives relevant to the performance of the Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those goals and objectives, and based on such evaluation, determine and approve (subject to ratification by the independent members of the Board) each element of the CEO's compensation.
2. At least annually, review and approve the compensation of each other executive officer of the Company. The Committee's responsibilities in connection with establishing the total compensation of the CEO and other executive officers shall include, without limitation:
  - Approving the Company's compensation philosophy and strategy;
  - Approving the selection of peer companies for compensation purposes;
  - Approving any perquisites;
  - Approving terms of any compensation or benefits arrangements, including employment, separation and severance arrangements; and
  - Approving any change-in-control compensation and benefit arrangements applicable to executive officers and other employees.
3. At least annually, review and recommend to the Board for its approval non-employee director compensation.
4. Oversee the Company's annual compensation plans covering executive officers, including, but not limited to, incentive plans, deferred compensation plans and management stock plans (including approving employees eligible to participate and the level of participation of each such employee, establishing the performance metrics for incentive plans, and approving the Company's results relative to those metrics). The

Committee may delegate authority with respect to these plans to members of senior management, consistent with applicable law, except that no authority may be delegated to senior management with respect to (a) any element of the compensation of executive officers or directors or (b) the equity compensation of officers subject to Section 16(b) of the Exchange Act.

5. In accordance with applicable rules and regulations, submit the Compensation Committee Report for inclusion in the Company's proxy statement (or other appropriate filings) that complies with the rules and regulations of the Exchange Act, and review and discuss with management the annual Compensation Discussion and Analysis and recommend to the Board its inclusion in the Company's proxy statement.
6. Periodically review Company stock ownership of executive officers and, if appropriate, establish and oversee stock ownership and/or retention guidelines for executive officers.
7. Establish and oversee the Company's executive compensation recovery policy.
8. Make recommendations to the Board with respect to incentive compensation plans, equity-based plans and other executive compensation matters coming before the Board, including periodic assessments of whether compensation programs are appropriately aligned with the Company's management of enterprise risks.
9. Review and make recommendations to the Board regarding the Company's proposals to shareholders, as well as proposals of shareholders, that relate to the matters overseen by the Committee.
10. Oversee the Company's engagement with shareholders regarding executive compensation matters, including reviewing and evaluating the results of advisory votes on executive compensation.
11. Discuss with management and evaluate the Company's performance in the oversight, development, implementation, and effectiveness of the Company's policies and strategies relating to its human capital management, including diversity, equity and inclusion in the Company's workforce.
12. Advise management on other human capital management and employee compensation and benefits matters as requested by the CEO or the executive vice president responsible for human resources.
13. Annually review and report to the Board on the succession plans and leadership development for the CEO position and other executive officer positions, including a broad review of the Company's succession management.
14. At least annually, review the Company's employee benefit plan investment policies, results and funding.
15. Review contributions to the Company's benefit plan funds and recommend the approval thereof to the Board.
16. Annually review and assess this charter and recommend any proposed changes to the Board for approval.
17. Annually review the performance of the Committee.

The Committee shall also undertake such additional activities within the scope of its primary functions as the Board or the Committee may from time to time determine.

Effective as of August 25, 2022 (as approved by the Board of Directors on August 25, 2022).