GENERAL PURCHASING TERMS AND CONDITIONS

OF Elanco Denmark ApS, Lautrupvang 12, 1 th., 2750 Ballerup, Denmark

1. General

These terms and conditions of purchasing (hereafter 'General Terms') shall apply to all Products and Services purchased by Elanco Denmark ApS (hereafter 'Buyer') from its suppliers (hereafter 'Supplier') and Supplier shall be deemed to accept these General Terms by supplying any Products or Services, unless specifically agreed otherwise in writing between Supplier and Buyer.

Conflicting or divergent delivery conditions or other restrictions of the Supplier shall not be acknowledged unless the Buyer has expressly agreed to these conditions in writing in each individual case.

2. Ordering

Orders from the Buyer must be in writing and shall be based exclusively on these General Terms to the extent the order or does not contain any regulations to the contrary, or unless specifically agreed otherwise in writing between Supplier and Buyer. In case of doubt, the content of discussions conducted verbally and by telephone shall only be binding if confirmed in writing.

The Supplier shall check orders without delay for any errors, ambiguities, incompleteness or lack of suitability in respect of the specifications selected by the Purchaser for the intended use of such orders and shall notify the Purchaser immediately of any necessity for changes to or for specifying such orders in more detail. The Supplier is obliged to confirm all orders and amended orders in writing, treating them as separate correspondence.

3. Delivery

Orders are subject to Incoterms 2010. The transfer of title shall take place on transfer of risk.

Delivery of the Products shall take place according to the terms agreed between Supplier and Buyer, in such quantities and at such times as Buyer shall have designated in any order or other communication to Supplier.

The supplier should at all times do his utmost to meet the agreed delivery time and other contractual obligations. Insofar as the Supplier is aware that he is unable to fulfill his delivery and other contractual obligations in whole or in part or in a timely manner, he shall notify the Buyer of any such circumstance without delay and shall state the reasons for and the potential duration of any such delay. The acceptance of late deliveries shall not constitute a waiver by Buyer of its right to cancel an order or to refuse to accept further deliveries.

In the event that the Supplier does not complete the order within the agreed delivery period, he shall be liable in accordance with law and as may otherwise be agreed by the parties.

4. Warranty, Notification of Defects and Liability

The Supplier shall warrant that the goods supplied are without any defects, which may reduce their value or affect their usability, that they are in accordance with agreed specifications, that they are suitable for intended use and that they conform both to generally accepted technical practice and to applicable regulations.

In the event that the Supplier has guaranteed the properties or durability of the goods supplied, the Buyer may also assert a claim under the terms of such a guarantee. This shall not apply to defects or damage to the object of delivery caused by:
   a) normal wear and tear;
   b) improper handling on the part of the Buyer.

The Buyer shall notify the Supplier of any defect of the products delivered as soon as these are discovered in the regular course of business.

The Supplier’s warranty shall also cover any items manufactured by subcontractors.

Products, which are subject to complaint under the warranty, shall remain at the Buyer’s disposal until replacements have been supplied, whereupon they shall become the property of the Supplier.

If the Supplier is not able to remedy a defect, the Buyer may remedy the defect himself at the Supplier’s expense.

5. Insurance

Transport insurance shall be taken out by the Buyer, unless otherwise stipulated in the agreement or order.
The Supplier shall conclude at his own expense adequate third party liability insurance to cover any damage caused by the Supplier, his staff or his representatives resulting from services rendered or any goods or items delivered. The Supplier shall provide the Buyer with documentation indicating the amount insured per occurrence of damage if so requested.

6. Dispatch Requirements

The Supplier is obliged to provide for each individual consignment a detailed dispatch note on the date of dispatch, separate from goods and invoice. Goods shall be accompanied by a delivery note and a packing slip. In the event that goods are to be dispatched by ship, the dispatch documentation and invoice shall specify the names of the shipping company and the ship. If not otherwise instructed by the Buyer, the Supplier shall choose a mode of transport, which is most beneficial and most suitable for the Buyer. All dispatch notes, packing slips, bills of lading and invoices as well as all outer packaging etc. must indicate the complete order reference and details concerning the unloading point specified by the Buyer.

The Supplier is obliged to pack, mark and dispatch dangerous goods in accordance with relevant national and international regulations. Accompanying documentation must indicate the risk category of the goods supplied and any further stipulations, which may be required pursuant to the relevant transportation regulations.

The Supplier shall be liable for any damage caused by the non-compliance with these provisions and shall be responsible for the payment of any costs thereby incurred. The Supplier shall be responsible for ensuring compliance with said shipping requirements on the part of sub-suppliers.

Any consignments of which the Buyer is unable to take delivery due to the non-compliance with these provisions shall be stored at the Supplier’s expense and risk. The Buyer shall be entitled to ascertain the contents and condition of such consignments.

7. Pricing

The price for the Products or Services to be paid by Buyer shall be inclusive of any value added tax, which shall be separately specified to Buyer.

For the duration of the supply relationship, no increase in the price may be made (whether on account of foreign exchange fluctuations, currency regulations, changes in duties or taxes, increase in the cost of raw materials, labour, energy, transport or otherwise), without the prior written consent of Buyer.

If the Supplier reduces his prices and improves the conditions during the period between order and delivery, the prices or conditions valid at the date of dispatch shall apply.

8. Invoicing and Payment

Suppliers invoice shall be submitted to Elanco Denmark ApS in one of the following two ways:

- by forwarding the original invoice to Elanco Denmark ApS c/o Urzad Pocztowy, PO Box 166, Ul. Powstanców Śląskich 50, 53-350 Wrocław 15, Poland or by mail to [______________], or
- by electronic PO invoice submission using eConnect and hosted by Direct Commerce.

Supplier will be notified which of the above two methods they are requested to follow in order to submit invoices.

All oral or written communication (including invoices, transportation documents etc) between the Parties must quote Elanco’s Purchase Order Number (as stated in the Purchase Order), Elanco’s reference person and a specification of the Goods or Services.

The acceptance of a Purchase Order by the Supplier includes acceptance of these Terms, except when contractually agreed otherwise or if it’s not in accordance with the law. Acceptance by Supplier of a Purchase Order may be evidenced by (a) Supplier’s electronic acceptance of the Purchase Order in the Electronic Invoicing System, (b) by written or verbal confirmation of the Purchase Order, (c) Supplier’s delivery of Goods or Services, or (d) other conduct by Supplier or its representative consistent with acceptance of the Purchase Order.

Unless agreed otherwise between both Parties, payment shall be made within sixty (60) days from date of invoice provided Elanco has accepted the delivery of the Goods, the Services and any commissioning or installation as appropriate. Elanco is entitled to set off against the price invoiced any sums owed by Supplier.

9. Documentation

All drawings, standards, guidelines, methods of analysis, formulas and other documents provided to the Supplier by the Purchaser for the purpose of manufacturing the goods to be supplied and any such documents drawn up by the Supplier in accordance with special instructions submitted by the Buyer shall remain the property of the Buyer and may not be used for any other purpose, reproduced or made available to third parties by the Supplier. The Supplier shall deliver all such documentation and all copies and duplicates thereof without
delay if so requested. The Buyer shall retain the industrial property rights to all documents provided to the Supplier. The Supplier is obliged to treat all enquiries and orders and all work associated therewith with strictest confidence. The Supplier shall be liable for any loss incurred by the Buyer arising as a result of a breach of any one of these obligations by the Supplier.

The Supplier shall provide the Buyer free of charge with all documents required for using, assembling, installing, processing, storing, operating, servicing, inspecting, maintaining or repairing the goods supplied and shall provide any such documents in a timely manner, and without being specifically requested to do so.

Any standards and guidelines specified by the Buyer shall apply as amended. The Supplier shall request the Buyer in time to provide him with the Buyer's factory standards and guidelines, provided these have not already been made available.

The Supplier guarantees that patents, licenses or industrial property rights of third parties will not be infringed against as a result of the supply or use of the goods supplied. Any license fees are borne by the Supplier.

10. Advertising Material

The Supplier shall not refer to business relations with the Buyer in any information or advertising material without the Buyer's express written agreement.

11. Personal Information

Personal Information means any information provided by Elanco or collected by the Supplier for Elanco relating to an identified or identifiable individual; an identifiable person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his physical, physiological, mental, economic, cultural or social identity. Personal Information can be in any media or format, including computerized or electronic records as well as paper-based files.

The Supplier will not be processing Personal Information on behalf of Elanco. In case the Supplier processes or handles Personal Information on behalf of Elanco, the Supplier undertakes to comply with all applicable privacy laws and there must also be an agreement on the content of Elanco’s 'Supplier Privacy Standard (SPS)’ which also must be signed by the Supplier (including completion of Exhibit A from the SPS) as well as Elanco “Information Security Standard” (ISS). Elanco’s ISS and SPS can be found on Elanco’s global supplier portal under the following link: https://www.elanco.com/suppliers

Information Elanco Collects and How Elanco Use's It:
Supplier’s personal information, including but not limited to name, contact information, bank details and information provided for the business transaction, etc. will be used by Elanco, or third parties acting on Elanco’s behalf, in order to set up the business transaction. Elanco values Supplier’s input about the quality of the business transaction Supplier receives and may also contact Supplier to ask for Supplier’s opinion. Elanco may also use the information to meet legal or regulatory obligations, inclusive of company record retention that are in the legitimate interest of Elanco.

Supplier’s information will be processed electronically in order to process the business transaction. Supplier may object to profiling via automated-decision making by contacting Elanco using the information in the “How to Contact Elanco” section below.

Supplier does not have to share Supplier’s information with Elanco, but if Supplier chooses not to share Supplier’s information, Elanco will not be able to fulfill its obligations under the Agreement.

Reasons Elanco Shares Your Information:
Elanco may share Supplier’s personal information with third parties including but not limited to transport companies, payment departments for purposes consistent with those identified in these Terms. All third parties that have access to Supplier’s information have agreed to protect the information and to use it only as directed by Elanco.

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

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

How Long Elanco Keeps Supplier’s Information:
Supplier’s information will be saved for a period of time needed to fulfill legitimate and lawful business purposes in accordance with Elanco’s records retention policies and applicable laws and regulations.
How Elanco Secures Supplier’s Information:
Elanco provides reasonable physical, electronic and procedural safeguards to protect information Elanco works with and maintains. Elanco limits access to Supplier’s information to authorized employees, agents, contractors, vendors, affiliates, and business partners, or others who need such access to information to carry out their assigned roles and responsibilities on behalf of Elanco. Please be aware, although Elanco tries to protect the information Elanco works with and maintains, no security system can prevent all potential security breaches.

Supplier’s Privacy Rights:
Supplier has the right to request information from Elanco on how Supplier’s personal information is being used and with whom that information is being shared. Supplier also has the right to request and get a copy of the personal information that Elanco has about Supplier, request its correction or request its erasure. Supplier also has the right to have Supplier’s information transmitted to another entity or person in a machine-readable format, in limited circumstances. There may be limitations on our ability to comply with Supplier’s request.

How to Contact Elanco:
Supplier may make any of the above requests by contacting Elanco at:
Chief Privacy Officer, Elanco Animal Health Inc., 2500 Innovation Way, Greenfield, IN 46410, U.S.A.

How to Submit a Complaint:
If Supplier wish to raise a complaint on how Elanco has handled Supplier’s personal information, Supplier can contact Elanco’s Chief Privacy Officer at privacy@elanco.com who will investigate the matter.

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

12. Animal Welfare

Supplier will report to Elanco any animal welfare issues or concerns that may adversely affect the welfare of animals or validity of the testing being conducted. Examples include any animal illness, disease outbreaks, or any significant (i.e., reportable to a Governmental Authority) non-compliance with any country or local animal welfare laws, regulations, or standards.

13. Anti-Corruption

Compliance with Laws: Supplier understands that Elanco is subject to the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”), as amended. Supplier agrees to comply with, and to avoid taking any action that would prevent Elanco from complying with, all applicable local, national, and international laws, regulations, and industry codes dealing with government procurement, conflicts of interest, corruption or bribery, including the FCPA, if applicable, and laws enacted to implement the Organisation of Economic Cooperation and Development (“OECD”) Convention on Combating Bribery of Foreign Officials in International Business Transactions.

No Improper Influence: Supplier confirms that it is unaware of any improper benefit requested or received by any party in connection with these Terms.

Early Termination: The Parties agree that breach of this section of these Terms shall be considered a material breach of the agreement and that Elanco may immediately seek all remedies available under law and equity, including termination of the agreement, if it believes, in good faith, that Supplier has breached the provisions of this section of these Terms.

14. Applicable Law and Place of Jurisdiction

If any provision of these Terms is unenforceable, illegal or void, that provision is severed and the other provisions of these Terms remain in force. Supplier shall not without Elanco’s prior written consent assign or transfer or subcontract any of its rights or obligations under these Terms.

The present Terms shall be governed by and construed in accordance with the laws of the Denmark and the Supplier agrees to submit to the exclusive jurisdiction of the Danish courts.