

## **ELI LILLY AND COMPANY**

### **Board of Directors Confidentiality Policy Adopted December 15, 2014**

The Board of Directors (“Board”) of Eli Lilly and Company (the “Company”) has adopted this Board of Directors Confidentiality Policy (“Policy”) to establish certain procedures to implement confidentiality requirements, as a complement to those set forth in the Company’s Red Book regarding information management, applicable to the Board members.

#### **Duties of Directors**

Pursuant to this Policy and based upon the general fiduciary duties of loyalty and care directors owe to the Company, directors are required to protect and hold in confidence all confidential, non-public, or proprietary information (“Confidential Information”) provided or made available to or obtained by the director as a result of his or her position on the Board.

Many of the discussions that the Board and its committees conduct involve trade secrets, the Company's business strategy, and material non-public information. Disclosure of the subjects of Board discussion or information related to those discussions, even if inadvertent, could cause competitive harm to the Company and violate applicable federal and state securities laws. Moreover, any breach of confidentiality by a director would undermine the mutual trust and respect needed for effective Board operations and limit the full and frank discussion among members. Accordingly, every director is expected to maintain the confidentiality of all discussions they have as Board or committee members as well as any Confidential Information provided to them in such capacities, whether or not the information has been deemed to be material non-public information by the Company.

#### **Policy Regarding Confidential Information**

Any Confidential Information may only be used by a director in connection with his or her role as a director for the Company and may not be used, directly or indirectly, for any other purpose, including to benefit the director or any other persons or entities outside the Company, or disclosed to any third party or person, including, without limitation, any principals or employees of entities that employ or have some other relationship with the director and any person that nominated or proposed the nomination of the director. The only exceptions to this Policy are instances in which the use or disclosure has been approved by the Board of Directors or is required by law.

#### **Examples of Confidential Information**

Confidential Information shall include, without limitation:

- the content of, and all information relating to, discussions at the Board meetings or meetings of any committee of the Board, including all materials, correspondence or reports prepared or circulated in connection therewith;
- non-public information about the Company’s financial condition, prospects or plans, its marketing and/or sales programs, research and development information, as well as information relating to current or potential mergers, acquisitions, other business development arrangements, stock splits, other capital transactions, or divestitures;
- non-public information concerning the Company’s customers, suppliers, or joint venture partners; and
- other non-public information pertaining to discussions and deliberations relating to business issues and decisions between and among employees, officers, and/or directors.

**Attorney-Client Privilege; Disclosures Required by Law**

Notwithstanding the foregoing, a director may engage and share information with his or her legal counsel under attorney-client privilege in connection with fulfilling his or her duties as a director of the Company, provided that such counsel does not have, and does not represent any other person having, interests that are adverse to those of the Company. In addition, the director shall instruct any such counsel not to use Confidential Information for any purpose other than to give the director advice solely in his or her capacity as a director of the Company for the purpose of assisting the director in discharging his or her duties as a director of the Company.

A director shall also instruct such counsel to keep Confidential Information confidential and to not disclose Confidential Information to any third party or person, other than as required under applicable law. If a director or his or her counsel is requested, or required under applicable law, to disclose any Confidential Information, the director shall promptly notify the Company to permit the Company to seek a protective order or take other action that it in its discretion deems appropriate, and the director and its counsel shall cooperate in its efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded the Confidential Information.

If, in the absence of a protective order, the director or his or her counsel is compelled as a matter of law to disclose any Confidential Information pursuant to legal process or applicable law, the director or his or her counsel may disclose only the part of the Confidential Information as is required by law to be disclosed; provided that the director or his or her counsel will advise and consult with the Company and its counsel as to such disclosure and its nature and wording prior to making such disclosure, and the director and his or her counsel will use reasonable best efforts to obtain confidential treatment for the information to be disclosed.

**Director Acknowledgment**

The Company's Secretary may require any director or prospective director to sign an agreement which acknowledges and further implements the requirements of this Policy with respect to the specific circumstances of such director or prospective director, as a condition to service or continued service on the Board.