



Standards for Director Independence

No director is considered independent unless the board of directors, considering all relevant facts and circumstances, affirmatively determines that the director has no material relationship with Eli Lilly and Company (“Lilly” or the “Company”), either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company.

In assessing whether a director has no material relationship with Lilly, the board of directors also considers any persons or organizations with which the director has an affiliation. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others.

In addition, a director is not considered independent if:

- the director is a current partner or employee of a firm that is the Company’s internal or external auditor (currently Ernst & Young LLP);
- the director has an Immediate Family Member who is a current partner of such firm;
- the director has an Immediate Family Member who is a current employee of such firm and who personally works on the Company’s audit; or
- the director or an Immediate Family Member was, within the last three years, a partner or employee of such firm and personally worked on the Company’s audit within that time.

Furthermore, a director is not considered independent if any of the following relationships exist or have existed:

- The director is, or has been within the last three years, an employee of the Company, or whose Immediate Family Member is, or has been within the last three years, an executive officer of the Company.
- The director has received, or whose Immediate Family Member has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than normal director and committee compensation and deferred compensation for prior service that is not contingent on continued service.
- The director or an Immediate Family Member is, or has been within the last three years, employed as an executive officer of another company where any of the Company’s present executive officers at the same time serves or served on the compensation committee of that company’s board.
- The director is a current employee, or whose Immediate Family Member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount that, in any of the last three fiscal years, exceeds the greater of \$1 million or 2 percent of that company’s consolidated gross revenue.

Members of board committees must meet all applicable independence tests of the New York Stock Exchange and any additional standards imposed under U.S. securities laws and the rules and regulations of the Securities and Exchange Commission.