

Eli Lilly and Company
2024 Annual Meeting of Shareholders
May 6, 2024

The following question was submitted by an attendee during the Eli Lilly and Company (the “Company” or “Lilly”) 2024 annual meeting of shareholders, held on May 6, 2024 (the “2024 Annual Meeting”), and was not answered during the 2024 Annual Meeting. The Company has provided the response below.

Question: The company has in place a director resignation governance policy that provides the Board post-election discretion to determine whether to accept or reject the resignation of an incumbent director who fails to be reelected. Does the policy undermine the voting rights of shareholders by allowing the Board to have the final say on the unelected director’s status.

Answer: Lilly’s policy is more shareholder friendly than the standard plurality voting standard established by Indiana law. It is also important to note that Lilly directors have consistently received broad shareholder support—typically well over 90 percent of the votes cast. Under Indiana law, when an incumbent director is nominated for a new term in an uncontested election, but they do not receive the required vote to be elected to a new term, they “holdover” as a member of the board until a new director is elected, the board reduces the size of the board, or the incumbent director resigns or is removed. In this situation, Lilly’s bylaws require that the incumbent director submit a resignation to the Board of Directors, subject to acceptance by the Board of Directors. This gives the Board of Directors an opportunity to unseat “holdover” directors who may otherwise remain in office.