

Eli Lilly Shareholder Meeting - Item #9 Statement
Justin Danhof, Esq., General Counsel and Free Enterprise Project Director
National Center for Public Policy Research, May 4, 2020

I'm Justin Danhof of the National Center for Public Policy Research and I move Item #9, which seeks to increase diversity on the company's board of directors.

Across America, company after company are adopting board diversity policies based on race and gender. These policies have the stated goal of reducing corporate groupthink and require companies to interview an underrepresented minority and a woman for each open board spot. This isn't diversity. It's racism and sexism. Not all women think alike based on the fact that they are women. Similarly, not all Asian or Latino or black Americans think the same based on their respective skin colors.

Our Proposal simply seeks to extend that candidate pool to ensure it represents a diversity of viewpoints. In order to avoid groupthink, the company should seek people who actually think differently, not just appear differently. And in today's hyper-partisan climate in which corporations are constantly involved in the political and policy arenas, it's all the more important that the company's board include candidates with divergent ideological perspectives.

Diversity isn't what someone looks like. It's the sum of what they think, feel and believe. When the company takes overtly political positions on legal and policy issues, it would be a benefit to have voices from both sides of the aisle in the room.

Many corporations that we have approached with this proposal engaged with us and made formal changes to their board nominating and governance procedures. Firms such as including Walmart, JPMorgan Chase, Walgreens, Prudential, Wells Fargo and more have all added viewpoint diversity into their board nominating calculus. We are now calling on Eli Lilly to do the same and expand the true diversity of its board.

We believe that boards that incorporate diverse perspectives can think more critically and oversee corporate managers more effectively. That's a win for investors and a win for true diversity. Please join me in voting yes on Item #9. Thank you.

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