

# GMI EXECUTIVE PAY SCORECARD<sup>SM</sup>

Data & analysis provided by GMI-The Independent Leader in Corporate Governance and ESG&A

12 Mar 2012




## Eli Lilly and Company

LLY NYSE

Pharmaceuticals - Diversified

Market Capitalization USD: **\$42,799.75 mm**

### CONCERN LEVEL: AVERAGE

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket. 

### CEO: John C. Lechleiter

Age: 58

CEO Since: 2008

	2009	2010	2011
Base Salary	\$1,483,333	\$1,500,000	\$1,500,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$3,551,100	\$2,982,000	\$2,625,000
Benefits and Perquisites	\$90,091	\$90,000	\$90,000
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$5,124,524</b>	<b>\$4,572,000</b>	<b>\$4,215,000</b>
Increase in Post-Retirement Benefits	\$4,553,125	\$3,757,545	\$6,530,094
Stock Option Awards	\$0	\$0	\$0
Stock Awards	\$11,250,000	\$8,175,000	\$5,625,000
<b>TOTAL COMPENSATION</b>	<b>\$20,927,649</b>	<b>\$16,504,545</b>	<b>\$16,370,094</b>
Median of Other Named Executive Officers Total Compensation	\$7,867,706	\$6,831,781	\$5,191,017
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$2,700,894	\$3,908,643	\$11,352,951
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$2,700,894</b>	<b>\$3,908,643</b>	<b>\$11,352,951</b>

Proxy Date: 5 Mar 2012

Annual Meeting Date: 16 Apr 2012

Equity Reserves: 11.17%

Stock Option Run Rate: 0.00%

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# Eli Lilly and Company

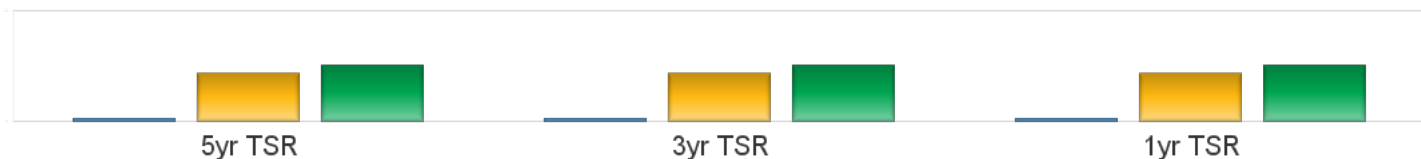
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## Performance Comparison

■ vs S&P500 ■ vs Industry ■ LLY



## Peer Comparisons (TRBC) = Healthcare

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
LLY	Eli Lilly and Company	\$20,927,649	\$16,504,545	\$16,370,094	\$42,799,750,684
HCP	HCP, Inc.	\$7,973,566	\$7,973,819		\$14,275,703,593
SYK	Stryker Corporation	\$3,911,994	\$4,706,532		\$18,327,807,886
CELG	Celgene Corporation	\$8,704,106	\$7,408,783		\$28,404,676,735
ESRX	Express Scripts, Inc.	\$10,627,774	\$10,311,196		\$19,626,859,780
TMO	Thermo Fisher Scientific Inc.	\$1,708,729	\$2,761,689		\$19,404,224,211
MCK	McKesson Corporation	\$34,218,965	\$54,584,021		\$17,889,654,971

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Abbott Laboratories; Amgen Inc.; AstraZeneca plc; Baxter International, Inc.; Bristol-Myers Squibb Company; Genzyme Corporation (prior to its acquisition by Sanofi-Aventis); GlaxoSmithKline plc; Hoffmann-La Roche Inc.; Johnson & Johnson; Merck & Co., Inc.; Novartis AG; Pfizer Inc.; Sanofi-Aventis; and Takeda Pharmaceuticals Company.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Karen N. Horn	Chairman	68	Female	25	Outside Related
Ellen R. Marram	Member	65	Female	10	Outside Related
Kathi P. Seifert	Member	62	Female	17	Outside Related
Martin S. Feldstein	Member	72	Male	10	Outside Related
R. David Hoover	Member	66	Male	3	Outside

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