

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. __)**

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

ELI LILLY AND COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
- (1) Title of each class of securities to which transaction applies:
-
- (2) Aggregate number of securities to which transaction applies:
-
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
-
- (4) Proposed maximum aggregate value of transaction:
-
- (5) Total fee paid:
-
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
- (1) Amount Previously Paid:
-
- (2) Form, Schedule or Registration Statement No.:
-
- (3) Filing Party:
-
- (4) Date Filed:
-

SEC 1913 (11-01)

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Explanatory Note: Lilly publishes an annual Integrated Summary Report, which is distributed at the same time as our proxy statement. This year, that report includes the following question and answer related to the election of directors and information on two management proposals. You can find the full integrated summary report here: <http://www.lilly.com/2017-integrated-summary-report> (note that the Integrated Summary Report is expressly not incorporated into this filing by reference).

Q: Last year a proxy advisor recommended a vote against Michael Eskew, the company's audit committee chair. What is the board doing in response to those concerns?

A: Proxy advisor Institutional Shareholder Services (ISS) has taken the position that shareholders should be able to amend the bylaws of every publicly traded company. Under Indiana state law, the power to amend the bylaws is reserved to the board by default, although this position can be changed, in Lilly's case, by action of the board and an affirmative vote of the shareholders to amend the articles of incorporation.

As a board, we have periodically considered whether we should propose such a step. We have weighed the importance of addressing the concern that our shareholders do not have a power granted to shareholders of Delaware corporations, with the risks inherent in a broad shareholder power to make binding changes to the company's governance documents. We believe our long-standing approach to bylaw amendments prevents abuse of our bylaws by a single shareholder or a special-interest shareholder group that has no duties to other shareholders. We believe the board of directors, which answers to all shareholders, is better positioned to ensure that any bylaw amendments are designed to protect and maximize long-term value for all of our shareholders. And we believe that shareholders have sufficient opportunities to voice important concerns - including bringing shareholder proposals and approaching the company directly. This position does not mean we are uninterested in the concerns of shareholders. The company regularly engages with shareholders to make sure that we understand their concerns and make changes where appropriate.

SHAREHOLDER ENGAGEMENT

In response to input from shareholders, we are putting two governance proposals forward for a vote of shareholders at this year's annual meeting: one to eliminate our classified board structure and a second to eliminate super-majority voting requirements. The board believes it is important to maintain appropriate defenses to inadequate takeover bids, but also important to retain shareholder confidence by demonstrating we are accountable and responsive to shareholders.