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

SCHEDULE TO

Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

LOXO ONCOLOGY, INC.
(Name of Subject Company (Issuer))

BOWFIN ACQUISITION CORPORATION
(Offeror)
a wholly-owned subsidiary of

ELI LILLY AND COMPANY
(Parent of Offeror)
(Names of Filing Persons)

Common Stock par value $0.0001 per share
(Title of Class of Securities)

548862101
(CUSIP Number of Class of Securities)

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Eli Lilly and Company
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New York, NY 94104
(212) 310-8000
(Name, address, and telephone number of person authorized to receive notices and communications on behalf of filing persons)

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
$8,015,404,446.88	$971,467.02

* Estimated solely for purposes of calculating the filing fee. This calculation is based on the offer to purchase all of the issued and outstanding shares of common stock, par value $0.0001 per share, of Loxo Oncology, Inc. ("Loxo"), at a purchase price of $235.00 per share, net to the seller in cash, without interest and less any applicable tax withholding. As of 4:00 p.m., Eastern time, on January 17, 2019 (the most recent practicable date): (i) 30,787,728 shares of Loxo common stock were issued and outstanding, (ii) no shares of Loxo common stock were held by Loxo in its treasury and (iii) 4,703,439 shares of Loxo common stock were subject to outstanding Loxo stock options.

** The filing fee was calculated accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory No. 1 for Fiscal Year 2019, issued August 24, 2018, by multiplying the transaction value by 0.0001212.

☐ Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid:	N/A	Filing Party:	N/A
Form or Registration No.:	N/A	Date Filed:	N/A

☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- ☒ Third-party tender offer subject to Rule 14d-1.
- ☐ Issuer tender offer subject to Rule 13e-4.
- ☐ Going-private transaction subject to Rule 13e-3.
- ☐ Amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- ☐ Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- ☐ Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

This Tender Offer Statement on Schedule TO (together with any amendments and supplements hereto, this "Schedule TO") is filed by Bowfin Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly-owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Lilly"). This Schedule TO relates to the offer by Purchaser to purchase all of the outstanding shares of common stock, par value, $0.0001 per share (the "Shares"), of Loxo Oncology, Inc., a Delaware corporation ("Loxo Oncology"), at a purchase price of $235.00 per Share (the "Offer Price"), net to the seller in cash, without interest and less any applicable tax withholding, on the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1)(A) and (a)(1)(B), respectively.

All information contained in the Offer to Purchase (including Schedule I to the Offer to Purchase) and the accompanying Letter of Transmittal is hereby expressly incorporated herein by reference in response to Items 1 through 9 and Item 11 of this Schedule TO.

The Agreement and Plan of Merger, dated January 5, 2019 (as it may be amended from time to time, the "Merger Agreement"), by and among Loxo Oncology, Lilly and Purchaser, a copy of which is attached as Exhibit (d)(1) hereto, and the Tender and Support Agreement, dated January 5, 2019 (as it may be amended from time to time, the "Tender and Support Agreement"), by and among Lilly, Purchaser and Aisling Capital III, LP, a copy of which is attached as Exhibit (d)(2) hereto, are incorporated herein by reference with respect to Items 4, 5, 6 and 11 of this Schedule TO.

Item 1. Summary Term Sheet.

The information set forth in the "Summary Term Sheet" of the Offer to Purchase is incorporated herein by reference.

Item 2. Subject Company Information.

(a) The name of the subject company and the issuer of the securities to which this Schedule TO relates is Loxo Oncology Oncology, Inc., a Delaware corporation. Loxo Oncology's principal executive offices are located at 281 Tresser Blvd., Floor 9, Stamford, CT 06901. Loxo Oncology's telephone number is 203-653-3880.

(b) This Schedule TO relates to the outstanding Shares. Loxo Oncology has advised Purchaser and Lilly that, as of January 17, 2019 (the most recent practicable date), 30,787,728 Shares were issued and outstanding.

(c) The information set forth in Section 6 (entitled "Price Range of Shares; Dividends on the Shares") of the Offer to Purchase is incorporated herein by reference.

Item 3. Identity and Background of the Filing Person.

(a) – (c) This Schedule TO is filed by Purchaser and Lilly. The information set forth in Section 8 (entitled "Certain Information Concerning Lilly and Purchaser") of the Offer to Purchase and Schedule I to the Offer to Purchase is incorporated herein by reference.

Item 4. Terms of the Transaction.

(a)(1)(i) – (viii), (xii), (a)(2)(i) – (iv), (vii) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the "Introduction"
- the "Summary Term Sheet"
- Section 1 – "Terms of the Offer"
- Section 2 – "Acceptance for Payment and Payment for Shares"

- Section 3 – “Procedures for Accepting the Offer and Tendering Shares”
- Section 4 – “Withdrawal Rights”
- Section 5 – “Material U.S. Federal Income Tax Consequences”
- Section 11 – “The Merger Agreement; Other Agreements”
- Section 12 – “Purpose of the Offer; Plans for Loxo Oncology”
- Section 13 – “Certain Effects of the Offer”
- Section 15 – “Conditions of the Offer”
- Section 16 – “Certain Legal Matters; Regulatory Approvals”
- Section 17 – “Appraisal Rights”
- Section 19 – “Miscellaneous”

(a)(1)(ix) – (xi), (a)(2)(v) – (vi) Not applicable.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(a), (b) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Introduction”
- the “Summary Term Sheet”
- Section 8 – “Certain Information Concerning Lilly and Purchaser”
- Section 10 – “Background of the Offer; Past Contacts or Negotiations with Loxo Oncology”
- Section 11 – “The Merger Agreement; Other Agreements”
- Section 12 – “Purpose of the Offer; Plans for Loxo Oncology”
- Schedule I

Item 6. Purposes of the Transaction and Plans or Proposals.

(a), (c)(1) – (7) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Introduction”
- the “Summary Term Sheet”
- Section 10 – “Background of the Offer; Past Contacts or Negotiations with Loxo Oncology”
- Section 11 – “The Merger Agreement; Other Agreements”
- Section 12 – “Purpose of the Offer; Plans for Loxo Oncology”
- Section 13 – “Certain Effects of the Offer”
- Schedule I

Item 7. Source and Amount of Funds or Other Consideration.

(a) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Summary Term Sheet”
- Section 9 – “Source and Amount of Funds”

(b), (d) Not applicable.

Item 8. Interest in Securities of the Subject Company.

(a) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the "Summary Term Sheet"
- Section 8 – "Certain Information Concerning Lilly and Purchaser"
- Section 11 – "The Merger Agreement; Other Agreements"
- Section 12 – "Purpose of the Offer; Plans for Loxo Oncology"
- Schedule I

(b) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- Section 8 – "Certain Information Concerning Lilly and Purchaser"
- Schedule I

Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the "Summary Term Sheet"
- Section 3 – "Procedures for Accepting the Offer and Tendering Shares"
- Section 10 – "Background of the Offer; Past Contacts or Negotiations with Loxo Oncology"
- Section 18 – "Fees and Expenses"

Item 10. Financial Statements.

Not applicable.

Item 11. Additional Information.

(a)(1) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- Section 8 – "Certain Information Concerning Lilly and Purchaser"
- Section 10 – "Background of the Offer; Past Contacts or Negotiations with Loxo Oncology"
- Section 11 – "The Merger Agreement; Other Agreements"
- Section 12 – "Purpose of the Offer; Plans for Loxo Oncology"

(a)(2) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- Section 12 – "Purpose of the Offer; Plans for Loxo Oncology"
- Section 15 – "Conditions of the Offer"
- Section 16 – "Certain Legal Matters; Regulatory Approvals"

(a)(3) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- Section 15 – "Conditions of the Offer"
- Section 16 – "Certain Legal Matters; Regulatory Approvals"

(a)(4) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- Section 13 – "Certain Effects of the Offer"

(a)(5) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- Section 16 – "Certain Legal Matters; Regulatory Approvals"

Item 12. Exhibits.

Exhibit No.	Description
(a)(1)(A)	Offer to Purchase, dated January 17, 2019.*
(a)(1)(B)	Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on IRS Form W-9).*
(a)(1)(C)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(a)(1)(D)	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(a)(1)(E)	Summary Advertisement, dated January 17, 2019.*
(a)(5)(A)	Joint Press Release issued by Lilly and Loxo Oncology on January 7, 2019 (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Lilly on January 7, 2019).
(b)	Not applicable.
(d)(1)	Agreement and Plan of Merger, dated January 5, 2019, among Eli Lilly and Company, Bowfin Acquisition Corporation and Loxo Oncology, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Loxo Oncology on January 7, 2019).
(d)(2)	Tender and Support Agreement by and among Eli Lilly and Company, Bowfin Acquisition Corporation and Aisling Capital III, LP (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Loxo Oncology on January 7, 2019).
(d)(3)	Non-Disclosure Agreement between Loxo Oncology and Lilly dated December 22, 2018.*
(g)	Not applicable.
(h)	Not applicable.

* Filed herewith.

SIGNATURES

After due inquiry and to the best knowledge and belief of the undersigned, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: January 17, 2019

Bowfin Acquisition Corporation

By: /s/ Darren J. Carroll
Name: Darren J. Carroll
Title: President

Eli Lilly and Company

By: /s/ Joshua L. Smiley
Name: Joshua L. Smiley
Title: Senior Vice President and Chief Financial Officer

Exhibit (a)(1)(A)

Offer To Purchase
All Outstanding Shares of Common Stock
of

LOXO ONCOLOGY, INC.

at
$235.00 Per Share, Net in Cash
by

BOWFIN ACQUISITION CORPORATION,

a wholly-owned subsidiary of

ELI LILLY AND COMPANY

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE PAST 11:59 P.M., EASTERN TIME, ON FEBRUARY 14, 2019, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

Bowfin Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly-owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Lilly"), is offering to purchase all of the outstanding shares of common stock, par value $0.0001 per share (the "Shares"), of Loxo Oncology, Inc., a Delaware corporation ("Loxo Oncology"), at a purchase price of $235.00 per Share (the "Offer Price"), net to the seller in cash, without interest and less any applicable tax withholding, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with this Offer to Purchase, as they may be amended or supplemented from time to time, collectively constitute the "Offer").

The Offer is being made pursuant to an Agreement and Plan of Merger, dated January 5, 2019 (as it may be amended from time to time, the "Merger Agreement"), by and among Loxo Oncology, Lilly and Purchaser, pursuant to which, after consummation of the Offer and the satisfaction or waiver of certain conditions, Purchaser will merge with and into Loxo Oncology pursuant to Section 251(h) of the General Corporation Law of the State of Delaware, as amended (the "DGCL"), upon the terms and subject to the conditions set forth in the Merger Agreement, with Loxo Oncology continuing as the surviving corporation (the "Surviving Corporation") and becoming a wholly-owned subsidiary of Lilly (the "Merger"). In the Merger, each Share issued and outstanding immediately prior to the effective time of the Merger (the "Effective Time") (other than (i) Shares owned by Loxo Oncology or Loxo Oncology's wholly-owned subsidiary ("Loxo Oncology's subsidiary") immediately prior to the Effective Time, (ii) Shares owned by Lilly, Purchaser or any other subsidiary of Lilly at the commencement of the Offer and owned by Lilly, Purchaser or any other subsidiary of Lilly immediately prior to the Effective Time or (iii) Shares held by any stockholder who is entitled to demand and properly demands appraisal of such Shares pursuant to, and who complies in all respects with, Section 262 of the DGCL and who, as of the Effective Time, has neither effectively withdrawn nor lost its rights to such appraisal and payment under the DGCL with respect to such Shares) will be converted into the right to receive an amount in cash equal to the Offer Price without interest (the "Merger Consideration"), less any applicable tax withholding.

Under no circumstances will interest be paid on the purchase price for the Shares, including by reason of any extension of the Offer or any delay in making payment for Shares.

The obligation of Purchaser to accept for payment and pay for Shares validly tendered (and not properly withdrawn) pursuant to the Offer is subject to the satisfaction of, among other conditions: (i) the Minimum Tender Condition (as defined below in the "Summary Term Sheet") and (ii) the Antitrust Condition (as defined below in Section 15 – "Conditions of the Offer"). The Offer also is subject to other customary conditions as set forth in this Offer to Purchase. See Section 15 – "Conditions of the Offer." There is no financing condition to the Offer.

The Board of Directors of Loxo Oncology (the "Loxo Oncology Board") has unanimously: (1) determined that the Offer, the Merger and the other transactions contemplated by the Merger Agreement (collectively, the "Transactions") are fair to and in the best interests of Loxo Oncology and its stockholders; (2) duly authorized and approved the execution, delivery and performance by Loxo Oncology of the Merger Agreement and the consummation by Loxo Oncology of the Transactions; (3) declared the Merger Agreement and the Transactions advisable; (4) recommended that Loxo Oncology's stockholders tender their Shares in the Offer; and (5) resolved that the Merger shall be governed by and effected under Section 251(h) of the DGCL.

A summary of the principal terms and conditions of the Offer appears in the "Summary Term Sheet" beginning on page i of this Offer to Purchase. You should read this entire document carefully before deciding whether to tender your Shares in the Offer.

NEITHER THE OFFER NOR THE MERGER HAS BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THE OFFER OR THE MERGER OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS OFFER TO PURCHASE OR THE LETTER OF TRANSMITTAL. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND A CRIMINAL OFFENSE.

The Information Agent for the Offer is:

Georgeson

1290 Avenue of the Americas, 9th Floor
New York, NY 10104

Shareholders, Banks and Brokers

Call Toll Free: 1-866-413-5901
Via Email: LOXO@GEORGESON.COM

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IMPORTANT

If you wish to tender all or a portion of your Shares to Purchaser in the Offer, you must either (i) complete and sign the Letter of Transmittal that accompanies this Offer to Purchase in accordance with the instructions in the Letter of Transmittal and mail or deliver the Letter of Transmittal and all other required documents to the Depositary (as defined below in the "Summary Term Sheet") together with certificates representing the Shares tendered or follow the procedure for book-entry transfer set forth in Section 3 – "Procedures for Accepting the Offer and Tendering Shares" or (ii) request your broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you. If your Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact that institution in order to tender your Shares to the Purchaser before the expiration of the Offer.

Questions and requests for assistance should be directed to the Information Agent (as defined below in the "Summary Term Sheet") at the address and telephone numbers set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the related Letter of Transmittal and other materials related to the Offer may also be obtained at our expense from the Information Agent. Additionally, copies of this Offer to Purchase, the related Letter of Transmittal and any other material related to the Offer may be found at www.sec.gov. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance.

This Offer to Purchase and the related Letter of Transmittal contain important information, and you should read both carefully and in their entirety before making a decision with respect to the Offer.

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SUMMARY TERM SHEET

The information contained in this Summary Term Sheet is a summary only and is not meant to be a substitute for the more detailed description and information contained in the remainder of this Offer to Purchase, the Letter of Transmittal and other related materials. You are urged to read carefully this Offer to Purchase, the Letter of Transmittal and other related materials in their entirety. This Summary Term Sheet includes cross-references to other sections of this Offer to Purchase where you will find more complete descriptions of the topics mentioned below. The information concerning Loxo Oncology contained in this Summary Term Sheet and elsewhere in this Offer to Purchase has been provided to Lilly and Purchaser by Loxo Oncology or has been taken from, or is based upon, publicly available documents or records of Loxo Oncology on file with the Securities and Exchange Commission (the "SEC") or other public sources at the time of the Offer. Lilly and Purchaser have not independently verified the accuracy and completeness of such information.

Securities Sought	Subject to certain conditions, including the satisfaction of the Minimum Tender Condition, as described below, all of the issued and outstanding shares of common stock, par value $0.0001 per share, of Loxo Oncology.
Price Offered Per Share	$235.00, net to the seller in cash, without interest and less any applicable withholding taxes.
Scheduled Expiration of Offer	One minute past 11:59 P.M., Eastern time, on February 14, 2019, unless the Offer is otherwise extended or earlier terminated.
Purchaser	Bowfin Acquisition Corporation, a Delaware corporation and wholly-owned subsidiary of Eli Lilly and Company.
Loxo Oncology Board Recommendation:	The Loxo Oncology Board unanimously recommends that the holders of Shares tender their Shares pursuant to the Offer.

Who is offering to buy my securities?

Bowfin Acquisition Corporation, a Delaware corporation and wholly-owned subsidiary of Lilly, which was formed solely for the purpose of facilitating an acquisition of Loxo Oncology by Lilly, is offering to buy all Shares at a price per share of $235.00, net to the seller in cash, without interest and less any applicable tax withholding. Purchaser is a wholly-owned subsidiary of Lilly. The mission of Lilly's human pharmaceutical business is to make medicines that help people live longer, healthier, more active lives. Lilly's vision is to make a significant contribution to humanity by improving global health in the 21st century. Most of the products Lilly sells today were discovered or developed by its own scientists, and its success depends to a great extent on its ability to continue to discover, develop, and bring to market innovative new medicines.

Unless the context indicates otherwise, in this Offer to Purchase, we use the terms "us," "we" and "our" to refer to Purchaser and, where appropriate, Lilly. We use the term "Purchaser" to refer to Bowfin Acquisition Corporation alone, the term "Lilly" to refer to Eli Lilly and Company alone and the term "Loxo Oncology" to refer to Loxo Oncology, Inc.

See Section 8 – "Certain Information Concerning Lilly and Purchaser."

What is the class and amount of securities sought pursuant to the Offer?

Purchaser is offering to purchase all of the outstanding Shares on the terms and subject to the conditions set forth in this Offer to Purchase. In this Offer to Purchase, we use the term "Offer" to refer to this offer and the term "Shares" to refer to the Shares that are the subject of the Offer.

See Section 1 – "Terms of the Offer."

Why are you making the Offer?

We are making the Offer because we want to acquire control of, and ultimately the entire equity interest in, Loxo Oncology. Following the consummation of the Offer, we intend to complete the Merger (as defined below) as soon as practicable. Upon completion of the Merger, Loxo Oncology will become a subsidiary of Lilly. In addition, we intend to cause the Shares to be delisted from The Nasdaq Global Market ("Nasdaq") and deregistered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after completion of the Merger.

Who can participate in the Offer?

The Offer is open to all holders and beneficial owners of Shares.

How much are you offering to pay?

Purchaser is offering to pay $235.00 per Share, net to the seller in cash, without interest and less any applicable tax withholding. We refer to this amount as the "Offer Price."

See the "Introduction" to this Offer to Purchase.

Will I have to pay any fees or commissions?

If you are the record owner of your Shares and you directly tender your Shares to us in the Offer, you will not have to pay brokerage fees or similar expenses. If you own your Shares through a broker or other nominee, and your broker or other nominee tenders your Shares on your behalf, your broker or other nominee may charge you a fee for doing so. You should consult your broker or other nominee to determine whether any charges will apply.

See the "Introduction" to this Offer to Purchase and Section 18 – "Fees and Expenses."

Is there an agreement governing the Offer?

Yes. Loxo Oncology, Lilly and Purchaser have entered into an Agreement and Plan of Merger, dated January 5, 2019 (as it may be amended from time to time, the "Merger Agreement"). The Merger Agreement contains the terms and conditions of the Offer and the subsequent merger of Purchaser with and into Loxo Oncology, with Loxo Oncology surviving such merger as a subsidiary of Lilly if the Offer is completed (such merger, the "Merger").

See Section 11 – "The Merger Agreement; Other Agreements" and Section 15 – "Conditions of the Offer."

What are the material U.S. federal income tax consequences of tendering my Shares in the Offer or having my Shares exchanged for cash pursuant to the Merger?

The receipt of cash in exchange for Shares in the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes. In general, if you are a U.S. Holder (as defined below), you will recognize capital

gain or loss in an amount equal to the difference between (i) the Offer Price and (ii) your tax basis in the Shares sold pursuant to the Offer or exchanged pursuant to the Merger. See Section 5 – "Material U.S. Federal Income Tax Consequences" for a more detailed discussion of the tax treatment of the Offer and the Merger.

We urge you to consult with your own tax advisor as to the particular tax consequences to you of the Offer and the Merger in light of your particular circumstances (including the application and effect of any U.S. federal, state, local or non-U.S. income and other tax laws).

Do you have the financial resources to pay for all of the Shares that Purchaser is offering to purchase pursuant to the Offer?

Yes. We estimate that we will need approximately $8.0 billion to purchase all of the Shares pursuant to the Offer and to complete the Merger. Lilly will provide us with sufficient funds to purchase all Shares validly tendered (and not properly withdrawn) in the Offer, to provide funding for the Merger and to make payments for outstanding stock options issued by Loxo Oncology pursuant to the Merger Agreement. Lilly has or will have, available to it, through a variety of sources, including cash on hand and borrowings at prevailing effective rates under Lilly's commercial paper program, funds necessary to satisfy all of Purchaser's payment obligations under the Merger Agreement and resulting from the Transactions. The Offer is not conditioned upon Lilly's or the Purchaser's ability to finance the purchase of the Shares pursuant to the Offer.

See Section 9 – "Source and Amount of Funds."

Is Purchaser's financial condition relevant to my decision to tender my Shares in the Offer?

We do not think Purchaser's financial condition is relevant to your decision whether to tender Shares and accept the Offer because:

- the Offer is being made for all outstanding Shares solely for cash;
- through Lilly, we will have sufficient funds available to purchase all Shares validly tendered (and not withdrawn) in the Offer and, if we consummate the Offer and the Merger, all Shares converted into the right to receive the Offer Price in the Merger; and
- the Offer and the Merger are not subject to any financing or funding condition.

See Section 9 – "Source and Amount of Funds" and Section 11 – "The Merger Agreement; Other Agreements."

Is there a minimum number of Shares that must be tendered in order for you to purchase any securities?

Yes. The obligation of Purchaser to accept for payment and pay for Shares validly tendered (and not properly withdrawn) pursuant to the Offer is subject to various conditions set forth in Section 15 – "Conditions of the Offer," including, among other conditions, the Minimum Tender Condition. The "Minimum Tender Condition" means that there shall have been validly tendered (and not validly withdrawn) prior to the expiration of the Offer that number of Shares that, when added to the Shares then owned by Lilly, Purchaser or any other subsidiary of Lilly, would represent a majority of Shares outstanding as of immediately following the consummation of the Offer.

How long do I have to decide whether to tender my Shares in the Offer?

You will have until one minute past 11:59 P.M., Eastern time, on the Expiration Date to tender your Shares in the Offer. The term "Expiration Date" means February 14, 2019, unless the expiration of the Offer is extended to a subsequent date in accordance with the terms of the Merger Agreement, in which event the term "Expiration Date" means such subsequent date. In addition, if, pursuant to the Merger Agreement, we decide to, or are required to, extend the Offer as described below, you will have an additional time to tender your Shares.

See Section 1 – "Terms of the Offer" and Section 3 – "Procedures for Accepting the Offer and Tendering Shares."

Can the Offer be extended and under what circumstances?

Yes. The Merger Agreement contains provisions that govern the circumstances under which Purchaser is required or permitted to extend the Offer and under which Lilly is required to cause Purchaser to extend the Offer. Specifically, the Merger Agreement provides:

(i) if, at the scheduled expiration date of the Offer, any Offer Condition (as defined in Section 15 – "Conditions of the Offer") other than the Minimum Tender Condition has not been satisfied or waived, Purchaser shall, and Lilly shall cause Purchaser to, extend the Offer for one or more consecutive increments of not more than ten business days each (or such longer period as Lilly and Loxo Oncology may agree), until such time as such conditions have been satisfied or waived;

(ii) Purchaser shall, and Lilly shall cause Purchaser to, extend the Offer for the minimum period required by any rule, regulation, interpretation or position of the SEC or the staff thereof or Nasdaq applicable to the Offer; and

(iii) if, at the scheduled expiration date of the Offer, each Offer Condition (other than the Minimum Tender Condition) shall have been satisfied or waived and the Minimum Tender Condition shall not have been satisfied, Purchaser may (and if so requested by Loxo Oncology, Purchaser shall, and Lilly shall cause Purchaser to), extend the Offer for one or more consecutive increments of such duration as requested by Loxo Oncology but not more than ten business days each (or for such longer period as may be agreed between Loxo Oncology and Lilly); provided that Loxo Oncology may not request Purchaser to, and Lilly shall not be required to cause Purchaser to, extend the Offer on more than three occasions.

In each case, Purchaser is not required to extend the Offer beyond the Outside Date and may only do so with Loxo Oncology's consent. The "Outside Date" means July 5, 2019, as summarized below in Section 11 – "The Merger Agreement; Other Agreements – Termination."

See Section 1 – "Terms of the Offer" and Section 11 – "The Merger Agreement; Other Agreements."

Will there be a subsequent offering period?

No, the Merger Agreement does not provide for a "subsequent offering period" in accordance with Rule 14d-11 under the Exchange Act without the prior written consent of Loxo Oncology.

See Section 1 – "Terms of the Offer."

How will I be notified if the Offer is extended?

If we extend the Offer, we will inform Computershare Trust Company, N.A., which is the depositary for the Offer (the "Depositary"), of any extension, and will issue a press release announcing the extension no later than 9:00 a.m., Eastern time, on the business day after the previously scheduled Expiration Date.

See Section 1 – "Terms of the Offer."

What are the most significant conditions to the Offer?

The obligation of Purchaser to accept for payment and pay for Shares validly tendered (and not properly withdrawn) pursuant to the Offer is subject to the satisfaction of a number of conditions by one minute past 11:59 p.m., Eastern time, on the scheduled Expiration Date of the Offer, including, among other conditions:

- the Minimum Tender Condition;

- the Antitrust Condition (as defined below in Section 11 – "The Merger Agreement; Other Agreements – Merger Agreement");
- the accuracy of Loxo Oncology's representations and warranties set forth in the Merger Agreement, and the performance of Loxo Oncology's covenants set forth in the Merger Agreement, in each case in certain respects, to specified standards of materiality; and
- no judgment issued by any governmental entity of competent jurisdiction or law or other legal prohibition preventing or prohibiting the consummation of the Offer or the Merger shall be in effect.

The above Offer Conditions are further described, and other Offer Conditions are described, below in Section 15 – "Conditions of the Offer." The Offer is not subject to any financing condition.

How do I tender my Shares?

If you hold your Shares directly as the registered owner and such Shares are represented by stock certificates, you may tender your Shares in the Offer by delivering the certificates representing your Shares, together with a properly completed and signed Letter of Transmittal and any other documents required by the Letter of Transmittal, to the Depositary, not later than the Expiration Date. If you hold your Shares as registered owner and such Shares are represented by book-entry positions, you may follow the procedures for book-entry transfer set forth in Section 3 – "Procedures for Accepting the Offer and Tendering Shares" of this Offer to Purchase, not later than the Expiration Date. The Letter of Transmittal is enclosed with this Offer to Purchase.

We are not providing for guaranteed delivery procedures. Therefore, Loxo Oncology stockholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of The Depository Trust Company, which is earlier than one minute after 11:59 p.m., Eastern time, on the Expiration Date. In addition, for Loxo Oncology stockholders who are registered holders, the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees (or in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal) and any other documents required by the Letter of Transmittal must be received by the Depositary prior to one minute after 11:59 p.m., Eastern time, on the Expiration Date. Loxo Oncology stockholders must tender their Shares in accordance with the procedures set forth in this Offer to Purchase and the Letter of Transmittal. Tenders received by the Depositary after the Expiration Date will be disregarded and of no effect.

If you hold your Shares in street name through a broker, dealer, commercial bank, trust company or other nominee, you must contact the institution that holds your Shares and give instructions that your Shares be tendered. You should contact the institution that holds your Shares for more details.

See Section 3 – "Procedures for Accepting the Offer and Tendering Shares."

If I accept the Offer, how will I get paid?

If the conditions are satisfied and we accept your validly tendered Shares for payment, payment will be made by deposit of the aggregate purchase price for the Shares accepted in the Offer with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from the Purchaser and transmitting payments subject to any tax withholding required by applicable law, to tendering stockholders whose Shares have been accepted for payment.

See Section 3 – "Procedures for Accepting the Offer and Tendering Shares."

Until what time may I withdraw previously tendered Shares?

You may withdraw your previously tendered Shares at any time until one minute past 11:59 p.m., Eastern time, on the Expiration Date. In addition, if we have not accepted your Shares for payment within 60 days of

commencement of the Offer, you may withdraw them at any time after March 18, 2019, the 60th day after commencement of the Offer, until we accept your Shares for payment.

See Section 4 – "Withdrawal Rights."

How do I withdraw previously tendered Shares?

To withdraw previously tendered Shares, you must deliver a written notice of withdrawal, or a facsimile of one, with the required information to the Depositary while you still have the right to withdraw Shares. If you tendered Shares by giving instructions to a broker, banker or other nominee, you must instruct the broker, banker or other nominee to arrange for the withdrawal of your Shares.

See Section 4 – "Withdrawal Rights."

Has the Offer been approved by the Board of Directors of Loxo Oncology?

Yes. The Loxo Oncology Board has unanimously: (i) determined that the Offer, the Merger and the Transactions are fair to and in the best interests of Loxo Oncology and its stockholders; (ii) duly authorized and approved the execution, delivery and performance by Loxo Oncology of the Merger Agreement and the consummation by Loxo Oncology of the Transactions; (iii) declared the Merger Agreement and the Transactions advisable; (iv) recommended that Loxo Oncology's stockholders tender their Shares in the Offer; and (v) resolved that the Merger shall be governed by and effected under Section 251(h) of the DGCL.

More complete descriptions of the reasons for the Loxo Oncology Board's recommendation and approval of the Offer are set forth in Loxo Oncology's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") that is being mailed to you together with this Offer to Purchase. Stockholders should carefully read the information set forth in the Schedule 14D-9, including the information set forth in Item 4 thereof under the sub-headings "Background of the Offer" and "Reasons for the Recommendation of the Board."

If Shares tendered pursuant to the Offer are purchased by Purchaser, will Loxo Oncology continue as a public company?

No. We expect to complete the Merger as soon as practicable following the consummation of the Offer. Once the Merger takes place, Loxo Oncology will be a wholly-owned subsidiary of Lilly. Following the Merger, we intend to cause the Shares to be delisted from Nasdaq and deregistered under the Exchange Act.

See Section 13 – "Certain Effects of the Offer."

Will a meeting of Loxo Oncology's stockholders be required to approve the Merger?

No. Section 251(h) of the DGCL provides that, unless expressly required by its certificate of incorporation, no vote of stockholders will be necessary to authorize the merger of a constituent corporation which has a class or series of stock listed on a national securities exchange or held of record by more than 2,000 holders immediately prior to the execution of the applicable agreement of merger by such constituent corporation if, subject to certain statutory provisions:

- the agreement of merger expressly permits or requires that the merger shall be effected by Section 251(h) of the DGCL and provides that such merger be effected as soon as practicable following the consummation of the tender offer;
- an acquiring corporation consummates a tender offer for all of the outstanding stock of such constituent corporation on the terms provided in such agreement of merger that, absent the provisions of Section 251(h) of the DGCL, would be entitled to vote on the adoption or rejection of the agreement of

merger, provided, however, that such tender offer may be conditioned on the tender of a minimum number or percentage of shares of the stock of such constituent corporation, or any class or series thereof, and such offer many exclude any excluded stock;

- immediately following the consummation of the tender offer, the stock that the acquiring corporation irrevocably accepts for purchase, together with the stock otherwise owned by the acquiring corporation or its affiliates, equals at least the percentage of shares of each class of stock of such constituent corporation that would otherwise be required to adopt the agreement of merger for such constituent corporation;
- the acquiring corporation merges with or into such constituent corporation pursuant to such agreement of merger; and
- each outstanding share (other than shares of excluded stock) of each class or series of stock of the constituent corporation that is the subject of and not irrevocably accepted for purchase in the offer is converted in such merger into, or into the right to receive, the same amount and type of consideration in the merger as was payable in the tender offer.

If the conditions to the Offer and the Merger are satisfied or waived (to the extent waivable), we are required by the Merger Agreement to effect the Merger pursuant to Section 251(h) of the DGCL without a meeting of Loxo Oncology's stockholders and without a vote or any further action by the stockholders.

If I do not tender my Shares but the Offer is consummated, what will happen to my Shares?

If the Offer is consummated and certain other conditions are satisfied, Purchaser is required under the Merger Agreement to effect the Merger pursuant to Section 251(h) of the DGCL. At the effective time of the Merger (the "Effective Time"), all of the then issued and outstanding Shares (other than (i) Shares owned by Loxo Oncology or Loxo Oncology's subsidiary immediately prior to the Effective Time, (ii) Shares owned by Lilly, Purchaser or any other subsidiary of Lilly at the commencement of the Offer and owned by Lilly, Purchaser or any other subsidiary of Lilly immediately prior to the Effective Time or (iii) Shares held by any stockholder who is entitled to demand and properly demands appraisal of such Shares pursuant to, and who complies in all respects with, Section 262 of the DGCL and who, as of the Effective Time, has neither effectively withdrawn nor lost its rights to such appraisal and payment under the DGCL with respect to such Shares) will be converted by virtue of the Merger into the right to receive an amount equal to the Offer Price in cash without interest, less any applicable tax withholding.

If the Merger is completed, Loxo Oncology's stockholders who do not tender their Shares in the Offer (other than stockholders who properly exercise appraisal rights) will receive the same amount of cash per Share that they would have received had they tendered their Shares in the Offer. Therefore, if the Offer is consummated and the Merger is completed, the only differences to you between tendering your Shares and not tendering your Shares in the Offer are that (i) you will be paid earlier if you tender your Shares in the Offer and (ii) appraisal rights will not be available to you if you tender Shares in the Offer, but will be available to you in the Merger if you do not tender Shares in the Offer. See Section 17 – "Appraisal Rights." However, in the unlikely event that the Offer is consummated but the Merger is not completed, the number of Loxo Oncology's stockholders and the number of Shares that are still in the hands of the public may be so small that there will no longer be an active public trading market (or, possibly, there may not be any public trading market) for the Shares. Also, in such event, it is possible that the Shares will be delisted from Nasdaq and Loxo Oncology will no longer be required to make filings with the SEC under the Exchange Act, or will otherwise not be required to comply with the rules relating to publicly held companies to the same extent as it is now.

See the "Introduction" to this Offer to Purchase, Section 11 – "The Merger Agreement; Other Agreements" and Section 13 – "Certain Effects of the Offer."

What will happen to my stock options in the Offer?

The Offer is being made only for Shares, and not for outstanding stock options issued by Loxo Oncology. Holders of outstanding vested but unexercised stock options issued by Loxo Oncology may participate in the Offer only if they first exercise such stock options in accordance with the terms of the applicable equity incentive plan and other applicable agreements of Loxo Oncology and tender the Shares, if any, issued upon such exercise. Any such exercise should be completed sufficiently in advance of the Expiration Date to assure the holder of such outstanding stock options that the holder will have sufficient time to comply with the procedures for tendering Shares described below in Section 3 – "Procedures for Accepting the Offer and Tendering Shares." Holders of outstanding stock options issued by Loxo Oncology will instead receive payment with respect to those stock options as described in the following paragraph.

Immediately prior to the Effective Time, each stock option that is outstanding (other than rights under Loxo Oncology's 2014 Employee Stock Purchase Plan), whether vested or unvested, subject to the terms and conditions set forth in the Merger Agreement, will terminate and be canceled, by virtue of the Merger and without any action on the part of any holder of any outstanding stock option, and each holder of such stock option will be entitled to receive an amount of cash determined by multiplying (i) the excess, if any, of the Merger Consideration over the exercise price per share of Shares underlying such stock option by (ii) the number of Shares subject to such stock option. Any such option that has an exercise price that equals or exceeds the Merger Consideration will be canceled for no consideration. The Merger Agreement provides that this payment will be made, net of any applicable tax withholding, at or reasonably promptly after the Effective Time (but in no event later than five business days after the Effective Time).

See Section 11 – "The Merger Agreement; Other Agreements."

What is the market value of my Shares as of a recent date?

On January 4, 2019, the last full day of trading before we announced the Merger Agreement, the reported closing sales price of the Shares on Nasdaq was $139.87 per Share. On January 16, 2018, the last full day of trading before commencement of the Offer, the reported closing sales price of the Shares on Nasdaq was $233.26 per Share. We encourage you to obtain a recent market quotation for Shares before deciding whether to tender your Shares.

See Section 6 – "Price Range of Shares; Dividends on the Shares."

Have any stockholders already agreed to tender their Shares in the Offer or to otherwise support the Offer?

Yes. Concurrently with entering into the Merger Agreement, Lilly and Purchaser entered into a Tender and Support Agreement with the Supporting Stockholder (both terms as defined below in Section 11 – "The Merger Agreement; Other Agreements – Tender and Support Agreement"), which provides, among other things, that the Supporting Stockholder will tender into the Offer, and not withdraw, all outstanding Shares the Supporting Stockholder owns of record or beneficially (within the meaning of Rule 13d-3 under the Exchange Act). The Tender and Support Agreement also provides that the Supporting Stockholder will vote its Shares against alternative corporate transactions and will not solicit or engage in discussions with third parties regarding alternative corporation transactions. The Tender and Support Agreement terminates upon the earliest of (i) the valid termination of the Merger Agreement in accordance with its terms, (ii) the Effective Time, (iii) the termination of the Tender and Support Agreement by written notice from Lilly or (iv) the date on which any amendment to the Merger Agreement or the Offer is effected without the Supporting Stockholder's consent that decreases the amount, or changes the form or terms, of consideration payable to all stockholders of Loxo Oncology pursuant to the terms of the Merger Agreement.

The Supporting Stockholder beneficially owned 2,038,920 Shares (or approximately 6.6% of all Shares outstanding) as of January 4, 2019.

See Section 11 – "The Merger Agreement; Other Agreements – Tender and Support Agreement."

Will I have appraisal rights in connection with the Offer?

No appraisal rights will be available to holders of Shares who tender such Shares in connection with the Offer. However, if Purchaser purchases Shares pursuant to the Offer and the Merger is completed, holders of Shares immediately prior to the Effective Time who (i) did not tender their Shares in the Offer, (ii) follow the procedures set forth in Section 262 of the DGCL and (iii) do not thereafter lose such holders' appraisal rights (by withdrawal, failure to perfect or otherwise), will be entitled to have their Shares appraised by the Delaware Court of Chancery and to receive payment of the "fair value" of such shares, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest, thereon. The "fair value" could be greater than, less than or the same as the Offer Price.

See Section 17 – "Appraisal Rights."

Whom should I call if I have questions about the Offer?

You may call Georgeson LLC, the information agent for the Offer (the "Information Agent"), toll free at 1-866-413-5901. See the back cover of this Offer to Purchase for additional contact information.

INTRODUCTION

Bowfin Acquisition Corporation, a Delaware corporation ("Purchaser") and wholly-owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Lilly"), is offering to purchase all outstanding shares of common stock, par value, $0.0001 per share (the "Shares"), of Loxo Oncology, Inc., a Delaware corporation ("Loxo Oncology"), at a purchase price of $235.00 per Share (the "Offer Price"), net to the seller in cash, without interest and less any applicable tax withholding, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with this Offer to Purchase, as they may be amended or supplemented from time to time, collectively constitute the "Offer").

The Offer is being made pursuant to an Agreement and Plan of Merger, dated January 5, 2019 (as it may be amended from time to time, the "Merger Agreement"), by and among Loxo Oncology, Lilly and Purchaser, pursuant to which, after consummation of the Offer and the satisfaction or waiver of certain conditions, Purchaser will merge with and into Loxo Oncology pursuant to Section 251(h) of the General Corporation Law of the State of Delaware, as amended (the "DGCL"), upon the terms and subject to the conditions set forth in the Merger Agreement, with Loxo Oncology continuing as the surviving corporation (the "Surviving Corporation") and becoming a wholly-owned subsidiary of Lilly (the "Merger"). In the Merger, each Share issued and outstanding immediately prior to the effective time of the Merger (the "Effective Time") (other than (i) Shares owned by Loxo Oncology or Loxo Oncology's subsidiary immediately prior to the Effective Time, (ii) Shares owned by Lilly, Purchaser or any other subsidiary of Lilly at the commencement of the Offer and owned by Lilly, Purchaser or any other subsidiary of Lilly immediately prior to the Effective Time or (iii) Shares held by any stockholder who is entitled to demand and properly demands appraisal of such Shares pursuant to, and who complies in all respects with, Section 262 of the DGCL and who, as of the Effective Time, has neither effectively withdrawn nor lost its rights to such appraisal and payment under the DGCL with respect to such Shares) will be converted into the right to receive an amount in cash equal to the Offer Price without interest (the "Merger Consideration"), less any applicable tax withholding.

Under no circumstances will interest be paid on the purchase price for the Shares, including by reason of any extension of the Offer or any delay in making payment for the Shares.

The Merger Agreement is more fully described in Section 11 – "The Merger Agreement; Other Agreements."

Tendering stockholders who are record owners of their Shares and who tender directly to the Depositary (as defined above in the "Summary Term Sheet") will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Section 6 of the Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by Purchaser pursuant to the Offer. Stockholders who hold their Shares through a broker, banker or other nominee should consult such institution as to whether it charges any service fees or commissions.

The Loxo Oncology Board has unanimously: (i) determined that the Offer, the Merger and the other transactions contemplated by the Merger Agreement (collectively, the "Transactions") are fair to and in the best interests of Loxo Oncology and its stockholders; (ii) duly authorized and approved the execution, delivery and performance by Loxo Oncology of the Merger Agreement and the consummation by Loxo Oncology of the Transactions; (iii) declared the Merger Agreement and the Transactions advisable; (iv) recommended that Loxo Oncology's stockholders tender their Shares in the Offer; and (v) resolved that the Merger shall be governed by and effected under Section 251(h) of the DGCL.

More complete descriptions of the Loxo Oncology Board's reasons for authorizing and approving the Merger Agreement and the consummation of the Transactions are set forth in Loxo Oncology's Solicitation/Recommendation Statement on the Schedule 14D-9 (the "Schedule 14D-9") that is being mailed to you together with this Offer to Purchase. Stockholders should carefully read the information set forth in the Schedule 14D-9, including the information set forth in Item 4 under the sub-headings "Background of the Offer" and "Reasons for the Recommendation of the Board."

The obligation of Purchaser to accept for payment and pay for Shares validly tendered (and not properly withdrawn) pursuant to the Offer is subject to the satisfaction of, among other conditions: (i) the Minimum Tender Condition (as defined above in the "Summary Term Sheet") and (ii) the Antitrust Condition (as defined below in Section 11 – "The Merger Agreement; Other Agreements – Merger Agreement"). The Offer also is subject to other conditions set forth in this Offer to Purchase. See Section 15 – "Conditions of the Offer." There is no financing condition to the Offer.

Loxo Oncology has advised Lilly that at a meeting of the Board held on January 5, 2019, Goldman Sachs rendered to the Board its oral opinion, subsequently confirmed in its written opinion dated January 5, 2019, to the effect that, as of the date of Goldman Sachs' written opinion and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the $235.00 in cash per Share to be paid to the holders (other than Lilly and its affiliates) of Shares pursuant to the Merger Agreement was fair from a financial point of view to such holders. The full text of the written opinion of Goldman Sachs, dated January 5, 2019, sets forth the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Goldman Sachs in connection with its opinion and is attached as Annex A to the Schedule 14D-9.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION THAT SHOULD BE READ CAREFULLY IN ITS ENTIRETY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

THE TENDER OFFER

1. Terms of the Offer

Purchaser is offering to purchase all of the outstanding Shares at the Offer Price, net to the seller in cash, without interest and less any applicable tax withholding. Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), we will accept for payment and, as promptly as practicable after the Expiration Date, pay for all Shares validly tendered prior to one minute past 11:59 p.m., Eastern time, on the Expiration Date and not properly withdrawn as described in Section 4 – "Withdrawal Rights."

The Offer is conditioned upon, among other things, the satisfaction of the Minimum Tender Condition and the other conditions described in Section 15 – "Conditions of the Offer."

The Merger Agreement contains provisions that govern the circumstances under which Purchaser is required or permitted to extend the Offer and under which Lilly is required to cause Purchaser to extend the Offer. Specifically, the Merger Agreement provides that:

(i) if, at the scheduled expiration date of the Offer, any Offer Condition other than the Minimum Tender Condition has not been satisfied or waived, Purchaser shall, and Lilly shall cause Purchaser to, extend the Offer for one or more consecutive increments of not more than ten business days each (or such longer period as Lilly and Loxo Oncology may agree), until such time as such conditions have been satisfied or waived;

(ii) Purchaser shall, and Lilly shall cause Purchaser to, extend the Offer for the minimum period required by any rule, regulation, interpretation or position of the Securities and Exchange Commission (the "SEC") or the staff thereof or The Nasdaq Global Market ("Nasdaq") applicable to the Offer; and

(iii) if, at the scheduled expiration date of the Offer, each Offer Condition (other than the Minimum Tender Condition) shall have been satisfied or waived, and the Minimum Tender Condition shall not have been satisfied, Purchaser may (and if so requested by Loxo Oncology, Purchaser shall, and Lilly shall cause Purchaser to), extend the Offer for one or more consecutive increments of such duration as requested by Loxo Oncology but not

more than ten business days each (or for such longer period as may be agreed between Loxo Oncology and Lilly); provided that Loxo Oncology shall not request Purchaser to, and Lilly shall not be required to cause Purchaser to, extend the Offer on more than three occasions.

In each case, Purchaser is not required to extend the Offer beyond the Outside Date and may only do so with Loxo Oncology's consent. The "Outside Date" means July 5, 2019, as summarized below in Section 11 – "The Merger Agreement; Other Agreements – Termination."

If we extend the Offer, are delayed in our acceptance for payment of or payment for Shares or are unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to our rights under the Offer, the Depositary may retain tendered Shares on our behalf, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described in Section 4 – "Withdrawal Rights." However, our ability to delay the payment for Shares that we have accepted for payment is limited by Rule 14e-1(c) under the Exchange Act, which requires us to pay the consideration offered or return the securities deposited by or on behalf of stockholders promptly after the termination or withdrawal of the Offer.

Purchaser expressly reserves the right to waive, in its sole discretion, in whole or in part, any Offer Condition or modify the terms of the Offer in any manner not inconsistent with the Merger Agreement, except that Loxo Oncology's prior written approval is required for Purchaser to, and for Lilly to permit Purchaser to:

(i) reduce the number of Shares subject to the Offer;

(ii) reduce the Offer Price;

(iii) waive, amend or modify the Minimum Tender Condition or the Termination Condition (as defined in Section 11 – "The Merger Agreement Other Agreements – Merger Agreement");

(iv) add to the Offer Conditions or impose any other conditions on the Offer or amend, modify or supplement any Offer Condition in any manner adverse to the holders of Shares;

(v) except as otherwise provided in the Merger Agreement, terminate, extend or otherwise amend or modify the Expiration Date of the Offer;

(vi) change the form or terms of consideration payable in the Offer;

(vii) otherwise amend, modify or supplement any of the terms of the Offer in any manner adverse to holders of Shares; or

(viii) provide for any "subsequent offering period" in accordance with Rule 14d-11 of the Exchange Act.

Any extension, delay, termination or amendment of the Offer will be followed as promptly as practicable by a public announcement thereof, and such announcement in the case of an extension will be made no later than 9:00 a.m., Eastern time, on the business day after the previously scheduled Expiration Date. Without limiting the manner in which we may choose to make any public announcement, we intend to make announcements regarding the Offer by issuing a press release and making any appropriate filing with the SEC.

If we make a material change in the terms of the Offer or the information concerning the Offer or if we waive a material condition of the Offer, we will disseminate additional tender offer materials and extend the Offer, in each case, if and to the extent required by Rules 14d-4(d)(1), 14d-6(c) and 14e-1 under the Exchange Act. The minimum period during which the Offer must remain open following material changes in the terms of the Offer or information concerning the Offer, other than a change in price or a change in percentage of securities sought, will depend upon the facts and circumstances, including the relative materiality of the terms or information

changes. We understand that in the SEC's view, an offer should remain open for a minimum of five business days from the date the material change is first published, sent or given to holders of Shares, and with respect to a change in price or a change in the percentage of securities sought, a minimum ten business day period generally is required to allow for adequate dissemination to holders of Shares and investor response.

If, on or before the Expiration Date, we increase the consideration being paid for Shares accepted for payment in the Offer, such increased consideration will be paid to all holders whose Shares are purchased in the Offer, whether or not such Shares were tendered before the announcement of the increase in consideration.

The obligation of Purchaser to accept for payment and pay for Shares validly tendered (and not properly withdrawn) pursuant to the Offer is subject to the satisfaction of the Offer Conditions. Notwithstanding any other term of the Offer or the Merger Agreement, Purchaser shall not be required to, and Lilly shall not be required to cause Purchaser to, accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act, to pay for any tendered Shares if any of the Offer Conditions has not been satisfied at one minute past 11:59 p.m., Eastern time, on the scheduled Expiration Date of the Offer. Under certain circumstances described in the Merger Agreement, Lilly or Loxo Oncology may terminate the Merger Agreement.

Loxo Oncology has provided us with its stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal, as well as the Schedule 14D-9, will be mailed to record holders of Shares whose names appear on the stockholder list and will be furnished for subsequent transmittal to beneficial owners of Shares to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing.

2. Acceptance for Payment and Payment for Shares

Subject to the terms of the Offer and the Merger Agreement and the satisfaction or waiver of all of the Offer Conditions set forth in Section 15 – "Conditions of the Offer," we will accept for payment and pay for all Shares validly tendered and not properly withdrawn pursuant to the Offer as promptly as practicable after expiration of the Offer (which shall be the business day after expiration of the Offer absent extenuating circumstances and, in any event, shall not be more than three business days after expiration of the Offer). Subject to compliance with Rule 14e-1(c) and Rule 14d-11(e) under the Exchange Act, as applicable, and with the Merger Agreement, we expressly reserve the right to delay payment for Shares in order to comply in whole or in part with any applicable law or regulation. See Section 16 – "Certain Legal Matters; Regulatory Approvals."

In all cases, we will pay for Shares validly tendered and accepted for payment pursuant to the Offer only after timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or confirmation of a book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company ("DTC") (such a confirmation, a "Book-Entry Confirmation") pursuant to the procedures set forth in Section 3 – "Procedures for Accepting the Offer and Tendering Shares," (ii) the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees and (iii) any other documents required by the Letter of Transmittal or, in the case of a book-entry transfer, an Agent's Message (as defined below) in lieu of the Letter of Transmittal and such other documents. Accordingly, tendering stockholders may be paid at different times depending upon when the Share Certificates and Letter of Transmittal, or Book-Entry Confirmations and Agent's Message, in each case, with respect to Shares are actually received by the Depositary.

The term "Agent's Message" means a message transmitted through electronic means by DTC in accordance with the normal procedures of DTC to, and received by, the Depositary and forming part of a Book-Entry Confirmation, that states that DTC has received an express acknowledgment from the participant in DTC tendering the Shares that are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of, the Letter of Transmittal, and that Purchaser may enforce such agreement

against such participant. The term "Agent's Message" also includes any hard copy printout evidencing such message generated by a computer terminal maintained at the Depositary's office.

For purposes of the Offer, we will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered to the Purchaser and not properly withdrawn as, if and when we give oral or written notice to the Depositary of our acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the Offer Price for such Shares with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from us and transmitting such payments to tendering stockholders whose Shares have been accepted for payment. If we extend the Offer, are delayed in our acceptance for payment of Shares or are unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to our rights under the Offer and the Merger Agreement, the Depositary may retain tendered Shares on our behalf, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described in Section 4 – "Withdrawal Rights" and as otherwise required by Rule 14e-1(c) under the Exchange Act. **Under no circumstances will we pay interest on the Offer Price for Shares, including by reason of any extension of the Offer or any delay in making such payment.**

If any tendered Shares are not accepted for payment pursuant to the terms and conditions of the Offer for any reason, or if Share Certificates are submitted evidencing more Shares than are tendered, Share Certificates representing unpurchased shares will be returned, without expense to the tendering stockholder (or, in the case of Shares tendered by book-entry transfer into the Depositary's account at DTC pursuant to the procedure set forth in Section 3 – "Procedures for Accepting the Offer and Tendering Shares," such Shares will be credited to an account maintained at DTC), as promptly as practicable following the expiration or termination of the Offer.

3. Procedures for Accepting the Offer and Tendering Shares

Valid Tenders. In order for a stockholder to validly tender Shares pursuant to the Offer, the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal) and any other documents required by the Letter of Transmittal must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and either (i) the Share Certificates evidencing tendered Shares must be received by the Depositary at such address or (ii) such Shares must be tendered pursuant to the procedure for book-entry transfer described below under "Book-Entry Transfer" and a Book-Entry Confirmation must be received by the Depositary, in each case prior to the expiration of the Offer.

Book-Entry Transfer. The Depositary will establish an account with respect to the Shares at DTC for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the system of DTC may make a book-entry delivery of Shares by causing DTC to transfer such Shares into the Depositary's account at DTC in accordance with DTC's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer at DTC, either the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in lieu of the Letter of Transmittal, and any other required documents, must, in any case, be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date. Delivery of documents to DTC does not constitute delivery to the Depositary.

No Guaranteed Delivery. **We are not providing for guaranteed delivery procedures. Therefore, Loxo Oncology stockholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of The Depository Trust Company, which is earlier than one minute after 11:59 p.m., Eastern time, on the Expiration Date. In addition, for Loxo Oncology stockholders who are registered holders, the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees (or in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal) and any other documents required by the Letter of Transmittal must be received by**

the Depositary prior to one minute after 11:59 p.m., Eastern time, on the Expiration Date. Loxo Oncology stockholders must tender their Shares in accordance with the procedures set forth in this Offer to Purchase and the Letter of Transmittal. Tenders received by the Depositary after the Expiration Date will be disregarded and of no effect.

Signature Guarantees for Shares. No signature guarantee is required on the Letter of Transmittal (i) if the Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Section 3, includes any participant in DTC's systems whose name appears on a security position listing as the owner of the Shares) of the Shares tendered therewith, unless such holder or holders have completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the Letter of Transmittal or (ii) if the Shares are tendered for the account of a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of the Security Transfer Agents Medallion Program or any other "eligible guarantor institution," as such term is defined in Rule 17Ad-15 of the Exchange Act (each an "Eligible Institution" and collectively "Eligible Institutions"). In all other cases, all signatures on a Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 1 of the Letter of Transmittal. If a Share Certificate is registered in the name of a person or persons other than the signers of the Letter of Transmittal, or if payment is to be made or delivered to, or a Share Certificate not accepted for payment or not tendered is to be issued in, the name(s) of a person or persons other than the registered holder(s), then the Share Certificate must be endorsed or accompanied by appropriate duly executed stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the Share Certificate, with the signature(s) on such Share Certificate or stock powers guaranteed by an Eligible Institution as provided in the Letter of Transmittal. See Instructions 1 and 5 of the Letter of Transmittal.

Notwithstanding any other provision of this Offer, payment for Shares accepted for payment pursuant to the Offer will in all cases only be made after timely receipt by the Depositary of (i) certificates evidencing such Shares or a Book-Entry Confirmation of a book-entry transfer of such Shares into the Depositary's account at DTC pursuant to the procedures set forth in this Section 3, (ii) the Letter of Transmittal, properly completed and duly executed, with any required signature guarantees and (iii) any other documents required by the Letter of Transmittal or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal and such other documents. Accordingly, tendering stockholders may be paid at different times depending upon when the Share Certificates and Letter of Transmittal, or Book-Entry Confirmations and Agent's Message, in each case, with respect to Shares are actually received by the Depositary.

THE METHOD OF DELIVERY OF THE SHARES (OR SHARE CERTIFICATES), THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. DELIVERY OF THE SHARES (OR SHARE CERTIFICATES), THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS WILL BE DEEMED MADE, AND RISK OF LOSS THEREOF SHALL PASS, ONLY WHEN THEY ARE ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER OF SHARES, BY BOOK-ENTRY CONFIRMATION WITH RESPECT TO SUCH SHARES). IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT THE SHARES (OR SHARE CERTIFICATES), THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Tender Constitutes Binding Agreement. The tender of Shares pursuant to any one of the procedures described above will constitute the tendering stockholder's acceptance of the Offer, as well as the tendering stockholder's representation and warranty that such stockholder has the full power and authority to tender and assign the Shares tendered, as specified in the Letter of Transmittal. Our acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the tendering stockholder and us upon the terms and subject to the conditions of the Offer.

Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by us, in our sole discretion, which determination shall be final and binding on all parties, subject to any judgment of any court of competent jurisdiction. We reserve the absolute right to reject any and all tenders determined by us not to be in proper form or the acceptance for payment of which may, in our opinion, be unlawful. We also reserve the absolute right to waive any defect or irregularity in the tender of any Shares of any particular stockholder, whether or not similar defects or irregularities are waived in the case of other stockholders. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived to our satisfaction. None of Purchaser, Lilly or any of their respective affiliates or assigns, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Subject to applicable law as applied by a court of competent jurisdiction and the terms of the Merger Agreement, our interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

Appointment as Proxy. By executing the Letter of Transmittal as set forth above, the tendering stockholder will irrevocably appoint designees of Purchaser as such stockholder's attorneys-in-fact and proxies in the manner set forth in the Letter of Transmittal, each with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by Purchaser and with respect to any and all other Shares or other securities or rights issued or issuable in respect of such Shares. All such powers of attorney and proxies will be considered irrevocable and coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, we accept for payment the Shares tendered by such stockholder as provided herein. Upon such appointment, all prior powers of attorney, proxies and consents given by such stockholder with respect to such Shares or other securities or rights will, without further action, be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given by such stockholder (and, if given, will not be deemed effective). The designees of Purchaser will thereby be empowered to exercise all voting and other rights with respect to such Shares and other securities or rights, including, without limitation, in respect of any annual, special or adjourned meeting of Loxo Oncology's stockholders, actions by written consent in lieu of any such meeting or otherwise, as they in their sole discretion deem proper. We reserve the right to require that, in order for Shares to be deemed validly tendered, immediately upon our acceptance for payment of such Shares, Purchaser must be able to exercise full voting, consent and other rights with respect to such Shares and other related securities or rights, including voting at any meeting of stockholders of Loxo Oncology.

Options. The Offer is being made only for Shares, and not for outstanding stock options issued by Loxo Oncology. Holders of outstanding vested but unexercised stock options issued by Loxo Oncology will receive payment for such stock options following the Effective Time as provided in the Merger Agreement without participating in the Offer. Holders of outstanding vested but unexercised stock options issued by Loxo Oncology may participate in the Offer only if they first exercise such stock options in accordance with the terms of the applicable equity incentive plan and other applicable agreements of Loxo Oncology and tender the Shares, if any, issued upon such exercise. Any such exercise should be completed sufficiently in advance of the Expiration Date to assure the holder of such outstanding stock options will have sufficient time to comply with the procedures for tendering Shares described in this Section 3. See Section 11 – "The Merger Agreement; Other Agreements" for additional information regarding the treatment of outstanding equity awards in the Merger.

Information Reporting and Backup Withholding. Payments made to stockholders of Loxo Oncology in the Offer or the Merger generally will be subject to information reporting and may be subject to backup withholding of U.S. federal income tax on payments for Shares made in the Offer or the Merger (currently at a rate of 24%). To avoid backup withholding, any stockholder that is a U.S. person that does not otherwise establish an exemption from U.S. federal backup withholding must complete and return the Internal Revenue Service ("IRS") Form W-9 included in the Letter of Transmittal. Any stockholder that is not a U.S. person should submit an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable IRS Form W-8) attesting to such stockholder's exempt foreign status in order to qualify for an exemption from information reporting and backup withholding. Backup

withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund from the IRS or a credit against a stockholder's U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

4. Withdrawal Rights

Except as otherwise provided in this Section 4, or as provided by applicable law, tenders of Shares made pursuant to the Offer are irrevocable.

Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, tenders are irrevocable, except that if we have not accepted your Shares for payment within 60 days of commencement of the Offer, you may withdraw them at any time after March 18, 2019, the 60th day after commencement of the Offer, until Purchaser accepts your Shares for payment.

For a withdrawal of Shares to be effective, the Depositary must timely receive a written or facsimile transmission notice of withdrawal at one of its addresses set forth on the back cover of this Offer to Purchase. Any notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the names in which the Share Certificates are registered, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3 – "Procedures for Accepting the Offer and Tendering Shares," any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Shares. If Share Certificates representing the Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the name of the registered owners and the serial numbers shown on such Share Certificates must also be furnished to the Depositary.

Withdrawals of tenders of Shares may not be rescinded and any Shares properly withdrawn will be deemed not validly tendered for purposes of the Offer. Withdrawn Shares may, however, be retendered by following one of the procedures for tendering Shares described in Section 3 – "Procedures for Accepting the Offer and Tendering Shares" at any time prior to the Expiration Date.

Purchaser will determine, in its sole discretion, all questions as to the form and validity (including time of receipt) of any notice of withdrawal, and such determination will be final and binding, subject to any judgment of any court of competent jurisdiction. No withdrawal of Shares shall be deemed to have been properly made until all defects and irregularities have been cured or waived. None of Purchaser, Lilly or any of their respective affiliates or assigns, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification.

5. Material U.S. Federal Income Tax Consequences

The following is a discussion of the material U.S. federal income tax consequences of the Offer and the Merger to U.S. Holders (as defined below) whose Shares are tendered and accepted for payment pursuant to the Offer or whose Shares are converted into the right to receive cash in the Merger. This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, each in effect as of the date of this Offer, and all of which are subject to change, possibly with retroactive effect. We have not sought, and do not intend to seek, any ruling from the IRS or any opinion of counsel with respect to the statements made and the conclusions reached in the following summary, and no assurance can be given that the IRS will agree with the views expressed herein, or that a court will not sustain any challenge by the IRS in the event of litigation.

This summary applies only to U.S. Holders who hold their Shares as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not address all aspects of U.S. federal income taxation that may be relevant to a U.S. Holder in light of its particular circumstances, or that may apply to U.S. Holders subject to special treatment under U.S. federal income tax laws (e.g., regulated investment companies, real estate investment trusts, cooperatives, banks and certain other financial institutions, insurance companies, tax-exempt organizations, retirement plans, stockholders that are, or hold Shares through, partnerships or other pass-through entities for U.S. federal income tax purposes, U.S. Holders whose functional currency is not the United States dollar, dealers in securities or foreign currency, traders that mark-to-market their securities, expatriates and former long-term residents of the United States, persons subject to the alternative minimum tax, stockholders holding Shares as part of a straddle, hedging, constructive sale or conversion transaction, stockholders required to recognize income or gain with respect to the Offer or the Merger no later than such income or gain is required to be reported on an applicable financial statement, stockholders holding Shares as qualified small business stock for purposes of Sections 1045 and/or 1202 of the Code, stockholders who exercise their appraisal rights in the Merger, and stockholders who received their Shares in compensatory transactions, pursuant to the exercise of employee stock options, stock purchase rights or stock appreciation rights, as restricted stock or otherwise as compensation). In addition, this discussion does not address any tax consequences arising under the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010, nor does it address any tax considerations under state, local or non-U.S. laws or U.S. federal laws other than those pertaining to the U.S. federal income tax.

For purposes of this summary, the term "U.S. Holder" means a beneficial owner of Shares that, for U.S. federal income tax purposes, is: (i) an individual who is a citizen or resident of the United States; (ii) a corporation, or an entity treated as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source; or (iv) a trust, if (A) a United States court is able to exercise primary supervision over the trust's administration and one or more U.S. persons have authority to control all of the trust's substantial decisions or (B) the trust has validly elected to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership, or another entity or arrangement treated as a partnership for U.S. federal income tax purposes, holds Shares, the tax treatment of its partners or members generally will depend upon the status of the partner or member and the partnership's activities. Accordingly, partnerships or other entities treated as partnerships for U.S. federal income tax purposes that hold Shares, and partners or members in those entities, are urged to consult their tax advisors regarding the specific U.S. federal income tax consequences to them of the Offer and the Merger.

Because individual circumstances may differ, each stockholder should consult its own tax advisor as to the applicability and effect of the rules discussed below and the particular tax effects of the Offer and the Merger to it, including the application and effect of the alternative minimum tax and any U.S. federal, state, local and non-U.S. tax laws.

Tax Consequences to U.S. Holders. The exchange of Shares for cash pursuant to the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. Holder who sells Shares pursuant to the Offer or receives cash in exchange for Shares pursuant to the Merger will recognize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference, if any, between (i) the amount of cash received and (ii) the U.S. Holder's tax basis in the Shares sold pursuant to the Offer or exchanged for cash pursuant to the Merger. Gain or loss will be determined separately for each block of Shares (that is, Shares acquired at the same cost in a single transaction) tendered pursuant to the Offer or exchanged for cash pursuant to the Merger. Such gain or loss will be long-term capital gain or loss, provided that a U.S. Holder's holding period for such block of Shares is more than one year at the time of consummation of the Offer or the Merger, as the case may be. Long-term capital gains of certain non-corporate U.S. Holders, including individuals, generally are subject to U.S. federal income tax at preferential rates. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding. Payments made in exchange for Shares pursuant to the Offer or the Merger may be subject, under certain circumstances, to information reporting and backup withholding (currently at a rate of 24%). To avoid backup withholding, a U.S. Holder that does not otherwise establish an exemption from U.S. federal backup withholding should complete and return to the applicable withholding agent a properly completed and executed IRS Form W-9, certifying that such U.S. Holder is a U.S. person, that the taxpayer identification number provided is correct, and that such U.S. Holder is not subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against a U.S. Holder's U.S. federal income tax liability, if any, provided that such holder furnishes the required information to the IRS in a timely manner.

6. Price Range of Shares; Dividends on the Shares

The Shares currently trade on Nasdaq under the symbol "LOXO." The following table sets forth the high and low intraday sale prices per Share for each quarterly period within the two preceding fiscal years, as reported by Nasdaq:

	High	Low
Fiscal Year Ended December 31, 2019		
First Quarter (through January 4, 2019)	$140.62	$130.75

	High	Low
Fiscal Year Ended December 31, 2018		
Fourth Quarter	$183.24	$125.00
Third Quarter	$192.00	$153.67
Second Quarter	$208.95	$108.75
First Quarter	$135.74	$ 82.71
Fiscal Year Ended December 31, 2017		
Fourth Quarter	$ 95.00	$ 71.45
Third Quarter	$ 95.92	$ 69.00
Second Quarter	$ 83.12	$ 41.83
First Quarter	$ 47.46	$ 30.51

On January 4, 2019, the last full day of trading before the public announcement of the execution of the Merger Agreement, the closing price of the Shares on Nasdaq was $139.87 per Share. On January 16, 2018, the last full day of trading before commencement of the Offer, the reported closing sales price of the Shares on Nasdaq was $233.26 per Share. We encourage you to obtain a recent market quotation for Shares before deciding whether to tender your Shares.

Loxo Oncology has never declared or paid cash dividends on the Shares and does not intend to declare or pay cash dividends on the Shares in the foreseeable future.

7. Certain Information Concerning Loxo Oncology

The summary information set forth below is qualified in its entirety by reference to Loxo Oncology's public filings with the SEC (which may be obtained and inspected as described below under "Additional Information") and should be considered in conjunction with the financial and other information in such filings and other publicly available information. Neither Lilly nor Purchaser has any knowledge that would indicate that any statements contained in this Offer to Purchase based on such filings and information is untrue. However, neither Lilly nor Purchaser assumes any responsibility for the accuracy or completeness of the information concerning

Loxo Oncology, whether furnished by Loxo Oncology or contained in such filings, or for any failure by Loxo Oncology to disclose events that may have occurred or that may affect the significance or accuracy of any such information but which are unknown to Lilly or Purchaser.

General. Loxo Oncology is a Delaware corporation and a biopharmaceutical company innovating the development of highly selective medicines for patients with genetically defined cancers. The address of Loxo Oncology's principal executive offices and Loxo Oncology's phone number at its principal executive offices are as set forth below:

Loxo Oncology, Inc.
281 Tresser Boulevard, 9th Floor
Stamford, CT 06901
(203) 653-3880

Additional Information. The Shares are registered under the Exchange Act. Accordingly, Loxo Oncology is subject to the information reporting requirements of the Exchange Act and, in accordance therewith, is required to file periodic reports and other information with the SEC relating to its business, financial condition and other matters. Information as of particular dates concerning Loxo Oncology's directors and officers, their compensation, stock options granted to them, the principal holders of Loxo Oncology's securities, any material interests of such persons in transactions with Loxo Oncology and other matters was disclosed in Loxo Oncology's Annual Report on Form 10-K for the fiscal year ended December 31, 2017. Such information also will be available in the Schedule 14D-9. Such reports and other information are available for inspection at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Copies of such information may be obtainable by mail, upon payment of the SEC's customary charges, by writing to the SEC at the address above. The SEC also maintains a website on the Internet at http://www.sec.gov that contains reports, proxy statements and other information regarding registrants, including Loxo Oncology, that file electronically with the SEC.

8. Certain Information Concerning Lilly and Purchaser

The summary information set forth below is qualified in its entirety by reference to Lilly's public filings with the SEC (which may be obtained and inspected as described below under "Additional Information") and should be considered in conjunction with the more comprehensive financial and other information in such filings and other publicly available information.

Purchaser is a Delaware corporation and wholly-owned subsidiary of Lilly, and was formed solely for the purpose of facilitating an acquisition by Lilly. Purchaser has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the Transactions. Upon consummation of the Merger, Purchaser will merge with and into Loxo Oncology and will cease to exist, with Loxo Oncology surviving the Merger. The business address and business telephone number of Purchaser are as set forth below:

Bowfin Acquisition Corporation
Lilly Corporate Center
Indianapolis, IN 46285
(317) 276-2000

Lilly, an Indiana corporation, is a leading worldwide research-based pharmaceutical company. Founded in Indianapolis, Indiana, in 1876 by Colonel Eli Lilly, Lilly is engaged in the discovery, development, manufacture, marketing and sale of human pharmaceutical products. Lilly's purpose is to unite caring with discovery to create medicines that make life better for people around the world. Most of the products sold by Lilly today were discovered or developed by Lilly's own scientists, and Lilly's success depends to a great extent on its ability to

continue to discover, develop and bring to market innovative new medicines. Lilly sells a broad range of patented pharmaceutical products, primarily in the following disease categories: diabetes and other endocrine diseases; cancer; cardiovascular diseases; autoimmune diseases; and central nervous system diseases. The business address and business telephone number of Lilly are as set forth below:

Eli Lilly and Company
Lilly Corporate Center
Indianapolis, IN 46285
(317) 276-2000

The name, business address, citizenship, current principal occupation or employment, and five-year material employment history of each director and executive officer of Purchaser and Lilly and certain other information are set forth in Schedule I to this Offer to Purchase.

Except as set forth in Schedule I to this Offer to Purchase, during the last five years, none of Purchaser or Lilly, or, to the best knowledge of Purchaser and Lilly, any of the persons listed in Schedule I to this Offer to Purchase, (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

As of January 16, 2019, none of Lilly, Purchaser or their respective affiliates owned any Shares directly.

Except as set forth elsewhere in this Offer to Purchase or Schedule I to this Offer to Purchase: (i) none of Purchaser, Lilly or, to the best knowledge of Purchaser and Lilly, the persons listed in Schedule I hereto beneficially owns or has a right to acquire any Shares or any other equity securities of Loxo Oncology; (ii) none of Purchaser, Lilly or, to the best knowledge of Purchaser and Lilly, the persons referred to in clause (i) above has effected any transaction with respect to the Shares or any other equity securities of Loxo Oncology during the past 60 days; (iii) none of Purchaser, Lilly or, to the best knowledge of Purchaser and Lilly, the persons listed in Schedule I to this Offer to Purchase has any contract, arrangement, understanding or relationship with any other person with respect to any securities of Loxo Oncology (including any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations); (iv) during the two years before the date of this Offer to Purchase, there have been no transactions between any of Purchaser, Lilly, their subsidiaries or, to the best knowledge of Purchaser and Lilly, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and Loxo Oncology or any of its executive officers, directors or affiliates, on the other hand, that would require reporting under SEC rules and regulations; and (v) during the two years before the date of this Offer to Purchase, there have been no contracts, negotiations or transactions between Purchaser, Lilly, their subsidiaries or, to the best knowledge of Purchaser and Lilly, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and Loxo Oncology or any of its affiliates, on the other hand, concerning a merger, consolidation or acquisition, a tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets.

Additional Information. Lilly is subject to the information and reporting requirements of the Exchange Act and in accordance therewith is obligated to file reports, proxy statements and other information with the SEC relating to its business, its financial condition, information as of particular dates concerning Lilly's directors and officers, information as of particular dates concerning the principal holders of Lilly's securities and any material interests of such persons in transactions with Lilly. Such reports, proxy statements and other information are available for inspection and copying at the offices of the SEC in the same manner as set forth with respect to Loxo Oncology in Section 7 – "Certain Information Concerning Loxo Oncology."

9. Source and Amount of Funds

We estimate that we will need approximately $8.0 billion to purchase all of the Shares pursuant to the Offer and to complete the Merger. Lilly will provide us with sufficient funds to purchase all Shares validly tendered (and not properly withdrawn) in the Offer, to provide funding for the Merger and to make payments for outstanding stock options issued by Loxo Oncology pursuant to the Merger Agreement. Lilly has, or will have, available to it, through a variety of sources, including cash on hand and borrowings at prevailing effective rates under Lilly's commercial paper program, funds necessary to satisfy all of Purchaser's payment obligations under the Merger Agreement and resulting from the Transactions. The Offer is not conditioned upon Lilly's or Purchaser's ability to finance the purchase of Shares pursuant to the Offer.

10. Background of the Offer; Past Contacts or Negotiations with Loxo Oncology

Background of the Offer

The following is a description of contacts between representatives of Lilly and representatives of Loxo Oncology that resulted in the execution of the Merger Agreement and the agreements related to the Offer. For a review of Loxo Oncology's additional activities, please refer to the Schedule 14D-9 that will be filed by Loxo Oncology with the SEC and mailed to Loxo Oncology stockholders.

In the ordinary course of business and to supplement its research and development activities, Lilly regularly evaluates business development opportunities, including strategic acquisitions and licensing and partnership opportunities.

In April 2018, Loxo Oncology announced that interim clinical data from the Phase 1 clinical trial for LOXO-292, would be presented in June 2018. Following that announcement, on April 16, 2018, Joshua Bilenker, M.D., Loxo Oncology's Chief Executive Officer met with Dr. Levi Garraway, Lilly's Senior Vice President – Oncology R&D, at the 2018 AACR Annual Meeting in Chicago, where Dr. Bilenker provided Dr. Garraway with an update on Loxo Oncology and Dr. Garraway provided Dr. Bilenker with an update on Lilly's oncology business.

In June 2018, Loxo Oncology announced that it had obtained positive interim data from the Phase 1 clinical trial for LOXO-292.

On December 10, 2018, Dr. Garraway contacted Dr. Bilenker to arrange a meeting in Stamford, Connecticut to discuss Loxo Oncology, its research and development strategy and objectives as a company.

On December 20, 2018, officers of Lilly, including Darren Carroll, its head of business development, Dr. Garraway and Lilly's Chief Financial Officer, its Chief Scientific Officer and its President – Lilly Oncology met with Dr. Bilenker and Jacob Van Naarden, Loxo Oncology's Chief Operating Officer at Loxo Oncology's Stamford, Connecticut offices at which they indicated that Lilly was interested in acquiring all of the outstanding stock of Loxo Oncology for $230.00 in cash per Share. The representatives of Lilly stated Lilly's interest in announcing the acquisition at the J.P. Morgan Healthcare Conference in January 2019, and its desire to complete due diligence and negotiate definitive agreements in order to meet that timeframe.

Later that day, Lilly submitted a letter to Loxo Oncology expressing its interest in acquiring all of the issued and outstanding equity of Loxo Oncology at a price of $230.00 in cash per Share (the "December 20 Proposal"). The December 20 Proposal indicated that Lilly would fund the transaction entirely from existing cash resources and available external financing and that consummation of a transaction would not be contingent on financing. The December 20 Proposal stated Lilly's commitment to a two-week process for due diligence in parallel with merger agreement negotiations. The December 20 Proposal represented a 73.6% premium to Loxo Oncology's closing share price on December 20, 2018.

On December 21, 2018, Dr. Bilenker spoke with Mr. Carroll and informed him that the Board had determined that the acquisition price proposed in the December 20 Proposal was not adequate but that Loxo Oncology would

be willing to provide limited due diligence information to help inform Lilly in order that it could consider increasing its proposed acquisition price.

Subsequently on December 21, 2018, Loxo Oncology provided Lilly with a proposed form of the Non-Disclosure Agreement, and following negotiation of its terms, on December 22, 2018, Loxo Oncology and Lilly entered into the Non-Disclosure Agreement. The Non-Disclosure Agreement included a customary standstill restriction on Lilly that would expire upon the occurrence of specified events, including Loxo Oncology's entry into an agreement providing for an acquisition of Loxo Oncology, the commencement of a tender offer for 50% or more of Loxo Oncology's equity securities that the Board does not reject within 10 days of receipt, or Loxo Oncology's public announcement that it had authorized a process for the solicitation of third party acquisition offers.

On December 23, 2018, Loxo Oncology provided representatives of Lilly and its financial advisor, Deutsche Bank ("Deutsche Bank"), and its counsel Weil, Gotshal & Manges LLP ("Weil"), with access to an online data room containing certain due diligence materials, including clinical and regulatory information, product commercialization plans and certain material agreements. From December 23 through December 30, 2018, representatives of Lilly, Deutsche Bank and Weil reviewed the information provided in the online data room, and held discussions with Loxo Oncology's senior management and representatives of Goldman Sachs and Fenwick & West in connection with their due diligence review of Loxo Oncology.

On December 24, 2018, Dr. Bilenker spoke with Mr. Carroll regarding Loxo Oncology's product pipeline, the due diligence process and Loxo Oncology's need for an increase in Lilly's proposed acquisition price, and representatives of Goldman Sachs spoke with representatives of Deutsche Bank and Mr. Carroll regarding the need for an increase in Lilly's proposed acquisition price as well as the process for due diligence.

On each of December 26, December 28 and December 29, 2018, Dr. Bilenker, Mr. Van Naarden and other members of Loxo Oncology's management team spoke with representatives of Lilly to answer further due diligence questions.

On December 27, 2018, Dr. Bilenker spoke with David Ricks, Lilly's Chairman and Chief Executive Officer, regarding the status of discussions between the two companies.

On December 28, 2018, representatives of Goldman Sachs and representatives of Deutsche Bank discussed the process and timing for Lilly to submit an updated acquisition proposal.

On December 30, 2018, Lilly submitted a letter to Loxo Oncology increasing its offer to $235.00 per Share in cash (the "December 30 Proposal"). The December 30 Proposal again indicated that Lilly would fund the transaction entirely from existing cash resources and available external financing and that consummation of a transaction would not be contingent on financing. The letter indicated that Lilly remained committed to a transaction that could be announced on January 7, 2019. The December 30 Proposal represented a 75% premium to Loxo Oncology's closing share price on December 30, 2018. Shortly after transmitting Lilly's letter, Mr. Ricks spoke with Dr. Bilenker, discussed some of Lilly's key diligence findings and stated that Lilly was not prepared to further increase its offer above the $235.00 per share contained in the December 30 Proposal. On the same day, representatives of Deutsche Bank spoke with representatives of Goldman Sachs and indicated that $235.00 per Share represented Lilly's "best and final" offer.

On December 30, 2018, Dr. Bilenker contacted Mr. Ricks and indicated that Loxo Oncology would proceed on the basis of the December 30 Proposal.

Subsequently on December 30, 2018, Fenwick & West provided representatives of Weil with a draft Merger Agreement. The draft provided for a transaction to be structured as a cash tender offer followed immediately by a merger, exceptions to the definition of "Company Material Adverse Effect" for, among other things, the results

of clinical studies of Loxo Oncology or competitors, Loxo Oncology's ability to provide diligence to and negotiate a merger agreement with a party making an unsolicited acquisition proposal that constitutes or could reasonably be expected to lead to a superior proposal, Loxo Oncology's ability to accept a superior proposal after providing Lilly a right to match such proposal and pay a termination fee equal to 2.0% of the equity value of the transaction.

From December 30, 2018 through January 5, 2019, Loxo Oncology provided additional due diligence materials in the online data room, and representatives of Lilly, Deutsche Bank and Weil continued their due diligence review of Loxo Oncology, including review of the information provided in the online data room, discussions with Loxo Oncology's management and representatives of Goldman Sachs and Fenwick & West and a site visit to one of Loxo Oncology's suppliers.

On January 2, 2019, Weil provided Fenwick & West with a revised draft of the Merger Agreement, which proposed a number of changes to the draft circulated by Fenwick & West including a termination fee equal to 4.25% of the equity value of the transaction. In addition, Weil provided a proposed form of the support agreement that Lilly requested be executed by Aisling Capital, the holder of approximately 6.6% of the outstanding Shares.

From January 2 through January 4, 2019, Fenwick & West and Weil negotiated the Merger Agreement and exchanged drafts of the Merger Agreement, focusing on the size of the termination fee, the representations and warranties, the definition of "Company Material Adverse Effect", the provisions regarding regulatory approvals, the interim operating restrictions and the provisions relating to employees. On January 2, 2019, Fenwick & West provided Weil with a revised draft of the Merger Agreement and on January 3, 2019, Weil provided Fenwick & West with a further revised draft of the Merger Agreement. On January 4, 2019, Fenwick & West and Weil completed the negotiations on the Merger Agreement, other than with respect to the amount of the termination fee.

On January 3, 2019, Dr. Bilenker spoke with Mr. Ricks regarding the status of Lilly's due diligence review.

On January 4, 2019, representatives of Fenwick & West discussed the amount of the termination fee with representatives of Weil, and representatives of Goldman Sachs discussed the amount of the termination fee with representatives of Deutsche Bank.

On January 4, 2019, Lilly's board of directors held a meeting during which it reviewed and approved the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger. Subsequently, Mr. Carroll called Dr. Bilenker to inform him that the Lilly board of directors had met and approved the transaction, subject to completion of Lilly's due diligence.

On January 5, 2019, Dr. Bilenker discussed the amount of the termination fee with Mr. Carroll, and Mr. Carroll stated that Lilly would agree to a termination fee of $265 million, representing 3.3% of the equity value of the proposed transaction.

On January 5, 2019, Loxo Oncology, Lilly and Purchaser executed the Merger Agreement, and Lilly, Purchaser and Aisling Capital executed the Tender and Support Agreement.

Before the opening of trading on the NASDAQ Stock Market on January 7, 2019, Loxo Oncology and Lilly issued a joint press release announcing the execution of the Merger Agreement.

On January 17, 2019, Lilly and Purchaser commenced the Offer.

11. The Merger Agreement; Other Agreements

Merger Agreement

The following summary of certain provisions of the Merger Agreement and all other provisions of the Merger Agreement discussed herein are qualified by reference to the Merger Agreement itself, which is incorporated herein by reference. A copy of the Merger Agreement is filed as Exhibit (d)(1) hereto. Stockholders and other interested parties should read the Merger Agreement for a more complete description of the provisions summarized below. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Merger Agreement.

The Merger Agreement has been filed with the SEC and incorporated by reference herein to provide investors and stockholders with information regarding the terms of the Merger Agreement. It is not intended to provide any other factual information about Lilly, Purchaser or Loxo Oncology. The representations, warranties and covenants contained in the Merger Agreement were made only as of specified dates for the purposes of such agreement, were solely for the benefit of the parties to such agreement and may be subject to qualifications and limitations agreed upon by such parties. In particular, in reviewing the representations, warranties and covenants contained in the Merger Agreement and any description thereof contained or incorporated by reference herein, it is important to bear in mind that such representations, warranties and covenants were negotiated with the principal purpose of allocating risk between the parties, rather than establishing matters as facts. Such representations, warranties and covenants may also be subject to a contractual standard of materiality different from those generally applicable to stockholders and reports and documents filed with the SEC, and in some cases were qualified by disclosures set forth in a confidential disclosure letter that was provided by Loxo Oncology to Lilly but is not filed with the SEC as part of the Merger Agreement (the "Disclosure Letter"). Investors are not third-party beneficiaries under the Merger Agreement. Accordingly, investors should not rely on such representations, warranties and covenants as characterizations of the actual state of facts or circumstances described therein. Information concerning the subject matter of such representations, warranties and covenants, which do not purport to be accurate as of the date of this Offer to Purchase, may have changed since the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the parties' public disclosures.

The Offer. Provided that the Merger Agreement has not been terminated and provided further that Loxo Oncology is prepared to file with the SEC, and to disseminate to holders of Loxo Oncology shares, the Schedule 14D-9 on the same date as Purchaser commences the Offer, Purchaser will commence the Offer as promptly as practicable, and in no event later than January 22, 2019. Purchaser's obligation to, and Lilly's obligation to cause Purchaser to, accept for payment and pay for Shares validly tendered in the Offer is subject to the satisfaction of the Minimum Tender Condition and the other Offer Conditions that are described below. Subject to the satisfaction of the Minimum Tender Condition and the other Offer Conditions described below, the Merger Agreement provides that Purchaser will, and Lilly will cause Purchaser to, accept for payment and pay for all Shares validly tendered and not properly withdrawn pursuant to the Offer that Purchaser becomes obligated to purchase pursuant to the Offer as soon as practicable after the expiration of the Offer (which shall be the next business day after the expiration of the Offer absent extenuating circumstances and, in any event, no more than three business days after the expiration of the Offer).

Purchaser expressly reserves the right to waive, in its sole discretion, in whole or in part, any Offer Condition, or modify the terms of the Offer, in any manner not inconsistent with the Merger Agreement, except that Loxo Oncology's prior written approval is required for Purchaser to, and for Lilly to permit Purchaser to:

- reduce the number of Shares subject to the Offer;
- reduce the Offer Price;
- waive, amend or modify the Minimum Tender Condition or the Termination Condition (as defined below);

- add to the Offer Conditions or impose any other conditions on the Offer or amend, modify or supplement any Offer Condition in any manner adverse to the holders of Shares;
- except as otherwise provided in the Merger Agreement, terminate, extend or otherwise amend or modify the expiration date of the Offer;
- change the form or terms of consideration payable in the Offer;
- otherwise amend, modify or supplement any of the terms of the Offer in any manner adverse to holders of Shares; or
- provide for any "subsequent offering period" in accordance with Rule 14d-11 of the Exchange Act.

The Merger Agreement contains provisions that govern the circumstances under which Purchaser is required or permitted to extend the Offer and under which Lilly is required to cause Purchaser to extend the Offer. Specifically, the Merger Agreement provides that:

- if, at the scheduled expiration date of the Offer, any Offer Condition other than the Minimum Tender Condition has not been satisfied or waived, Purchaser shall, and Lilly shall cause Purchaser to, extend the Offer for one or more consecutive increments of not more than ten business days each (or such longer period as Lilly and Loxo Oncology may agree), until such time as such conditions have been satisfied or waived;
- Purchaser shall, and Lilly shall cause Purchaser to, extend the Offer for the minimum period required by any rule, regulation, interpretation or position of the SEC or the staff thereof or Nasdaq applicable to the Offer; and
- If, at the scheduled expiration date of the Offer, each Offer condition (other than the Minimum Tender Condition) shall have been satisfied or waived, and the Minimum Tender Condition shall not have been satisfied, Purchaser may (and if so requested by Loxo Oncology, Purchaser shall, and Lilly shall cause Purchaser to), extend the Offer for one or more consecutive increments of such duration requested by Loxo Oncology but not more than ten business days each (or for such longer period as may be agreed between Loxo Oncology and Lilly); provided that Loxo Oncology shall not request Purchaser to, and Lilly shall not be required to cause Purchaser to, extend the Offer on more than three occasions.

In each case, Purchaser is not required to, extend the Offer beyond the Outside Date and may only do so with Loxo Oncology's consent.

Purchaser has agreed that it will terminate the Offer promptly upon any termination of the Merger Agreement.

Board of Directors and Officers. The board of directors of the Surviving Corporation immediately following the Effective Time will consist of the members of the board of directors of Purchaser immediately prior to the Effective Time, and the officers of the Surviving Corporation immediately following the Effective Time will consist of the officers of Purchaser immediately prior to the Effective Time, each to hold office until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

The Merger. The Merger Agreement provides that, following completion of the Offer and on the terms and conditions of the Merger Agreement, and in accordance with the DGCL, at the Effective Time, Purchaser will be merged with and into Loxo Oncology, and the separate existence of Purchaser will cease, and Loxo Oncology will continue as the Surviving Corporation. The Merger will be governed by Section 251(h) of the DGCL. Accordingly, Lilly, Purchaser and Loxo Oncology have agreed to take all necessary and appropriate action to cause the Merger to become effective as soon as practicable following the irrevocable acceptance for payment of Shares pursuant to the Offer without a meeting of Loxo Oncology's stockholders in accordance with Section 251(h) of the DGCL.

At the Effective Time, the certificate of incorporation of the Surviving Corporation will be amended and restated in its entirety to be in the form attached as Exhibit B to the Merger Agreement and, as so amended and restated,

such certificate of incorporation will be the certificate of incorporation of the Surviving Corporation, until thereafter changed or amended as provided therein or permitted by applicable law.

The bylaws of Purchaser as in effect immediately prior to the Effective Time will be the bylaws of the Surviving Corporation from and after the Effective Time until thereafter changed or amended as provided therein or permitted by applicable law.

The obligations of Loxo Oncology, Lilly and Purchaser to complete the Merger are subject to the satisfaction or waiver by each of the parties of the following conditions:

- There is no judgment issued, or other legal restraint or prohibition imposed, in each case, by any governmental entity of competent jurisdiction, or law, in each case, of the United States or any State thereof, that is in effect preventing or prohibiting the consummation of the Merger; and
- Purchaser shall have accepted or caused to be accepted for payment all Shares validly tendered and not properly withdrawn pursuant to the Offer.

Conversion of Capital Stock at the Effective Time. In the Merger, each Share issued and outstanding immediately prior to the Effective Time (other than (i) Shares owned by Loxo Oncology or Loxo Oncology's subsidiary immediately prior to the Effective Time, (ii) Shares owned by Lilly, Purchaser or any other subsidiary of Lilly at the commencement of the Offer and owned by Lilly, Purchaser or any other subsidiary of Lilly immediately prior to the Effective Time or (iii) Shares held by any stockholder who is entitled to demand and properly demands appraisal of such Shares pursuant to, and who complies in all respects with, Section 262 of the DGCL and who, as of the Effective Time, has neither effectively withdrawn nor lost its rights to such appraisal and payment under the DGCL with respect to such Shares) will be converted into the right to receive $235.00 per Share, net to the seller in cash, without interest (the "Merger Consideration") and less any applicable withholding taxes.

Each share of Purchaser's common stock issued and outstanding immediately prior to the Effective Time will be converted into one fully paid and nonassessable share of common stock of the Surviving Corporation and will constitute the only outstanding shares of capital stock of the Surviving Corporation.

The holders of certificates or book-entry shares which immediately prior to the Effective Time represented Shares will cease to have any rights with respect to such Shares other than the right to receive, upon surrender of such certificates or book-entry shares in accordance with the procedures set forth in the Merger Agreement, the Merger Consideration, or, with respect to Shares of a holder who exercises appraisal rights in accordance with the DGCL, the rights set forth in Section 262 of the DGCL.

Treatment of Equity Awards. Pursuant to the Merger Agreement, each option (other than rights under the Loxo Oncology 2014 Employee Stock Purchase Plan (the "Loxo Oncology ESPP")) to purchase Loxo Oncology common stock granted under a Loxo Oncology stock plan or as a non-plan inducement award that is outstanding and unexercised immediately prior to the Effective Time, whether vested or unvested, will fully vest and automatically be canceled and terminated immediately prior to the Effective Time in consideration for the right to receive a cash payment without interest, less any applicable tax withholding, equal to the product obtained by multiplying (i) the total number of Shares underlying such Loxo Oncology option and (ii) the excess, if any, of the Merger Consideration over the exercise price per Share of such Loxo Oncology option. Any such Loxo Oncology option that has an exercise price that equals or exceeds the Merger Consideration will be canceled for no consideration.

Treatment of Employee Stock Purchase Plan. As soon as practicable following the execution of the Merger Agreement, Loxo Oncology is required to take all actions with respect to the Loxo Oncology ESPP that are necessary to provide that (i) with respect to the offering period under the Loxo Oncology ESPP in effect as of January 5, 2019, if any, no individual who was not already a participant in the Loxo Oncology ESPP as of January 5, 2019 may enroll in the Loxo Oncology ESPP with respect to such offering period and no participant

may increase the percentage amount of his or her payroll deduction election from that in effect on January 5, 2019 for such offering period, (ii) no new offering period will be commenced under the Loxo Oncology ESPP prior to the Effective Time, (iii) immediately prior to the Effective Time, the Loxo Oncology ESPP will terminate, and (iv) if the applicable purchase date with respect to the offering period in effect on January 5, 2019 would otherwise occur on or after the day on which the Offer closes, such offering period will be shortened and the applicable purchase date with respect to that offering period will occur on the day immediately preceding the date on which the Offer closes.

Representations and Warranties. This summary of the Merger Agreement has been included to provide investors with information regarding its terms. It is not intended to provide any other factual information about Lilly, Purchaser or Loxo Oncology, their respective businesses, or the actual conduct of their respective businesses during the period prior to the consummation of the Offer or the Merger. The Merger Agreement contains representations and warranties that are the product of negotiations among the parties thereto and made to, and solely for the benefit of, each other as of specified dates. The assertions embodied in those representations and warranties are subject to qualifications and limitations agreed to by the respective parties and are also qualified in important part by the Disclosure Letter. The representations and warranties may have been made for the purpose of allocating contractual risk between the parties to the agreements instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors.

In the Merger Agreement, Loxo Oncology has made representations and warranties to Lilly and Purchaser with respect to, among other things:

- corporate matters, such as organization, organizational documents, standing, qualification, power and authority;
- capital structure;
- subsidiaries and equity interests;
- authority, execution and enforceability relative to the Merger Agreement;
- no conflicts and required consents;
- SEC filings and undisclosed liabilities;
- disclosure controls and internal controls over financial reporting;
- accuracy of information supplied for purposes of the offer documents and the Schedule 14D-9;
- the absence of specified changes or events;
- taxes;
- labor relations;
- employees and employee benefit plans;
- property;
- contracts;
- litigation;
- compliance with laws, including anti-corruption and anti-bribery laws;
- regulatory matters;
- environmental matters;
- intellectual property and privacy, data and computer systems;

- insurance;
- brokers and other advisors;
- state takeover statutes;
- the opinion of its financial advisor;
- no stockholder vote required; and
- affiliate transactions.

Some of the representations and warranties in the Merger Agreement made by Loxo Oncology are qualified as to "materiality" or "Company Material Adverse Effect." For purposes of the Merger Agreement, a "Company Material Adverse Effect" means any change, event, condition, development, circumstance, state of facts, effect or occurrence that (i) has a material adverse effect on the business, assets, financial condition or results of operations of Loxo Oncology and Loxo Oncology's subsidiary, taken as a whole, or (ii) prevents the ability of Loxo Oncology to consummate the Transactions on or before July 5, 2019. For purposes of clause (i) of the definition of "Company Material Adverse Effect," none of the following, and no change, event, condition, development, circumstance, state of facts, effect or occurrence that results from or arises in connection with the following, either alone or in combination, will be deemed to constitute a Company Material Adverse Effect or will be taken into account in determining whether there has been a Company Material Adverse Effect:

(i) any change, event, condition, development, circumstance, state of facts, effect or occurrence to the extent resulting from or arising in connection with:

(A) general conditions (or changes therein) in the industries in which Loxo Oncology and Loxo Oncology's subsidiary operates;

(B) general economic or regulatory, legislative or political conditions (or changes therein) or securities, credit, financial or other capital markets conditions (including changes generally in prevailing interest rates, currency exchange rates, credit markets or equity price levels or trading volumes), in each case in the United States, the European Union or elsewhere in the world;

(C) any change or prospective change in applicable law or GAAP (or the authoritative interpretation or enforcement thereof);

(D) geopolitical conditions, the outbreak or escalation of hostilities, any acts or threats of war (whether or not declared), sabotage, cyber-intrusion, terrorism or any epidemics, or any escalation or worsening of any such acts or threat of war (whether or not declared), sabotage, cyber-intrusion, terrorism or any epidemics;

(E) any hurricane, tornado, flood, volcano, fire, earthquake or other natural or man-made disaster or any other national or international calamity, crisis or disaster;

(F) the failure, in and of itself, of Loxo Oncology to meet any internal or external projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics before, on or after January 5, 2019, or changes in the market price or trading volume of Loxo Oncology common stock or the credit rating of Loxo Oncology (it being understood that the underlying facts giving rise or contributing to such failure or change may be taken into account in determining whether there has been a Company Material Adverse Effect if such facts are not otherwise excluded under this definition);

(G) the announcement, pendency or performance of any of the Transactions, including any stockholder proceeding (direct or derivative) in respect of the Merger Agreement or any of the Transactions and any loss of or change in relationship, contractual or otherwise, with any customer, governmental entity, supplier, vendor,

service provider, collaboration partner or any other business partner (including the exercise, or prospective exercise, by any party of any rights that arise upon a change of control), or departure of any employee or officer, of Loxo Oncology;

(H) the compliance with the express covenants contained in the Merger Agreement (excluding the requirement that Loxo Oncology operate in the ordinary course of business);

(I) any action taken by Loxo Oncology at Lilly's written request or with Lilly's prior written consent;

(J) any conditions or events that occur in connection with Loxo Oncology's, Loxo Oncology's subsidiary's, their competitors', or potential competitors' preclinical or clinical studies (including regulatory changes that may affect such studies and/or the market for any particular product) or the results of such studies or announcements thereof or in connection therewith; and

(K) the identity of, or any facts or circumstances relating to, Lilly, Purchaser or their respective affiliates;

(L) certain Proceedings (as defined below) described in the Disclosure Letter;

(M) the determination by, or the delay of a determination by, a non-U.S. governmental entity in connection with any filing, designation, approval or clearance applied for, prosecuted or sought by any licensee of Loxo Oncology with respect to any of Loxo Oncology's products;

(N) FDA approval (or other clinical or regulatory developments), market entry or threatened market entry of any product competitive with or related to any of Loxo Oncology's products or any of Loxo Oncology's product candidates; or

(O) any recommendations, statements or other pronouncements made, published or proposed by professional medical organizations or any governmental entity or representative thereof, or any panel or advisory body empowered or appointed thereby, relating to any of Loxo Oncology's products or any products or product candidates of any competitors of Loxo Oncology,

except (x) in the case of clauses (A), (B), (C), (D) or (E), to the extent that Loxo Oncology and Loxo Oncology's subsidiary, taken as a whole, are disproportionately affected thereby as compared with other participants in the industries in which Loxo Oncology and Loxo Oncology's subsidiary operate (in which case the incremental disproportionate impact or impacts may be taken into account in determining whether there has been a Company Material Adverse Effect) and (y) in the case of clauses (J), (M) and (O) to the extent such condition or event results from fraud by Loxo Oncology (in which case such condition or event, to the extent resulting from (1) fraud by Loxo Oncology or (2) any order issued by the FDA to Loxo Oncology causing it to suspend its ongoing clinical trial relating to Loxo Oncology's products may be taken into account in determining whether there has been a Company Material Adverse Effect).

In the Merger Agreement, Lilly and Purchaser have made representations and warranties to Loxo Oncology with respect to:

- corporate matters, such as organization, organizational documents, standing, qualification, power and authority;
- authority, execution and enforceability relative to the Merger Agreement;
- no conflicts and required consents;
- accuracy of information supplied for purposes of the offer documents and the Schedule 14D-9;
- brokers;

- litigation;
- ownership of securities of Loxo Oncology; and
- availability of funds to consummate the Offer and the Merger.

Some of the representations and warranties in the Merger Agreement made by Lilly and Purchaser are qualified as to "materiality" or "Parent Material Adverse Effect." For purposes of the Merger Agreement, the term "Parent Material Adverse Effect" means any change, effect, event or occurrence that prevents (i) the consummation of the Offer, the Merger and the other Transactions or (ii) the ability of Lilly or Purchaser to consummate the Transactions on or before the Outside Date.

None of the representations and warranties of the parties to the Merger Agreement contained in the Merger Agreement or in any schedule, instrument or other document delivered pursuant to the Merger Agreement survive the Effective Time.

Conduct of Business Pending the Merger. Loxo Oncology has agreed that, from the date of the Merger Agreement until the earlier of the date on which Purchaser first irrevocably accepts for purchase the Shares tendered in the Offer, (the "Offer Closing Time") and the termination of the Merger Agreement in accordance with its terms, except as expressly provided by the Merger Agreement or as disclosed prior to execution of the Merger Agreement in Loxo Oncology's confidential Disclosure Letter delivered to Lilly in connection with the Merger Agreement, Loxo Oncology will, and will cause Loxo Oncology's subsidiary to, conduct its business in the ordinary course and use commercially reasonable efforts to (i) preserve intact its present business organization, (ii) keep available the services of its present executive officers and key employees, including employees at the vice president level and above and (iii) preserve its present relationships and goodwill with customers, suppliers, licensors, licensees, distributors, contractors, partners and others having material business dealings with it.

Loxo Oncology has further agreed that, from the date of the Merger Agreement to the earlier of the Offer Closing Time or the termination of the Merger Agreement in accordance with its terms, except as expressly provided for by the Merger Agreement or as set forth prior to execution of the Merger Agreement in Loxo Oncology's confidential disclosure letter, Loxo Oncology will not do any of the following without the prior written consent of Lilly (which consent shall not be unreasonably withheld, delayed or conditioned), among other things and subject to specified exceptions (including specified ordinary course exceptions):

- enter into any new material line of business or enter into any agreement, arrangement or commitment that materially limits or otherwise restricts Loxo Oncology or its affiliates (as further described in Section 5.01(a) of the Merger Agreement), from time to time from engaging or competing in any line of business or in any geographic area or otherwise enter into any agreements, arrangements or commitments imposing material restrictions on Loxo Oncology's assets, operations or business;
- declare, set aside, establish a record date in respect of, accrue, or pay any dividends on, or make any other distributions (whether in cash, stock, equity securities or property) in respect of any Loxo Oncology capital stock;
- split, combine or reclassify any Loxo Oncology capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of Loxo Oncology's capital stock;
- repurchase, redeem, offer to redeem or otherwise acquire, directly or indirectly, any shares of capital stock of Loxo Oncology or any options, warrants, convertible or exchangeable securities, stock-based performance units or other rights to acquire any such shares of capital stock except for (A) acquisitions of shares of Loxo Oncology common stock in connection with the surrender of shares of Loxo Oncology common stock by holders of Loxo Oncology stock options in order to pay the exercise price of Loxo Oncology stock options, (B) the withholding of shares of Loxo Oncology common stock to satisfy tax obligations with respect to awards granted pursuant to the Loxo Oncology stock plans and

(C) the acquisition by Loxo Oncology of Loxo Oncology stock options in connection with the forfeiture of such awards, in each case in accordance with their terms;

- issue, grant, deliver, sell, authorize, pledge or otherwise encumber any shares of Loxo Oncology capital stock or options, warrants, convertible or exchangeable securities, stock-based performance units or other rights to acquire such shares, any bonds, debentures, notes or other indebtedness having the right to vote or any other rights that give any person the right to receive any economic interest of a nature accruing to the holders of Loxo Oncology common stock, other than issuances of Loxo Oncology common stock upon the exercise of Loxo Oncology stock options in accordance with their terms;
- amend its certificate of incorporation or bylaws or other comparable organizational documents (except for immaterial or ministerial amendments);
- form any subsidiary or acquire or agree to acquire, directly or indirectly, in a single transaction or a series of related transactions, whether by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any assets outside of the ordinary course of business, any business or any corporation, partnership, limited liability company, joint venture, association or other business organization or division thereof or any other person (other than Loxo Oncology), if the aggregate amount of consideration paid or transferred by Loxo Oncology or Loxo Oncology's subsidiary would exceed $250,000;
- adopt, enter into, establish, terminate, amend or modify any collective bargaining agreement, benefit plan or benefit agreement, or any plan or arrangement that would be a benefit plan or benefit agreement if in effect as of January 5, 2019;
- grant to any director, employee or individual service provider any increase in compensation;
- grant to any director, employee or individual service provider any increase in severance or termination pay;
- pay or award, or commit to pay or award, any bonuses or incentive compensation;
- enter into any employment, retention, consulting, change in control, severance or termination agreement with any director, employee or individual service provider;
- take any action to accelerate any rights or benefits under any benefit plan or benefit agreement, or the funding of any payments or benefits under any benefit plan or benefit agreement;
- terminate the employment or service of any employee or individual service provider of Loxo Oncology whose total annual base salary equals or exceeds $100,000, other than for cause;
- hire any employee or individual service provider whose total annual base salary would equal or exceed $100,000;
- make any change in accounting methods, principles or practices, except as may be required (i) by GAAP (or any authoritative interpretation thereof), including pursuant to standards, guidelines and interpretations of the Financial Accounting Standards Board or any similar organization, or (ii) by law, including Regulation S-X promulgated under the Securities Act of 1933, as amended, in each case as agreed to by Loxo Oncology's independent public accountants;
- sell, lease (as lessor), license or otherwise transfer (including through any "spin-off"), or pledge, encumber or otherwise subject to any lien (other than a permitted lien), any properties or assets (other than intellectual property) except (i) sales or other dispositions of inventory and excess or obsolete properties or assets in the ordinary course of business, (ii) pursuant to contracts to which Loxo Oncology is a party made available to Lilly and in effect prior to the date of the Merger Agreement or (iii) properties or assets having a fair market value of less than $250,000 in the aggregate;
- sell, assign, license or otherwise transfer any intellectual property owned by Loxo Oncology, except (i) for licenses (including sublicenses) to intellectual property granted in the ordinary course of

business, (ii) pursuant to contracts to which Loxo Oncology is a party made available to Lilly and in effect prior to January 5, 2019, or (iii) abandonment or other disposition of any of Loxo Oncology's intellectual property at the end of the applicable statutory term, in the ordinary course of prosecution or otherwise in the ordinary course of business;

- incur or materially modify the terms of (including by extending the maturity date thereof) any indebtedness for borrowed money or guarantee any such indebtedness of another person;
- issue or sell any debt securities or warrants or other rights to acquire any debt securities of Loxo Oncology, guarantee any debt securities of another Person;
- enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, in each case other than (A) interest rate and other hedging arrangements on customary commercial terms in the ordinary course of business or (B) short-term borrowings incurred in the ordinary course of business not in excess of $250,000 in aggregate principal amount outstanding at any one time;
- make any loans, advances or capital contributions to, or investments in, any other person, other than to or in (A) Loxo Oncology, (B) any acquisition not in violation of the Merger Agreement or (C) any person pursuant to any advancement obligations under Loxo Oncology's certificate of incorporation or bylaws or indemnification agreements as in effect on or prior January 5, 2019;
- other than in accordance with Loxo Oncology's capital expenditure budget made available to Lilly, make or agree to make any capital expenditure or expenditures that in the aggregate are in excess of the amount specified in the Disclosure Letter;
- pay, discharge, settle, compromise or satisfy (i) any pending or threatened claims, liabilities or obligations relating to a legal proceeding (absolute, accrued, asserted or unasserted, contingent or otherwise), other than any such payment, discharge, settlement, compromise or satisfaction of a claim solely for money damages in the ordinary course of business in an amount not to exceed $250,000 individually or $500,000 in the aggregate or (ii) any litigation, arbitration, proceeding or dispute that relates to the Transactions;
- make, change or revoke any material tax election, change any annual tax accounting period or adopt or change any material method of tax accounting, file any amended material tax return, enter into any closing agreement within the meaning of Section 7121 of the Code (or any similar provision of state, local or foreign law), or settle or compromise any material tax liability or refund;
- amend, cancel or terminate any material insurance policy naming Loxo Oncology or Loxo Oncology's subsidiary as an insured, a beneficiary or a loss payable payee without obtaining comparable substitute insurance coverage;
- adopt a plan or agreement of complete or partial liquidation or dissolution, merger, consolidation, restructuring, recapitalization or other reorganization (other than the Merger);
- abandon, cancel, fail to renew or permit to lapse (A) any of Loxo Oncology's material registered intellectual property or (B) any of Loxo Oncology's material registered intellectual property that is exclusively licensed to Loxo Oncology to the extent that Loxo Oncology has the right to take or cause to be taken such action pursuant to the terms of the applicable contract under which such intellectual property is licensed to Loxo Oncology;
- fail to renew (to the extent renewable at the option of Loxo Oncology) or terminate any contract under which material intellectual property is licensed to Loxo Oncology;
- disclose to any third party, other than under a confidentiality agreement or other legally binding confidentiality undertaking, any trade secret of Loxo Oncology that is included in Loxo Oncology's intellectual property in a way that results in loss of material trade secret protection thereon, except for any such disclosures made as a result of a publication of a patent application filed by Loxo Oncology or in connection with any required regulatory filing;

- sell, transfer, license or otherwise encumber any of Loxo Oncology's intellectual property other than non-exclusive licenses ancillary to research, development, manufacture, clinical testing, sale, distribution and commercialization activities relating to products or services entered into in the ordinary course of business;
- except as is in the ordinary course of business, enter into, terminate or modify in any material respect, or expressly release any material rights under, specified material contracts or any contract that, if existing on January 5, 2019, would have been a specified material contract;
- participate in any scheduled meetings or scheduled teleconferences with, or correspond in writing, communicate or consult with the FDA or any similar governmental entity without providing Lilly with prior written notice and, within 24 hours from the time such written notice is delivered, the opportunity to consult with Loxo Oncology with respect to such correspondence, communication or consultation, in each case to the extent permitted by applicable law;
- commence any clinical study of which Lilly has not been informed prior to January 5, 2019;
- unless required by any regulatory authority, discontinue, terminate or suspend any ongoing clinical study;
- discontinue, terminate or suspend any ongoing IND-enabling preclinical study without first consulting with Lilly in good faith; or
- authorize, commit or agree to take any of the foregoing actions.

Access to Information. From and after the date of the Merger Agreement, subject to the requirements of applicable law, Loxo Oncology has agreed to provide Lilly and its officers, directors, employees, investment bankers, attorneys, other advisors or other representatives reasonable access during normal business hours to Loxo Oncology's properties, books and records, contracts and personnel, and furnish, as promptly as reasonably practicable, to Lilly all information concerning its business, properties and personnel as Lilly may reasonably request, subject to customary exceptions and limitations.

Directors' and Officers' Indemnification and Insurance. The Merger Agreement provides for indemnification and insurance rights in favor of Loxo Oncology's current and former directors, officers, employees and agents, who we refer to as "indemnitees." Specifically, Lilly and Purchaser have agreed that all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time (and rights to advancement of expenses) now existing in favor of indemnitees as provided in Loxo Oncology's certificate of incorporation or bylaws or under any indemnification agreement in effect as of January 5, 2019 and made available to Lilly will survive the Offer Closing and the Merger, continue in full force and effect in accordance with their respective terms and will for a period of six years following January 5, 2019, not be amended, repealed or otherwise modified in a manner that would adversely affect any right thereunder of any indemnitee.

At or prior to the Effective Time, following good-faith consultation with Lilly and utilizing Lilly's insurance broker, Loxo Oncology may obtain and fully pay the premium for "tail" directors' and officers' liability insurance policies in respect of acts or omissions occurring at or prior to the Effective Time (including for acts or omissions occurring in connection with the approval of the Merger Agreement and the consummation of the Transactions) for the period beginning upon the Offer Closing Time and ending six years from the Effective Time, covering each indemnitee and containing terms (including with respect to coverage and amounts) and conditions (including with respect to deductibles and exclusions) that are in the aggregate, no less favorable to any indemnitee than those of Loxo Oncology's directors' and officers' liability insurance policies in effect on the date of the Merger Agreement (the "Existing D&O Policies"). However, the maximum aggregate annual premium for such "tail" insurance policies shall not exceed 250% of the aggregate annual premium payable by Loxo Oncology for coverage for its current fiscal year under the Existing D&O Policies. If such "tail" insurance policies have been obtained by Loxo Oncology, Lilly shall cause such "tail" insurance policies to be maintained in full force and effect, for their full term, and cause all obligations thereunder to be honored by it and the

Surviving Corporation. In the event Loxo Oncology does not obtain such "tail" insurance policies, then, for the period beginning upon the Offer Closing Time and ending six years from the Effective Time, Lilly shall either purchase such "tail" insurance policies or Lilly shall maintain in effect the Existing D&O Policies in respect of acts or omissions occurring at or prior to the Effective Time (including for acts or omissions occurring in connection with the approval of the Merger Agreement and the consummation of the Transactions). However, neither Lilly nor the Surviving Corporation shall be required to pay an aggregate annual premium for such insurance policies in excess of 250% of the annual premium payable by Loxo Oncology for coverage for its current fiscal year under its existing D&O policies, and, if the annual premium of such insurance coverage exceeds such amount, Lilly or the Surviving Corporation shall be obligated to obtain the most advantageous policy available for an annual premium equal to such amount and the Surviving Corporation may substitute therefor policies of a reputable and financially sound insurance company containing terms (including with respect to coverage and amounts) and conditions (including with respect to deductibles and exclusions) that are, individually and in the aggregate, no less favorable to any indemnitee.

Reasonable Best Efforts. Upon the terms and subject to the conditions set forth in the Merger Agreement, each of Loxo Oncology, Lilly and Purchaser has agreed to, and to cause each of their respective subsidiaries to, use its reasonable best efforts to promptly take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, as promptly as reasonably practicable, the Offer, the Merger and the other Transactions, including (i) the obtaining of all necessary or advisable actions or non-actions, waivers and consents from, the making of all necessary registrations, declarations and filings with, and the taking of all reasonable steps as may be necessary to avoid a claim, suit, action, arbitration, investigation or proceeding ("Proceeding") by, any governmental entity with respect to the Merger Agreement or the Transactions, (ii) the defending or contesting of any Proceedings, whether judicial or administrative, challenging the Merger Agreement or the consummation of the Transactions, including seeking to have any stay or temporary restraining order entered by any court or other governmental entity vacated or reversed and (iii) the execution and delivery of any additional instruments necessary to consummate the Transactions and to fully carry out the purposes of the Merger Agreement. In connection with and without limiting the foregoing, Loxo Oncology and Loxo Oncology Board shall (A) take all action necessary to ensure that no restrictions on business combinations of any takeover law or similar statute or regulation is or becomes applicable to any of the Transactions or the Merger Agreement and (B) if the restrictions on business combinations of any takeover law or similar statute or regulation becomes applicable to any transaction contemplated by the Merger Agreement or the Merger Agreement, use its reasonable best efforts to take all action necessary to ensure that the Transactions may be consummated as promptly as practicable on the terms contemplated by the Merger Agreement and otherwise to minimize the effect of such statute or regulation on the Transactions and the Merger Agreement. Each of Lilly and Loxo Oncology shall not, and shall not permit their respective subsidiaries to, enter into or consummate any transaction, agreement, arrangement, or acquisition of any ownership interest or assets of any person, the effect of which would reasonably be expected to impair, materially delay or prevent any required approvals, or expiration of the waiting period, under the HSR Act, or require any approvals or filings under any foreign antitrust laws.

Lilly and Loxo Oncology shall, or shall cause their ultimate parent entity as that term is defined in the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") to, in consultation and cooperation with the other, file (i) with the United States Federal Trade Commission (the "FTC") and the United States Department of Justice (the "DOJ") the notification and report form, if any, required under the HSR Act for the Offer, the Merger or any of the other Transactions as promptly as practicable (but in no event later than nine business days after the date of the Merger Agreement) and (ii) all appropriate filings, notices, applications or similar documents required under any foreign antitrust law applicable to the Transactions as promptly as reasonably practicable. Lilly shall, with Loxo Oncology's reasonable cooperation, file all appropriate filings, notices, applications or similar documents required under any foreign antitrust law applicable to the Transactions as promptly as reasonably practicable. Any such filings shall be in substantial compliance with the requirements of the HSR Act or the applicable foreign antitrust laws, as the case may be. Each of Lilly and Loxo Oncology shall (i) furnish to the other party such necessary information and reasonable assistance as the other party may

request in connection with its preparation of any filing or submission which is necessary under the HSR Act or any foreign antitrust law, (ii) give the other party reasonable prior notice of any such filings or submissions and, to the extent reasonably practicable, of any communication with, and any inquiries or requests for additional information from, the FTC, the DOJ and any other governmental entity regarding the Offer, the Merger or any of the other Transactions, and permit the other party (or its outside counsel if necessary to retain confidentiality) to review and discuss in advance, and consider in good faith the views of, and permit the participation of, the other party in connection with, any such filings, submissions, communications, inquiries or requests, (iii) unless prohibited by applicable law or by the applicable governmental entity, and to the extent reasonably practicable, (A) not participate in or attend any meeting, or engage in any substantive conversation, with any governmental entity in respect of the Offer, the Merger or any of the other Transactions without the other party, (B) give the other party reasonable prior notice of any such meeting or conversation, (C) in the event one party is prohibited by applicable law or by the applicable governmental entity from participating in or attending any such meeting or engaging in any such conversation, keep such party apprised with respect thereto, (D) cooperate with one another in the filing of any substantive memoranda, white papers, filings, correspondence or other written communications explaining or defending the Merger Agreement, the Offer, the Merger or any of the other Transactions, articulating any regulatory or competitive argument or responding to requests or objections made by any governmental entity and (E) furnish the other party with copies of all filings, submissions, correspondence and communications (and memoranda setting forth the substance thereof) between it and its affiliates and their respective representatives, on the one hand, and any governmental entity or members of any governmental entity's staff, on the other hand, with respect to the Merger Agreement, the Offer, the Merger and the other Transactions and (iv) comply with any inquiry or request from the FTC, the DOJ or any other governmental entity as promptly as reasonably practicable. Any such additional information shall be in substantial compliance with the requirements of the HSR Act or the applicable foreign antitrust law, as the case may be. The parties agree not to extend, directly or indirectly, any waiting period under the HSR Act or any foreign antitrust law or enter into any agreement with a governmental entity to delay or not to consummate the Offer, the Merger or the other Transactions, except with the prior written consent of the other party, which consent shall not be unreasonably withheld. Without limiting the generality of the foregoing, each party shall provide to the other (or the other's respective advisors) upon request copies of all correspondence between such party and any governmental entity relating to the Transactions. Loxo Oncology, Lilly and Purchaser may, as they deem advisable and necessary, designate any competitively sensitive materials provided to the other under Section 6.02 of the Merger Agreement as "outside counsel only." Such materials and the information contained therein shall be given only to outside counsel of the recipient and will not be disclosed by such outside counsel to employees, officers, or directors of the recipient without the advance written consent of the party providing such materials.

Lilly and Purchaser agree to take promptly any and all steps necessary to avoid, eliminate or resolve each and every impediment and obtain all clearances, consents, approvals and waivers under the HSR Act or any foreign antitrust law that may be required by any governmental entity, so as to enable the parties to close the Transactions as promptly as practicable (and in any event by or before than the Outside Date); provided, however, that nothing in Section 6.02 of the Merger Agreement and notwithstanding anything to the contrary in the Merger Agreement, neither Lilly nor Purchaser shall have any obligation to (or to cause any of their respective subsidiaries or affiliates or Loxo Oncology to): (i) sell, license, divest or dispose of or hold separate the assets, intellectual property or businesses of any entity; (ii) terminate, amend or assign any existing relationships or contractual rights or obligations of any entity; (iii) change or modify any course of conduct regarding future operations of any entity; (iv) otherwise take any action that would limit the freedom of action with respect to, or the ability to retain, one or more businesses, assets or rights of any entity or interests therein; or (v) commit to take any such action in the foregoing clause (i), (ii), (iii) or (iv); provided, however, that Lilly and Purchaser shall take the actions in the foregoing clause (i), (ii), (iii) or (iv) with respect to Loxo Oncology (including, after the Effective Time, the Surviving Corporation) if such action (A) is necessary to obtain required clearances or waiting period expirations or terminations as may be required under the HSR Act or any foreign antitrust law by or before the Outside Date and (B) would not, individually or in the aggregate, reasonably be expected to be materially detrimental to the benefits to be derived by Lilly and its affiliates as a result of the Transactions. In addition, Loxo Oncology shall not offer or commit to take any of the actions referred to in

clause (i), (ii), (iii) or (iv) of the immediately preceding sentence without Lilly's prior written consent. For the avoidance of doubt, Lilly shall not require Loxo Oncology to, and Loxo Oncology shall not be required to, take any action with respect to any judgment or any applicable law that binds Loxo Oncology prior to the Effective Time.

Employee Matters. Lilly has agreed to (or cause the Surviving Corporation to) for a period of one year following the Effective Time (the "Continuation Period"), provide to each individual who is employed by Loxo Oncology immediately prior to the Effective Time and who continues employment with Lilly or the Surviving Corporation (each, a "Company Employee") (i) a base salary and target cash incentive opportunity that, in each case, is no less favorable than those provided to such Company Employee by Loxo Oncology immediately prior to the Effective Time and (ii) employee benefits (excluding cash incentive opportunities, equity and equity-based awards and change in control plans, programs and arrangements) that are substantially comparable in the aggregate to those provided to such Company Employee by Loxo Oncology immediately prior to the Effective Time. Notwithstanding the foregoing, during the Continuation Period, Lilly will (or will cause the Surviving Corporation to) provide any Company Employee who experiences a termination of employment under the circumstances set forth in the Disclosure Letter with severance benefits no less favorable than under the Loxo Oncology policies set forth in the Disclosure Letter, subject to the Company Employee's execution of a general release of claims.

Following the Continuation Period, Company Employees shall be eligible to participate in the plans of Lilly, the Surviving Corporation or their respective affiliates (the "Surviving Corporation Plans"), to the same extent as other similarly-situated employees of Lilly and its affiliates. In addition, and without limiting the generality of the foregoing, following the Effective Time, each Company Employee shall be immediately eligible to participate, without any waiting time, in any and all Surviving Corporation Plans to the extent coverage under any such plan replaces coverage under a comparable Loxo Oncology benefit plan in which such Company Employee participated immediately prior to the Effective Time.

Lilly will, or will cause the Surviving Corporation to include each Company Employee in the applicable 2019 annual bonus plan of Lilly or the Surviving Corporation following the Effective Time (and in the case of Lilly's 2019 annual bonus plan, on a basis consistent with similarly-situated employees of Lilly) with such participation commencing as of January 1, 2019.

From and after the Effective Time, Lilly will (or will cause the Surviving Corporation to) assume, honor and continue all of Loxo Oncology's benefit plans and benefit agreements in accordance with their respective terms as in effect as of immediately prior to the Effective Time; however, Lilly or the Surviving Corporation, as applicable, shall not be limited in its ability to amend, modify or terminate any such benefit plan or benefit agreement in accordance with its terms as in effect as of immediately prior to the Effective Time.

Company Employees will receive service credit under Surviving Corporation Plans that provide benefits for vacation, paid time-off, severance or 401(k) savings for purposes of determining eligibility to participate, level of benefits and vesting. However, the foregoing will not apply to the extent it would result in duplication of benefits for the same period of service or to any benefit plan that is a frozen plan or that provides benefits to a grandfathered employee population.

With respect to any welfare plan maintained by Lilly or any of its subsidiaries in which any Company Employee is eligible to participate after the Effective Time, the Merger Agreement also requires Lilly to (or cause the Surviving Corporation to) (i) use commercially reasonable efforts to waive all limitations as to preexisting conditions and exclusions with respect to participation and coverage requirements applicable to such employees and their eligible dependents and beneficiaries, to the extent such limitations were waived, satisfied or did not apply to such employees or eligible dependents or beneficiaries under the corresponding Loxo Oncology welfare plans in which such employees participated immediately prior to the Effective Time, (ii) use commercially reasonable efforts to provide Company Employees and their eligible dependents and beneficiaries with credit for

any co-payments and deductibles paid prior to the Effective Time under any of Loxo Oncology's benefit plans in satisfying any analogous deductible or out-of-pocket maximum requirements for the year in which the Effective Time occurs, and (iii) use commercially reasonable efforts to waive any waiting period or evidence of insurability requirement that would otherwise be applicable to a Company Employee and his or her eligible dependents on or after the Effective Time, in each case, to the extent such Company Employee or eligible dependent had satisfied any similar limitation or requirement under an analogous Loxo Oncology benefit plan prior to the Effective Time.

The Merger Agreement also requires Lilly to, and to cause the Surviving Corporation to, with respect to any accrued but unused personal, sick or vacation time to which any Company Employee is entitled pursuant to the personal, sick or vacation policies applicable to such Company Employee immediately prior to the Effective Time, assume the liability for any accrued personal, sick or vacation time and allow such Company Employee to use such accrued personal, sick or vacation time in accordance with the practice and policies of Lilly or the Surviving Corporation.

Stockholder Litigation. Until the termination of the Merger Agreement in accordance with its terms, Loxo Oncology shall provide Lilly an opportunity to review and to propose comments to all material filings or responses to be made by Loxo Oncology in connection with any Proceeding commenced, or to the knowledge of Loxo Oncology, threatened in writing, by or on behalf of one or more stockholders of Loxo Oncology against Loxo Oncology and its directors relating to any of the Transactions, and Loxo Oncology shall give reasonable and good faith consideration to any comments proposed by Lilly. In no event shall Loxo Oncology enter into, agree to or disclose any settlement with respect to such Proceedings without Lilly's consent, such consent not to be unreasonably withheld, delayed or conditioned, with certain exceptions set forth in the Merger Agreement. Loxo Oncology shall notify Lilly promptly of the commencement or written threat of any such Proceeding of which it has received notice or become aware and shall keep Lilly promptly and reasonably informed regarding any such Proceedings.

No Solicitation. Loxo Oncology shall not, and Loxo Oncology shall cause its representatives not to, (i) directly or indirectly solicit, initiate or knowingly encourage or knowingly facilitate (including by way of providing information) any inquiries, proposals, or offers or the making of any submission or announcement of any inquiry, proposal, or offer that constitutes or would reasonably be expected to lead to any Company Takeover Proposal (as defined below) or (ii) directly or indirectly engage in, enter into or participate in any discussions or negotiations with any person regarding, furnish to any person any information or afford access to the business, properties, assets, books or records of Loxo Oncology to, or take any other action to assist or knowingly facilitate or knowingly encourage any effort by any person, in each case in connection with or in response to any inquiry, offer or proposal that constitutes, or would reasonably be expected to lead to, any Company Takeover Proposal (other than, solely in response to an inquiry that did not result from or arise in connection with a material breach of Section 5.02(a) of the Merger Agreement), to refer the inquiring person to Section 5.02 of the Merger Agreement and to limit its conversation or other communication exclusively to such referral or to clarify the terms thereof). Loxo Oncology shall, and shall cause its directors and officers to, and shall use its reasonable best efforts to cause its representatives to, immediately (i) cease all solicitations, discussions and negotiations regarding any inquiry, proposal or offer pending on January 5, 2019 that constitutes, or could reasonably be expected to lead to, a Company Takeover Proposal, (ii) request the prompt return or destruction of all confidential information previously furnished to any person within the last six months for the purposes of evaluating a possible Company Takeover Proposal and (iii) terminate access to any physical or electronic data rooms relating to a possible Company Takeover Proposal.

However, at any time prior to the Offer Closing Time, in response to a Company Takeover Proposal that did not result from or arise in connection with a material breach of Section 5.02(a) of the Merger Agreement, in the event that the Loxo Oncology Board determines, in good faith, after consultation with outside counsel and a financial advisor, that such Company Takeover Proposal constitutes or could reasonably be expected to lead to a Superior Company Proposal (a "Qualifying Company Takeover Proposal"), Loxo Oncology may (A) furnish

information with respect to Loxo Oncology to the person or group of persons making such Qualifying Company Takeover Proposal and its or their representatives pursuant to an Acceptable Confidentiality Agreement (as defined below) so long as Loxo Oncology concurrently or promptly thereafter provides Lilly, in accordance with the terms of the Non-Disclosure Agreement, any material non-public information with respect to Loxo Oncology furnished to such other person or group of persons that was not previously furnished to Lilly, and (B) participate in discussions or negotiations with such person or group of persons and its or their representatives regarding such Qualifying Company Takeover Proposal (including soliciting the making of a revised Qualifying Company Takeover Proposal); provided that Loxo Oncology may only take the actions described in clause (A) or (B) above, if the Loxo Oncology Board determines, in good faith, after consultation with outside counsel, that the failure to take any such action would be inconsistent with its fiduciary duties under applicable law. Loxo Oncology shall not, and shall cause its representatives not to, release any person from, or waive, amend or modify any provision of, or grant permission under or fail to enforce, any standstill provision in any agreement to which Loxo Oncology is a party; provided that, if the Loxo Oncology Board determines in good faith, after consultation with its outside counsel that the failure to take such action would be inconsistent with its fiduciary duties under applicable law, Loxo Oncology may waive any such standstill provision solely to the extent necessary to permit the applicable person (if such person has not been solicited in breach of Section 5.02 of the Merger Agreement) to make, on a confidential basis to the Loxo Oncology Board, a Company Takeover Proposal, conditioned upon such person agreeing that Loxo Oncology shall not be prohibited from providing any information to Lilly (including regarding any such Company Takeover Proposal) in accordance with, and otherwise complying with, Section 5.02 of the Merger Agreement.

“Acceptable Confidentiality Agreement” means a customary confidentiality agreement that contains confidentiality provisions that are no less favorable in the aggregate to Loxo Oncology than those contained in the Non-Disclosure Agreement (defined below).

“Company Takeover Proposal” means any inquiry, proposal or offer from any person or group (other than Lilly and its subsidiaries) relating to (i) any direct or indirect acquisition or purchase, in a single transaction or a series of related transactions, of (A) 20% or more (based on the fair market value thereof, as determined by the Loxo Oncology Board) of the assets of Loxo Oncology and Loxo Oncology’s subsidiary, taken as a whole, or (B) 20% or more of the aggregate voting power of the capital stock of Loxo Oncology, (ii) any tender offer, exchange offer, merger, consolidation, business combination, recapitalization, liquidation, dissolution, binding share exchange or similar transaction involving Loxo Oncology that, if consummated, would result in any person or group (or the stockholders of any person) beneficially owning, directly or indirectly, 20% or more of the aggregate voting power of the capital stock of Loxo Oncology or of the surviving entity or the resulting direct or indirect parent of Loxo Oncology or such surviving entity, other than, in each case, the Transactions, or (iii) any combination of the foregoing.

“Superior Company Proposal” means any written bona fide Company Takeover Proposal received after January 5, 2019 that did not result from or arise in connection with a material breach of Section 5.02 of the Merger Agreement and that if consummated would result in a person or group (or the stockholders of any person) owning, directly or indirectly, (i) 75% or more of the aggregate voting power of the capital stock of Loxo Oncology or of the surviving entity or the resulting direct or indirect parent of Loxo Oncology or such surviving entity or (ii) 75% or more (based on the fair market value thereof, as determined in good faith by the Loxo Oncology Board) of the assets of Loxo Oncology and Loxo Oncology’s subsidiary, taken as a whole, on terms and conditions which the Loxo Oncology Board determines, in good faith, after consultation with outside counsel and its independent financial advisor, are more favorable to the stockholders of Loxo Oncology than the Transactions, taking into account all the terms and conditions (including all financial, regulatory, financing, conditionality, legal and other terms and conditions) of such proposal and the Merger Agreement (including any changes to the terms of the Merger Agreement proposed by Lilly and any fees to be paid by Loxo Oncology for terminating this Agreement).

Wherever the term “group” is used in this subsection of the Merger Agreement, it is used as defined in Rule 13d-5 under the Exchange Act.

Recommendation Change. As described above, and subject to the provisions described below, the Loxo Oncology Board has determined to recommend that the stockholders of Loxo Oncology accept the Offer and tender their Shares to Purchaser in the Offer. The foregoing recommendation is referred to herein as the "Loxo Oncology Board Recommendation." The Loxo Oncology Board also agreed to include the Loxo Oncology Board Recommendation with respect to the Offer in the Schedule 14D-9 and has permitted Lilly to refer to such recommendation in this Offer to Purchase and documents related to the Offer.

Except as described below, neither the Loxo Oncology Board nor any committee thereof shall:

- fail to make, withdraw, qualify or modify in a manner adverse to Lilly or Purchaser, or propose publicly to fail to make, withdraw, qualify or modify in a manner adverse to Lilly or Purchaser, the Loxo Oncology Board Recommendation or resolve or agree to take any such action;
- adopt, endorse, approve or recommend, or propose publicly to adopt, endorse, approve or recommend, any Company Takeover Proposal or resolve or agree to take any such action;
- publicly make any recommendation in connection with a tender offer or exchange offer (other than the Offer) other than a recommendation against such offer;
- fail to include the Loxo Oncology Board Recommendation in the Schedule 14D-9 when disseminated to Loxo Oncology's stockholders (any action described in this bullet and the foregoing three bullets is referred to as an "Adverse Recommendation Change"); or
- approve or recommend, or propose publicly to approve or recommend, or authorize, cause or permit Loxo Oncology to enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, option agreement, merger agreement, joint venture agreement, partnership agreement or other agreement relating to or that would reasonably be expected to lead to, any Company Takeover Proposal (other than an Acceptable Confidentiality Agreement entered into in accordance with the Merger Agreement), or resolve, agree or publicly propose to take any such action.

Loxo Oncology and Lilly have agreed that the Merger Agreement will not prohibit a customary "stop, look and listen" communication by the Loxo Oncology Board or any committee thereof pursuant to Rule 14d-9(f) promulgated under the Exchange Act.

However, at any time prior to the Offer Closing Time, subject to compliance with other provisions summarized under "– No Solicitation" and "– Recommendation Change" above, (1) the Loxo Oncology Board may take any of the actions specified in the first and fourth bullets of the definition of Adverse Recommendation Change above in response to an Intervening Event (as defined below) if the Loxo Oncology Board reasonably determines, in good faith, after consultation with outside counsel, that the failure to take such action would be inconsistent with its fiduciary duties under applicable law and (2) if the Loxo Oncology Board receives a Superior Company Proposal that did not result from or arise in connection with a material breach of the provisions summarized under "– No Solicitation" Loxo Oncology may make an Adverse Recommendation Change, and may terminate the Merger Agreement pursuant to the Superior Proposal Termination Right (defined below) in order to enter into a definitive agreement with respect to the Superior Company Proposal.

However, such action may only be taken if, prior to taking such action (1) the Loxo Oncology Board shall have given Lilly at least four business days' prior written notice of its intention to take such action and a description of the reasons for taking such action (which notice, in respect of a Superior Company Proposal, will specify the identity of the person who made such Superior Company Proposal and all of the material terms and conditions of such Superior Company Proposal and attach the most current version of the relevant transaction agreement and which notice, in respect of an Intervening Event, will specify a reasonably detailed description of the underlying facts giving rise to such action), (2) Loxo Oncology shall have negotiated, and shall have caused its representatives to negotiate in good faith, with Lilly during such notice period, to the extent Lilly wishes to negotiate, to enable Lilly to revise the terms of the Merger Agreement in such a manner that would eliminate the

need for taking such action (and in respect of a Superior Company Proposal, would cause such Superior Company proposal to no longer constitute a Superior Company Proposal), (3) following the end of such notice period, the Loxo Oncology Board shall have considered in good faith any revisions to the Merger Agreement irrevocably committed to in writing by Lilly, and shall have determined in good faith, after consultation with outside counsel, that failure to effect such recommendation change would be inconsistent with its fiduciary duties under applicable law and, with respect to a Superior Company Proposal, that such Superior Company Proposal continues to constitute a Superior Company Proposal and (4) in the event of any change to any of the financial terms (including the form and amount of consideration) of such Superior Company Proposal, Loxo Oncology shall, in each case, deliver to Lilly an additional notice consistent with that described in clause (1) above and a renewed notice period under clause (1) above will commence (except that the four-business day notice period referred to in clause (1) above shall instead be equal to two business days) during which time Loxo Oncology shall be required to comply with the foregoing covenants anew with respect to such additional notice, including clauses (1) through (4) above.

"Intervening Event" means an event, change, effect, development, condition or occurrence material to Loxo Oncology and Loxo Oncology's subsidiary, taken as a whole, that (1) was not known or reasonably foreseeable by the Loxo Oncology Board as of the date of the Merger Agreement and (2) does not relate to or constitute a Company Takeover Proposal.

Termination. The Merger Agreement may be terminated at any time prior to the Offer Closing Time as follows:

- by mutual written consent of Lilly, Purchaser and Loxo Oncology;
- by either Loxo Oncology or Lilly, if (1) the Offer Closing Time has not occurred on or before 11:59 p.m., Eastern time, on July 5, 2019 (the "Outside Date"); provided that the right to terminate the Merger Agreement pursuant to the foregoing shall not be available to any party if the failure of the Offer Closing Time to occur on or before the Outside Date is primarily due to a material breach of the Merger Agreement by such party (the "Outside Date Termination Right") or (2) any judgment issued by any governmental entity of competent jurisdiction or law or other legal prohibition permanently preventing or prohibiting the consummation of the Offer or the Merger shall be in effect and shall have become final and non-appealable; provided that the party seeking to terminate the Merger Agreement pursuant to the foregoing clause (2) shall have complied in all material respects with its obligations under Section 6.02 of the Merger Agreement in respect of any such legal restraint;
- by Lilly, if Loxo Oncology breaches or fails to perform any of its representations, warranties or covenants contained in the Merger Agreement, which breach or failure to perform individually or in the aggregate with all such other breaches or failures to perform would result in certain specified Offer Conditions and cannot be or has not been cured prior to the earlier of (x) 30 days after the giving of written notice to Loxo Oncology of such breach or failure to perform and (y) the Outside Date (provided that Lilly and Purchaser are not then in material breach of any representation, warranty or covenant contained in the Merger Agreement) (the "Company Material Breach Termination Right");
- by Lilly if an Adverse Recommendation Change has occurred (the "Adverse Recommendation Change Termination Right");
- by Loxo Oncology, if (i) Purchaser fails to commence the Offer in violation of the terms of the Merger Agreement (other than due to a violation by Loxo Oncology of certain of its obligations under the Merger Agreement), (ii) Purchaser shall have terminated the Offer prior to its expiration date (as such expiration date may be extended and re-extended), other than in accordance with the Merger Agreement, or (iii) all of the Offer Conditions have been satisfied or waived as of immediately prior to the expiration of the Offer and the Offer Closing Time shall not have occurred within five business days following the expiration of the Offer;
- by Loxo Oncology, if Lilly or Purchaser breaches or fails to perform any of its representations, warranties or covenants contained in the Merger Agreement (without regard to any qualifications or

exceptions contained therein as to materiality or Parent Material Adverse Effect), which breach or failure to perform (i) had or would reasonably be expected to, individually or in the aggregate, have a Parent Material Adverse Effect and (ii) has not been cured prior to the earlier of (x) 30 days after the giving of written notice to Lilly or Purchaser of such breach or failure to perform and (y) the Outside Date (provided that Loxo Oncology is not then in material breach of any representation, warranty or covenant contained in the Merger Agreement); or

- by Loxo Oncology, if (i) the Loxo Oncology Board authorizes Loxo Oncology to enter into a definitive written agreement constituting a Superior Company Proposal, (ii) the Loxo Oncology Board has complied in all material respects with its obligations under the non-solicitation provisions of the Merger Agreement in respect of such Superior Company Proposal and (iii) Loxo Oncology has paid, or simultaneously with the termination of the Merger Agreement pays, the fee due under the Merger Agreement that is payable if the Merger Agreement is terminated (the "Superior Proposal Termination Right").

Effect of Termination. If the Merger Agreement is terminated in accordance with its terms, the Merger Agreement will become void and have no effect, without any liability or obligation on the part of Lilly or Purchaser, on the one hand, or Loxo Oncology, on the other hand except (i) certain specified provisions and definitions of the Merger Agreement will survive, including those described in "– Loxo Oncology Termination Fee" below and (ii) to the extent that such termination results from the willful and material breach by a party of any representation, warranty or covenant set forth in the Merger Agreement, in which case such party will be liable to the other party for damages.

Loxo Oncology Termination Fee. Loxo Oncology shall pay to Lilly a fee of $265,000,000 if:

- Loxo Oncology terminates the Merger Agreement pursuant to the Superior Proposal Termination Right;
- Lilly terminates the Merger Agreement pursuant to the Adverse Recommendation Change Termination Right; or
- (A) after the date of the Merger Agreement, a bona fide Company Takeover Proposal is publicly proposed or announced or shall have become publicly known and such Company Takeover Proposal is not publicly withdrawn (x) in the case of the Merger Agreement being subsequently terminated pursuant to the Company Material Breach Termination Right, prior to the time of the breach or failure to perform giving rise to such termination or (y) in the case of the Merger Agreement being subsequently terminated pursuant to the Outside Date Termination Right, prior to the date that is four business days prior to the final expiration date of the Offer, (B) thereafter the Merger Agreement is terminated by either Lilly or Loxo Oncology pursuant to the Outside Date Termination Right (but in the case of a termination by Loxo Oncology, only if at such time Lilly would not be prohibited from terminating the Merger Agreement pursuant to the Outside Date Termination Right or by Lilly pursuant to the Company Material Breach Termination Right), (C) in the case of termination of the Merger Agreement pursuant to the Outside Date Termination Right, at the final expiration date of the Offer, the Antitrust Condition and the Legal Restraint Condition have been satisfied, but the Minimum Tender Condition has not been satisfied and (D) within 12 months after such termination, Loxo Oncology either (1) consummates a Company Takeover Proposal or (2) enters into a definitive agreement with respect to a Company Takeover Proposal that (x) is subsequently consummated or (y) was publicly proposed or announced or became publicly known prior to the termination of such agreement (for these purposes, the references to 20% in the definition of Company Takeover Proposal above will be deemed references to 50% instead).

Specific Performance. The parties have acknowledged and agreed that irreparable damage would occur in the event that any of the provisions of the Merger Agreement were not performed in accordance with their specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor.

The parties have further agreed that the parties will be entitled to an injunction or injunctions, or any other appropriate form of equitable relief, to prevent breaches of the Merger Agreement and to enforce specifically the performance of the terms and provisions of the Merger Agreement, without proof of damages or otherwise (and each party waived any requirement for the securing or posting of any bond in connection with such remedy), in addition to any other remedy to which they are entitled at law or in equity. The right to specific enforcement includes the right of Loxo Oncology to cause Lilly and Purchaser to cause the Offer, the Merger and the other Transactions to be consummated on the terms and subject to the conditions set forth in the Merger Agreement.

Expenses. Except as otherwise set forth in the Merger Agreement, all fees and expenses incurred in connection with the Merger Agreement, and the Transactions will be paid by the party incurring such fees or expenses, whether or not the Offer or the Merger is consummated.

Offer Conditions. Notwithstanding any other terms of the Offer or the Merger Agreement, Purchaser is not required, and Lilly is not required to cause Purchaser to, accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to Purchaser's obligation to pay for or return tendered shares of Loxo Oncology Common Stock promptly after the termination or withdrawal of the Offer), pay for any Shares tendered pursuant to the Offer (and not theretofore accepted for payment or paid for) unless (a) there shall have been validly tendered in the Offer (and not properly withdrawn) prior to the expiration of the Offer the number of Shares (excluding shares tendered pursuant to guaranteed delivery procedures that have not yet been "received" by the "depository", as such terms are defined by Section 251(h) of the DGCL) that, when added to the Shares then owned by Lilly, Purchaser or any other subsidiary of Lilly, would represent a majority of the Shares outstanding as of immediately following the consummation of the Offer (such condition in this clause (a), the "Minimum Tender Condition"); and (b) the waiting period under the HSR Act shall have either expired or been terminated (such condition in this clause (b), the "Antitrust Condition").

Furthermore, notwithstanding any other term of the Offer or the Merger Agreement, Purchaser shall not be required to, and Lilly shall not be required to cause Purchaser to, accept for payment or, subject as aforesaid, to pay for any Shares not theretofore accepted for payment or paid for if, at the then-scheduled expiration of the Offer, any of the following conditions exists:

(i) there shall be any judgment issued by any governmental entity of competent jurisdiction or law or other legal prohibition in effect preventing or prohibiting the consummation of the Offer or the Merger (the "Legal Restraint Condition");

(ii) (A) any representations or warranties of Loxo Oncology set forth in Article III of the Merger Agreement (other than those set forth in Sections 3.01, 3.02(a), (c) and (d), 3.04, 3.08(a), 3.20, 3.22 and 3.23 of the Merger Agreement) shall not be true and correct at and as of the date of the Merger Agreement and at and as of such time, except to the extent such representation or warranty expressly relates to a specified date (in which case on and as of such specified date), other than for such failures to be true and correct that have not had or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect (for purposes of determining the satisfaction of this condition, without regard to any qualifications or exceptions contained therein as to "materiality" or "Company Material Adverse Effect"), (B) any representation or warranty of Loxo Oncology set forth in Sections 3.01, 3.04, 3.20, 3.22 or 3.23 of the Merger Agreement (concerning Loxo Oncology's organization, standing and power; authority, execution and delivery, and enforceability; brokers and other advisors; opinion of financial advisors; and no vote required) shall not be true and correct in all material respects at and as of the date of the Merger Agreement and at and as of such time, except to the extent such representation or warranty expressly relates to a specified date (in which case on and as of such specified date) (for purposes of determining the satisfaction of this condition, without regard to any qualifications or exceptions contained therein as to "materiality"), (C) any representation or warranty of Loxo Oncology set forth in Section 3.02(a), (c) and (d) of the Merger Agreement (concerning Loxo Oncology's capital structure) shall not be true and correct other than in *de minimis*

respects at and as of the date of the Merger Agreement and at and as of such time, except to the extent such representation or warranty expressly relates to a specified date (in which case on and as of such specified date) and (D) any representation or warranty of Loxo Oncology set forth in Section 3.08(a) of the Merger Agreement (concerning the absence of certain changes or events) shall not be true and correct in all respects at such time;

(iii) Loxo Oncology shall have failed to perform in all material respects all obligations to be performed by it as of such time under the Merger Agreement;

(iv) Lilly shall have failed to receive from Loxo Oncology a certificate, dated as of the date on which the Offer expires and signed by an executive officer of Loxo Oncology, certifying to the effect that the conditions set forth in paragraphs (ii) and (iii) immediately above do not exist and have not occurred; or

(v) the Merger Agreement shall have been validly terminated in accordance with its terms (the "Termination Condition") (the foregoing clauses (i) through (v) together with the Minimum Tender Condition and the Antitrust Condition, the "Offer Conditions").

The foregoing conditions are in addition to, and not a limitation of, the rights of Lilly and Purchaser to extend, terminate or modify the Offer in accordance with the terms and conditions of the Merger Agreement and the applicable rules and regulations of the SEC.

The foregoing conditions are for the sole benefit of Lilly and Purchaser and, subject to the terms and conditions of the Merger Agreement and the applicable rules and regulations of the SEC, may be waived by Lilly and Purchaser in whole or in part at any time and from time to time in their sole discretion (other than the Minimum Tender Condition and the Termination Condition, which may not be waived by Lilly or Purchaser). The failure by Lilly, Purchaser or any other affiliate of Lilly at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, the waiver of any such right with respect to particular facts and circumstances will not be deemed a waiver with respect to any other facts and circumstances and each such right will be deemed an ongoing right that may be asserted at any time and from time to time.

Other Agreements

Tender and Support Agreement

The following is a summary of the material provisions of the Tender and Support Agreement (as defined below). The following description of the Tender and Support Agreement is only a summary and is qualified in its entirety by reference to the Tender and Support Agreement, a copy of which is filed as Exhibit (d)(2) of the Schedule TO and is incorporated herein by reference.

Concurrently with entering into the Merger Agreement, Lilly and Purchaser entered into a Tender and Support Agreement, dated as of January 5, 2019 (as may be amended from time to time, the "Tender and Support Agreement") with Aisling Capital III, LP (the "Supporting Stockholder"), which beneficially owned 2,038,920 Shares (or approximately 6.6% of the outstanding Shares) as of January 5, 2019. Lilly expressly disclaims beneficial ownership of all Shares covered by the Tender and Support Agreement.

The Tender and Support Agreement provides that, no later than 10 business days after the commencement of the Offer, the Supporting Stockholder will tender into the Offer, and not withdraw, all outstanding Shares the Supporting Stockholder owns of record or beneficially (within the meaning of Rule 13d-3 under the Exchange Act) as of the date of the Tender and Support Agreement or that the Supporting Stockholder acquires record ownership or beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of after such date during the Support Period (as defined below) (collectively, the "Subject Shares").

During the period from January 5, 2019 until the termination of the Tender and Support Agreement (the "Support Period"), the Supporting Stockholder has agreed to vote (i) against any Company Takeover Proposal (as defined

below), (ii) against any change in membership of the Loxo Oncology Board that is not recommended or approved by the Loxo Oncology Board and (iii) against any other proposed action, agreement or transaction involving Loxo Oncology that would reasonably be expected, to impede, interfere with, delay, postpone, adversely affect or prevent the consummation of the Offer, the Merger or the other Transactions. During the Support Period, Lilly is appointed as the Supporting Stockholder's attorney-in-fact and proxy to so vote its Subject Shares.

"Company Takeover Proposal" means any inquiry, proposal or offer from any person or group (other than Lilly and its subsidiaries) relating to (i) any direct or indirect acquisition or purchase, in a single transaction or a series of related transactions, of (A) 20% or more (based on the fair market value thereof, as determined by the Loxo Oncology Board) of the assets of Loxo Oncology and Loxo Oncology's subsidiary, taken as a whole, or (B) 20% or more of the aggregate voting power of the capital stock of Loxo Oncology, (ii) any tender offer, exchange offer, merger, consolidation, business combination, recapitalization, liquidation, dissolution, binding share exchange or similar transaction involving Loxo Oncology that, if consummated, would result in any person or group (or the stockholders of any person) beneficially owning, directly or indirectly, 20% or more of the aggregate voting power of the capital stock of Loxo Oncology or of the surviving entity or the resulting direct or indirect parent of Loxo Oncology or such surviving entity, other than, in each case, the Transactions, or (iii) any combination of the foregoing.

During the Support Period, the Supporting Stockholder has further agreed not to, directly or indirectly, (i) create or permit to exist any lien, other than certain permitted liens, on any of the Supporting Stockholder's Subject Shares, (ii) transfer, sell (including short sell), assign, gift, hedge, pledge, grant a participation interest in, hypothecate or otherwise dispose of, or enter into any derivative arrangement with respect to (collectively, "Transfer"), any of the Supporting Stockholder's Subject Shares, or any right or interest therein (or consent to any of the foregoing), (iii) enter into any contract with respect to any Transfer of the Supporting Stockholder's Subject Shares or any interest therein, (iv) grant or permit the grant of any proxy, power-of-attorney or other authorization or consent in or with respect to any of the Supporting Stockholder's Subject Shares, (v) deposit or permit the deposit of any of the Supporting Stockholder's Subject Shares into a voting trust or enter into a voting agreement or arrangement with respect to any of the Supporting Stockholder's Subject Shares, or (vi) take or permit any other action that would in any way restrict, limit, impede, delay or interfere with the performance of the Supporting Stockholder's obligations thereunder in any material respect, otherwise make any representation or warranty of the Supporting Stockholder therein untrue or incorrect, or have the effect of preventing or disabling the Supporting Stockholder from performing any of its obligations under the Tender and Support Agreement. The restrictions on Transfer are subject to certain customary exceptions.

During the Support Period, the Supporting Stockholder, solely in its capacity as a stockholder of Loxo Oncology, shall not, and shall cause its representatives, officers and employees not to, directly or indirectly, (i) solicit, initiate, knowingly facilitate or knowingly encourage (including by way of providing information) any inquiries, proposals or offers, or the making of any submission or announcement of any inquiry, proposal or offer that constitutes or would reasonably be expected to lead to any Company Takeover Proposal, (ii) directly or indirectly engage in, enter into or participate in any discussions or negotiations with any person regarding, or furnish to any person any information or afford access to the business, properties, assets, books or records of Loxo Oncology to, or take any other action to assist, knowingly facilitate or knowingly encourage any effort by any person, in each case in connection with or in response to any inquiry, offer or proposal that constitutes, or would reasonably be expected to lead to any Company Takeover Proposal (other than, solely in response to an inquiry that did not result from or arise in connection with a material breach of Section 4.6 of the Tender and Support Agreement, to refer the inquiring person to the restrictions of the Tender and Support Agreement and of the Merger Agreement and to limit the Supporting Stockholder's conversation and other communication exclusively to such referral or to clarify the terms thereof), (iii) enter into any agreement in principle, letter of intent, term sheet, merger agreement, purchase agreement, acquisition agreement, option agreement or other similar instrument relating to any Company Takeover Proposal, (iv) knowingly encourage or recommend any other holder of Shares to vote against the Merger or to not tender Shares into the Offer or (v) resolve or agree to do any of the foregoing. The

Tender and Support Agreement provides that the Supporting Stockholder's obligations under the agreement are solely in its capacity as a stockholder of Loxo Oncology, and not, if applicable, in such stockholder's or any of its affiliates' capacity as a director, officer or employee of Loxo Oncology, and that nothing in the Tender and Support Agreement in any way restricts a director or officer of Loxo Oncology in the taking of any actions (or failures to act) in his or her capacity as a director or officer of Loxo Oncology, or in the exercise of his or her fiduciary duties as a director or officer of Loxo Oncology.

The Tender and Support Agreement terminates upon the earliest of (i) the valid termination of the Merger Agreement in accordance with its terms, (ii) the Effective Time, (iii) the termination of the Tender and Support Agreement by written notice from Lilly or (iv) the date on which any amendment to the Merger Agreement or the Offer is effected without the Supporting Stockholders' consent that decreases the amount, or changes the form or terms, of consideration payable to all stockholders of Loxo Oncology pursuant to the terms of the Merger Agreement.

Non-Disclosure Agreement

Lilly and Loxo Oncology entered into a Non-Disclosure Agreement on December 22, 2018, as amended on December 23, 2018 (the "Non-Disclosure Agreement"). Under the terms of the Non-Disclosure Agreement, Lilly and Loxo Oncology agreed that, subject to certain exceptions, that certain confidential information each may make available to the other will not be disclosed or used for any purpose other than to, evaluate, propose and negotiate the possible acquisition transaction involving Lilly and Loxo Oncology. Additionally, Lilly agreed that, subject to certain exceptions, Lilly would not solicit for employment any employee of Loxo Oncology for a period of 12 months from the date of the Non-Disclosure Agreement. Lilly also agreed, among other things, to certain "standstill" provisions which prohibit Lilly and its representatives from taking certain actions involving or with respect to Loxo Oncology or the Shares for a period ending on the 12-month anniversary of the date of the Non-Disclosure Agreement. The Non-Disclosure Agreement provided that these "standstill" provisions would expire upon the occurrence of specified events, including Loxo Oncology's entry into an agreement with a third party providing for an acquisition of Loxo Oncology, the commencement by a third party of a tender offer for 50% or more of Loxo Oncology's equity securities that the Loxo Oncology Board does not reject within 10 days of receipt, or Loxo Oncology's public announcement that it had authorized a process for the solicitation of third party acquisition offers.

This summary of the Non-Disclosure Agreement is only a summary and is qualified in its entirety by reference to the Non-Disclosure Agreement, which is filed as Exhibit (d)(3) of the Schedule TO and is incorporated herein by reference.

12. Purpose of the Offer; Plans for Loxo Oncology

Purpose of the Offer

The purpose of the Offer is for Lilly, through Purchaser, to acquire control of, and would be the first step in Lilly's acquisition of the entire equity interest in, Loxo Oncology. The Offer is intended to facilitate the acquisition of all outstanding Shares. The purpose of the Merger is to acquire all outstanding Shares not tendered and purchased pursuant to the Offer. If the Offer is consummated, Purchaser intends to complete the Merger as soon as practicable thereafter.

The Loxo Oncology Board has unanimously: (i) determined that the Transactions are fair to and in the best interests of Loxo Oncology and its stockholders; (ii) duly authorized and approved the execution, delivery and performance by Loxo Oncology of the Merger Agreement and the consummation by Loxo Oncology of the Transactions; (iii) declared the Merger Agreement and the Transactions advisable; (iv) recommended that Loxo Oncology's stockholders tender their Shares in the Offer; and (v) resolved that the Merger shall be governed by and effected under Section 251(h) of the DGCL.

If the Offer is consummated, we do not anticipate seeking the approval of Loxo Oncology's remaining stockholders before effecting the Merger. Section 251(h) of the DGCL provides that following consummation of a successful tender offer for a public corporation, and subject to certain statutory provisions, if the acquirer holds at least the amount of shares of each class of stock of the constituent corporation that would otherwise be required to approve a merger for the constituent corporation, and the other stockholders receive the same consideration for their stock in the merger as was payable in the tender offer, the acquirer can effect a merger without the action of the other stockholders of the constituent corporation. Accordingly, if we consummate the Offer, we are required pursuant to the Merger Agreement to complete the Merger without a vote of Loxo Oncology's stockholders in accordance with Section 251(h) of the DGCL.

Plans for Loxo Oncology

After completion of the Offer and the Merger, Loxo Oncology will be a wholly-owned subsidiary of Lilly. In connection with Lilly's consideration of the Offer, Lilly has developed a plan, on the basis of available information, for the combination of the business of Loxo Oncology with that of Lilly. Lilly plans to integrate Loxo Oncology's business into Lilly. Lilly will continue to evaluate and refine the plan and may make changes to it as additional information is obtained.

Except as set forth in this Offer to Purchase and the Merger Agreement, Lilly and Purchaser have no present plans or proposals that would relate to or result in (i) any extraordinary corporate transaction involving Loxo Oncology (such as a merger, reorganization, liquidation, relocation of any operations or sale or other transfer of a material amount of assets), (ii) any sale or transfer of a material amount of assets of Loxo Oncology, (iii) any material change in Loxo Oncology's capitalization or dividend policy or (iv) any other material change in Loxo Oncology's corporate structure or business, (v) any change to the board of directors or management of Loxo Oncology, (vi) a class of securities of Loxo Oncology being delisted from a national securities exchange or ceasing to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association or (vii) a class of equity securities of Loxo Oncology being eligible for termination of registration pursuant to Section 12(g) of the Exchange Act.

13. Certain Effects of the Offer

Because the Merger will be governed by Section 251(h) of the DGCL, no stockholder vote will be required to consummate the Merger. Promptly after the consummation of the Offer, and subject to the satisfaction of the remaining conditions set forth in the Merger Agreement, we and Loxo Oncology will consummate the Merger as soon as practicable pursuant to Section 251(h). Immediately following the Merger, all of the outstanding shares of Loxo Oncology's common stock will be held by Lilly.

Market for the Shares. If the Offer is successful, there will be no market for the Shares because Purchaser intends to consummate the Merger as soon as practicable and subject to the satisfaction or waiver of certain conditions set forth in the Merger Agreement.

Stock Quotation. Depending upon the number of Shares purchased pursuant to the Offer, Shares may no longer meet the requirements for continued listing on Nasdaq if, among other things, Loxo Oncology does not meet the requirements for the number of publicly held Shares, the aggregate market value of the publicly held Shares or the number of market makers for the Shares. Lilly will seek to cause the listing of Shares on Nasdaq to be discontinued as soon after the consummation of the Offer as the requirements for termination of the listing are satisfied.

If Nasdaq were to delist the Shares, it is possible that the Shares would continue to trade on other securities exchanges or in the over-the-counter market and that price or other quotations of the Shares would be reported by other sources. The extent of the public market for such Shares and the availability of such quotations would depend, however, upon such factors as the number of stockholders and the aggregate market value of such

securities remaining at such time, the interest in maintaining a market in the Shares on the part of securities firms, the possible termination of registration under the Exchange Act, and other factors.

Margin Regulations. The Shares are currently "margin securities" under the Regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit based on the use of Shares as collateral. Depending upon factors similar to those described above regarding the market for the Shares and stock quotations, it is possible that, following the Offer, the Shares would no longer constitute "margin securities" for the purposes of the margin regulations of the Federal Reserve Board and, therefore, could no longer be used as collateral for loans made by brokers.

Exchange Act Registration. The Shares are currently registered under the Exchange Act. Such registration may be terminated upon application of Loxo Oncology to the SEC if the Shares are neither listed on a national securities exchange nor held by 300 or more holders of record. Termination of registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by Loxo Oncology to its stockholders and to the SEC and would make certain provisions of the Exchange Act no longer applicable to Loxo Oncology, such as the short-swing profit recovery provisions of Section 16(b) of the Exchange Act, the requirement of furnishing a proxy statement pursuant to Section 14(a) of the Exchange Act in connection with stockholders' meetings and the related requirement of furnishing an annual report to stockholders and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions. Furthermore, the ability of "affiliates" of Loxo Oncology and persons holding "restricted securities" of Loxo Oncology to dispose of such securities pursuant to Rule 144 under the Securities Act of 1933, as amended, may be impaired or eliminated. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities" or be eligible for listing on Nasdaq. We intend to cause the delisting of the Shares from Nasdaq and the termination of the registration of the Shares under the Exchange Act as soon after completion of the Merger as the requirements for such delisting and termination of registration are satisfied.

14. Dividends and Distributions

The Merger Agreement provides that from the date of the Merger Agreement to the Effective Time, without the prior written consent of Lilly, Loxo Oncology will not declare, set aside, establish a record date in respect of, accrue or pay any dividends on, or make any other distributions (whether in cash, stock, equity securities or property) in respect of any capital stock of Loxo Oncology (other than dividends and distributions of cash by a direct or indirect wholly-owned subsidiary of Loxo Oncology to its parent).

15. Conditions of the Offer

For purposes of this Section 15, capitalized terms used in this Section 15 and defined in the Merger Agreement have the meanings set forth in the Merger Agreement, a copy of which is filed as Exhibit (d)(1) of the Schedule TO and is incorporated herein by reference. The obligation of Purchaser to accept for payment and pay for Shares validly tendered (and not properly withdrawn) pursuant to the Offer is subject to the satisfaction of the conditions below. Purchaser will not be required to, and Lilly shall not be required to cause Purchaser to, accept for payment or, subject to any applicable rules and regulations of the SEC, including Rule 14e-l(c) under the Exchange Act (relating to Purchaser's obligation to pay for or return tendered Shares promptly after the termination or withdrawal of the Offer), to pay for any Shares tendered pursuant to the Offer and may delay the acceptance for payment of or, subject to any applicable rules and regulations of the SEC, the payment for, any tendered Shares, and (subject to the provisions of the Merger Agreement) may not accept for payment any tendered Shares if, at the then-scheduled expiration of the Offer, any of the following conditions exist:

(i) the Minimum Tender Condition has not been satisfied;

(ii) the Antitrust Condition has not been satisfied;

(iii) the Legal Restraint Condition has not been satisfied;

(iv) (A) any representations or warranties of Loxo Oncology set forth in Article III of the Merger Agreement (other than those set forth in Sections 3.01, 3.02(a), (c) and (d), 3.04, 3.08(a), 3.20, 3.22 and 3.23 of the Merger Agreement) shall not be true and correct at and as of the date of the Merger Agreement at and as of such time, except to the extent such representation or warranty expressly relates to a specified date (in which case on and as of such specified date), other than for such failures to be true and correct that have not had or would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect (for purposes of determining the satisfaction of this condition, without regard to any qualifications or exceptions contained therein as to "materiality" or "Company Material Adverse Effect"), (B) any representation or warranty of Loxo Oncology set forth in Sections 3.01, 3.04, 3.20, 3.22 or 3.23 of the Merger Agreement (concerning Loxo Oncology's organization, standing and power; authority, execution and delivery, and enforceability; brokers and other advisors; opinion of financial advisors; and no vote required) shall not be true and correct in all material respects at and as of the date of the Merger Agreement and at and as of such time, except to the extent such representation or warranty expressly relates to a specified date (in which case on and as of such specified date) (for purposes of determining the satisfaction of this condition, without regard to any qualifications or exceptions contained therein as to "materiality"), (C) any representation or warranty of Loxo Oncology set forth in Section 3.02(a), (c) and (d) of the Merger Agreement (concerning Loxo Oncology's capital structure) shall not be true and correct other than in *de minimis* respects at and as of the date of the Merger Agreement and at and as of such time in all respects at such time, except to the extent such representation or warranty expressly relates to a specified date (in which case on and as of such specified date) and (D) any representation or warranty of Loxo Oncology set forth in Section 3.08(a) of the Merger Agreement (concerning the absence of certain changes or events) shall not be true and correct in all respects at such time;

(v) Loxo Oncology shall have failed to perform in all material respects all obligations to be performed by it as of such time under the Merger Agreement;

(vi) Lilly shall have failed to receive from Loxo Oncology a certificate, dated as of the date on which the Offer expires and signed by an executive officer of Loxo Oncology, certifying to the effect that the conditions set forth in paragraphs (iv) and (v) immediately above do not exist and have not occurred; or

(vii) the Termination Condition exists.

The foregoing conditions are for the sole benefit of Lilly and Purchaser and, subject to the terms and conditions of the Merger Agreement and the applicable rules and regulations of the SEC, may be waived by Lilly and Purchaser, in whole or in part at any time and from time to time, in their sole discretion (except for the Minimum Tender Condition and the Termination Condition, which may not be waived by Lilly or Purchaser). The failure by Lilly, Purchaser or any other affiliate of Lilly at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, the waiver of any such right with respect to particular facts and circumstances will not be deemed a waiver with respect to any other facts and circumstances and each such right will be deemed an ongoing right that may be asserted at any time and from time to time.

16. Certain Legal Matters; Regulatory Approvals

General. Based on our examination of publicly available information filed by Loxo Oncology with the SEC and other publicly available information concerning Loxo Oncology, we are not aware of any governmental license or regulatory permit that appears to be material to Loxo Oncology's business that would be adversely affected by our acquisition of Shares pursuant to the Offer or, except as set forth below in this Section 16, of any approval or other action by any government or governmental administrative or regulatory authority or agency, domestic or foreign, that would be required for our purchase of Shares pursuant to the Offer. Should any such approval or other action be required or desirable, we currently contemplate that, except for takeover laws in jurisdictions other than Delaware as described below under "State Takeover Laws," such approval or other action will be

sought. However, except for observance of the waiting periods and the obtaining of the required approvals summarized under "Antitrust Compliance" below in this Section 16, we do not anticipate delaying the purchase of Shares tendered pursuant to the Offer pending the outcome of any such matter. There can be no assurance that any such approval or action, if needed, will be obtained or, if obtained, that it will be obtained without substantial conditions; and there can be no assurance that, in the event that such approvals were not obtained or such other actions were not taken, adverse consequences might not result to Loxo Oncology's business or that certain parts of Loxo Oncology's business might not have to be disposed of or held separate, any of which may give us the right to terminate the Offer at any Expiration Date without accepting for payment any Shares validly tendered (and not properly withdrawn) pursuant to the Offer. Our obligation under the Offer to accept for payment and pay for Shares is subject to the Offer Conditions, including, among other conditions, the Antitrust Condition. See Section 15 – "Conditions of the Offer."

Antitrust Compliance

Under the HSR Act (including the related rules and regulations that have been promulgated thereunder by the FTC), certain acquisition transactions, including Purchaser's purchase of Shares pursuant to the Offer, may not be consummated until certain information and documentary material has been furnished for review by the FTC and the Antitrust Division of the DOJ (the "Antitrust Division") and certain waiting period requirements have been satisfied. Lilly and Loxo Oncology filed their respective Premerger Notification and Report Forms with the FTC and the Antitrust Division on January 16, 2019.

Under the HSR Act, Purchaser's purchase of the Shares pursuant to the Offer is subject to an initial waiting period that will expire at 11:59 p.m., Eastern time, on January 31, 2019. However, the initial waiting period may be terminated prior to such date and time by the FTC, or Purchaser and Loxo Oncology may receive a request (a "Second Request") for additional information or documentary material from either the FTC or the Antitrust Division prior to such expiration. If the FTC or the Antitrust Division issues a Second Request, the waiting period with respect to the Offer will be extended for an additional period of ten days, which will begin on the date on which Purchaser has substantially complied with the Second Request. Complying with a Second Request can take a significant period of time. Even though the waiting period is not affected by a Second Request to Loxo Oncology or by Loxo Oncology supplying the requested information, Loxo Oncology is obliged to respond to the request within a reasonable time. If the ten-day waiting period expires on a Saturday, Sunday or federal holiday, then such waiting period will be extended until 11:59 p.m. of the next day that is not a Saturday, Sunday or federal holiday. Only one extension of the waiting period pursuant to a Second Request is authorized by the HSR Act. After that time, the waiting period may be extended only by court order or with our consent. The FTC or the Antitrust Division may terminate the additional ten-day waiting period before its expiration.

The FTC and the Antitrust Division frequently scrutinize the legality under the U.S. antitrust laws of transactions like the Offer and the Merger. At any time, the FTC or the Antitrust Division could take any action under the antitrust laws that it considers necessary or desirable in the public interest, including seeking (i) to enjoin the purchase of Shares pursuant to the Offer, (ii) to enjoin the Merger, (iii) to require Purchaser (or, after completion of the Merger, Lilly) to divest the Shares, or (iv) to require us or Loxo Oncology to divest substantial assets or seek other conduct relief. Private parties, as well as state attorneys general, also may bring legal actions under the antitrust laws under certain circumstances. At any time before or after the consummation of the Merger, notwithstanding the early termination of the applicable waiting period under the HSR Act, any state or private party could seek to enjoin the consummation of the Merger or seek other structural or conduct relief or damages. See Section 15 – "Conditions of the Offer."

Based upon an examination of publicly available information and other information relating to the businesses in which Loxo Oncology is engaged, Lilly and Loxo Oncology believe that neither the purchase of Shares by Purchaser pursuant to the Offer nor the consummation of the Merger should violate applicable antitrust laws. Nevertheless, neither Lilly nor Loxo Oncology can be certain that a challenge to the Offer or the Merger on antitrust grounds will not be made, or, if such challenge is made, what the result will be. See Section 15 – "Conditions of the Offer."

State Takeover Laws

Loxo Oncology is incorporated under the laws of the State of Delaware. In general, Section 203 of the DGCL ("Section 203") prevents a Delaware corporation from engaging in a "business combination" (defined to include mergers and certain other actions) with an "interested stockholder" (including a person who owns or has the right to acquire 15% or more of a corporation's outstanding voting stock) for a period of three years following the date such person became an "interested stockholder" unless, among other things, the "business combination" is approved by the board of directors of such corporation before such person became an "interested stockholder." The Loxo Oncology Board approved the Merger Agreement and the transactions contemplated therein, and the restrictions on "business combinations" described in Section 203 are inapplicable to the Merger Agreement and the Transactions.

Loxo Oncology conducts business in a number of states throughout the United States, some of which have enacted takeover laws. We do not know whether any of these laws will, by their terms, apply to the Offer or the Merger and have not attempted to comply with any such laws. Should any person seek to apply any state takeover law, we will take such action as then appears desirable, which may include challenging the validity or applicability of any such statute in appropriate court proceedings. In the event any person asserts that the takeover laws of any state are applicable to the Offer or the Merger, and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer or the Merger, we may be required to file certain information with, or receive approvals from, the relevant state authorities. In addition, if enjoined, we may be unable to accept for payment any Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer and the Merger. In such case, we may not be obligated to accept for payment any Shares tendered in the Offer. See Section 15 – "Conditions of the Offer."

Going Private Transactions

The SEC has adopted Rule 13e-3 under the Exchange Act, which is applicable to certain "going private" transactions, and which may under certain circumstances be applicable to the Merger or another business combination following the purchase of Shares pursuant to the Offer in which we seek to acquire the remaining Shares not then held by us. We believe that Rule 13e-3 under the Exchange Act will not be applicable to the Merger because (i) we were not, at the time the Merger Agreement was executed, and are not, an affiliate of Loxo Oncology for purposes of the Exchange Act; (ii) we anticipate that the Merger will be effected as soon as practicable after the consummation of the Offer (and in any event within one year following the consummation of the Offer); and (iii) in the Merger, stockholders will receive the same price per Share as the Offer Price.

Stockholder Approval Not Required

Section 251(h) of the DGCL generally provides that stockholder approval of a merger is not required if certain requirements are met, including that (i) the acquiring company consummates a tender offer for any and all of the outstanding common stock of the company to be acquired that, absent Section 251(h) of the DGCL, would be entitled to vote on the adoption of the merger agreement, and (ii) following the consummation of such tender offer, the acquiring company owns at least such percentage of the stock of the company to be acquired that, absent Section 251(h) of the DGCL, would be required to adopt the merger. If the Minimum Tender Condition is satisfied and we accept Shares for payment pursuant to the Offer, we will hold a sufficient number of Shares to consummate the Merger under Section 251(h) of the DGCL without submitting the adoption of the Merger Agreement to a vote of the Loxo Oncology stockholders. Following the consummation of the Offer and subject to the satisfaction of the remaining conditions set forth in the Merger Agreement, Lilly, Purchaser and Loxo Oncology will take all necessary and appropriate action to effect the Merger as soon as practicable without a meeting of Loxo Oncology stockholders in accordance with Section 251(h) of the DGCL.

17. Appraisal Rights

No appraisal rights are available to the holders of Shares who tender such Shares in connection with the Offer. If the Offer and Merger are consummated, the holders of Shares who (i) did not tender their Shares in the Offer;

(ii) follow the procedures set forth in Section 262 of the DGCL; and (iii) do not thereafter lose their appraisal rights (by withdrawal, failure to perfect or otherwise), in each case in accordance with the DGCL, will be entitled to have their Shares appraised by the Delaware Court of Chancery and receive payment of the "fair value" of such Shares, exclusive of any element of value arising from the accomplishment or expectation of the Merger, together with interest thereon, if any, as determined by such court. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective date of the Merger through the date of payment of the judgment will be compounded quarterly and will accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the Merger and the date of payment of the judgment.
In determining the "fair value" of any Shares, the Court of Chancery will take into account all relevant factors. Holders of Shares should recognize that "fair value" so determined could be higher or lower than, or the same as, the Offer Price or the consideration payable in the Merger (which is equivalent in amount to the Offer Price) and that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a sale transaction, such as the Offer and the Merger, is not an opinion as to, and does not otherwise address, "fair value" under Section 262 of the DGCL. Moreover, we may argue in an appraisal proceeding that, for purposes of such proceeding, the fair value of such Shares is less than such amount.

Section 262 provides that, if a merger was approved pursuant to Section 251(h), either a constituent corporation before the effective date of the merger or the surviving corporation within ten days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of Section 262. **The Schedule 14D-9 constitutes the formal notice by Loxo Oncology to its stockholders of appraisal rights in connection with the Merger under Section 262 of the DGCL.**

As described more fully in the Schedule 14D-9, if a stockholder wishes to elect to exercise appraisal rights under Section 262 in connection with the Merger, such stockholder must do all of the following:

- prior to the later of the consummation of the Offer and twenty days after the date of mailing of the Schedule 14D-9, deliver to Loxo Oncology a written demand for appraisal of Shares held, which demand must reasonably inform Loxo Oncology of the identity of the stockholder and that the stockholder is demanding appraisal;
- not tender such stockholder's Shares in the Offer; and
- continuously hold of record the Shares from the date on which the written demand for appraisal is made through the Effective Time.

The foregoing summary of the appraisal rights of stockholders under the DGCL does not purport to be a complete statement of the procedures to be followed by the stockholders desiring to exercise any appraisal rights available thereunder and is qualified in its entirety by reference to Section 262 of the DGCL. The proper exercise of appraisal rights requires strict and timely adherence to the applicable provisions of the DGCL. A copy of Section 262 of the DGCL is included as Annex B to the Schedule 14D-9.

The information provided above is for informational purposes only with respect to your alternatives if the Merger is consummated. If you tender your Shares into the Offer, you will not be entitled to exercise appraisal rights with respect to your Shares, but, instead, upon the terms and subject to the conditions to the Offer, you will receive the Offer Price for your Shares.

18. Fees and Expenses

Purchaser has retained Georgeson LLC to be the Information Agent and Computershare Trust Company, N.A., to be the Depositary in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telecopy and personal interview and may request banks, brokers, dealers and other nominees to forward materials relating to the Offer to beneficial owners of Shares.

The Information Agent and the Depositary each will receive reasonable and customary compensation for their respective services in connection with the Offer, will be reimbursed for reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith, including certain liabilities under federal securities laws.

None of Lilly or Purchaser will pay any fees or commissions to any broker or dealer or to any other person (other than to the Depositary and the Information Agent) in connection with the solicitation of tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by Purchaser for customary mailing and handling expenses incurred by them in forwarding offering materials to their customers. In those jurisdictions where applicable laws or regulations require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

19. Miscellaneous

The Offer is not being made to (nor will tenders be accepted from or on behalf of holders of) Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In those jurisdictions where applicable laws or regulations require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

No person has been authorized to give any information or to make any representation on behalf of Lilly or Purchaser not contained herein or in the Letter of Transmittal, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer, bank, trust company, fiduciary or other person shall be deemed to be the agent of Lilly, Purchaser the Depositary or the Information Agent for the purposes of the Offer.

Purchaser has filed with the SEC a Tender Offer Statement on Schedule TO pursuant to Rule 14d-3 under the Exchange Act, together with exhibits furnishing certain additional information with respect to the Offer, and may file amendments thereto. In addition, Loxo Oncology has filed or will file, pursuant to Rule 14d-9 under the Exchange Act, the Schedule 14D-9 with the SEC, together with exhibits, setting forth the recommendation of the Loxo Oncology Board with respect to the Offer and the reasons for such recommendation and furnishing certain additional related information. A copy of such documents, and any amendments thereto, may be examined at, and copies may be obtained from, the SEC in the manner set forth in Section 7 – “Certain Information Concerning Loxo Oncology” above.

Bowfin Acquisition Corporation

January 17, 2019

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF PURCHASER AND LILLY

1. PURCHASER

The name, business address, present principal occupation or employment and material occupations, positions, offices or employment for the past five years of the directors and executive officers of Purchaser are set forth below. The business address of Purchaser is Lilly Corporate Center, Indianapolis, IN 46285. The telephone number at such office is (317) 276-2000. Except as otherwise indicated, all directors and executive officers listed below are citizens of the United States.

Name and Position	Present Principal Occupation or Employment; Material Positions Held During the Last Five Years; Citizenship (if not United States)
Darren J. Carroll	Director; President Darren Carroll is Senior Vice President of Corporate Business Development for Lilly, where he is responsible for all acquisition, joint venture, collaboration, licensing, venture capital and alliance management activities of Lilly, as well as technology search/evaluation operations. Prior to assuming his current role, he was vice president of corporate business development, and prior to that he was vice president of new ventures for Lilly, which includes the fund groups Lilly Ventures and Lilly Asian Ventures.
Gordon J. Brooks	Director Citizenship: United States, South Africa and the United Kingdom Gordon Brooks is the Chief Procurement Officer and Vice President, Corporate Finance and Investment Banking/Integrated Services for Lilly. Since 2009, Mr. Brooks has been the Chief Financial Officer for Lilly Europe and more recently for Bio-Medicines. In 2017, he assumed additional responsibility as the Chief Financial Officer for global manufacturing.
Bronwen Mantlo	Secretary Bronwen Mantlo is the Vice President, Corporate Secretary and Deputy General Counsel of Lilly. Since joining Lilly in 1999, she has served in various roles, including as commercial transaction counsel, and the acting general counsel for Lilly's Elanco Animal Health division. Most recently, she served as the General Counsel of Lilly Canada from 2014 to early 2016.
Philip L. Johnson	Vice President and Treasurer Philip L. Johnson is Senior Vice President, Finance and Treasurer of Lilly with responsibility for treasury operations, pension benefits investments, risk management, and investor relations. Prior to this role, Mr. Johnson served as Vice President of Investor Relations.
Katie Lodato	Vice President, Corporate Tax and Assistant Treasurer Katie Lodato is Vice President-Global Tax for Lilly. Prior to this role, Ms. Lodato served in a variety of tax-related roles at Lilly, including Senior Director and Tax Counsel – Transfer Pricing, M&A and Audit from July 2014 to December 2017, and Tax Strategy Director and Counsel from October 2013 to June 2014.

2. LILLY

The name, business address, present principal occupation or employment and material occupations, positions, offices or employment for the past five years of each of the directors and executive officers of Lilly are set forth below. The business address of each such director and executive officer is Lilly Corporate Center, Indianapolis, IN 46285. The telephone number at such office is (317) 276-2000. Except as otherwise indicated, all directors and executive officers listed below are citizens of the United States.

Name and Position	Present Principal Occupation or Employment; Material Positions Held During the Last Five Years; Citizenship (if not United States)
Ralph Alvarez Director	Ralph Alvarez has been an operating partner of Advent International Corporation, a large private global equity firm, since July 2017. He was elected to the board of directors of Eli Lilly and Company in 2009. Born in Cuba, he received his bachelor's degree in business administration from the University of Miami. Mr. Alvarez retired as president and chief operating officer of McDonald's Corporation in 2009. Prior to joining McDonald's in 1994, he held leadership positions at Burger King Corporation and Wendy's International, Inc. He held a variety of leadership roles throughout his career, including chief operations officer and president of the central division, both with McDonald's USA. Before joining the U.S. business, Alvarez was president of McDonald's Mexico. From July 2004 until January 2005, he was president of McDonald's USA, where he led a team that aligned employees, owner/operators, and suppliers behind the company's "Plan to Win" strategy – the catalyst for the turnaround of the U.S. business. Alvarez served as president of McDonald's North America from January 2005 until August 2006. In this role, he was responsible for all McDonald's restaurants in the U.S. and Canada. Alvarez became president and chief operating officer in August 2006. He set the global strategy and directed operations for 32,000 McDonald's restaurants in 118 countries. Mr. Alvarez is an active advocate for education. He serves on the President's Council, the School of Business Administration Board of Overseers of the University of Miami. Mr. Alvarez is also a member of the board of directors of Lowe's Companies, Inc. and Dunkin' Brands Group, Inc. He also previously served on the boards of McDonald's Corporation, Realogy Holdings Corp., KeyCorp, and Skylark Co., Ltd.
Katherine Baicker, Ph.D. Director	Katherine Baicker, Ph.D., is the Dean of the Harris School of Public Policy at the University of Chicago. She is also a research associate at the National Bureau of Economic Research. She was elected to the Eli Lilly and Company board of directors in December 2011. Baicker received a bachelor of arts degree in economics, magna cum laude, from Yale University in 1993, and a Ph.D. in economics from Harvard University in 1998. From 1998 to 2005, Baicker was assistant professor and associate professor of economics at Dartmouth College. In 2003 was a visiting assistant professor at the University of Chicago Harris School of Public Policy. From 2005 to 2007, she served as a Senate-confirmed member of the Council of Economic Advisers, in the Executive Office of the President, where she played a leading role in the development of health policy. Baicker serves on the Panel of Health Advisers to the Congressional Budget Office and on the editorial boards of Health Affairs and the Journal of Health Economics. She is an elected member of the National Academy of Medicine. She has served as a commissioner on the Medicare Payment Advisory Commission, chair of the Group Insurance Commission of

Name and Position	Present Principal Occupation or Employment; Material Positions Held During the Last Five Years; Citizenship (if not United States)
	Massachusetts, chair of the board of directors of Academy Health, and chair of the Social Sciences and Population Studies study section of the National Institutes of Health.
Carolyn R. Bertozzi, Ph.D. Director	Carolyn R. Bertozzi, Ph.D., is the Anne T. and Robert M. Bass Professor of Chemistry and Professor of Chemical & Systems Biology and Radiology at Stanford University, and an Investigator of the Howard Hughes Medical Institute. She was elected to the Eli Lilly and Company board of directors in 2017. She completed her undergraduate degree in chemistry from Harvard University in 1988 and her doctorate in chemistry from UC Berkeley in 1993. After completing postdoctoral work at UCSF in the field of cellular immunology, she joined the UC Berkeley faculty in 1996. In June 2015, she joined the faculty at Stanford University coincident with the launch of Stanford's ChEM-H institute. Professor Bertozzi's research interests span the disciplines of chemistry and biology with an emphasis on studies of cell surface glycosylation pertinent to disease states. Her lab focuses on profiling changes in cell surface glycosylation associated with cancer, inflammation and bacterial infection, and exploiting this information for development of diagnostic and therapeutic approaches, most recently in the area of immuno-oncology. She has been recognized with many honors and awards for her research accomplishments. She is an elected member of the Institute of Medicine, National Academy of Sciences, and American Academy of Arts and Sciences. She has been awarded the Lemelson-MIT Prize, the Heinrich Wieland Prize and a MacArthur Foundation Fellowship, among many others.
Michael L. Eskew Director	Michael L. Eskew is the retired chairman and chief executive officer of United Parcel Service, Inc., a position he held from January 2002 until December 2007. He was elected to the Eli Lilly and Company board of directors in 2008. A native of Vincennes, Indiana, Eskew graduated from Purdue University with a bachelor's degree in industrial engineering. He also completed the advanced management program at the Wharton School of Business. Eskew serves as the chairman of the board of trustees of The Annie E. Casey Foundation, which is the country's largest foundation dedicated to disadvantaged youth. He also serves on the boards of directors of the 3M Corporation, IBM Corporation, and Allstate Corporation.
J. Erik Fyrwald Director	J. Erik Fyrwald joined Syngenta in June 2016 as chief executive officer. He served as chief executive officer of Univar from May 2012 until May 2016. In 2008, following a 27-year career at DuPont, he joined Nalco Company, serving as chairman and chief executive officer until 2011, when Nalco merged with Ecolab Inc. Following the merger, Fyrwald served as president of Ecolab. He was elected to the Eli Lilly and Company board of directors in 2005. From 2003 to 2008, Fyrwald served as group vice president of the agriculture and nutrition division at E.I. du Pont de Nemours and Company. From 2000 until 2003, he was vice president and general manager of DuPont's nutrition and health business. Fyrwald attended the University of Delaware, where he received a bachelor of science degree in chemical engineering in 1981. He also completed the advanced management program at Harvard Business School. Fyrwald serves on the board of directors of CropLife International, the Swiss-

Name and Position	Present Principal Occupation or Employment; Material Positions Held During the Last Five Years; Citizenship (if not United States)
	American Chamber of Commerce and the UN World Food Program Farm to Market Initiative.
Jamere Jackson Director	Jamere Jackson, chief financial officer of Nielsen Holdings plc, was elected to the Eli Lilly and Company board of directors in October 2016. Prior to joining Nielsen Holdings plc, he was the vice president and chief financial officer of GE Oil & Gas, drilling and surface division. He joined GE in 2004 and held a variety of leadership roles in GE Global Business Services, GE Corporate, and GE Aviation before joining GE Oil & Gas. Prior to joining GE, Mr. Jackson held several roles in finance, mergers and acquisitions, and strategic planning at Procter & Gamble, Yum Brands (Pizza Hut), First Data Corporation, and Total System Services. Mr. Jackson received his undergraduate degree in finance and business economics from the University of Notre Dame in 1990 and is a certified public accountant.
William G. Kaelin, Jr., M.D. Director	William G. Kaelin, Jr., M.D. is professor in the Department of Medicine at the Dana-Farber Cancer Institute and at the Brigham and Women's Hospital, Harvard Medical School. He was elected to the board of directors of Eli Lilly and Company in June 2012. Kaelin received his degree in medicine from Duke University in 1982 and was a house officer and chief resident in internal medicine at Johns Hopkins Hospital. He was a medical oncology clinical fellow at Dana-Farber and a postdoctoral fellow in the laboratory of Dr. David Livingston, where he began his studies of tumor suppressor proteins. He became an independent investigator at Dana-Farber in 1992, and professor of Medicine at Harvard Medical School in 2002. He joined the Howard Hughes Medical Institute in 1998. Kaelin is a member of the American Society of Clinical Investigation ("ASCI") and the American College of Physicians. He recently served on the National Cancer Institute Board of Scientific Advisors, the American Association for Cancer Research Board of Trustees and the Institute of Medicine National Cancer Policy Board. He is a recipient of the Paul Marks Prize for Cancer Research from the Memorial Sloan Kettering Cancer Center, the Richard and Hinda Rosenthal Prize from the AACR and a Doris Duke Distinguished Clinical Scientist award. In 2007, he was elected to the National Academy of Medicine. In 2010, Kaelin was elected to the National Academy of Sciences and was a co-recipient of a 2010 Canada Gairdner International Award. In 2012, Kaelin was a co-recipient of both the ASCI's Stanley J. Korsmeyer Award and the Scientific Grand Prix of the Foundation Lefoulon-Delalande and was elected to the Association of American Physicians. In 2014, he won the Wiley Prize in Biomedical Sciences from the Rockefeller University and the Steven C. Beering Award from the Indiana University School of Medicine. In 2016, he won the Albert Lasker Basic Medical Research Award.
Juan R. Luciano Director	Juan R. Luciano is chairman of the board of directors and chief executive officer of Archer Daniels Midland Company ("ADM"). Luciano joined ADM in 2011 as executive vice president and chief operating officer. He was named president in February 2014. He became chief executive officer in January 2015 and chairman of the board in January 2016. Under Luciano's leadership, ADM has taken significant actions to deliver

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	shareholder value through strategic growth, including investments in port facilities in Europe and South America, feed plants in the U.S. and China, and expanded sweetener production capacity in Eastern Europe. Luciano has also led ADM's continued expansion into the ingredients business. At the same time, Luciano has spearheaded operational excellence initiatives that have significantly enhanced the company's capital, cost and cash positions, and has led efforts to continue building the organization's internal leadership capacity. Before joining ADM, Luciano had successful 25-year tenure at The Dow Chemical Company, where he last served as executive vice president and president of the Performance division. Luciano holds an industrial engineering degree from the Buenos Aires Institute of Technology. He is a governor of the Boys and Girls Clubs of America and serves on the board of directors for Wilmar International Ltd.
Ellen R. Marram Director	Citizenship: Argentina Ellen R. Marram is the president of The Barnegat Group LLC, a firm that provides business advisory services. She was a managing director at North Castle Partners, LLC from 2000 to 2005 and an advisor to the firm from 2006 to 2010. Marram has been a member of the board of directors of Eli Lilly and Company since 2002. She was elected lead independent director effective April 2012. From 1993 to 1998, Marram was president and chief executive officer of Tropicana and the Tropicana Beverage Group. She steadily grew revenue and earnings and nearly doubled margins as she transformed Tropicana from a Florida juice company to a market-driven, health-focused, global juice business, number one in worldwide sales and profits. During Marram's tenure, Tropicana nearly tripled its shareholder value and was sold to PepsiCo in 1998 for $3.3 billion. From 1988 to 1993, Marram was president and chief executive officer of the Nabisco Biscuit Company, the largest operating unit of Nabisco, Inc. Under her leadership, the company significantly increased sales and margins and had one of the most successful new product records in the food industry. Marram's vision and direction led to the 1992 launch of SnackWell's cookies and crackers, which pioneered low fat snacking and is considered one of the most successful new products of the 1990s. From 1987 to 1988, Marram was president of Nabisco's grocery division. From 1970 to 1986, she held a series of marketing positions at Nabisco/Standard Brands, Johnson & Johnson, and Lever Brothers. Marram is a member of the board of directors of Ford Motor Company and several private companies. She also serves on the boards of Wellesley College, New York-Presbyterian Hospital, Lincoln Center Theater, and Newman's Own Foundation. She is a former director of The New York Times Company and Cadbury Schweppes. She is a past member of the board of associates of Harvard Business School and a past trustee of the Conference Board. She is a 1968 graduate of Wellesley College and earned an MBA in 1970 from Harvard Business School, and has received alumni achievement awards from both institutions. She was named one of the Top 25 Managers of the Year by *Business Week* in January 1998.
David A. Ricks President, CEO and Director	Dave Ricks has served as chief executive officer of Eli Lilly and Company since January 1, 2017. He became chairman of the board of directors on June 1, 2017. A 20-year Lilly veteran, Ricks served as president of Lilly

Name and Position	Present Principal Occupation or Employment; Material Positions Held During the Last Five Years; Citizenship (if not United States)
	Bio-Medicines from 2012 to 2016. Previously, he was president of Lilly USA, the company's largest affiliate, from 2009 to 2012. Between 2005 and 2009 Ricks served as general manager of Lilly Canada and then as President and general manager of Lilly China. He joined Lilly in 1996 as a business development associate and held several management roles in U.S. marketing and sales before moving to Lilly Canada. Ricks earned a bachelor of science from Purdue University in 1990 and an MBA from Indiana University in 1996. Ricks serves on the boards of Adobe, the Pharmaceutical Research and Manufacturers of America (PhRMA) and the Central Indiana Corporate Partnership. He is a member of the Central Indiana Community Partnership, and he chairs the Riley Children's Foundation Board of Governors.
Marschall S. Runge, M.D., Ph.D. Director	Marschall S. Runge, M.D., Ph.D., is executive vice president for Medical Affairs at the University of Michigan, Dean of the Medical School, and CEO of Michigan Medicine. Prior to joining the University of Michigan in March 2015, he was executive dean and chair of the Department of Medicine at the UNC School of Medicine, where he was instrumental in guiding the academic and clinical leadership of the School of Medicine and the UNC Health Care System. He was also principal investigator and director of the North Carolina Translational and Clinical Sciences Institute at UNC-Chapel Hill. He was elected to the board of directors of Eli Lilly and Company in 2013. Before joining the UNC faculty in 2000, Dr. Runge held the John Sealy Distinguished Chair in Internal Medicine and was director of the Division of Cardiology and the Sealy Center for Molecular Cardiology at the University of Texas Medical Branch at Galveston. Dr. Runge earned his doctorate in molecular biology at Vanderbilt University and his medical degree from Johns Hopkins School of Medicine, where he also completed a residency in internal medicine. He was a cardiology fellow and faculty member at Harvard's Massachusetts General Hospital before joining Emory University as an associate professor of medicine in 1989. Dr. Runge has been a physician-scientist for his entire career, combining basic and translational research with the care of patients with cardiovascular diseases and education. He is the author of over 200 publications in the field and holds five patents for novel approaches to health care.
Kathi P. Seifert Director	Kathi P. Seifert, retired executive vice president for Kimberly-Clark Corporation, was elected to the board of directors of Eli Lilly and Company in 1995. A native of Appleton, Wisconsin, she received a Bachelor of Science degree from Valparaiso University. Prior to joining Kimberly-Clark in 1978, Seifert held management positions at Procter & Gamble, Beatrice Foods, and Fort Howard Paper Company. She joined Kimberly-Clark as a product manager and held several marketing positions before being elected to executive vice president in November 1999. She retired in June 2004. Seifert is chairman of Katapult LLC and is a member of the boards of directors of Appvion, Investors Community Bank, Fox Cities Chamber of Commerce, Fox Cities Building for the Arts, Greater Fox Cities Habitat for Humanity and the Community Foundation for the Fox Valley Region, Inc.

Name and Position	Present Principal Occupation or Employment; Material Positions Held During the Last Five Years; Citizenship (if not United States)
Jackson Tai Director	Jackson Tai, former vice chairman and chief executive officer, DBS Group Holdings Ltd and DBS Bank Ltd, was elected to the Eli Lilly and Company board of directors in November 2013. In 1999, Tai joined DBS Group and DBS Bank (formerly the Development Bank of Singapore), one of the largest financial services groups in Asia, as chief financial officer. He served DBS as president and chief operating officer from 2001 to 2002 and as vice chairman and chief executive officer from 2002 to 2007. From 1974 to 1999, Tai was an investment banker with J.P. Morgan & Co. Incorporated. While at J.P. Morgan, Tai established the firm's Japan capital markets business, based in Tokyo; founded the firm's global real estate investment banking business, based in New York; served as the firm's senior officer for Asia Pacific, based in Tokyo; and served as the firm's senior officer for the Western United States, based in San Francisco. Tai serves as a non-executive director of MasterCard Incorporated; Royal Philips NV; and HSBC Holdings, PLC. He is also a non-executive director of the non-public Canada Pension Plan Investment Board. In the not-for-profit sector, Tai is a director of the Metropolitan Opera, a trustee of Rensselaer Polytechnic Institute, and a member of the Harvard Business School Asia-Pacific Advisory Board and the Harvard China Advisory Group. Tai received a bachelor `of science degree from Rensselaer Polytechnic Institute in 1972 and a master of business administration degree from Harvard University in 1974.
Karen Walker Director	Karen Walker, senior vice president and chief marketing officer, Cisco Systems, was elected to the Eli Lilly and Company board of directors in 2018. Based in San Jose, Walker is responsible for the company's marketing and communications group. Her 20-plus years in the IT industry have included senior field and marketing leadership roles in Europe, North America and the Asia-Pacific region. Prior to joining Cisco, she held multiple business and consumer leadership positions at Hewlett-Packard. Walker is a board member and CMO Growth Council member of the Association of National Advertisers (ANA). She was recognized two years in a row by Forbes as one of the Top 15 Most Influential CMOs in the World (2017 & 2018). She has lectured on marketing thought leadership and digital transformation at UC Berkeley's Haas School of Business and the Kellogg School of Management, in addition to delivering industry keynotes. Walker also sponsors multiple initiatives to accelerate female leadership within Cisco and is a strong supporter of the #SeeHer movement, which was started by the ANA with the goal of accurately portraying women and girls in the media by 2020. She also serves on the Advisory Council for the Salvation Army of Silicon Valley. Walker holds a Bachelor of Science degree with joint Honors in Chemistry and Business Studies from Loughborough University in England and was awarded an Honorary Doctorate of Business Administration from the University of Sunderland in 2018.
Melissa Stapleton Barnes *Senior Vice President, Enterprise Risk Management, and Chief Ethics and Compliance Officer*	Melissa Stapleton Barnes is senior vice president, enterprise risk management, and chief ethics and compliance officer for Eli Lilly and Company. She leads Lilly's global Ethics and Compliance function. Melissa joined Lilly in 1994 and took her current role in 2013. She has held a variety of business and legal roles including general counsel for Lilly Diabetes and Lilly Oncology. Prior to her current role, she was deputy

Name and Position	Present Principal Occupation or Employment; Material Positions Held During the Last Five Years; Citizenship (if not United States)
	general counsel, responsible for overseeing all global litigation and investigations as well as managing the corporate secretary's office and specialty legal functions. She earned a Bachelor of Science degree with highest distinction from Purdue University and a law degree from Harvard Law School. In 2016, Purdue University honored Melissa with the College of Liberal Arts Distinguished Alumni Award, and she currently serves on the Purdue Liberal Arts Dean's Advisory Council. The Ethisphere Institute recognized Melissa as an Attorney Who Matters in 2015 and 2016. The Healthcare Businesswomen's Association named her a Rising Star in 2012, and the Indianapolis Business Journal honored her as a Woman of Influence in 2017. She serves on the board of directors for Algonquin Power and Utilities Corporation, headquartered in Toronto, and is chair of the Ethics and Business Integrity Committee for the International Federation of Pharmaceutical Manufacturers & Associations. Locally, Melissa volunteers as chair of board of the Great American Songbook Foundation and vice chair of the board for The Center for Performing Arts, as well as board and executive committee member for Visit Indy. Nationally, she is a member of the executive steering committee for the Ethisphere Business Ethics Leadership Alliance, the Corporate Ethics Leadership Council and the Healthcare Businesswomen's Association. Melissa is a fellow with the Ethics and Compliance Initiative.
Enrique A. Conterno *Senior Vice President and President, Lilly Diabetes and President, Lilly USA*	Enrique Conterno is a senior vice president of Eli Lilly and Company and president of Lilly Diabetes. Enrique joined Lilly in 1992 and has held a range of roles in sales, finance, marketing, business development, and general management. He served as marketing and sales director for Lilly's Peru and Brazil affiliates, as executive marketing director for the intercontinental region and Japan, and as general manager for Lilly Mexico. Enrique was vice president of the company's U.S. neuroscience business unit and vice president for health care professional markets. He served as president of Lilly's U.S. affiliate until he was named president of Lilly Diabetes in 2009. Enrique earned a bachelor's degree in mechanical engineering from Case Western Reserve University and a master's degree in business administration from Duke University. Enrique is a member of the Board of Governors at the American Red Cross, the Board of Visitors at Duke University's Fuqua School of Business and the board of directors at the Indiana Latino Institute. Enrique also is on the board of directors at the Indianapolis Chamber of Commerce, having served as board chair in 2016. Citizenship: United States and Peru
Stephen F. Fry *Senior Vice President, Human Resources and Diversity*	Steve Fry is senior vice president, human resources and diversity, for Eli Lilly and Company. Since joining Lilly in 1987 as a scientific systems analyst in Lilly Research Laboratories, Steve has held a range of roles in information technology and human resources. Following a series of managerial assignments, Steve served as human resources director for Lilly's U.K. affiliate and then as executive director of human resources for the U.S. affiliate. In 2004 he was named managing director of the Australian affiliate, returning to the U.S. in 2007 to provide HR leadership for the global sales and marketing organization before accepting the role of vice president supporting the Lilly Bio-Medicines and Emerging Markets business units. He assumed his current role in 2011. Steve earned his

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	bachelor's degree in information systems from the University of Indianapolis. Steve serves on the board of trustees at the University of Indianapolis and the governance board for Make-A-Wish in Ohio, Kentucky, and Indiana.
Michael J. Harrington *Senior Vice President and General Counsel*	Mike Harrington is senior vice president and general counsel for Eli Lilly and Company. Since joining Lilly in 1991 as an attorney in product liability litigation, Mike has served in a number of other business and legal positions, including managing director of the New Zealand affiliate and as associate general counsel for Lilly's operations in the Asia-Pacific region. Mike most recently held the role of vice president and deputy general counsel of global pharmaceutical operations. In this capacity, he was responsible for legal issues related to Lilly's five global business units. Before joining Lilly, Mike was a litigator at the law firm of Baker & Daniels in Indianapolis. Mike earned a bachelor's degree in English from Albion College and a law degree from the Columbia University School of Law. Mike currently serves as the board chair for the Indiana Repertory Theatre and the co-chair of the Civil Justice Reform Group. He is also a member of the board of trustees and executive committee of Albion College.
Johna L. Norton *Senior Vice President, Global Quality*	Johna Norton is senior vice president of Global Quality for Eli Lilly and Company. Johna joined Lilly in 1990 as an analytical chemist. She went on to hold positions with increasing responsibility in quality assurance and quality control, supporting manufacturing and process development at both Lilly facilities and with Lilly's external manufacturing partners. Throughout her career, she has worked at multiple Lilly manufacturing sites, including sites in Indiana, Ireland and Puerto Rico. Prior to her current role, Johna was vice president, Quality, for Lilly's Active Pharmaceutical Ingredient (API) manufacturing network, Puerto Rico manufacturing, and Product Research and Development. She holds a bachelor's degree in chemistry from Gannon University and a master's degree in analytical chemistry from Miami University. Johna serves on the board of directors for United Way of Central Indiana. In 2017, FiercePharma named Johna one of the Top Women in Life Sciences.
Myles O'Neill *Senior Vice President and President, Manufacturing Operations*	Myles O'Neill is senior vice president and president of Manufacturing Operations for Eli Lilly and Company. He served as senior vice president of global parenteral drug product, delivery devices and regional manufacturing from 2012 until 2017. In this role, Myles was responsible for global parenteral manufacturing, emerging markets manufacturing, drug-product contract manufacturing, packaging and distribution operations. He provided oversight for manufacturing sites in 12 countries throughout North America, South America, Europe and Asia; these sites manufacture our final parenteral products that reaches patients. Myles has worked extensively in the pharmaceutical industry, including roles at Pfizer and other major companies. His Lilly career began in 2002, when he became director of bulk pharmaceutical operations. In 2005, Myles became vice president of Indianapolis parenteral operations. He holds a bachelor's degree in chemistry from University College Cork in Cork, Ireland, and a master's degree in business administration through DCU, Dublin. Myles is known for his strong leadership and expertise in Good Manufacturing Practices and FDA-approved pharmaceutical manufacturing environments.

Name and Position	Present Principal Occupation or Employment; Material Positions Held During the Last Five Years; Citizenship (if not United States)
Leigh Ann Pusey *Senior Vice President, Corporate Affairs and Communications*	Leigh Ann Pusey is the senior vice president of Corporate Affairs and Communications for Eli Lilly and Company. Leigh Ann joined Lilly in June 2017. Prior to joining Lilly, Leigh Ann was president and chief executive officer of the American Insurance Association ("AIA") from 2009 to June 2017. Prior to that, she served in several AIA leadership positions, including chief operating officer and senior vice president for government affairs. From 1997 to 2000, she served as that company's senior vice president of public affairs. From 1995 to 1997, Leigh Ann served as director of communications for the Office of the Speaker of the U.S. House of Representatives, and from 1993 to 1994, she was the deputy director of communications for the Republican National Committee. From 1990 to 1992, she served as special assistant and then deputy assistant to the president for the White House Office of Public Liaison. Leigh Ann earned a bachelor's degree in public administration from Samford University in 1984. Leigh Ann served on the board of the Insurance Institute for Highway Safety, was on the board of The George Washington Graduate School of Political Management and was a member of the U.S. Chamber of Commerce's Committee of 100.
Aarti Shah, Ph.D. *Senior Vice President and Chief Information and Digital Officer*	Aarti Shah is a senior vice president and serves as chief information officer of Eli Lilly and Company. She has responsibilities for global information technology, information security, advanced analytics and data sciences, and digital technology. Aarti joined Lilly in 1994 as a senior statistician and was promoted to research scientist in 1999. She became vice president for biometrics in November 2009 and led three global functions: global statistical sciences, data sciences and solutions, and global scientific communications. Aarti developed and created an Advanced Analytics hub to enhance Lilly's analytical capabilities and competencies. In 2013, she was named global brand development leader in Lilly's Bio-Medicines business unit. She was promoted to senior vice president and became chief information officer in July 2016. Aarti received her bachelor's and master's degrees in statistics and mathematics in India before completing her Ph.D. in applied statistics at the University of California, Riverside. Aarti serves on the boards of directors for the Indianapolis Public Library Foundation and the Center of Interfaith Cooperation. She serves as a trustee for Shrimad Rajchandra Love and Care, a nonprofit organization focused on educational, medical and humanitarian care. In 2016, she was honored as a Woman of Influence by the Indianapolis Business Journal and was also named one of the Fierce Women in Biopharma by FiercePharma.
Christi Shaw *Senior Vice President and President, Lilly Bio-Medicines*	Christi Shaw is a senior vice president of Eli Lilly and Company and president of Lilly Bio-Medicines. Before she rejoined Lilly in April 2017, she had most recently served as U.S. country head and president of Novartis Corporation. Christi serves as a board member of the Biotechnology Industry Organization and an advisor to the Healthcare Businesswomen's Association. In 2018, Christi was honored with the Health Industry Visionary Award by the Society for Women's Health Research. In May 2016, she was presented with Eye for Pharma's prestigious Lifetime Achievement Award for her industry thought-leadership and dedication to the needs of patients. Also in 2016, PharmaVOICE named Shaw to its 100 Most Inspiring People list, and

Name and Position	Present Principal Occupation or Employment; Material Positions Held During the Last Five Years; Citizenship (if not United States)
	Diversity Journal included her on its roster of Women Worth Watching. Christi has spoken at leading industry conferences on the future of health care, driving innovation to support better patient outcomes and encouraging a diverse and inclusive culture. In addition, her perspectives have been featured in Working Mother and Life Science Leader magazines. Christi worked at Lilly from 1989 to 2002 in sales and marketing roles, and she later held a series of increasingly responsible roles in the Janssen and Ethicon subsidiaries of Johnson & Johnson. She earned a Bachelor of Business Administration from Iowa State University and an MBA from the University of Wisconsin. In 2017, Shaw founded the More Moments More Memories Foundation to assist people with cancer and their caregiver.
Daniel M. Skovronsky, M.D., Ph.D. *Senior Vice President and Chief Scientific Officer*	Dan Skovronsky is the chief scientific officer of Eli Lilly and Company. He serves as senior vice president of science and technology and president of Lilly Research Laboratories. He also has responsibility for global business development. Dan joined Lilly in 2010 when the company acquired Avid Radiopharmaceuticals Inc., where he had been CEO since founding the company in 2004. At Lilly, Dan has held various roles, including vice president, tailored therapeutics; vice president, diabetes research; and most recently, senior vice president, clinical and product development. Dan completed his residency training in pathology and fellowship training in neuropathology at the Hospital of the University of Pennsylvania. He received his M.D. from the Perelman School of Medicine, University of Pennsylvania, in 2001 and his Ph.D. in Neuroscience from University of Pennsylvania in 2000. Dan earned a Bachelor of Science in molecular biophysics and biochemistry from Yale University in 1994.
Joshua L. Smiley *Senior Vice President and Chief Financial Officer*	Josh Smiley is a senior vice president and chief financial officer for Eli Lilly and Company. Since joining Lilly in 1995, Josh has held positions across finance, sales and marketing, and Six Sigma. His experience includes leading U.S. sales and marketing efforts to payers such as managed care organizations, Medicaid, Medicare and public hospitals. In addition, he was a member of Lilly's corporate Six Sigma initial deployment and leadership team. Josh was named vice president and chief financial officer for Lilly Research Laboratories in April 2007. In June 2011, he was promoted to senior vice president, finance, and expanded his responsibilities to become corporate controller, with responsibility for worldwide financial operations. Most recently, Josh served as senior vice president, finance, and treasurer until he was promoted to CFO in 2018. Josh earned his bachelor's degree in history from Harvard University in 1993. Prior to joining Lilly, Josh worked in investment banking and consulting. Josh is a member of the board of trustees for Butler University and the board of directors for the Eskenazi Health Foundation.
Anne E. White *Senior Vice President and President, Lilly Oncology*	Anne White is a senior vice president of Eli Lilly and Company and president of Lilly Oncology. Anne has held a range of roles in drug development across multiple therapeutic areas, including oncology, neuroscience and infectious diseases. She has led the development of multiple late-phase opportunities and has led teams in successfully submitting and achieving new drug approvals for several new medicines. Anne has also had roles leading early phase drug development and patient

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	tailoring in oncology. Her current and past responsibilities include global leadership and direction of several significant change transformations resulting in improved speed, efficiency and increased organizational health. Most notably, Anne has led Lilly's effort to speed drug development, from target identification through successful launch. Anne served most recently as vice president of Portfolio Management, Chorus and Next Generation Research and Development, with previous roles of vice president of Oncology Clinical Development and chief operating officer for oncology. She has over 25 years of experience in the pharmaceutical industry. Anne also has experience in small-company pharma, having founded and led a startup company in oncology drug development, collaborating with the Moffitt Cancer Center and the National Cancer Institute. Anne earned a bachelor's degree in engineering from the University of Michigan. Anne was awarded the Lilly Women's Network Award for her efforts in mentoring and supporting women in the workplace. She was named to the first President's Council in Lilly Research Laboratories in recognition for her leadership and impact on others.
Alfonso G. Zulueta *Senior Vice President and President, Lilly International*	Alfonso "Chito" Zulueta is a senior vice president of Eli Lilly and Company and president of Lilly International. In this role, he oversees commercial operations for the company's human pharmaceutical products in all markets outside of the U.S., except for China, Japan and Canada. Chito joined Lilly in 1988 and has held key senior business positions in the United States, Japan and the emerging markets. After various sales and marketing roles, he served as president of global oncology and critical care products; vice president of global marketing; vice president for the U.S. diabetes/family health/neuroscience business; president of Asian Operations; president of Lilly Japan; and president of Emerging Markets business. He was named president of Lilly International in January 2017. He received a bachelor's degree in economics from DeSalle University in the Philippines in 1983 and a master's degree in business administration from the University of Virginia in 1987. Outside of Lilly, Chito is a member of the board of directors for CTS, the leading designer and manufacturer of sensors, actuators and electronic components for a variety of markets. He applies his experience in international markets to help realize the future growth of CTS. Citizenship: Philippines.

The Letter of Transmittal, properly completed, will be accepted. The Letter of Transmittal and certificates evidencing Shares and any other required documents should be sent by each holder or such holder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses set forth below:

The Depositary for the Offer is:

If delivering by mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, Rhode Island 02940-3011

If delivering by express mail, courier or any other expedited service:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street, Suite V
Canton, Massachusetts 02021

Questions or requests for assistance may be directed to the Information Agent at the address and telephone numbers listed below. Additional copies of this Offer to Purchase, the Letter of Transmittal and other materials may also be obtained from the Information Agent. Stockholders may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The Information Agent for the Offer is:

Georgeson

1290 Avenue of the Americas, 9th Floor
New York, NY 10104

Shareholders, Banks and Brokers

Call Toll Free: 1-866-413-5901
Via Email: LOXO@GEORGESON.COM

LETTER OF TRANSMITTAL

To Tender Shares of Common Stock
of
LOXO ONCOLOGY, INC.
at
$235.00 Per Share, Net in Cash
Pursuant to the Offer to Purchase dated January 17, 2019
by
BOWFIN ACQUISITION CORPORATION,
a wholly-owned subsidiary
of
ELI LILLY AND COMPANY

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE PAST 11:59 P.M., EASTERN TIME, ON FEBRUARY 14, 2019, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The Depositary for the Offer is:

Computershare

Method of delivery of the certificate(s) is at the option and risk of the owner thereof. See *Instruction 2*. Mail or deliver this Letter of Transmittal, together with the certificate(s) representing your shares, to:

If delivering by mail:
Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, Rhode Island 02940-3011

If delivering by express mail, courier or any other expedited service:
Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street, Suite V
Canton, Massachusetts 02021

DESCRIPTION OF SHARES TENDERED				
Name(s) and Address(es) of Registered Owner(s) (If blank, please fill in exactly as name(s) appear(s) on share certificate(s))	**Shares Tendered (attach additional list if necessary)**			
	Certificated Shares**			**Book entry Shares**
	Certificate Number(s)*	**Total Number of Shares Represented by Certificate(s)***	**Number of Shares Represented by Certificate(s) Tendered****	**Book Entry Shares Tendered*****
	Total Shares			

* If shares are held in book-entry form, you MUST indicate the number of shares you are tendering. Unless otherwise indicated, it will be assumed that all shares represented by book-entry delivered to the Depositary and Paying Agent are being tendered hereby.

** Unless otherwise indicated, it will be assumed that all shares of common stock represented by certificates described above are being tendered hereby. *See Instruction 4.*

*** Unless otherwise indicated, it will be assumed that all shares of common stock represented by book entry shares described above are being surrendered hereby.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE FOR THE DEPOSITARY WILL NOT CONSTITUTE VALID DELIVERY. YOU MUST SIGN THIS LETTER OF TRANSMITTAL IN THE APPROPRIATE SPACE PROVIDED BELOW, WITH SIGNATURE GUARANTEE, IF REQUIRED, AND COMPLETE THE IRS FORM W-9 SET FORTH BELOW, IF REQUIRED. PLEASE READ THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL CAREFULLY BEFORE COMPLETING THIS LETTER OF TRANSMITTAL.

ALL QUESTIONS REGARDING THE OFFER SHOULD BE DIRECTED TO THE INFORMATION AGENT, GEORGESON LLC, AT (866) 413-5901 OR THE ADDRESS SET FORTH ON THE BACK PAGE OF THE OFFER TO PURCHASE.

IF YOU WOULD LIKE ADDITIONAL COPIES OF THIS LETTER OF TRANSMITTAL OR ANY OF THE OTHER OFFERING DOCUMENTS, YOU SHOULD CONTACT THE INFORMATION AGENT, GEORGESON LLC, AT (866) 413-5901.

THE TENDER OFFER IS NOT BEING MADE TO (NOR WILL TENDER OF SHARES BE ACCEPTED FROM OR ON BEHALF OF) STOCKHOLDERS IN ANY JURISDICTION WHERE IT WOULD BE ILLEGAL TO DO SO.

This Letter of Transmittal is being delivered to you in connection with the offer by Bowfin Acquisition Corporation, a Delaware corporation ("Purchaser") and wholly-owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Lilly"), to purchase all of the outstanding shares of common stock, par value $0.0001 per share (the "Shares"), of Loxo Oncology, Inc., a Delaware corporation ("Loxo Oncology"), at a purchase price of $235.00 per Share, net to the seller in

cash, without interest and less any applicable tax withholding, upon the terms and subject to the conditions set forth in this Letter of Transmittal and the related Offer to Purchase by Purchaser, dated January 17, 2019 (the "Offer to Purchase," which, together with this Letter of Transmittal, as they may be amended or supplemented from time to time, collectively constitute the "Offer"). The Offer expires on the Expiration Date. "Expiration Date" means one minute past 11:59 P.M., Eastern time, on February 14, 2019, unless the expiration of the Offer is extended to a subsequent date in accordance with the terms of the Agreement and Plan of Merger, dated January 5, 2019, by and among Lilly, Loxo Oncology and Purchaser, in which event the term "Expiration Date" means such subsequent date.

You should use this Letter of Transmittal to deliver to Computershare Trust Company, N.A., (the "Depositary") Shares represented by stock certificates, or held in book-entry form on the books of Loxo Oncology, or its stock transfer agent, for tender. If you are delivering your Shares by book-entry transfer to an account maintained by the Depositary at The Depository Trust Company ("DTC"), you must use an Agent's Message (as defined in Instruction 2 below). In this Letter of Transmittal, stockholders who deliver certificates representing their Shares are referred to as "Certificate Stockholders." **Delivery of documents to DTC will not constitute delivery to the Depositary.**

If any certificate representing any Shares you are tendering with this Letter of Transmittal has been lost, stolen, destroyed or mutilated, you should contact Loxo Oncology's stock transfer agent, American Stock Transfer & Trust Company, LLC (the "Transfer Agent") at (718) 921-8124 (toll free in the United States) regarding the requirements for replacement. You may be required to post a bond to secure against the risk that such certificates may be subsequently recirculated. You are urged to contact the Transfer Agent immediately in order to receive further instructions, for a determination of whether you will need to post a bond and to permit timely processing of this documentation. See Instruction 10.

IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY WITH DTC, COMPLETE THE FOLLOWING (ONLY FINANCIAL INSTITUTIONS THAT ARE PARTICIPANTS IN DTC MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution: _____

DTC Participant Number: _____

Transaction Code Number: _____

NOTE: SIGNATURES MUST BE PROVIDED BELOW.
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

Ladies and Gentlemen:

The undersigned hereby tenders to Bowfin Acquisition Corporation, a Delaware corporation ("Purchaser") and wholly-owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Lilly"), the above-described shares of common stock, par value $0.0001 per share (the "Shares"), of Loxo Oncology, Inc., a Delaware corporation ("Loxo Oncology"), at a purchase price of $235.00 per Share (the "Offer Price"), net to the seller in cash, without interest and less any applicable tax withholding, upon the terms and subject to the conditions set forth in the Offer to Purchase by Purchaser, dated January 17, 2019, which the undersigned hereby acknowledges the undersigned has received (the "Offer to Purchase," which, together with this Letter of Transmittal, as they may be amended or supplemented from time to time, collectively constitute the "Offer"). The Offer expires on the Expiration Date. "Expiration Date" means one minute past 11:59 P.M., Eastern time, on February 14, 2019, unless the expiration of the Offer is extended to a subsequent date in accordance with the terms of the Agreement and Plan of Merger, dated January 5, 2019, by and among Lilly, Loxo Oncology and Purchaser, in which event the term "Expiration Date" means such subsequent date.

The undersigned hereby acknowledges that Purchaser reserves the right to transfer or assign, from time to time, in whole or in part, to one or more of its direct or indirect wholly-owned subsidiaries of Lilly, without the consent of Loxo Oncology, the right to purchase the Shares tendered herewith.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), subject to, and effective upon, acceptance for payment of the Shares validly tendered herewith and not properly withdrawn prior to the Expiration Date in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, Purchaser, all right, title and interest in and to all of the Shares being tendered hereby and any and all dividends, distributions, rights, other Shares or other securities issued or issuable in respect of such Shares on or after the date hereof (collectively, "Distributions"). In addition, the undersigned hereby irrevocably appoints Computershare Trust Company, N.A., (the "Depositary") as the true and lawful agent and attorney-in-fact and proxy of the undersigned with respect to such Shares and any and all Distributions with full power of substitution (such proxies and power of attorney being deemed to be an irrevocable power coupled with an interest in the tendered Shares and any Distributions) to the full extent of such stockholder's rights with respect to such Shares and any Distributions (a) to deliver certificates representing such Shares (the "Share Certificates") and any and all Distributions, or transfer of ownership of such Shares and any and all Distributions on the account books maintained by The Depository Trust Company ("DTC"), together, in either such case, with all accompanying evidence of transfer and authenticity, to or upon the order of Purchaser, (b) to present such Shares and any and all Distributions for transfer on the books of Loxo Oncology, and (c) to receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares and any Distributions, all upon the terms and subject to the conditions of the Offer.

By executing this Letter of Transmittal (or taking action resulting in the delivery of an Agent's Message), the undersigned hereby irrevocably appoints each of the designees of Purchaser the attorneys-in-fact and proxies of the undersigned, each with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares tendered hereby and not properly withdrawn which have been accepted for payment and with respect to any and all Distributions. The designees of Purchaser will, with respect to such Shares and Distributions, be empowered to exercise all voting and any other rights of such stockholder, as they, in their sole discretion, may deem proper at any annual, special, adjourned or postponed meeting of Loxo Oncology's stockholders, by written consent in lieu of any such meeting or otherwise as such designee, in its, his or her sole discretion, deems proper with respect to all Shares and any and all Distributions. This proxy and power of attorney shall be irrevocable and coupled with an interest in the tendered Shares and any and all Distributions. Such appointment is effective when, and only to the extent that, Purchaser accepts the Shares tendered with this Letter of Transmittal for payment pursuant to the Offer. Upon the effectiveness of such appointment, without further action, all prior powers of attorney, proxies and consents given by the undersigned with respect to such Shares and any and all associated Distributions (other than prior powers of attorney, proxies or consent given by the undersigned to Purchaser or Loxo Oncology) will be revoked, and no subsequent powers of attorney, proxies, consents or revocations (other than powers of attorney, proxies, consents or revocations given to Purchaser or Loxo Oncology) may be given (and, if given, will not be deemed effective).

Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Shares, Purchaser must be able to exercise full voting, consent and other rights, to the extent permitted under applicable law, with respect to such Shares and any and all Distributions, including voting at any meeting of stockholders or executing a written consent concerning any matter.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer any and all of the Shares tendered hereby and any and all Distributions and, when the same are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances, and that the same will not be subject to any adverse claim. The undersigned hereby represents and warrants that the undersigned is the registered owner of the Shares, or the Share Certificate(s) have been endorsed to the undersigned in blank, or the undersigned is a participant in DTC whose name appears on a security position listing as the owner of the Shares. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of any and all of the Shares tendered hereby and any and all Distributions. In addition, the undersigned shall promptly remit and transfer to the Depositary for the account of Purchaser any and all Distributions in respect of any and all of the Shares tendered hereby, accompanied by appropriate documentation of transfer and, pending such remittance and transfer or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of any such Distributions and may withhold the entire Offer Price or deduct from such Offer Price the amount or value thereof, as determined by Purchaser in its sole discretion.

It is understood that the undersigned will not receive payment for the Shares unless and until the Shares are accepted for payment and until the Share Certificate(s) owned by the undersigned are received by the Depositary at the address set forth

above, together with such additional documents as the Depositary may require, or, in the case of Shares held in book-entry form, ownership of Shares is validly transferred on the account books maintained by DTC, and until the same are processed for payment by the Depositary.

IT IS UNDERSTOOD THAT THE METHOD OF DELIVERY OF THE SHARES, THE SHARE CERTIFICATE(S) AND ALL OTHER REQUIRED DOCUMENTS (INCLUDING DELIVERY THROUGH DTC) IS AT THE OPTION AND RISK OF THE UNDERSIGNED AND THAT THE RISK OF LOSS OF SUCH SHARES, SHARE CERTIFICATE(S) AND OTHER DOCUMENTS SHALL PASS ONLY AFTER THE DEPOSITARY HAS ACTUALLY RECEIVED THE SHARES OR SHARE CERTIFICATE(S) (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION (AS DEFINED BELOW)). IF DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall not be affected by, and shall survive, the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal representatives, successors and assigns of the undersigned. Except upon the terms and subject to the conditions of the Offer, this tender is irrevocable.

The undersigned understands that the acceptance for payment by Purchaser of Shares tendered pursuant to one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer. The undersigned recognizes that under certain circumstances, upon the terms and subject to the conditions of the Offer, Purchaser may not be required to accept for payment any of the Shares tendered hereby.

Unless otherwise indicated herein under “Special Payment Instructions,” please issue the check for the Offer Price in the name(s) of, and/or return any Share Certificates representing Shares not validly tendered or accepted for payment to, the registered owner(s) appearing under “Description of Shares Tendered.” Similarly, unless otherwise indicated under “Special Delivery Instructions,” please mail the check for the Offer Price and/or return any Share Certificates representing Shares not validly tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered owner(s) appearing under “Description of Shares Tendered.”

In the event that both the Special Delivery Instructions and the Special Payment Instructions are completed, please issue the check for the Offer Price and/or issue any Share Certificates representing Shares not validly tendered or accepted for payment (and any accompanying documents, as appropriate) in the name of, and deliver such check and/or return such Share Certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. Unless otherwise indicated herein in the box titled “Special Payment Instructions,” please credit any Shares validly tendered hereby or by an Agent’s Message and delivered by book-entry transfer, but which are not purchased, by crediting the account at DTC designated above. The undersigned recognizes that Purchaser has no obligation pursuant to the Special Payment Instructions to transfer any Shares from the name of the registered owner thereof if Purchaser does not accept for payment any of the Shares so validly tendered.

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 4, 5 and 7)

To be completed ONLY if Share Certificate(s) not validly tendered or not accepted for payment and/or the check for the Offer price in consideration of Shares validly tendered and accepted for payment are to be issued in the name of someone other than the undersigned or if Shares validly tendered by book-entry transfer which are not accepted for payment are to be returned by credit to an account maintained at DTC other than that designated above.

Issue: ☐ Check and/or
☐ Share Certificates to:

Name: _____
(Please Print)

Address: _____

_____
(Include Zip Code)

_____
(Tax Identification or Social Security Number)

☐ **Credit Shares tendered by book-entry transfer that are not accepted for payment to the DTC account set forth below.**

_____
(DTC Account Number)

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 1, 4, 5 and 7)

To be completed ONLY if Share Certificate(s) not validly tendered or not accepted for payment and/or the check for the Offer price of Shares validly tendered and accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown in the box titled “Description of Shares Tendered” above.

Issue: ☐ Check and/or
☐ Share Certificates to:

Name: _____
(Please Print)

Address: _____

_____
(Include Zip Code)

IMPORTANT – SIGN HERE
(U.S. Holders Please Also Complete the Enclosed IRS Form W-9)
(Non-U.S. Holders Please Obtain and Complete IRS Form W-8BEN or W-8BEN-E or Other Applicable IRS Form W-8)

_____

(Signature(s) of Stockholder(s))

Dated: _____ , 2019

(Must be signed by registered owner(s) exactly as name(s) appear(s) on Share Certificate(s) or on a security position listing or by person(s) authorized to become registered owner(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5. For information concerning signature guarantees, see Instruction 1.)

Name(s): _____

(Please Print)

Capacity (full title): _____

Address: _____

(Include Zip Code)

Area Code and Telephone Number: _____

Tax Identification or Social Security No.: _____

GUARANTEE OF SIGNATURE(S)
(For use by Eligible Institutions only; see Instructions 1 and 5)

Name of Firm: _____

_____

(Include Zip Code)

Authorized Signature: _____

Name: _____

_____

(Please Type or Print)

Area Code and Telephone Number: _____

Dated: _____, 2019

_____

Place medallion guarantee in space below:

INSTRUCTIONS
Forming Part of the Terms and Conditions of the Offer

1. Guarantee of Signatures for Shares. No signature guarantee is required on this Letter of Transmittal (a) if this Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Section 1, includes any participant in DTC's systems whose name appears on a security position listing as the owner of the Shares) of the Shares tendered therewith, unless such holder or holders have completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the cover of this Letter of Transmittal or (b) if the Shares are tendered for the account of a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of the Security Transfer Agents Medallion Program or any other "eligible guarantor institution," as such term is defined in Rule 17Ad-15 of the Exchange Act (each an "Eligible Institution" and collectively "Eligible Institutions") (for example, the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program). In all other cases, all signatures on this Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 5.

2. Delivery of Letter of Transmittal and Certificates or Book-Entry Confirmations. This Letter of Transmittal is to be completed by stockholders if Share Certificates are to be forwarded herewith. If Shares represented by Share Certificates are being tendered, such Share Certificates, as well as this Letter of Transmittal properly completed and duly executed with any required signature guarantees, and any other documents required by this Letter of Transmittal, must be received by the Depositary at its address set forth herein on or prior to the Expiration Date. If Shares are to be tendered by book-entry transfer, the procedures for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase must be followed, and an Agent's Message and confirmation of a book-entry transfer into the Depositary's account at DTC of Shares tendered by book-entry transfer (such a confirmation, a "Book-Entry Confirmation") must be received by the Depositary on or prior to the Expiration Date.

The term "Agent's Message" means a message, transmitted through electronic means by DTC in accordance with the normal procedures of DTC to, and received by, the Depositary and forming part of a Book-Entry Confirmation, that states that DTC has received an express acknowledgment from the participant in DTC tendering the Shares that are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of, this Letter of Transmittal, and that Purchaser may enforce such agreement against such participant. The term "Agent's Message" also includes any hard copy printout evidencing such message generated by a computer terminal maintained at the Depositary's office.

THE METHOD OF DELIVERY OF THE SHARES (OR SHARE CERTIFICATES), THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. DELIVERY OF THE SHARES (OR SHARE CERTIFICATES), THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS WILL BE DEEMED MADE, AND RISK OF LOSS THEREOF SHALL PASS, ONLY WHEN THEY ARE ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER OF SHARES, BY BOOK-ENTRY CONFIRMATION WITH RESPECT TO SUCH SHARES). IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT THE SHARES (OR SHARE CERTIFICATES), THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. All tendering stockholders, by execution of this Letter of Transmittal, waive any right to receive any notice of the acceptance of their Shares for payment.

All questions as to validity, form and eligibility (including time of receipt) of the surrender of any Share Certificate hereunder, including questions as to the proper completion or execution of any Letter of Transmittal or other required documents and as to the proper form for transfer of any certificate of Shares, will be determined by Purchaser in its sole and absolute discretion (which may be delegated in whole or in part to the Depositary), which determination will be final and binding, subject to any judgment of any court of competent jurisdiction. Purchaser reserves the absolute right to reject any

and all tenders determined by it not to be in proper form or the acceptance for payment of or payment for which may be unlawful. Purchaser also reserves the absolute right to waive any defect or irregularity in the surrender of any Shares or Share Certificate(s) whether or not similar defects or irregularities are waived in the case of any other stockholder. A surrender will not be deemed to have been validly made until all defects and irregularities have been cured or waived.

3. Inadequate Space. If the space provided on the cover page to this Letter of Transmittal is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate schedule attached hereto and separately signed on each page thereof in the same manner as this Letter of Transmittal is signed.

4. Partial Tenders (Applicable to Certificate Stockholders Only). If fewer than all the Shares evidenced by any Share Certificate delivered to the Depositary are to be tendered, stockholders should contact Loxo Oncology's stock transfer agent, American Stock Transfer & Trust Company, LLC (the "Transfer Agent"), at (718) 921-8124 (toll free in the United States) to arrange to have such Share Certificate divided into separate Share Certificates representing the number of shares to be tendered and the number of shares to not be tendered. The stockholder should then tender the Share Certificate representing the number of Shares to be tendered as set forth in this Letter of Transmittal. All Shares represented by Share Certificates delivered to the Depositary will be deemed to have been tendered.

5. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered owner(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificate(s) without alteration or any other change whatsoever.

If any Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered Shares are registered in the names of different holder(s), it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such Shares.

If this Letter of Transmittal or any certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and proper evidence satisfactory to Purchaser of their authority so to act must be submitted.

If this Letter of Transmittal is signed by the registered owner(s) of the Shares listed and transmitted hereby, no endorsements of Share Certificates or separate stock powers are required unless payment is to be made to, or Share Certificates representing Shares not tendered or accepted for payment are to be issued in the name of, a person other than the registered owner(s), in which case the Share Certificates representing the Shares tendered by this Letter of Transmittal must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name(s) of the registered owner(s) or holder(s) appear(s) on the Share Certificates. Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Share(s) listed, the Share Certificate(s) must be endorsed or accompanied by the appropriate stock powers, in either case, signed exactly as the name or names of the registered owner(s) or holder(s) appear(s) on the Share Certificate(s). Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

6. Transfer Taxes. Except as otherwise provided in this Instruction 6, all transfer taxes with respect to the transfer and sale of Shares contemplated hereby shall be paid or caused to be paid by Purchaser. If payment of the Offer Price is to be made to, or (in the circumstances permitted hereby) if Share Certificates not validly tendered or accepted for payment are to be registered in the name of, any person other than the registered owner(s), or if tendered Share Certificates are registered in the name of any person other than the person signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered owner(s) or such person) payable on account of the transfer to such person will be deducted from the Offer Price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted.

7. Special Payment and Delivery Instructions. If a check for the Offer Price is to be issued, and/or Share Certificates representing Shares not validly tendered or accepted for payment are to be issued or returned to, a person other than the

signer(s) of this Letter of Transmittal or to an address other than that shown in the box titled "Description of Shares Tendered" above, the appropriate boxes on this Letter of Transmittal should be completed. Stockholders delivering Shares tendered hereby or by Agent's Message by book-entry transfer may request that Shares not purchased be credited to an account maintained at DTC as such stockholder may designate in the box titled "Special Payment Instructions" herein. If no such instructions are given, all such Shares not purchased will be returned by crediting the same account at DTC as the account from which such Shares were delivered.

8. Requests for Assistance or Additional Copies. Questions or requests for assistance may be directed to Georgeson LLC (the "Information Agent") at its address and telephone number set forth below or to your broker, dealer, commercial bank or trust company. Additional copies of the Offer to Purchase, this Letter of Transmittal and other tender offer materials may be obtained from the Information Agent as set forth below, and will be furnished at Purchaser's expense.

9. U.S. Federal Backup Withholding. Under U.S. federal income tax laws, the Depositary will be required to withhold a portion of the amount of any payments made to certain stockholders (or other payees) pursuant to the Offer, as applicable. To avoid backup withholding, each tendering stockholder (or other payee) that is or is treated as a United States person (for U.S. federal income tax purposes) and that does not otherwise establish an exemption from U.S. federal backup withholding must complete and return the attached Internal Revenue Service ("IRS") Form W-9, certifying that such stockholder (or other payee) is a United States person, that the taxpayer identification number ("TIN") provided is correct, and that such stockholder (or other payee) is not subject to backup withholding.

Certain stockholders and other payees (including, among others, corporations, non-resident foreign individuals and foreign entities) are not subject to these backup withholding and reporting requirements. Exempt United States persons should indicate their exempt status on IRS Form W-9. A tendering stockholder (or other payee) who is a foreign individual or a foreign entity should complete, sign, and submit to the Depositary the appropriate IRS Form W-8. The appropriate IRS Form W-8 may be downloaded from the Internal Revenue Service's website at the following address: *http://www.irs.gov*. Failure to complete the IRS Form W-9 or the appropriate IRS Form W-8 will not, by itself, cause Shares to be deemed invalidly tendered, but may require the Depositary to withhold a portion of the amount of any payments made of the Offer Price pursuant to the Offer. Tendering stockholders (or other payees) should consult their tax advisors as to any qualification for exemption from backup withholding, and the procedure for obtaining the exemption.

NOTE: FAILURE TO COMPLETE AND RETURN THE IRS FORM W-9 (OR APPROPRIATE IRS FORM W-8, AS APPLICABLE) MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE "IMPORTANT U.S. TAX INFORMATION" SECTION BELOW.

10. Lost, Destroyed, Mutilated or Stolen Share Certificates. If any Share Certificate has been lost, destroyed, mutilated or stolen, the stockholder should promptly notify the Transfer Agent, at (718) 921-8124 (toll free in the United States). The stockholder will then be instructed as to the steps that must be taken in order to replace the Share Certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, mutilated, destroyed or stolen Share Certificates have been followed.

11. Waiver of Conditions. Purchaser expressly reserves the right, in its sole discretion, to, upon the terms and subject to the conditions of the Offer, increase the Offer Price, waive any Offer Condition (as defined in the Offer to Purchase) or make any other changes to the terms and conditions of the Offer.

IMPORTANT: THIS LETTER OF TRANSMITTAL OR AN AGENT'S MESSAGE, TOGETHER WITH SHARE CERTIFICATE(S) OR BOOK-ENTRY CONFIRMATION AND ALL OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE.

IMPORTANT U.S. TAX INFORMATION

Under U.S. federal income tax law, a stockholder (or other payee) whose tendered Shares are accepted for payment is required by law to provide the Depositary (as payer) with such stockholder's (or other payee's) properly certified TIN and certain other information on an IRS Form W-9 or otherwise establish a basis for exemption from backup withholding (including by providing a properly completed and correct applicable IRS Form W-8). If such stockholder (or other payee) is a U.S. individual, the TIN is such stockholder's (or other payee's) social security number. If the Depositary is not provided with the correct TIN in the required manner or the stockholder (or other payee) does not otherwise establish its exemption from backup withholding (as described below), payments that are made to such stockholder (or other payee) with respect to Shares purchased pursuant to the Offer may be subject to backup withholding.

If backup withholding of U.S. federal income tax on payments for Shares made in the Offer or under the Merger Agreement applies, the Depositary is required to withhold 24% of any payments of the Offer Price made to the stockholder (or other payee). Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may be obtained from the IRS provided that the required information is timely furnished to the IRS.

Exempt Stockholders

Certain stockholders and other payees (including, among others, corporations, non-resident foreign individuals and foreign entities) are not subject to these backup withholding and reporting requirements. An exempt stockholder (or other exempt payee) that is a United States person should indicate its exempt status on IRS Form W-9, in accordance with the instructions thereto. A stockholder (or other payee) who is a foreign individual or a foreign entity should complete, sign, and submit to the Depositary the appropriate IRS Form W-8. The appropriate IRS Form W-8 may be downloaded from the IRS's website at the following address: *http://www.irs.gov*.

Please consult your tax advisor for further guidance regarding the completion of the IRS Form W-9, IRS Form W-8BEN or W-8BEN-E (or other applicable IRS Form W-8) to claim exemption from backup withholding. Failure to complete the IRS Form W-9 will not, by itself, cause Shares to be deemed invalidly tendered, but may require the Depositary to withhold a portion of the amount of any payments of the Offer Price pursuant to the Offer.

Print or type.
See **Specific Instructions** on page 3.

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

u **Go to *www.irs.gov/FormW9* for instructions and the latest information.**

Give Form to the requester. Do not send to the IRS.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) u _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) u

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person** u **Date** u

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the instructions for Part II for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	**THEN check the box for . . .**
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1 – An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2 – The United States or any of its agencies or instrumentalities

3 – A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4 – A foreign government or any of its political subdivisions, agencies, or instrumentalities

5 – A corporation

6 – A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7 – A futures commission merchant registered with the Commodity Futures Trading Commission

8 – A real estate investment trust

9 – An entity registered at all times during the tax year under the Investment Company Act of 1940

10 – A common trust fund operated by a bank under section 584(a)

11 – A financial institution

12 – A middleman known in the investment community as a nominee or custodian

13 – A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

1 See Form 1099-MISC, Miscellaneous Income, and its instructions.
2 However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A – An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B – The United States or any of its agencies or instrumentalities

C – A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D – A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E – A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F – A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G – A real estate investment trust

H – A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I – A common trust fund as defined in section 584(a)

J – A bank as defined in section 581

K – A broker

L – A trust exempt from tax under section 664 or described in section 4947(a)(1)

M – A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/Businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions,

payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor[2]
5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee[1] The actual owner[1]
6. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity[4]
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

1 List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

2 Circle the minor's name and furnish the minor's SSN.

3 You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

4 List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov.* You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint.* You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Visit *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

The Depositary for the Offer to Purchase is:

Computershare

If delivering by mail:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
P.O. Box 43011
Providence, Rhode Island 02940-3011

If delivering by courier:

Computershare Trust Company, N.A.
c/o Voluntary Corporate Actions
250 Royall Street, Suite V
Canton, Massachusetts 02021

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

Any questions or requests for assistance may be directed to the Information Agent at its telephone number and location listed below. Requests for additional copies of this Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent at its telephone number and location listed below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

Georgeson

1290 Avenue of the Americas, 9th Floor
New York, NY 10104

Shareholders, Banks and Brokers

Call Toll Free: 1-866-413-5901

Via Email: LOXO@GEORGESON.COM

Offer to Purchase
All Outstanding Shares of Common Stock
of
LOXO ONCOLOGY, INC.
at
$235.00 PER SHARE, Net in Cash
Pursuant to the Offer to Purchase dated January 17, 2019
by
BOWFIN ACQUISITION CORPORATION,
a wholly-owned subsidiary
of
ELI LILLY AND COMPANY

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE PAST 11:59 P.M., EASTERN TIME, ON FEBRUARY 14, 2019, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

January 17, 2019

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

We have been engaged by Bowfin Acquisition Corporation, a Delaware corporation ("Purchaser") and wholly-owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Lilly"), to act as information agent (the "Information Agent") in connection with Purchaser's offer to purchase all of the outstanding shares of common stock, par value $0.0001 per share (the "Shares"), of Loxo Oncology, Inc., a Delaware corporation ("Loxo Oncology"), at a purchase price of $235.00 per Share, net to the seller in cash, without interest and less any applicable tax withholding, upon the terms and subject to the conditions of the Offer to Purchase, dated January 17, 2019 (the "Offer to Purchase") and the related Letter of Transmittal (which, together with the Offer to Purchase, as they may be amended or supplemented from time to time, collectively constitute the "Offer"). Please furnish copies of the enclosed materials to those of your clients for whom you hold Shares registered in your name or in the name of your nominee.

The conditions to the Offer are described in Section 15 of the Offer to Purchase.

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. The Offer to Purchase;

2. The Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on IRS Form W-9) for your use in accepting the Offer and tendering Shares and for the information of your clients;

3. A form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer;

4. Loxo Oncology's Solicitation/Recommendation Statement on Schedule 14D-9; and

5. A return envelope addressed to the Depositary for your use only.

We urge you to contact your clients as promptly as possible. Please note that the Offer and withdrawal rights will expire at one minute past 11:59 P.M., Eastern time, on February 14, 2019, unless the Offer is extended or earlier terminated. We are not providing for guaranteed delivery procedures.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated January 5, 2019 (as it may be amended from time to time, the "Merger Agreement"), by and among Loxo Oncology, Lilly and Purchaser pursuant to which, after consummation of the Offer and the satisfaction or waiver of certain conditions, Purchaser will merge with and into Loxo Oncology pursuant to Section 251(h) of the General Corporation Law of the State of Delaware, as amended (the "DGCL"), upon the terms and subject to the conditions set forth in the Merger Agreement, with Loxo Oncology continuing as the surviving corporation and becoming a wholly-owned subsidiary of Lilly (the "Merger").

The Board of Directors of Loxo Oncology has unanimously: (i) determined that the Offer, the Merger and the other transactions contemplated by the Merger Agreement (collectively, the "Transactions") are fair to and in the best interests of Loxo Oncology and its stockholders; (ii) duly authorized and approved the execution, delivery and performance by Loxo Oncology of the Merger Agreement and the consummation by Loxo Oncology of the Transactions; (iii) declared the Merger Agreement and the Transactions advisable; (iv) recommended that Loxo Oncology's stockholders tender their Shares in the Offer; and (v) resolved that the Merger shall be governed by and effected under Section 251(h) of the DGCL.

For Shares to be properly tendered to the Purchaser pursuant to the Offer, the share certificates or confirmation of receipt of such Shares under the procedure for book-entry transfer, together with a properly completed and duly executed Letter of Transmittal, including any required signature guarantees, or an "Agent's Message" (as defined in the Offer to Purchase) in the case of book-entry transfer, and any other documents required in the Letter of Transmittal, must be timely received by the Depositary.

Purchaser will not pay any fees or commissions to any broker or dealer or to any other person (other than to the Depositary and the Information Agent as described in the Offer to Purchase) in connection with the solicitation of tenders of Shares pursuant to the Offer. Purchaser will, however, upon request, reimburse brokers, dealers, commercial banks and trust companies for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers. Purchaser will pay all stock transfer taxes applicable to its purchase of Shares pursuant to the Offer, subject to Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed materials may be obtained from, the Information Agent or the undersigned at the addresses and telephone numbers set forth on the back cover of the Offer to Purchase.

Very truly yours,

GEORGESON LLC

Nothing contained herein or in the enclosed documents shall render you, the agent of Purchaser, the Information Agent or the Depositary or any affiliate of any of them or authorize you or any other person to use any document or make any statement on behalf of any of them in connection with the Offer other than the enclosed documents and the statements contained therein.

The Information Agent for the Offer is:

Georgeson

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Shareholders, Banks and Brokers

Call Toll Free: 1-866-413-5901

Via Email: LOXO@GEORGESON.COM

Offer to Purchase
All Outstanding Shares of Common Stock
of
LOXO ONCOLOGY, INC.
at
$235.00 PER SHARE, NET IN CASH
Pursuant to the Offer to Purchase dated January 17, 2019
by
BOWFIN ACQUISITION CORPORATION,
a wholly-owned subsidiary
of
ELI LILLY AND COMPANY

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE PAST 11:59 P.M., EASTERN TIME, ON FEBRUARY 14, 2019, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

January 17, 2019

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated January 17, 2019 (the "Offer to Purchase"), and the related Letter of Transmittal in connection with the offer by Bowfin Acquisition Corporation, a Delaware corporation ("Purchaser") and wholly-owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Lilly"), to purchase all of the outstanding shares of common stock, par value $0.0001 per share (the "Shares") of Loxo Oncology, Inc., a Delaware corporation ("Loxo Oncology"), at a purchase price of $235.00 per Share, net to the seller in cash, without interest and less any applicable tax withholding, upon the terms and subject to the conditions of the Offer to Purchase and the related Letter of Transmittal (which, together with the Offer to Purchase, as they may be amended or supplemented from time to time, collectively constitute the "Offer").

Also enclosed is Loxo Oncology's Solicitation/Recommendation Statement on Schedule 14D-9.

THE BOARD OF DIRECTORS OF LOXO ONCOLOGY UNANIMOUSLY RECOMMENDS THAT YOU TENDER ALL OF YOUR SHARES IN THE OFFER.

We or our nominees are the holder of record of Shares held for your account. A tender of such Shares can be made only by us as the holder of record and pursuant to your instructions. **The Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.**

We request instructions as to whether you wish us to tender any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the enclosed Offer to Purchase and the Letter of Transmittal.

Please note carefully the following:

1. The offer price for the Offer is $235.00 per Share, net to you in cash, without interest and less any applicable tax withholding.

2. The Offer is being made for all outstanding Shares.

3. The Offer is being made pursuant to an Agreement and Plan of Merger, dated January 5, 2019 (as it may be amended from time to time, the "Merger Agreement"), by and among Loxo Oncology, Lilly, and Purchaser. The Merger Agreement provides, among other things, that following the consummation of the Offer and subject to certain conditions, Purchaser will be merged with and into Loxo Oncology pursuant to Section 251(h) of the General Corporation Law of the State of Delaware, as amended (the "DGCL"), with Loxo Oncology continuing as the surviving corporation and becoming a wholly-owned subsidiary of Lilly (the "Merger").

4. The Board of Directors of Loxo Oncology has unanimously: (i) determined that the Offer, the Merger and the other transactions contemplated by the Merger Agreement (collectively, the "Transactions") are fair to and in the best interests of Loxo Oncology and its stockholders; (ii) duly authorized and approved the execution, delivery and performance by Loxo Oncology of the Merger Agreement and the consummation by Loxo Oncology of the Transactions; (iii) declared the Merger Agreement and the Transactions advisable; (iv) recommended that Loxo Oncology's stockholders tender their Shares in the Offer; and (v) resolved that the Merger shall be governed by and effected under Section 251(h) of the DGCL.

5. The Offer and withdrawal rights will expire at one minute past 11:59 P.M., Eastern time, on February 14, 2019, unless the Offer is extended or earlier terminated.

6. The Offer is not subject to a financing condition. The Offer is subject to the conditions described in Section 15 of the Offer to Purchase.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing, detaching and returning to us the Instruction Form on the detachable part hereof. An envelope to return your instructions to us is enclosed. If you authorize tender of your Shares, all such Shares will be tendered unless otherwise specified on the Instruction Form.

Your prompt action is requested. Your Instruction Form should be forwarded to us in ample time to permit us to submit the tender on your behalf before the expiration of the Offer.

The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction.

INSTRUCTION FORM
With Respect to the Offer to Purchase
All Outstanding Shares of Common Stock
of
LOXO ONCOLOGY, INC.
at
$235.00 Per Share, Net in Cash
Pursuant to the Offer to Purchase dated January 17, 2019
by
BOWFIN ACQUISITION CORPORATION,
a wholly-owned subsidiary
of
ELI LILLY AND COMPANY

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated January 17, 2019, and the related Letter of Transmittal, in connection with the offer by Bowfin Acquisition Corporation, a Delaware corporation ("Purchaser") and wholly-owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Lilly"), to purchase all of the outstanding shares of common stock, par value $0.0001 per share (the "Shares") of Loxo Oncology, Inc., a Delaware corporation ("Loxo Oncology"), at a purchase price of $235.00 per Share, net to the seller in cash, without interest and less any applicable tax withholding, upon the terms and subject to the conditions of the Offer to Purchase, dated January 17, 2019 (the "Offer to Purchase") and the related Letter of Transmittal (which, together with the Offer to Purchase, as they may be amended or supplemented from time to time, collectively constitute the "Offer").

The undersigned hereby instruct(s) you to tender to Purchaser the number of Shares indicated below (or, if no number is indicated, all Shares) which are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer. The undersigned understands and acknowledges that all questions as to validity, form and eligibility of the surrender of any certificate representing Shares submitted on the undersigned's behalf will be determined by Purchaser and such determination shall be final and binding, subject to any judgment of any court of competent jurisdiction.

The method of delivery of this document is at the election and risk of the tendering stockholder. If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

Number of Shares to be Tendered:	SIGN HERE
Shares*	Signature(s)
Account No _____ Dated , 2019 **Area Code and Phone Number** _____ **Tax Identification Number or Social Security Number**	_____ _____ _____ _____ **Please Print name(s) and address(es) here**

*** Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.**

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is made only by the Offer to Purchase, dated January 17, 2019, and the related Letter of Transmittal and any amendments or supplements thereto, and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, "blue sky" or other laws of such jurisdiction. In jurisdictions where applicable laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser (as defined below) by one or more registered brokers or dealers licensed under the laws of such jurisdiction to be designated by Purchaser.

Notice of Offer to Purchase
All Outstanding Shares of Common Stock
of
LOXO ONCOLOGY, INC.
at $235.00 Per Share, Net in Cash
by
BOWFIN ACQUISITION CORPORATION,
a wholly-owned subsidiary
of
ELI LILLY AND COMPANY

Bowfin Acquisition Corporation, a Delaware corporation ("Purchaser") and wholly-owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Lilly"), is offering to purchase all of the outstanding shares of common stock, par value $0.0001 per share (the "Shares"), of Loxo Oncology, Inc., a Delaware corporation ("Loxo Oncology"), at a purchase price of $235.00 per Share (the "Offer Price"), net to the seller in cash, without interest and less any applicable tax withholding, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 17, 2019, and in the related Letter of Transmittal (which, together with the Offer to Purchase, as they may be amended or supplemented from time to time, collectively constitute the "Offer"). Stockholders of record who tender directly to Computershare Trust Company, N.A. (the "Depositary") will not be obligated to pay brokerage fees or commissions or, except as may be set forth in the Letter of Transmittal, transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer. Stockholders who hold their Shares through a broker, dealer, commercial bank, trust company or other nominee should consult such institution as to whether it charges any service fees or commissions.

THE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE PAST 11:59 P.M., EASTERN TIME, ON FEBRUARY 14, 2019, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated January 5, 2019 (as it may be amended from time to time, the "Merger Agreement"), by and among Loxo Oncology, Lilly and Purchaser. The Merger Agreement provides, among other things, that, following the consummation of the Offer and subject to certain conditions, Purchaser will be merged with and into Loxo Oncology pursuant to Section 251(h) of the General Corporation Law of the State of Delaware, as amended (the "DGCL"), with Loxo Oncology continuing as the surviving corporation and becoming a wholly-owned subsidiary of Lilly (the "Merger"). In the Merger, each Share issued and outstanding immediately prior to the effective time of the Merger (the "Effective Time") (other than (i) Shares owned by Loxo Oncology or Loxo Oncology's wholly-owned subsidiary immediately prior to the Effective Time, (ii) Shares owned by Lilly, Purchaser or any subsidiary of Lilly at the commencement of the Offer and owned by Lilly, Purchaser or any subsidiary of Lilly immediately prior to the Effective Time or (iii) Shares held by any stockholder who is entitled to demand and properly demands appraisal of such Shares pursuant to, and who complies in all respects with, Section 262 of the DGCL and who, as of the Effective Time, has neither effectively withdrawn nor lost its rights to such appraisal and payment under the DGCL with respect to such Shares) will be converted into the right to receive an amount in cash equal to the Offer Price without interest, less any applicable tax withholding.

The Offer is not subject to a financing condition. The obligation of Purchaser to accept for payment and pay for Shares validly tendered (and not properly withdrawn) pursuant to the Offer is subject to the satisfaction of the conditions set forth in Section 15 of the Offer to Purchase (collectively, the "Offer Conditions"), including the Minimum Tender Condition (as defined below) and the Antitrust Condition (as defined below).

The term "Expiration Date" means February 14, 2019, unless the expiration of the Offer is extended to a subsequent date in accordance with the terms of the Merger Agreement, in which event the term "Expiration Date" means such subsequent date.

The Board of Directors of Loxo Oncology has unanimously: (i) determined that the Offer, the Merger and the other transactions contemplated by the Merger Agreement (collectively, the "Transactions") are fair to and in the best interests of Loxo Oncology and its stockholders; (ii) duly authorized and approved the execution, delivery and performance by Loxo Oncology of the Merger Agreement and the consummation by Loxo Oncology of the Transactions; (iii) declared the Merger Agreement and the Transactions advisable; (iv) recommended that Loxo Oncology's stockholders tender their Shares in the Offer; and (v) resolved that the Merger shall be governed by and effected under Section 251(h) of the DGCL.

The Merger Agreement contains provisions that govern the circumstances under which Purchaser is required or permitted to extend the Offer and under which Lilly is required to cause Purchaser to extend the Offer. Specifically, the Merger Agreement provides that: (i) if, at the scheduled expiration date of the Offer, any Offer Condition (as set forth in Section 15 of the Offer to Purchase) other than the Minimum Tender Condition has not been satisfied or waived, Purchaser shall, and Lilly shall cause Purchaser to, extend the Offer for one or more consecutive increments of not more than ten business days each (or such longer period as Lilly and Loxo Oncology may agree), until such time as such conditions have been satisfied or waived; (ii) Purchaser shall, and Lilly shall cause Purchaser to, extend the Offer for the minimum period required by any rule, regulation, interpretation or position of the Securities and Exchange Commission or the staff thereof or The Nasdaq Global Market applicable to the Offer; and (iii) if, at the scheduled expiration date of the Offer, each Offer Condition (other than the Minimum Tender Condition) shall have been satisfied or waived, and the Minimum Tender Condition shall not have been satisfied, Purchaser may (and if so requested by Loxo Oncology, Purchaser shall, and Lilly shall cause Purchaser to), extend the Offer for one or more consecutive increments of such duration as requested by Loxo Oncology but not more than ten business days each (or for such longer period as may be agreed between Loxo Oncology and Lilly); provided that Loxo Oncology shall not request Purchaser to, and Lilly shall not be required to cause Purchaser to, extend the Offer on more than three occasions. In each case, Purchaser shall not, and is not required to extend the Offer beyond the Outside Date, without Loxo Oncology's consent. The "Outside Date" means July 5, 2019.

The "Minimum Tender Condition" means that there shall have been validly tendered in the Offer (and not properly withdrawn) prior to the expiration of the Offer that number of Shares that, when added to the Shares then owned by Lilly, Purchaser or any other subsidiary of Lilly, would represent a majority of Shares outstanding as of immediately following the consummation of the Offer.

The "Antitrust Condition" means the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, applicable to the purchase of the Shares pursuant to the Offer and the consummation of the Merger shall have either expired or been terminated.

If the Offer is consummated, Purchaser will not seek the approval of Loxo Oncology's remaining stockholders before effecting the Merger. Lilly, Purchaser and Loxo Oncology have elected to have the Merger Agreement and the Transactions governed by Section 251(h) of the DGCL and agreed that the Merger will be effected as soon as practicable following the consummation of the Offer. Under Section 251(h) of the DGCL, the consummation of the Merger does not require a vote or action by written consent of Loxo Oncology's stockholders.

Purchaser expressly reserves the right to waive, in its sole discretion, in whole or in part, any Offer Condition or modify the terms of the Offer in any manner not inconsistent with the Merger Agreement, except that Loxo

Oncology's prior written approval is required for Purchaser to, and for Lilly to permit Purchaser to: (i) reduce the number of Shares subject to the Offer; (ii) reduce the Offer Price; (iii) waive, amend or modify the Minimum Tender Condition or the Termination Condition (as defined below); (iv) add to the Offer Conditions or impose any other conditions on the Offer or amend, modify or supplement any Offer Condition in any manner adverse to the holders of Shares; (v) except as otherwise provided in the Merger Agreement, terminate, extend or otherwise amend or modify the Expiration Date of the Offer; (vi) change the form or terms of consideration payable in the Offer; (vii) otherwise amend, modify or supplement any of the terms of the Offer in any manner adverse to holders of Shares; or (viii) provide for any "subsequent offering period" in accordance with Rule 14d-11 of the Exchange Act. Purchaser and Lilly may not waive the Minimum Tender Condition or the Termination Condition.

The "Termination Condition" means that the Merger Agreement shall have been validly terminated in accordance with its terms.

Any extension, delay, termination or amendment of the Offer will be followed as promptly as practicable by a public announcement thereof, and such announcement in the case of an extension will be made no later than 9:00 a.m., Eastern time, on the business day after the previously scheduled Expiration Date.

Purchaser is not providing for guaranteed delivery procedures. Therefore, Loxo Oncology stockholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of The Depository Trust Company, which is earlier than one minute after 11:59 p.m., Eastern time, on the Expiration Date. In addition, for Loxo Oncology stockholders who are registered holders, the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees (or in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal) and any other documents required by the Letter of Transmittal must be received by the Depositary prior to one minute after 11:59 p.m., Eastern time, on the Expiration Date.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not properly withdrawn as, if and when it gives oral or written notice to the Depositary of its acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the Offer Price for such Shares with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from Lilly and Purchaser and transmitting such payments to tendering stockholders. **Under no circumstances will Lilly or Purchaser pay interest on the Offer Price, regardless of any extension of the Offer or any delay in making such payment.**

In all cases, Purchaser will pay for Shares validly tendered and accepted for payment pursuant to the Offer only after timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation of a book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company ("DTC") pursuant to the procedures set forth in Section 3 of the Offer to Purchase, (ii) the Letter of Transmittal, properly completed and duly executed, with all required signature guarantees and (iii) any other documents required by the Letter of Transmittal or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal and such other documents.

Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, tenders are irrevocable, except that if Purchaser has not accepted your Shares for payment within 60 days of commencement of the Offer, you may withdraw them at any time after March 18, 2019, the 60th day after commencement of the Offer, until Purchaser accepts your Shares for payment.

For a withdrawal of Shares to be effective, the Depositary must timely receive a written or facsimile transmission notice of withdrawal at one of its addresses set forth on the back cover of the Offer to Purchase. Any notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the names in which the Share Certificates are registered, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal must be guaranteed by an "eligible institution," unless such Shares have been tendered for the account of an "eligible institution." If Shares have

been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Shares. If Share Certificates representing the Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the name of the registered owners and the serial numbers shown on such Share Certificates must also be furnished to the Depositary.

Withdrawals of tenders of Shares may not be rescinded and any Shares properly withdrawn will be deemed not validly tendered for purposes of the Offer. Withdrawn Shares may, however, be retendered by following one of the procedures for tendering Shares described in Section 3 of the Offer to Purchase at any time prior to the scheduled expiration of the Offer.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

Loxo Oncology has provided Purchaser with Loxo Oncology's stockholder list and security position listings for the purpose of disseminating the Offer to Purchase, the related Letter of Transmittal and related documents to holders of Shares. The Offer to Purchase and related Letter of Transmittal will be mailed to record holders of Shares whose names appear on Loxo Oncology's stockholder list and will be furnished for subsequent transmittal to beneficial owners of Shares to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing.

The receipt of cash by a holder of Shares pursuant to the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes. See Section 5 of the Offer to Purchase for a more detailed discussion of the U.S. federal income tax treatment of the Offer. **You are urged to consult with your own tax advisor as to the particular tax consequences to you of the Offer and the Merger in light of your particular circumstances (including the application and effect of any U.S. federal, state, local or non-U.S. income and other tax laws).**

The Offer to Purchase and the related Letter of Transmittal contain important information. Stockholders should carefully read both documents in their entirety before any decision is made with respect to the Offer.

Questions or requests for assistance may be directed to Georgeson LLC (the "Information Agent") at the address and telephone numbers set forth below. Requests for copies of the Offer to Purchase and the related Letter of Transmittal may be directed to the Information Agent or to brokers, dealers, commercial banks or trust companies. Such copies will be furnished promptly at Purchaser's expense. Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than the Information Agent or the Depositary) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

Georgeson

1290 Avenue of the Americas, 9th Floor
New York, NY 10104

Shareholders, Banks and Brokers

Call Toll Free: 1-866-413-5901

Via Email: LOXO@GEORGESON.COM

Exhibit (d)(3)

December 22, 2018

CONFIDENTIAL

Eli Lilly and Company
Lilly Corporate Center
Indianapolis, Indiana 46285

Ladies and Gentlemen:

In connection with discussions between Eli Lilly and Company ("you") and Loxo Oncology, Inc. (the "Company" and collectively with you, the "parties") of a possible negotiated acquisition transaction (a "Transaction"), the parties will furnish to each other certain information that is proprietary, non-public and/or confidential concerning the other party, its affiliates or subsidiaries and/or its business, including Confidential Information (as defined below in Section 1). The party's whose information is disclosed hereunder is referred to as the "Discloser" and the party that receives Discloser's information hereinafter is referred to as the "Recipient").

1. As a condition to furnishing such information to the Recipient, the Discloser requires that the Recipient agrees to treat, and direct its Representatives (as defined below in this Section 1) to treat, confidentially any information and data (including, without limitation, forecasts, projections, financial or business plans, information regarding products and product development plans, information regarding tests, pre-clinical studies and clinical trials and the results thereof, information regarding regulatory matters and communications with regulators, marketing plans, information regarding customers, partners, licensees, employees, contracts and contract terms, and information regarding inventions, processes, intellectual property, patent applications and know-how), whether prepared by a party, its affiliates, subsidiaries, agents, advisors or otherwise, and whether oral, written or electronic, that the Discloser or any of its Representatives has furnished or may hereafter furnish to the Recipient or its Representatives, or is otherwise received by the Recipient or its Representatives through due diligence investigation or discussions with employees or other Representatives of the Discloser, together with all analyses, summaries, notes, forecasts, studies, data and other documents and materials in whatever form maintained, whether prepared by the Discloser or the Recipient or their respective Representatives or others, which contain or reflect, or are generated from, any such information (being collectively referred to herein as "Confidential Information"), and to take or abstain from taking certain other actions set forth herein. As used herein, the term "Representative" means, when used with respect to any party, such party's subsidiaries and affiliates and its and its subsidiaries' and affiliates' respective directors, officers, employees, affiliates, consultants, attorneys, agents, counsel, advisors and other representatives; provided that the term "Representative" with respect to you shall not include any financing sources other than Deutsche Bank without our prior written consent (and shall include Deutsche Bank and any other financing sources to whom we so consent).

2. The term "Confidential Information" does not include information that (a) is already in the Recipient's possession as shown by its files and records immediately prior to the time of disclosure; provided that such information is not known by the Recipient, after reasonable inquiry, to be subject to a legal, contractual or fiduciary obligation of confidentiality to the Discloser or any other party with respect to such information, (b) is or becomes generally available to the public other than as a result of a breach of the terms hereof by the Recipient or its Representatives, (c) is received by the Recipient on a non-confidential basis from a source other than the Discloser or its Representatives; provided that such source is not known by the Recipient, after reasonable inquiry, to be bound by a legal, contractual or fiduciary obligation of confidentiality to the Discloser or any other party with respect to such information, or (d) is independently developed by the Recipient or its Representatives without reference to, reliance on or use of any Confidential Information (for which the Recipient shall have the burden of proof to demonstrate the absence of such reference, reliance or use).

3. The Recipient hereby agrees that the Confidential Information will be used by the Recipient and its Representatives solely for the purpose of evaluating, proposing or negotiating a possible negotiated Transaction

and for no other purpose, and will be kept confidential by the Recipient and its Representatives and will not be disclosed to any other person; provided that any of such information may be disclosed to its Representatives who need to know such information solely for the purpose of evaluating any such possible Transaction and who have been advised of this letter agreement and the confidential nature of the Confidential Information and Transaction Information (as defined below in Section 7) and have agreed in writing to comply with the terms hereof (other than Sections 11 and 12) to the same extent as if it were a party hereto. Any action by any of the Recipient's Representatives that would constitute a breach of this letter agreement if taken by the Recipient shall be deemed to constitute a breach of this letter agreement by the Recipient. Furthermore, the Recipient hereby agrees, at its sole expense, to take all reasonable measures (including court proceedings) to restrain its Representatives from prohibited or unauthorized disclosure or use of Confidential Information. Confidential Information shall remain the property of the Discloser, and disclosure to the Recipient shall not confer on the Recipient any rights (including any intellectual property rights) with respect to such Confidential Information, other than limited use rights specifically set forth in this letter agreement. The Recipient agrees that the Recipient will take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information in order to prevent it from falling into the public domain or the possession of any person or entity other than those persons or entities authorized hereunder to have any such information, which measures shall include the same degree of care that the Recipient utilizes to protect its own Confidential Information of a similar nature. The Recipient also agrees to notify the Discloser in writing promptly of any unauthorized disclosure, misuse or misappropriation of the Confidential Information that comes to its attention.

4. The Recipient hereby acknowledges that the Recipient is aware, and that the Recipient will advise its Representatives who are informed or, to its knowledge, become aware of the matters that are the subject of this letter, that the United States securities laws prohibit any person who has received from an issuer material, nonpublic information from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

5. In the event that the Recipient or any of its Representatives receives a request, or is legally required, to disclose all or any part of the information contained in the Confidential Information (or to make any disclosure of information, including Transaction Information, otherwise prohibited by this letter agreement) under the terms of a subpoena or order issued by a court or governmental or regulatory body of competent jurisdiction or under any applicable law, governmental proceeding or stock exchange rule, the Recipient agrees to (a) except to the extent prohibited by applicable law, immediately notify the Discloser of the existence, terms and circumstances surrounding such a request or requirement so that the Discloser may, at its expense, seek an appropriate protective order or other remedy and/or waive its compliance with the applicable provisions of this letter agreement (and, if the Discloser seeks such an order or other remedy, the Recipient agree to provide such cooperation as the Discloser may reasonably request at its expense) and (b) if disclosure of such information is legally required in the opinion of its outside legal counsel, notify the Discloser in writing of such information to be disclosed as far in advance of its disclosure as practicable, exercise reasonable best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such of the disclosed information that the Discloser so designates and then disclose only that portion of such Confidential Information that is legally required to be disclosed. In any event, the Recipient agree that the Recipient will not oppose any action by the Discloser to obtain an appropriate protective order or other remedy with respect to such information.

6. Except for the Company's agreement with Deutsche Bank, without the prior written consent of the Company, you will not, and will cause your Representatives not to, enter into any agreement, arrangement or understanding with any other person that limits, restricts or otherwise impairs in any manner, directly or indirectly, such person from making a proposal for, or engaging in discussions, conducting due diligence or entering into an agreement with respect to, any potential transaction between such person and the Company or

providing equity or debt financing in connection with a potential transaction involving the Company. Except for the Company's agreement with Deutsche Bank, you represent and warrant that, except as disclosed to the Company or its legal advisors prior to your execution of this letter agreement, neither you nor any Representative of yours have, prior to your execution of this letter agreement, taken any of the actions referred to in this Section 6.

7. Each of the parties hereto agrees that it will not, and will cause its Representatives not to, disclose to any person (other than to its Representatives who need to know such information solely for the purpose of a possible Transaction and who have been advised of this letter agreement and the confidential nature of such information and have agreed in writing to comply with the terms hereof (other than Sections 11 and 12) to the same extent as if it were a party hereto): (a) the fact that investigations, discussions or negotiations between the parties hereto are taking place or have taken place concerning a possible Transaction, (b) any of the terms, conditions or other facts with respect to any such possible Transaction, including the status thereof or the other party's consideration of a possible Transaction, or (in your case) any opinion or view with respect to the Confidential Information or the other party, (c) that the parties or any of their respective affiliates or subsidiaries are or have been considering or reviewing a transaction involving or relating to the other party or (d) that this letter agreement exists or that Confidential Information has been requested or made available to you or your Representatives (clauses (a) through (d) collectively, "Transaction Information"), except that either party may make disclosure of any such Transaction Information if it determines that such disclosure is required by applicable law or stock exchange regulations but only in accordance with the procedures, to the extent applicable, set forth in Section 5.

8. This letter agreement does not constitute or create any obligation of either party to provide any information to the other party. The Company may at any time in its sole discretion decline to provide you with any Confidential Information, deny your access to any electronic data room or terminate further discussions with you regarding a Transaction. Each party understands that neither the Discloser nor any of its Representatives have made or make any express or implied representation or warranty as to the accuracy or completeness of any Confidential Information, and agree that neither the Discloser nor its Representatives shall have any liability to the Recipient or its Representatives or stockholders on any basis (including in contract, tort, under federal or state securities laws or otherwise), and neither the Recipient nor its Representatives will make any claims whatsoever against such other persons, with respect to or arising out of the review of or use or content of any Confidential Information or any errors therein or omissions therefrom; or any action taken or any inaction occurring in reliance on any Confidential Information, in each case, except as may be expressly provided in any definitive agreement with respect to any Transaction. The Recipient and its Representatives agree not to assert any claim of title or ownership to the Confidential Information, nor does this Agreement grant the Recipient or its Representatives any licenses in respect of any such information.

9. At the request of the Discloser, the Recipient and its Representatives shall promptly, at its election, either (a) return to the Discloser all written or electronic Confidential Information received from the Discloser or (b) destroy all written or electronic Confidential Information then in the Recipient's or its Representatives' possession. In either event, the Recipient shall also destroy all written or electronic data developed or derived from Confidential Information, and shall cause its Representatives to do likewise. All return and/or destruction pursuant to this Section 9 shall be certified in writing to the Discloser by an authorized officer supervising such destruction. In such event, all oral Confidential Information and Transaction Information shall remain subject to the terms of this letter agreement. Notwithstanding anything to the contrary in the foregoing, such obligation to return or destroy Confidential Information shall not cover information (1) to the extent required to be retained by a regulator or pursuant to applicable law or regulation or (2) that is automatically maintained on routine computer system backup tapes, disks or other backup storage devices as long as such backed-up information is not used, disclosed, accessed or otherwise recovered from such backup devices; provided that such materials referenced in this sentence shall remain subject to the terms of this letter agreement applicable to Confidential Information.

10. Neither you nor any of your Representatives will initiate or cause to be initiated any (a) communication concerning Confidential Information, (b) requests for meetings with management in connection with a possible Transaction (including, for the avoidance of doubt, any equity or employment agreements to be entered into in connection therewith) or (c) any other communication relating to the Company (other than in the ordinary course of business) or a possible Transaction, in each case with any director of the Company (except as expressly provided in Section 11), or any officer or employee of the Company or any of its subsidiaries, in each case who has not been designated by Joshua Bilenker or Jacob S. Van Naarden. Any requests for information, meetings or discussions relating to a possible Transaction should be directed solely to Mr. Bilenker, Mr. Van Naarden or Goldman Sachs & Co. (or such other person as may be designated in writing by Mr. Bilenker or Mr. Van Naarden).

11. You agree that, for a period of 12 months from the date of this letter agreement (the "Standstill Period"), neither you nor any of your controlled affiliates or subsidiaries will, directly or indirectly, and will not encourage or assist others to, without the prior written invitation of the Company's Board of Directors, chief executive officer or chief business officer:

(a) acquire or agree, offer, seek or propose to acquire, or cause to be acquired, ownership (including any voting right or beneficial ownership as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of any securities of the Company or any of its subsidiaries or any option, forward contract, swap or other position with a value derived from securities of the Company or any of its subsidiaries or conveying the right to acquire or vote securities of the Company or any of its subsidiaries, or any ownership of any of the assets or businesses of the Company or any of its subsidiaries, or any rights or options to acquire any such ownership (including from a third party);

(b) make, or in any way participate in, any "solicitation" (as such terms is defined in Rule 14a-1 under the Exchange Act, including any otherwise exempt solicitation pursuant to Rule 14a-2(b) under the Exchange Act) to vote or seek to advise or influence in any manner whatsoever any person with respect to the voting of any securities of the Company or any of its subsidiaries;

(c) form, join, or in any way communicate or associate with other securityholders or participate in a "group" (within the meaning of Section 13(d)(3) of the Exchange Act) with respect to the Company or its subsidiaries or any voting securities of the Company or any of its subsidiaries;

(d) arrange, or in any way participate in, any financing for the purchase of any voting securities or securities convertible or exchangeable into or exercisable for any voting securities or assets of the Company or any of its subsidiaries;

(e) otherwise act, whether alone or with others, to seek to propose to the Company or any of its stockholders any merger, business combination, tender or exchange offer, restructuring, recapitalization, liquidation of or other transaction with or involving the Company or any of its subsidiaries or otherwise act, whether alone or with others, to seek to control, change or influence the management, Board of Directors or policies of the Company, publicly comment on any of the foregoing, or nominate any person as a director of the Company, or propose any matter to be voted upon by the stockholders of the Company;

(f) solicit, negotiate with, or provide any information to, any person with respect to a merger, business combination, tender or exchange offer, restructuring, recapitalization, liquidation of or other transaction with or involving the Company or any of its subsidiaries or any other acquisition of the Company or any of its subsidiaries, any acquisition of voting securities of or all or any portion of the assets of the Company or any of its subsidiaries, or any other similar transaction;

(g) advise, assist or knowingly encourage any other person in connection with any of the foregoing;

(h) enter into any discussions, negotiations, arrangements or understandings with any third party with respect to, any of the foregoing, or announce an intention to do so;

(i) take any action that might cause or require you or the Company to make a public announcement regarding any of the types of matters set forth in this Section 11; or

(j) disclose any intention, plan or arrangement inconsistent with the foregoing.

Nothing contained in this Section 11 shall be deemed to prevent: (i) any beneficial ownership by any of your Affiliates that are investment funds of less than five percent (5%) of the total voting power of the outstanding shares of capital stock of the Company in the aggregate, including, without limitation, for purposes of calculating the voting power of the outstanding shares of capital stock of the Company any option to acquire any such securities, any security convertible into or exchangeable for any such securities or any other right to acquire any such securities, regardless of when it is exercisable; provided that such investment fund has not received and does not have access to Company Confidential Information and is not directed by you with respect to its purchases of any such securities, or (ii) any independent investment funds, independent pension or other employee benefit plan administrator for any pension or other employee benefit plan for your employees who have not received and do not have access to Company Confidential Information from engaging in investment operations (including trading) that are not directed by you, and are conducted without the intent or objective of affecting the control of the Company or influencing its management.

Notwithstanding anything to the contrary in this Section 11, nothing shall prevent a private communication to the Company's Board of Directors, chief executive officer or chief business officer so long as such private communication would not reasonably be expected to require a public disclosure under applicable law or the listing requirements of the primary securities exchange on which the Company's securities are listed other than to the extent required in a proxy statement or Schedule 14D-9 filed by the Company with respect to an acquisition or merger transaction; provided that the contents, subject and existence of any such communications shall constitute Confidential Information hereunder.

Notwithstanding anything to the contrary in this letter agreement, this Section 11 shall be of no further force and effect in the event that (i) the Company shall enter into any agreement with a third party (other than you or any of your affiliates) providing for (A) a merger, (B) a tender or exchange offer for 50% or more of the Company's equity securities, (C) a sale of 50% or more of the Company's and its subsidiaries consolidated assets (including equity securities of subsidiaries) or the Company's equity securities in a single transaction or series of related transactions, (D) a recapitalization or other transaction involving the Company that results in one person or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) acquiring beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 50% or more of the Company's equity securities or (E) any other single transaction or series of related transactions that results in a change of control of the Company (any of the transactions referred to in the foregoing clauses (A) through (E), an "Alternative Transaction"), (ii) a third party shall commence a tender offer or exchange offer to acquire 50% or more of the Company's equity securities that is not rejected by the Company's board of directors within ten (10) days of receiving such offer or (iii) the Company shall publicly disclose that it has authorized a process for the solicitation of competing offers or indications of interest in respect of an Alternative Transaction, and you are prohibited from participating in the process on substantially the same terms as applied to other participants in such process (any event described in clauses (i) through (iii) above, a "Standstill Termination Event"). In addition, and notwithstanding anything to the contrary in this letter agreement, including Section 7 and this Section 11, upon the earlier to occur of a Standstill Termination Event and the expiration of the Standstill Period, you and your Representatives may use (but not disclose) Confidential Information and Transaction Information in connection with a possible transaction involving the Company.

12. You agree that, for a period of 12 months from the date of this letter agreement, neither you nor your controlled affiliates will, directly or indirectly, solicit for employment any employee or consultant of the Company or any of its subsidiaries, or otherwise solicit, induce or encourage any such person to discontinue or refrain from entering into any employment or consulting relationship (contractual or otherwise) with the Company or any of its subsidiaries; provided that this sentence shall not prohibit (a) general advertising or other general solicitation through newspaper advertisements or Internet posting services not targeted at the employees of the Company or its subsidiaries or (b) any broad based recruitment efforts conducted by a recruitment agency not directed by you or your affiliates at the Company or any of its subsidiaries.

13. The Recipient acknowledges that the Discloser may be entitled to the protections of the attorney work-product doctrine, attorney-client privilege or similar protections or privileges with respect to portions of certain Confidential Information. The Discloser is not waiving, and will not be deemed to have waived or diminished, any of its attorney work-product protections, attorney-client privileges or similar protections or privileges as a result of the disclosure of such Confidential Information pursuant to this letter agreement. The parties (a) share a common legal and commercial interest in such Confidential Information, (b) may become joint defendants in proceedings to which such Confidential Information relates and (c) intend that such protections and privileges remain intact should either party become subject to any actual or threatened proceeding to which such Confidential Information relates. In furtherance of the foregoing, the Recipient will not claim or contend, in proceedings involving either party, that the Discloser waived the protections of the attorney work-product doctrine, attorney-client privilege or similar protections or privileges as a result of the disclosure of such Confidential Information pursuant to this letter agreement.

14. The Recipient acknowledges and agrees that Confidential Information has competitive value and is of a confidential and proprietary nature. Furthermore, the Recipient acknowledges and agrees that the Discloser may be irreparably injured by a breach of this letter agreement by the Recipient or its Representatives and that money damages may be an inadequate remedy for an actual or threatened breach of this letter agreement because of the difficulty of ascertaining the amount of damage that will be suffered by the Discloser in the event that this letter agreement is breached. Therefore, the Recipient may seek specific performance of this letter agreement and injunctive or other equitable relief in favor of the Discloser as a remedy for any such breach, without proof of actual damages. The Recipient further waives any requirement for the securing or posting of any bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for the breach of this letter agreement, but shall be in addition to all other remedies available at law or equity to the other party.

15. No failure or delay by either party in exercising any right, power or privilege under this letter agreement shall operate as a waiver thereof, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

16. No contract or agreement providing for a Transaction shall be deemed to exist unless and until a definitive agreement has been executed and delivered by each of the parties thereto. Accordingly, each party agrees that unless and until any definitive agreement with respect to a Transaction has been executed and delivered by the parties, neither of the parties nor any of their affiliates or subsidiaries will be under any legal obligation of any kind whatsoever with respect to such a Transaction by virtue of this or any written or oral expression with respect to such Transaction by any of its directors, officers, employees, agents or any other Representatives, except for the matters specifically agreed in this letter agreement and as may be set forth in such any such definitive agreement. Each party hereto further acknowledges and agrees that (a) the other party shall have no obligation to authorize or pursue with it any Transaction, (b) it understands that the other party has not, as of the date hereof, authorized or made any decision to pursue any such Transaction and (c) the Company reserves the right, in its sole and absolute discretion and without giving any reason therefor, to reject all proposals and to terminate discussions, negotiations and access to Confidential Information, in each case at any

time. For purposes of this letter agreement, the term "definitive agreement" does not include an executed letter of intent, this letter agreement or any non-disclosure or other preliminary written agreement, nor does it include any written or oral offer or bid or any written or oral acceptance thereof.

17. This letter agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. This letter agreement contains the entire agreement between the parties hereto concerning the subject matter hereof and supersedes all previous agreements, written or oral, between the parties hereto or their respective affiliates, relating to the subject matter hereof. No waiver of the terms and conditions hereof will be binding unless approved in writing by the party against whom such waiver is sought to be enforced. No amendment of this letter agreement will be binding unless approved in writing by both parties hereto.

18. If any term, provision, covenant or restriction of this letter agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this letter agreement shall remain in full force and effect to the fullest extent permitted by law and shall in no way be affected, impaired or invalidated.

19. This letter agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements entered into and performed solely within the State of Delaware, without regard to any principles of conflicts of law that would refer a matter to another jurisdiction. EACH PARTY HERETO ALSO HEREBY IRREVOCABLY AND UNCONDITIONALLY CONSENTS TO SUBMIT TO THE JURISDICTION OF THE CHANCERY COURT OF THE STATE OF DELAWARE LOCATED IN WILMINGTON, DELAWARE, AND RELATED APPELLATE COURTS, AND OF THE UNITED STATES OF AMERICA LOCATED IN DELAWARE, for any actions, suits or proceedings arising out of, or relating to, this letter agreement or the transactions contemplated hereby, and each party agrees not to commence any action, suits or proceeding relating thereto except in such courts. Each party hereto further agrees that service of any process, summons, notices or documents by U.S. registered mail, postage prepaid, to its address set forth in this letter agreement shall be effective service for process for any action, suit or proceeding brought against such party in any such court. Each party hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this letter agreement or the transactions contemplated hereby, in the courts of the State of Delaware or the United States of America located in the State of Delaware. Each party hereto hereby further irrevocably and unconditionally waives any right to trial by jury and waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

20. For purposes of this letter agreement, (a) the term "person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, governmental or regulatory body or other entity, (b) the term "affiliate" means, when used with respect to any party, a person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such party, (c) the term "subsidiary" means, when used with respect to any party, (i) a person that is directly or indirectly controlled by such party, (ii) a person of which such party beneficially owns, either directly or indirectly, more than 50% of the total combined voting power of all classes of voting securities of such person, the total combined equity interests of such person or the capital or profit interests, in the case of a partnership or (iii) a person of which such party has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body of such person and (d) the term "control" means, when used with respect to any specified person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or other interests, by contract, agreement or otherwise .

21. This letter agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute the same agreement. Signatures to this letter agreement transmitted by facsimile transmission, by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

22. Except as otherwise explicitly stated above, the Recipient's obligations under this letter agreement shall terminate three years after the date of this letter agreement, except such obligations under Sections 8, 9 and 13 through 19, which shall have no expiration period. The termination of this letter agreement shall not relieve the Recipient from its responsibilities in respect of any breach of this letter agreement prior to such termination.

[Signature Page Follows]

If you are in agreement with the foregoing, please so indicate by signing and returning one copy of this letter agreement, which will constitute our agreement with respect to the matters set forth herein.

Very truly yours,

Loxo Oncology, Inc.

/s/ Jacob Van Naarden

By: _____

Name: Jacob Van Naarden

Title: CBO

Accepted, Confirmed and Agreed:

Eli Lilly and Company

/s/ Darren J. Carroll

By: _____

Name: Darren J. Carroll

Title: Sr. VP. Corporate Business Development