



BE IT RESOLVED: Shareholders request that the Board of Directors of ANI Pharmaceuticals, Inc. (“ANI”) adopt a policy for improving board diversity requiring that the initial list of candidates from which new director nominees are chosen by the Nominating and Corporate Governance Committee should include, but need not be limited to, qualified women and minority candidates.

SUPPORTING STATEMENT: ANI’s website states: “We encourage diversity within each department and the Company as a whole.” However, ANI appears to have no women and no ethnic or racially diverse members on its Board of Directors.

A [McKinsey study found](#) that companies in the top quartile for gender diversity in corporate leadership had a twenty-one percent likelihood of outperforming bottom-quartile industry peers on profitability. Similarly, leaders in racial and ethnic diversity are thirty-three percent more likely to outperform peers on profitability.

A [2019 study of the S&P 500 by the Wall Street Journal](#) found that the twenty most diverse companies had an average annual five year stock return that was almost six percent higher than the twenty least-diverse companies.

Seventy-nine percent of board directors believe that [diversity enhances board performance](#), and more than half believe it enhances company performance.

Adopting a policy that requires the consideration of women and minority candidates for every open Director seat enhances the nomination process, and assists the Nominating and Corporate Governance Committee in developing a diverse Board.

A [2016 study published by Harvard Business Review](#) found that including more than one woman or minority in a finalist pool changes the status quo to help combat unconscious bias among interviewers. Researchers found that the odds of hiring a woman were seventy-nine times greater when there were at least two women in the finalist pool, and the odds of hiring a minority were 193 times greater when there were at least two minority candidates in the finalist pool.

Diverse search policies have been adopted by the Nominating and Governance Committees of Amazon, Facebook, Intel, Costco, Home Depot, Oracle, Marathon Petroleum, and United Continental, among others. Additionally, in its [2016 Principles of Corporate Governance](#), the Business Roundtable calls on boards to “develop a framework for identifying appropriately diverse candidates that allows the nominating/governance committee to consider women, minorities, and others with diverse backgrounds as candidates for each open board seat.”



This proposal resembles the Rooney Rule in the National Football League (NFL), which requires teams to interview minority candidates for head coaching and senior operations openings. In the twelve years before the Rule was implemented, the NFL had four minority head coaches and one minority general manager. Twelve years after, the NFL had sixteen minority head coaches and eight minority general managers.