

AMGEN INC  
Form DEF 14A  
April 07, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the registrant

Filed by a party other than the registrant

**Check the appropriate box:**

- Preliminary Proxy Statement
- CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

**AMGEN INC.**

*(Name of Registrant as Specified in Its Charter)*

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

**Payment of filing fee (check the appropriate box):**

**No fee required.**

**Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11**

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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.. **Fee paid previously with preliminary materials.**

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) DateFiled:

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**Robert A. Bradway**

Chairman of the Board,

Chief Executive Officer and President

Amgen Inc.

One Amgen Center Drive

Thousand Oaks, CA 91320-1799

April 7, 2016

**Dear Stockholder:**

You are invited to attend the 2016 Annual Meeting of Stockholders, or Annual Meeting, of Amgen Inc. to be held on Thursday, May 19, 2016, at 11:00 A.M., local time, at the Four Seasons Hotel Westlake Village, Two Dole Drive, Westlake Village, California 91362.

At this year's Annual Meeting we will discuss and vote on the matters described in the accompanying Notice of Annual Meeting of Stockholders and proxy statement. We urge you to read this information carefully. In addition to the business to be transacted, I will speak on our developments of the past year and respond to comments and questions of general interest to stockholders.

If you plan to attend the Annual Meeting, you will need an admittance ticket and proof of ownership of our Common Stock as of the close of business on March 21, 2016. Please read **INFORMATION CONCERNING VOTING AND SOLICITATION Attendance at the Annual Meeting** in the accompanying proxy statement.

Your vote is important, regardless of the number of shares that you own. It is important that your shares be represented and voted whether or not you plan to attend the Annual Meeting in person. We are pleased to offer multiple options for voting your shares. Please read the Notice of Annual Meeting of Stockholders and proxy statement with care and follow the voting instructions to ensure that your shares are represented.

On behalf of the Board of Directors, I thank you for your participation. We look forward to seeing you on May 19. As a final note and also on behalf of the Board of Directors, I would like to thank Vance D. Coffman, our lead independent director who is not standing for re-election, for his counsel and guidance.

Sincerely,

**Robert A. Bradway**

*Chairman of the Board,*

*Chief Executive Officer and President*

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**Amgen Inc.**

**One Amgen Center Drive**

**Thousand Oaks, California 91320-1799**

**Notice of Annual Meeting of Stockholders**

**To be Held on May 19, 2016**

**To the Stockholders of Amgen Inc.:**

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of Stockholders, or Annual Meeting, of Amgen Inc., a Delaware corporation, will be held on Thursday, May 19, 2016, at 11:00 A.M., local time, at the Four Seasons Hotel Westlake Village, Two Dole Drive, Westlake Village, California 91362, for the following purposes:

- 1.** To elect 13 directors to the Board of Directors of Amgen for a term of office expiring at the 2017 annual meeting of stockholders. The nominees for election to the Board of Directors are Dr. David Baltimore, Mr. Frank J. Biondi, Jr., Mr. Robert A. Bradway, Mr. François de Carbonnel, Mr. Robert A. Eckert, Mr. Greg C. Garland, Mr. Fred Hassan, Dr. Rebecca M. Henderson, Mr. Frank C. Herringer, Dr. Tyler Jacks, Ms. Judith C. Pelham, Dr. Ronald D. Sugar and Dr. R. Sanders Williams;
- 2.** To ratify the selection of Ernst & Young LLP as our independent registered public accountants for the fiscal year ending December 31, 2016;
- 3.** To hold an advisory vote to approve our executive compensation;
- 4.** To consider one stockholder proposal to change the voting standard applicable to non-binding proposals submitted by stockholders, if properly presented; and
- 5.** To transact such other business as may properly come before the Annual Meeting or any continuation, postponement or adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this Notice of Annual Meeting of Stockholders.

The Board of Directors has fixed the close of business on March 21, 2016 as the record date for the determination of stockholders entitled to notice of, and to vote at, this Annual Meeting and any continuation, postponement or adjournment thereof. Whether or not you plan on attending the Annual Meeting, we encourage you to submit your proxy as soon as possible using one of three convenient methods: (i) by accessing the Internet site described in these voting materials or voting instruction form provided to you; (ii) by calling the toll-free number in the voting

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instruction form provided to you or (iii) by signing, dating and returning any proxy card or instruction form provided to you. By submitting your proxy promptly, you will save the Company the expense of further proxy solicitation.

By Order of the Board of Directors

**Jonathan P. Graham**

*Secretary*

Thousand Oaks, California

April 7, 2016

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*i 2016 Proxy Statement*

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This summary contains highlights about our Company and the upcoming 2016 Annual Meeting of Stockholders, or Annual Meeting. This summary does not contain all of the information that you should consider in advance of the meeting and we encourage you to read the entire proxy statement before voting.

**2016 Annual Meeting of Stockholders**

**Date and Time:** Thursday, May 19, 2016 at 11:00 A.M., local time

**Location:** Four Seasons Hotel Westlake Village, Two Dole Drive, Westlake Village, California 91362

**Record Date:** March 21, 2016

**Mail Date:** We intend to mail the Notice Regarding the Availability of Proxy Materials, or the proxy statement and proxy card, as applicable, on or about April 7, 2016 to our stockholders.

**Voting Matters and Board Recommendations**

<b>Matter</b>	<b>Our Board Vote Recommendation</b>
Election of 13 Nominees to the Board of Directors (page 9)	FOR each Director Nominee
Ratification of Selection of Independent Registered Public Accountants (page 19)	FOR
Advisory Vote to Approve Our Executive Compensation (page 20)	FOR
Stockholder Proposal (page 24)	AGAINST



## 2015 Performance Highlights

### Strong Strategic Execution and Financial Performance

We grew revenues by 8% over 2014 to \$21.7 billion in 2015.

We executed on the launches of six innovative products in the oncology and cardiovascular therapeutic areas.

We advanced our next set of pipeline opportunities in our key therapeutic areas of oncology, cardiovascular, inflammation, bone health, neuroscience and nephrology, as well as in our biosimilars program.

Transformation and process improvement efforts drove a four percentage point increase to our adjusted operating margin in 2015 to 48%<sup>(1)</sup>.

We grew adjusted net income by 19% to \$8 billion<sup>(1)</sup> in 2015.

### We Invested for Long-Term Growth While Returning Substantial Capital to Our Stockholders

Our strong cash flows and balance sheet allowed continued investment for long-term growth through internal research and development and external business development transactions, while simultaneously providing substantial returns to stockholders.

We returned a total of \$4.3 billion to our stockholders in 2015.

Ø We returned \$2.4 billion of cash to our stockholders in the form of dividends in 2015, with an increase in our quarterly dividend to \$0.79 per share in 2015 from \$0.61 per share in 2014.

Ø We repurchased ~12 million shares of our Common Stock at an aggregate cost of \$1.9 billion in 2015.

(1) Adjusted operating margin and adjusted net income are reported and reconciled in our Form 8-K dated as of January 28, 2016.

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**PROXY STATEMENT SUMMARY**

**Executive Compensation Highlights**

We target compensation at the 50<sup>th</sup> percentile, or median, of our peer group for each element of compensation.

Our long-term incentive, or LTI, equity award pay mix is primarily (80%) performance-based.

Performance units for the 2013-2015, 2014-2016 and 2015-2017 performance periods under our LTI performance award program are earned based strictly on our TSR performance as compared to the TSRs of the companies in the Standard & Poor's 500 Index over the respective three-year performance periods.

Annual cash incentive award payments for 2015 were earned based on our financial (60%) and operational performance (40%) against targets. Our financial goals, comprising revenues and adjusted net income, were each weighted 30%. Our operational goals included Execute New Product/Delivery System Launches, weighted 10%, Execute Key Clinical Studies and Regulatory Filings, weighted 20%, and Advance Early Pipeline, weighted 10%.

**Corporate Governance Highlights**

We adopted Amended and Restated Bylaws of Amgen Inc., or Bylaws, to implement proxy access for director nominations. Eligible stockholders with an ownership threshold of 3% who have held their shares for at least 3 years and who otherwise meet the requirements set forth in our Bylaws may have their nominees consisting of the greater of 20% or two nominees of our Board of Directors, or Board, included in our proxy materials. Up to 20 eligible stockholders may group together to reach the 3% ownership threshold. In the course of designing our proxy access provisions, we carefully considered each element in the interest of our stockholders as a whole, including that the number of stockholders who may group together (20) would afford those stockholders likely to utilize proxy access with the opportunity to do so. (page 30)

The independent members of our Board elected Vance D. Coffman as our lead independent director with specific and significant duties. As Dr. Coffman is not standing for election at this Annual Meeting, the independent members of our Board have elected Robert A. Eckert as our new lead independent director effective following the Annual Meeting, subject to his re-election to the Board by our stockholders at the Annual Meeting. We have active participation by all directors, including the 12 independent director nominees. The Board believes that our corporate governance structure, with its strong emphasis on Board independence, an active lead independent director and strong Board and committee involvement, provides sound and robust oversight of management. (pages 30 and 32)

12 of our 13 director nominees (all directors except our Chief Executive Officer), and all members of the Audit, Compensation and Management Development, Corporate Responsibility and Compliance and Governance and Nominating Committees meet the criteria for independence under The NASDAQ Stock Market listing standards and the requirements of the Securities and Exchange Commission. (pages 32 and 36)

All directors meet our Board of Directors Guidelines for Director Qualifications and Evaluations included in this proxy statement as **Appendix A**.

Our independent directors meet privately on a regular basis. (page 33)

Our Bylaws provide for a majority voting standard for uncontested director elections. (page 30)

We have significant stock ownership requirements for our directors and officers. Officers are required to retain shares of our Common Stock acquired through the vesting of restricted stock units, the payout of performance units, or the exercise of stock options until they have reached their required stock ownership level. We have amended our equity incentive plan to provide that equity awards will be subject to a minimum vesting period of no less than one year. (pages 59, 65 and 90)

With respect to our Common Stock, our staff members and Board are prohibited from engaging in short sales, purchasing Common Stock on margin, pledging Common Stock, or entering into any hedging, derivative or similar transactions. (page 66)

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**PROXY STATEMENT SUMMARY**

We have an Enterprise Risk Management Program to identify, assess, manage, report and monitor enterprise risk and areas that may affect our ability to achieve our objectives. This includes an annual detailed compensation risk analysis performed with the assistance of the Compensation and Management Development Committee's independent consultant. (page 34)

Our Board maintains a Corporate Responsibility and Compliance Committee that is responsible for overseeing our compliance program and reviewing our programs in a number of areas governing ethical conduct. (page 40)

We hold an annual advisory vote to approve our executive compensation. (page 20)

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**INFORMATION CONCERNING VOTING AND SOLICITATION**

**Amgen Inc.**

**One Amgen Center Drive**

**Thousand Oaks, California 91320-1799**

**Proxy Statement**

**Information Concerning Voting and Solicitation**

**General**

The enclosed proxy is solicited on behalf of the Board of Directors, or Board, of Amgen Inc., a Delaware corporation, for use at our 2016 Annual Meeting of Stockholders, or Annual Meeting, to be held on Thursday, May 19, 2016, at 11:00 A.M., local time, or at any continuation, postponement or adjournment thereof, for the purposes discussed in this proxy statement and in the accompanying Notice of Annual Meeting of Stockholders and any business properly brought before the Annual Meeting. Amgen Inc. may also be referred to as Amgen, the Company, we, us or our in this proxy statement. Proxies are solicited to give all stockholders of record an opportunity to vote on matters properly presented at the Annual Meeting. The Annual Meeting will be held at the Four Seasons Hotel Westlake Village, Two Dole Drive, Westlake Village, California 91362.

Pursuant to the rules adopted by the Securities and Exchange Commission, we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice Regarding the Availability of Proxy Materials, or Notice, to certain of our stockholders of record, and we are sending a paper copy of the proxy materials and proxy card to other stockholders of record who we believe would prefer receiving such materials in paper form. Brokers and other nominees who hold shares on behalf of beneficial owners will be sending their own similar Notice. Stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to request a printed copy by mail or electronically may be found on the Notice and on the website referred to in the Notice, including an option to request paper copies on an ongoing basis. We intend to make this proxy statement available on the Internet and to mail the Notice, or to mail the proxy statement and proxy card, as applicable, on or about April 7, 2016 to all stockholders entitled to notice of and to vote at the Annual Meeting.

**Important Notice Regarding the Availability of Proxy Materials for the 2016 Stockholder Meeting to Be Held on May 19, 2016.**

**This proxy statement, our 2015 annual report and our other proxy materials are available at:** [www.astproxyportal.com/ast/Amgen](http://www.astproxyportal.com/ast/Amgen). At this website, you will find a complete set of the following proxy materials: notice of 2016 annual meeting of stockholders; proxy statement; 2015 annual report and form proxy card. You are encouraged to access and review all of the important information contained in the proxy materials before submitting a proxy or voting at the meeting.

## **What Are You Voting On?**

You will be entitled to vote on the following proposals at the Annual Meeting:

The election of the 13 director nominees named herein to serve on our Board for a term of office expiring at the 2017 annual meeting of stockholders;

The ratification of the selection of Ernst & Young LLP as our independent registered public accountants for the fiscal year ending December 31, 2016;

The advisory vote to approve our executive compensation;

One stockholder proposal, if properly presented; and

Any other business as may properly come before the Annual Meeting.

## **Who Can Vote**

The Board has set March 21, 2016 as the record date for the Annual Meeting. You are entitled to notice and to vote if you were a stockholder of record of our Common Stock, \$.0001 par value per share, or Common Stock, as of the close of

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business on March 21, 2016. You are entitled to one vote on each proposal for each share of Common Stock you held on the record date. Your shares may be voted at the Annual Meeting only if you are present in person or your shares are represented by a valid proxy.

**Difference Between a Stockholder of Record and a Street Name Holder**

If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the stockholder of record with respect to those shares. However, you are still considered to be the beneficial owner of those shares, and your shares are said to be held in street name. Street name holders generally cannot submit a proxy or vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares using the methods described below.

**Shares Outstanding and Quorum**

At the close of business on March 21, 2016, there were 750,032,702 shares of our Common Stock outstanding and entitled to vote at the Annual Meeting. The presence of the holders of a majority of the outstanding shares of our Common Stock entitled to vote constitutes a quorum, which is required to hold and conduct business at the Annual Meeting. Shares are counted as present at the Annual Meeting if:

you are present in person at the Annual Meeting; or

your shares are represented by a properly authorized and submitted proxy (submitted by mail, by telephone or over the Internet).

If you are a record holder and you submit your proxy, regardless of whether you abstain from voting on one or more matters, your shares will be counted as present at the Annual Meeting for the purpose of determining a quorum. If your shares are held in street name, your shares are counted as present for purposes of determining a quorum if your broker, bank, trust or other nominee submits a proxy covering your shares. Your broker, bank, trust or other nominee is entitled to submit a proxy covering your shares as

to certain routine matters, even if you have not instructed your broker, bank, trust or other nominee on how to vote on those matters. Please see the subsection **If You Do Not Specify How You Want Your Shares Voted** below. In the absence of a quorum, the Annual Meeting may be adjourned, from time to time, by the chairman of the meeting or by the vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting.

**Voting Your Shares**

You may vote by attending the Annual Meeting and voting in person or by submitting a proxy. The method of voting by proxy differs (1) depending on whether you are viewing this proxy statement on the Internet or receiving a paper

copy and (2) for shares held as a record holder and shares held in street name.

***Shares Held as a Record Holder.*** If you hold your shares of Common Stock as a record holder and you are viewing this proxy statement on the Internet, you may submit a proxy over the Internet by following the instructions on the website referred to in the Notice previously mailed to you. You may request paper copies of the proxy statement and proxy card by following the instructions on the Notice. If you hold your shares of Common Stock as a record holder and you are reviewing a paper copy of this proxy statement, you may submit a proxy over the Internet or by telephone by following the instructions on the proxy card, or by completing, dating and signing the proxy card that was included with the proxy statement and promptly returning it in the pre-addressed, postage-paid envelope provided to you.

***Shares Held in Street Name.*** If you hold your shares of Common Stock in street name, you will receive a Notice from your broker, bank, trust or other nominee that includes instructions on how to vote your shares. Your broker, bank, trust or other nominee may allow you to deliver your voting instructions over the Internet and may also permit you to submit your voting instructions by telephone. In addition, you may request paper copies of the proxy statement and proxy card from your broker by following the instructions on the Notice provided by your broker, bank, trust or other nominee.

The Internet and telephone voting facilities will close at 11:59 P.M., Eastern Time, on May 18, 2016. Stockholders who submit a proxy through the Internet or telephone should be aware that they may incur costs to access the Internet or



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telephone, such as usage charges from telephone companies or Internet service providers and that these costs must be borne by the stockholder. Stockholders who submit a proxy by Internet or telephone need not return a proxy card or the form forwarded by your broker, bank, trust or other holder of record by mail.

**YOUR VOTE IS VERY IMPORTANT.** You should submit your proxy even if you plan to attend the Annual Meeting.

**Voting in Person**

If you plan to attend the Annual Meeting and wish to vote in person, you may request a ballot at the Annual Meeting. **Please note that if your shares are held of record by a broker, bank, trust or other nominee, and you decide to attend and vote at the Annual Meeting, your vote in person at the Annual Meeting will not be effective unless you present a legal proxy, issued in your name from the record holder (your broker, bank, trust or other nominee).** Even if you intend to attend the Annual Meeting, we encourage you to submit your proxy in advance of the Annual Meeting. Please see the important instructions and requirements below regarding Attendance at the Annual Meeting.

**Changing Your Vote**

As a stockholder of record, if you submit a proxy, you may revoke that proxy at any time before it is voted at the Annual Meeting. Stockholders of record may revoke a proxy by (i) delivering a written notice of revocation to the attention of the Secretary at our principal executive offices at One Amgen Center Drive, Thousand Oaks, California 91320-1799, (ii) duly submitting a later-dated proxy over the Internet, by mail or by telephone or (iii) attending the Annual Meeting in person and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

If your shares are held in the name of a broker, bank, trust or other nominee, you may change your voting instructions by following the instructions of your broker, bank, trust or other nominee.

**If You Receive More Than One Proxy Card or Notice**

If you receive more than one proxy card or Notice, it means you hold shares that are registered in more than one account. To ensure that all of your shares are voted, sign and

return each proxy card or, if you submit a proxy by telephone or the Internet, submit one proxy for each proxy card or Notice you receive.

**How Will Your Shares Be Voted**

Stockholders of record as of the close of business on March 21, 2016 are entitled to one vote for each share of our Common Stock held on all matters to be voted upon at the Annual Meeting. All shares entitled to vote and represented by properly submitted proxies received before the polls are closed at the Annual Meeting, and not revoked or superseded, will be voted at the Annual Meeting in accordance with the instructions indicated on those proxies. **YOUR VOTE IS VERY IMPORTANT.**

**If You Do Not Specify How You Want Your Shares Voted**

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As a stockholder of record, if you submit a signed proxy card or submit your proxy by telephone or Internet and do not specify how you want your shares voted, the proxy holder will vote your shares:

FOR the election of the 13 nominees listed in this proxy statement to serve on our Board for a term of office expiring at the 2017 annual meeting of stockholders;

FOR the ratification of the selection of Ernst & Young LLP as our independent registered public accountants for the fiscal year ending December 31, 2016;

FOR the advisory vote to approve our executive compensation; and

AGAINST the one stockholder proposal, if properly presented.

A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received voting instructions from the beneficial owner and the nominee does not have discretionary authority to vote the shares. If you hold your shares in street name and do not provide voting instructions to your broker or other nominee, your shares will be considered to be broker non-votes and will not be voted on any proposal on which your broker or other nominee does not have discretionary authority to vote. Shares that constitute broker non-votes will be counted as present at the Annual Meeting for the purpose of determining a quorum, but will not be considered entitled to vote on the proposal in question. Brokers generally have discretionary authority to

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vote on the ratification of the selection of Ernst & Young LLP as our independent registered public accountants. Brokers, however, do not have discretionary authority to vote on the election of directors to serve on our Board, the advisory vote to approve our executive compensation or on any stockholder proposals.

In their discretion, the proxy holders named in the proxy are authorized to vote on any other matters that may properly come before the Annual Meeting and at any continuation, postponement or adjournment thereof. The Board knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this proxy statement. In addition, other than the stockholder proposal described in this proxy statement, no other stockholder proposal or nomination was received on a timely basis or was subsequently withdrawn, so no such matters may be brought to a vote at the Annual Meeting.

**Inspector of Election and Counting of Votes**

All votes will be tabulated as required by Delaware law, the state of our incorporation, by the inspector of election appointed for the Annual Meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. Shares held by persons attending the Annual Meeting but not voting, shares represented by proxies that reflect abstentions as to one or more proposals and broker non-votes will be counted as present for purposes of determining a quorum.

***Election of Directors.*** We have a majority voting standard for the election of directors in an uncontested election, which is generally defined as an election in which the number of nominees does not exceed the number of directors to be elected at the meeting. In the election of directors, you may either vote for, against or abstain for each nominee. Cumulative voting is not permitted. Under our majority voting standard, in uncontested elections of directors, such as this election, each director must be elected by the affirmative vote of a majority of the votes cast by the shares present in person or represented by proxy. A majority of the votes cast means that the number of votes cast for a director nominee exceeds the number of votes cast against the nominee. For these purposes, abstentions will not count as a vote for or against a nominee's election and thus will have no effect in determining whether a director nominee has received a majority of the votes cast. Brokers do not

have discretionary authority to vote on this proposal. Broker non-votes will have no effect on the election of directors as brokers are not entitled to vote for or against a nominee without instruction from the beneficial owner. If a director nominee is an incumbent director and does not receive a majority of the votes cast in an uncontested election, that director will continue to serve on the Board as a holdover director, but must tender his or her resignation to the Board promptly after certification of the election results of the stockholder vote. The Governance and Nominating Committee of the Board will then recommend to the Board whether to accept the resignation or whether other action should be taken. The Board will act on the tendered resignation, taking into account the recommendation of the Governance and Nominating Committee, and the Board's decision will be publicly disclosed within 90 days after certification of the election results of the stockholder vote. A director who tenders his or her resignation after failing to receive a majority of the votes cast will not participate in the recommendation of the Governance and Nominating Committee or the decision of the Board with respect to his or her resignation.

***Management Proposals (Ratification of Ernst & Young LLP and Advisory Vote on Executive Compensation) and Stockholder Proposal.*** The ratification of the selection of Ernst & Young LLP, the approval of the advisory vote on our executive compensation and the approval of the stockholder proposal, if properly presented at the Annual Meeting, each require the affirmative votes of the holders of a majority of the shares present or represented by proxy

at the Annual Meeting and entitled to vote on the matter. Abstentions will have the same effect as votes against each proposal.

Because brokers have discretionary authority to vote on the ratification of the selection of Ernst & Young LLP, we do not expect any broker non-votes in connection with the ratification. Brokers do not have discretionary authority to vote on the advisory vote on our executive compensation or on the stockholder proposal. Broker non-votes, therefore, will have no effect on the advisory vote on our executive compensation or on the stockholder proposal as brokers are not entitled to vote on such proposals in the absence of voting instructions from the beneficial owner.

### **Solicitation of Proxies**

We will bear the entire cost of solicitation of proxies, including preparation, assembly and mailing of this proxy

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statement, the proxy, the Notice and any additional information furnished to stockholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding shares of our Common Stock in their names that are beneficially owned by others to forward to those beneficial owners. We may reimburse persons representing beneficial owners for their costs of forwarding the solicitation materials to the beneficial owners. Original solicitation of proxies may be supplemented by telephone, facsimile, electronic mail or personal solicitation by our directors, officers or staff members. No additional compensation will be paid to our directors, officers or staff members for such services. In addition, we have retained D.F. King & Co. to assist in the solicitation of proxies for a fee of approximately \$150,000 plus distribution costs and other costs and expenses. A list of stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder for any purpose germane to the Annual Meeting during ordinary business hours at our principal executive offices at One Amgen Center Drive, Thousand Oaks, California, 91320-1799 for the ten days prior to the Annual Meeting and also at the Annual Meeting.

**Attendance at the Annual Meeting**

**To attend the Annual Meeting, you will need an admittance ticket and proof of ownership of our Common Stock as of the close of business on March 21, 2016.** If you have received a paper copy of the proxy statement, to receive an admittance ticket you will need to complete and return the postage-paid reply card attached to this proxy statement. If you received electronic delivery of this proxy statement, you will receive an e-mail with instructions for obtaining an admittance ticket. If you are viewing the proxy statement over the Internet, please follow the instructions indicated on the website referred to in the Notice. Each stockholder is entitled to one admittance ticket. Directions to attend the Annual Meeting will be sent with your admittance ticket and are available at the website referred to in the Notice and [www.astproxyportal.com/ast/Amgen](http://www.astproxyportal.com/ast/Amgen).

You must bring certain documents with you to be admitted to the Annual Meeting. The purpose of this requirement is to help us verify that you are actually a stockholder of the Company. Please read the following rules carefully, because they specify the documents that you must bring with you to

the Annual Meeting to be admitted. The items that you must bring with you differ depending upon whether or not you were a record holder of our Common Stock as of the close of business on March 21, 2016. A record holder of stock is someone whose shares of stock are registered in his or her name in the records of the Company's transfer agent. Many stockholders are not record holders because their shares of stock are registered in the name of their broker, bank, trust or other nominee, and the broker, bank, trust or other nominee is the record holder instead. **All persons must bring a valid personal photo identification (such as a driver's license or passport). If you are a record holder, at the Annual Meeting, we will check your name for verification purposes against our list of record holders as of the close of business on March 21, 2016.**

*If a broker, bank, trust or other nominee was the record holder of your shares of Common Stock as of the close of business on March 21, 2016, then you must also bring to the Annual Meeting:*

Proof that you owned shares of our Common Stock as of the close of business on March 21, 2016.

If you intend to vote at the Annual Meeting, the executed proxy naming you as the proxy holder, signed by the broker, bank, trust or other nominee who was the record holder of your shares of Common Stock as of the close of business on March 21, 2016.

Examples of proof of ownership include the following: (1) an original or a copy of the voting information form from your bank or broker with your name on it; (2) a letter from your bank or broker stating that you owned shares of our Common Stock as of the close of business on March 21, 2016 or (3) a brokerage account statement indicating that you owned shares of our Common Stock as of the close of business on March 21, 2016.

***If you are a proxy holder for a stockholder of the Company who owned shares of our Common Stock as of the close of business on March 21, 2016, then you must also bring to the Annual Meeting:***

The executed proxy naming you as the proxy holder, signed by a stockholder of the Company who owned shares of our Common Stock as of the close of business on March 21, 2016.

**Table of Contents****ITEM 1 ELECTION OF DIRECTORS****Item 1****Election of Directors**

Under our governing documents, the Board of Directors, or Board, has the power to set the number of directors from time to time by resolution. We currently have 14 authorized directors serving on our Board. On July 28, 2015, Fred Hassan was appointed to serve on our Board. Based upon the recommendation of our Governance and Nominating Committee, the Board has nominated each of the current directors set forth below to stand for re-election, or in the case of Mr. Hassan to stand for initial election by our stockholders, in each case for a one-year term expiring at our 2017 annual meeting of stockholders and until his or her successor is elected and qualified, or until his or her earlier retirement, resignation, disqualification, removal or death.

Vance D. Coffman will retire from our Board and has not been nominated for re-election at the 2016 Annual Meeting of Stockholders, or Annual Meeting. The Board has fixed the authorized number of directors at 13 to be effective as of the Annual Meeting. Dr. Coffman will serve as the lead independent director until his retirement from the Board at the Annual Meeting. The independent members of the Board have elected Robert A. Eckert as our new lead independent director effective following the Annual Meeting, subject to his re-election to the Board by our stockholders at the Annual Meeting. As lead independent director, Mr. Eckert will continue to have the specific and significant duties as discussed under Corporate Governance.

**Current Committee Composition**

Nominee	Director Age	Director Since	Audit	Governance and Nominating <sup>(1)</sup>	Executive	Compensation and Management Development	Equity Award	Corporate Responsibility and Compliance
David Baltimore	78	1999	X	X				
Frank J. Biondi, Jr.	71	2002	C		X	X		

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Robert A. Bradway	53	2011			C			X
François de Carbonnel	69	2008	X	X				
Vance D. Coffman	72	2007			C	X	X	X
Robert A. Eckert	61	2012	X					X
Greg C. Garland	58	2013	X	X				
Fred Hassan	70	2015	X				X	
Rebecca M. Henderson	55	2009			X			X
Frank C. Herringer	73	2004			X	X	C	C
Tyler Jacks	55	2012			X			X
Judith C. Pelham	70	1995	X				X	



Ronald D. Sugar	67	2010		X	X			C
R. Sanders Williams	67	2014		X				X

C indicates Chair of the committee.

- (1) Dr. Coffman is currently Chair of the Governance and Nominating Committee, but is not standing for re-election at the Annual Meeting. Effective following Dr. Coffman's retirement from the Board at the Annual Meeting, Mr. Garland has been appointed Chair of the Governance and Nominating Committee, subject to his re-election to the Board by our stockholders at the Annual Meeting.

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**ITEM 1 ELECTION OF DIRECTORS**

Vacancies on the Board (including any vacancy created by an increase in the size of the Board) may be filled only by a majority of the directors remaining in office, even though less than a quorum of the Board. A director elected by the Board to fill a vacancy (including a vacancy created by an increase in the size of the Board) will serve until the next annual meeting of stockholders and until such director's successor is elected and qualified, or until such director's earlier retirement, resignation, disqualification, removal or death.

Each nominee has agreed to serve if elected and the Board has no reason to believe that any nominee will be unable to serve. However, if any nominee should become unavailable for election prior to the Annual Meeting (an event that currently is not anticipated by the Board) the proxies will be voted in favor of the election of a substitute nominee or nominees proposed by the Board or, alternatively, the number of directors may be reduced accordingly by the Board.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE NOMINEES NAMED BELOW. PROXIES WILL BE VOTED FOR THE ELECTION OF THE NOMINEES UNLESS OTHERWISE SPECIFIED.**

Set forth below is biographical information for each nominee and a summary of the specific qualifications, attributes, skills and experiences which led our Board to conclude that each nominee should serve on the Board at this time. All of our directors meet the qualifications and skills of our Amgen Inc. Board of Directors Guidelines for Director Qualifications and Evaluations included in this proxy statement as **Appendix A**. There are no family relationships among any of our directors or among any of our directors and our executive officers.

*David Baltimore*

David Baltimore is President Emeritus and Robert Andrews Millikan Professor of Biology at the California Institute of Technology, or Caltech. He received the Nobel Prize in Medicine as a co-recipient in 1975. Dr. Baltimore has been a director of Regulus Therapeutics Inc., a biopharmaceutical company, since 2007, serving on its Compensation Committee and chairing its Nominating and Governance Committee, and is a member of its scientific advisory board. Dr. Baltimore has also been a member of the board of directors of Immune Design Corp. (formerly Vaccsys), a clinical-stage immunotherapy company, since 2008, chairing its Nominating and Governance Committee, and is a member of its scientific advisory board. He was a director of BB Biotech, AG, a Swiss investment company, from 1994 to March 2011 and served as a director of MedImmune, Inc., a privately-held antibody formulation company, from 2003 to 2007. In 2008, Dr. Baltimore became a founder of Calimmune, Inc., a privately-held clinical-stage gene therapy company, and served as Chairman of the board of directors until November 2015.

Dr. Baltimore was President of Caltech from 1997 to 2006. Prior to this, he was a professor at the Massachusetts Institute of Technology, or MIT, and at The Rockefeller University where he also served as the President. During this time he was also the Chairman of the National Institutes of

Health AIDS Vaccine Research Committee, a director and member of the Whitehead Institute for Biomedical Research, and a professor of microbiology and research professor of the American Cancer Society. He was a postdoctoral fellow at MIT and Albert Einstein College of Medicine and on the staff of The Salk Institute for Biological Studies. Dr. Baltimore has been awarded honorary degrees from numerous institutions, including Harvard, Yale and Columbia.

Dr. Baltimore holds leadership roles in a number of scientific and philanthropic non-profit organizations, currently serving as a director and member of the Board of Scientific Counselors of the Broad Institute of MIT and Harvard, a director of the Foundation for Biomedical Research, and a member of the Human Genome Organisation. Dr. Baltimore received an undergraduate degree from Swarthmore College and a doctorate from The Rockefeller University.

The Board concluded that Dr. Baltimore should serve on the Board because Dr. Baltimore has spent his career in scientific academia at a number of well-known and highly regarded institutions and has played an important role in the field of biotechnology. This experience provides Dr. Baltimore with extensive scientific knowledge and a deep understanding of our industry and of the research and development activities and operations of our Company.

**Table of Contents****ITEM 1 ELECTION OF DIRECTORS*****Frank J. Biondi, Jr.***

Frank J. Biondi, Jr. has served as Senior Managing Director of WaterView Advisors LLC, an investment advisor organization, since 1999. Prior to WaterView Advisors, Mr. Biondi was the Chairman and Chief Executive Officer of Universal Studios, Inc. from 1996 to 1998, the President and Chief Executive Officer of Viacom, Inc. from 1987 to 1996, Executive Vice President of Entertainment Business Sector of The Coca-Cola Company and Chairman and Chief Executive Officer of Coca-Cola Television from 1985 to 1987, Chairman and Chief Executive Officer of Time Inc.'s subsidiary Home Box Office, Inc. from 1982 to 1984, Vice President of Time Inc. from 1978 to 1984 and Assistant Treasurer of the Children's Television Workshop from 1974 to 1978.

Mr. Biondi has been a director of Cablevision Systems Corp., a telecommunications, media and entertainment company, since 2005; Seagate Technology plc, a manufacturer of data storage products, since 2005, serving on its Compensation Committee and chairing its Finance Committee; and ViaSat, Inc., a provider of satellite and other wireless networking systems, since April 2015, serving on its Audit and Compensation and Human Resources Committees.

Mr. Biondi was a director of RealD Inc., a global licensor of three-dimensional technologies, serving as its lead director and on its Audit Committee and chairing its Compensation Committee from 2010 until it ceased being a public company

in March 2016. From 2002 to May 2015, Mr. Biondi was a director of Hasbro, Inc., a toy and games company serving on its Compensation and Nominating, Governance and Social Responsibility Committees. From 2008 until May 2010, Mr. Biondi was a director of Yahoo! Inc., a provider of Internet services, serving on its Compensation Committee. From 2002 to 2008, he was a director of Harrahs Entertainment, Inc., a gaming corporation, serving on its Compensation and Governance Committees, and from 1995 to 2008 he was a director of The Bank of New York Mellon Corporation, an asset management and securities services company, serving on its Compensation and Risk Committees. He has also been a director of Vail Resorts, Inc., a mountain resort operator, and The Seagram Company, a liquor and spirits company. Mr. Biondi received an undergraduate degree from Princeton University and a master's degree from Harvard Business School.

The Board concluded that Mr. Biondi should serve on the Board due to Mr. Biondi's experience as Chief Executive Officer of many large, public companies and his current role with WaterView Advisors which provide valuable management and leadership skills, as well as an understanding of the operations and financial results and prospects of our Company. Given his financial and leadership experience, Mr. Biondi has been determined to be an Audit Committee financial expert by our Board.

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**ITEM 1 ELECTION OF DIRECTORS**

***Robert A. Bradway***

Robert A. Bradway has served as our director since October 2011 and Chairman of the Board since January 1, 2013. Mr. Bradway has been our President since May 2010 and Chief Executive Officer since May 2012. From May 2010 to May 2012, Mr. Bradway served as our Chief Operating Officer. Mr. Bradway joined Amgen in 2006 as Vice President, Operations Strategy and served as Executive Vice President and Chief Financial Officer from April 2007 to May 2010. Prior to joining Amgen, he was a Managing Director at Morgan Stanley in London where, beginning in 2001, he had responsibility for the firm's banking department and corporate finance activities in Europe.

Mr. Bradway has been a director of Norfolk Southern Corporation, a transportation company, since July 2011, serving on its Audit and Governance and Nominating Committees. He has served on the board of trustees of the

University of Southern California since April 2014 and on the advisory board of the Leonard D. Schaeffer Center for Health Policy and Economics at that university since 2012. Mr. Bradway holds a bachelor's degree in biology from Amherst College and a master's degree in business administration from Harvard Business School.

The Board concluded that Mr. Bradway should serve on the Board due to Mr. Bradway's knowledge of all aspects of our business, combined with his leadership and management skills having served as our President and Chief Operating Officer and formerly our Chief Financial Officer. During this time, Mr. Bradway provided strong leadership through a variety of challenges and this positions him well to serve as a director and provides the Board with a knowledgeable perspective with regard to the Company's products and operations.

***François de Carbonnel***

François de Carbonnel is a director of corporations and corporate advisor. Mr. de Carbonnel was a member of the group governance council of Mazars Group, a privately-held international organization specializing in audit, accountancy, tax, legal and advisory services, from December 2011 to January 2016. From 2004 to May 2015, Mr. de Carbonnel was a director of Solocal Group (formerly known as Pages Jaunes S.A.), a French company which offers online content, advertising solutions and transactional services, and served as Chairman of the Remuneration and Appointments Committee.

From 2004 until October 2013, Mr. de Carbonnel was a director of a number of funds managed by Ecofin, a privately-held investment management firm. Mr. de Carbonnel was a director of Thomson S.A., a French multimedia corporation, from 2007 to January 2010, serving as Chairman of the Audit Committee throughout his tenure, and as

non-executive Chairman of the Board from April 2008 to April 2009. Mr. de Carbonnel was a director of Quilvest S.A., a Luxembourg company which provides wealth management and private equity services, from 2006 to 2013.

Mr. de Carbonnel was a Senior Advisor of the Global Corporate and Investment Bank of Citigroup from 2004 to 2006, and a Managing Director from 1999 to 2004. He was

the Chairman and Chief Executive Officer of Midial S.A., a French listed company, from 1994 to 1998, Chairman of General Electric Capital SNC from 1996 to 1998. He was a corporate Vice President of General Electric Company and President of General Electric Capital-Europe from 1990 to 1992, President of Strategic Planning Associates, an international consulting company, from 1981 to 1990 and Vice President of Boston Consulting Group from 1971 to 1981. He is a member emeritus of the Business Board of Advisors of the Carnegie Mellon Tepper School of Business. Mr. de Carbonnel is a French citizen and resides in Europe. Mr. de Carbonnel received an engineering diploma from the Ecole Centrale de Lyon, a master in economics from Lyon Université and a master of sciences degree from the Tepper School of Business at Carnegie Mellon University.

The Board concluded that Mr. de Carbonnel should serve on the Board because Mr. de Carbonnel has acquired knowledge, skills and brings a strong vantage point through his international career as an executive officer of well-known consulting firms as well as a number of public companies. This perspective is important as the Company undertakes further global expansion plans. Given his experience in the financial industry, Mr. de Carbonnel has been determined to be an Audit Committee financial expert by our Board.

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**ITEM 1 ELECTION OF DIRECTORS**

*Robert A. Eckert*

Robert A. Eckert has been an Operating Partner at Friedman Fleischer & Lowe, a private equity firm, since September 2014. Mr. Eckert was the Chief Executive Officer of Mattel, Inc., a toy design, manufacture and marketing company, having held this position from 2000 through December 2011, and its Chairman of the Board from 2000 through 2012. He was President and Chief Executive Officer of Kraft Foods Inc., a consumer packaged food and beverage company, from 1997 to 2000, Group Vice President from 1995 to 1997, President of the Oscar Mayer Foods Division from 1993 to 1995 and held various other senior executive and other positions from 1977 to 1992.

Mr. Eckert has been a director of McDonald's Corporation, a company which franchises and operates McDonald's restaurants in the global restaurant industry, since 2003, serving as the Chair of the Compensation Committee and a member of the Executive and Governance Committees. Mr. Eckert was a director of Smart & Final Stores, Inc., a warehouse store, from May 2013 until July 2014 prior to it becoming a publicly-traded company. Mr. Eckert also has

served as a director of Levi Strauss & Co., a privately-held jeans and casual wear manufacturer, since 2010. He was appointed director of Eyemart Express Holdings LLC, a privately-held eyewear retailer and portfolio company of Friedman Fleischer & Lowe, in 2015. Mr. Eckert is on the Global Advisory Board of the Kellogg School of Management at Northwestern University and serves on the Eller College National Board of Advisors at the University of Arizona. Mr. Eckert received an undergraduate degree from the University of Arizona and a master's degree in business administration from the Kellogg School of Management at Northwestern University.

The Board concluded that Mr. Eckert should serve on our Board because of Mr. Eckert's recent and long-tenured experience as a Chief Executive Officer of large public companies, his broad international experience in marketing and business development and his valuable leadership experience. Given his financial and leadership experience, Mr. Eckert has been determined to be an Audit Committee financial expert by our Board.

*Greg C. Garland*

Greg C. Garland is the Chairman and Chief Executive Officer of Phillips 66, an energy manufacturing and logistics company with midstream, chemical, refining and marketing and specialties businesses created through the repositioning of ConocoPhillips, having held this position since April 2012. Mr. Garland chairs the Executive Committee of Phillips 66. Prior to Phillips 66, Mr. Garland served as Senior Vice President, Exploration and Production, Americas of ConocoPhillips from 2010 to April 2012. He was President and Chief Executive Officer of Chevron Phillips Chemical Company (now a joint venture between Phillips 66 and Chevron) from 2008 to 2010 and

Senior Vice President, Planning and Specialty Chemicals from 2000 to 2008.

Mr. Garland served in various positions at Phillips Petroleum Company from 1980 to 2000. Mr. Garland is a member of the Engineering Advisory Board for Texas A&M University. Mr. Garland received an undergraduate degree from Texas A&M University.

The Board concluded that Mr. Garland should serve on our Board because of Mr. Garland's experience as a Chief Executive Officer and his over 30 years of international experience in a highly regulated industry. Given his financial and leadership experience, Mr. Garland has been determined to be an Audit Committee financial expert by our Board.



**Table of Contents****ITEM 1 ELECTION OF DIRECTORS***Fred Hassan*

Fred Hassan has served as a director of the Company since July 28, 2015. Mr. Hassan was first identified to the Governance and Nominating Committee as a potential director candidate by the Company's outside search firm. Fred Hassan has been Partner and Managing Director at Warburg Pincus LLC, a global private equity investment institution, since 2011 and, prior to that, served as Senior Advisor from 2009 to 2010. Mr. Hassan was Chairman of the Board and Chief Executive Officer of Schering-Plough Corporation from 2003 to 2009. Prior to this, Mr. Hassan was Chairman, President and Chief Executive Officer of Pharmacia Corporation, from 2001 to 2003. Before assuming these roles, he had served as President and Chief Executive Officer of Pharmacia Corporation from its creation in 2000 as a result of the merger of Pharmacia & Upjohn, Inc. with Monsanto Company. He was President and Chief Executive Officer of Pharmacia & Upjohn, Inc. beginning in 1997. Mr. Hassan previously held senior positions with Wyeth (formerly known as American Home Products), including that of Executive Vice President with responsibility for its pharmaceutical and medical products businesses, and served as a member of the board from 1995 to 1997. Prior to that, Mr. Hassan held various roles at Sandoz Pharmaceuticals and headed its U.S. pharmaceuticals businesses.

Mr. Hassan has been a director of Time Warner Inc., a media company, since 2009, serving on its Audit and Finance and

Compensation and Human Development Committees. Mr. Hassan was a director of Avon Products, Inc., a manufacturer and marketer of beauty and related products, from 1999 until 2013 and served on its Compensation and Management Development, Nominating and Corporate Governance and Audit Committees, as lead independent director from 2009 to 2012, and Chairman of the Board between January and April 2013. Mr. Hassan was Chairman of the Board of Bausch & Lomb, from 2010 until its acquisition by Valeant Pharmaceuticals International, Inc., a pharmaceutical company, in 2013. Mr. Hassan served on the board of directors and Compensation and Audit Committees of Valeant Pharmaceuticals International, Inc. between August 2013 and May 2014. Mr. Hassan received an undergraduate degree from Imperial College of Science and Technology, University of London and a master's degree in business administration from Harvard Business School.

The Board concluded that Mr. Hassan should serve on the Board due to his global experience as a public company Chief Executive Officer, his particular knowledge and experience in the healthcare and pharmaceutical industries, including overseeing businesses with significant research and development operations, his diversified financial and business expertise, as well as prior public company board experience. Given his financial and leadership experience, Mr. Hassan has been determined to be an Audit Committee financial expert by our Board.

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**ITEM 1 ELECTION OF DIRECTORS**

***Rebecca M. Henderson***

Rebecca M. Henderson has been the John and Natty McArthur University Professor at Harvard University since 2011 and is the Co-Director of the Business and Environment Initiative at Harvard Business School. From 2009 to 2011, Dr. Henderson served as the Senator John Heinz Professor of Environmental Management at Harvard Business School. Prior to this, she was a professor of management at the Massachusetts Institute of Technology, or MIT, for 21 years, having been the Eastman Kodak LFM Professor of Management since 1999. Since 1995, she has also been a Research Associate at the National Bureau of Economic Research. She specializes in technology strategy and the broader strategic problems faced by companies in high technology industries. Dr. Henderson has been a director of IDEXX Laboratories, Inc., a company which provides diagnostic and information technology-based products and services for veterinary, food and water applications, since

2003, serving on its Finance Committee and chairing its Nominating and Governance Committee.

Dr. Henderson has also served as a director of the Ember Corporation, a privately-held semiconductor chip manufacturer, and on its Compensation Committee, from 2001 to July 2009. She has further been a director of Linbeck Construction Corporation, a privately-held facility solutions company, from 2000 until 2004. Dr. Henderson has published articles, papers and reviews in a range of scholarly journals. Dr. Henderson received an undergraduate degree from MIT and a doctorate from Harvard University.

The Board concluded that Dr. Henderson should serve on the Board because Dr. Henderson's study of the complex strategy issues faced by high technology companies provides unique insight into the Company's strategic and technology issues.

***Frank C. Herring***

Frank C. Herring has been a director of the Board of Transamerica Corporation, a financial services company, since 1986, serving as Chairman of the board of directors from 1995 to December 2015. Mr. Herring was an executive with Transamerica for 20 years, including its Chief Executive Officer from 1991 until its acquisition by Aegon N.V., a life insurance, pensions and asset management company, in 1999, subsequently serving on Aegon's Executive Board for one year. Mr. Herring was a director of Aegon U.S. Holding Corporation from 1999 until its merger into Transamerica Corporation in December 2015. Mr. Herring has been a director of The Charles Schwab Corporation, a brokerage and banking company, since 1996, serving on its Compensation and Nominating and Corporate Governance Committees. Mr. Herring is a member of the Board of Trustees of the California Pacific Medical Center

Foundation, a not-for-profit organization which develops philanthropic resources for the California Pacific Medical Center, a privately-held, not-for-profit academic medical center, since 2013. Mr. Herringer was a director of Safeway Inc., a food and drug retailer, from 2008 until January 2015,

-serving on its Executive Compensation and Executive Committees and chairing its Nominating and Corporate Governance Committee. Mr. Herringer was a director of Cardax, Inc., a biotechnology company, from 2014 to April 2015, serving on its Compensation Committee and chairing its Governance and Nominating Committee, and was a director of its parent company, Cardax Pharmaceuticals, Inc., from 2006 until April 2015. From 2002 to 2005, Mr. Herringer was a director of AT&T Corporation, and a member of its Audit and Compensation Committees. In 2004, Mr. Herringer was named an Outstanding Director of the Year by the Outstanding Directors Exchange. Mr. Herringer received an undergraduate degree and master's degree in business administration from Dartmouth College.

The Board concluded that Mr. Herringer should serve on the Board due to Mr. Herringer's career as Transamerica's Chief Executive Officer and Chairman of the Board which developed Mr. Herringer's management and leadership skills and provides an informed perspective on our financial performance, prospects and strategy.

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**Table of Contents****ITEM 1 ELECTION OF DIRECTORS***Tyler Jacks*

Tyler Jacks joined the faculty of Massachusetts Institute of Technology, or MIT, in 1992 and is currently the David H. Koch Professor of Biology and director of the David H. Koch Institute for Integrative Cancer Research, which brings together biologists and engineers to improve detection, diagnosis and treatment of cancer, a position he has held since 2007. Dr. Jacks has been an investigator with the Howard Hughes Medical Institute, a nonprofit medical research organization, since 1994. Dr. Jacks has been a director of Thermo Fisher Scientific, Inc., a life sciences supply company, since May 2009, and serves on its Strategy and Finance Committee and scientific advisory board. In 2006, he co-founded T2 Biosystems, Inc., a biotechnology company, and served on its scientific advisory board until 2013. Dr. Jacks has been a consultant scientific advisor to Epizyme, Inc., a biopharmaceutical company, since 2007, and has served on the scientific advisory board of SQZ Biotech, a privately-held biotechnology company, since 2015. Dr. Jacks served on the scientific advisory board of Aveo Pharmaceuticals Inc., a biopharmaceutical company, from 2001 until 2013. In 2015, Dr. Jacks founded Equipoise Therapeutics, a privately-held cancer therapeutics company. He was appointed to the National Cancer Advisory Board, which advises and assists the Director of the National Cancer

Institute with respect to the National Cancer Program, in October 2011. Dr. Jacks was a director of MIT's Center for Cancer Research from 2001 to 2007 and received numerous awards including the Paul Marks Prize for Cancer Research and the American Association for Cancer Research Award for Outstanding Achievement. He was elected to the National Academy of Sciences as well as the Institute of Medicine in 2009. Dr. Jacks received an undergraduate degree from Harvard University and his doctorate from the University of California, San Francisco.

The Board concluded that Dr. Jacks should serve on the Board due to Dr. Jacks' extensive scientific expertise relevant to our industry, including his broad experience as a cancer researcher and service on several scientific advisory boards. His expertise in the field of oncology, which includes pioneering the use of technology to study cancer-associated genes and to construct animal models of many human cancer types, is evidenced by his appointment to the National Cancer Advisory Board and by his numerous awards for cancer research. Dr. Jacks' scientific knowledge and thorough understanding of our industry positions him to provide valuable insights into the scientific activities of our Company.

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**Table of Contents****ITEM 1 ELECTION OF DIRECTORS*****Judith C. Pelham***

Judith C. Pelham is the President Emeritus of Trinity Health, a national system of healthcare facilities, including hospitals, long-term care, home care, psychiatric care, residences for the elderly and ambulatory care, and one of the largest Catholic healthcare systems in the U.S. Prior to her current position at Trinity Health, she was the President and Chief Executive Officer of Trinity Health from 2000 to 2004, the President and Chief Executive Officer of Mercy Health Services, a system of hospitals, home care, long-term care, ambulatory services and managed care, from 1993 to 2000, the President and Chief Executive Officer of the Daughters of Charity Health Services of Austin, a network of hospitals, home care and ambulatory services, from 1982 to 1992, and the Assistant Vice President of Brigham and Women's Hospital from 1976 to 1980.

Ms. Pelham has been a director of Welltower Inc. (formerly known as Health Care REIT, Inc.), a public real estate investment trust for senior living and health care real estate, since May 2012 and serves on its Compensation, Planning, Nominating/Corporate Governance and Investment Committees. Ms. Pelham was a director of Zoll Medical Corporation, a medical products and software solutions company, from February 2011 to April 2012 when it became a wholly owned subsidiary of Asahi Kasei Group. Ms. Pelham was a director of Eclipsys Corporation, a healthcare IT solutions company, from 2009 to August 2010 when it merged with AllScripts, and was a member of its Compensation Committee. In addition, from 2005 to 2006 she was a director of Hospira, Inc., a specialty pharmaceutical delivery company, and a member of its Audit

and Public Policy and Compliance Committees. She also sits on the board of trustees of Smith College and is a member of its Audit, Finance, Buildings and Grounds, Executive and Libraries Committees and chairs the Buildings and Grounds Committees.

Ms. Pelham has received numerous honors for her civic and healthcare systems leadership, including the CEO IT Achievement Award in 2004 from Modern Healthcare and the Healthcare Information Management Systems Society for her leadership in implementing information technology in healthcare provider organizations and the National Quality Healthcare Award in 2004 from the National Committee for Quality Healthcare, for innovation and implementation of clinical quality and patient safety systems. She received the American Hospital Association Partnership for Action Grassroots Advocacy Award in 1992 in recognition of her work in healthcare reform. Ms. Pelham received an undergraduate degree from Smith College and a master's degree in public administration from Harvard University.

The Board concluded that Ms. Pelham should serve on the Board due to Ms. Pelham's career as an executive leader at a number of large healthcare systems, as well her extensive experience developing programs to improve the health status of communities and championing innovation and advances in the delivery of, access to and financing of healthcare, her understanding of the nation's healthcare system, the patient populations served by our products and the operations of our Company.



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**ITEM 1 ELECTION OF DIRECTORS**

***Ronald D. Sugar***

Ronald D. Sugar is the retired Chairman of the Board and Chief Executive Officer of Northrop Grumman Corporation, a global aerospace and defense company, having held these posts from 2003 through 2009. He was President and Chief Operating Officer of Northrop Grumman Corporation from 2001 until 2003. He was President, Chief Operating Officer and director of Litton Industries, Inc., a developer of military products, from 2000 until 2001, and Chief Financial Officer of TRW, Inc., an aerospace, automotive and credit reporting company, from 1994 to 1996, and President and Chief Operating Officer of TRW Aerospace, a developer of missile systems and spacecraft, from 1998 to 2000. He is a senior advisor to Ares Management LLC, a privately-held asset manager and registered investment advisor, and a senior advisor to Northrop Grumman Corporation, both since 2010.

Dr. Sugar has been a director of Chevron Corporation, a petroleum, exploration, production and refining company, since 2005, serving as the lead director and on the Management Compensation Committee and chairing the Board Nominating and Governance Committee; Apple Inc., a manufacturer and seller of, among other things, personal

computers, mobile communication and media devices, since 2010, chairing the Audit and Finance Committee; and of Air Lease Corporation, an aircraft leasing company, since 2010, chairing the Compensation Committee and serving on the Governance Committee. In 2014, Dr. Sugar joined the Temasek Americas Advisory Panel of Temasek Holdings (Private) Limited, a privately-held investment company based in Singapore. Dr. Sugar is a member of the National Academy of Engineering, trustee of the University of Southern California, member of the UCLA Anderson School of Management Board of Visitors, director and member of the Los Angeles Philharmonic Association and national trustee of the Boys and Girls Clubs of America.

The Board concluded that Dr. Sugar should serve on our Board because Dr. Sugar's board and senior executive-level expertise, including his recent experience as Chairman and Chief Executive Officer of Northrop Grumman Corporation, provides valuable leadership experience and insight in the areas of operations, government affairs, science, technology and finance.

***R. Sanders Williams***

R. Sanders Williams is President of Gladstone Institutes, a non-profit biomedical research enterprise, and its Robert W. and Linda L. Mahley Distinguished Professor of Medicine, both since 2010. He is also a Professor of Medicine at the University of California, San Francisco since 2010. Prior to this, Dr. Williams served as Senior Vice Chancellor of the Duke University School of Medicine from 2008 to 2010 and Dean of the Duke University School of Medicine

from 2001 to 2008. He was the founding Dean of the Duke-NUS Graduate Medical School, Singapore, from 2003 to 2008 and served on its Governing Board from 2003 to 2010. From 1990 to 2001, Dr. Williams was Chief of Cardiology and Director of the Ryburn Center for Molecular Cardiology at the University of Texas, Southwestern Medical Center. Dr. Williams has been a director of the Laboratory Corporation of America Holdings, a diagnostic technologies company, since 2007, serving on the Audit Committee and chairing the Quality and Compliance Committee. Dr. Williams was a director of Bristol-Myers

Squibb Company, a pharmaceutical company, from 2006 until 2013. Dr. Williams has served on the board of directors of the Gladstone Foundation, a non-profit institution that is distinct from Gladstone Institutes, since 2012 and on the board of directors of Exploratorium, a non-profit science museum and learning center located in San Francisco, since 2011. Dr. Williams received his undergraduate degree from Princeton University and his doctorate from Duke University.

The Board concluded that Dr. Williams should serve on the Board due to his broad medical and scientific background, including his leadership roles at Gladstone Institutes and Duke University, deep experience in cardiology, oversight of governance of multi-hospital healthcare provider systems, leadership and/or development of international medical programs in Singapore and China, and prior industry board experience, all of which provide valuable perspectives and insight into the operations of our Company.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE ABOVE 13 NAMED NOMINEES.**



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**ITEM 2 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS**

**Item 2**

**Ratification of Selection of Independent Registered Public Accountants**

The Audit Committee of the Board of Directors, or Board, has selected Ernst & Young LLP, or Ernst & Young, as our independent registered public accountants for the fiscal year ending December 31, 2016, and the Board has directed that management submit this selection for ratification by the stockholders at our 2016 Annual Meeting of Stockholders, or Annual Meeting. Ernst & Young has served as our independent registered public accounting firm and has audited our financial statements since the Company's inception in 1980. The Audit Committee periodically considers whether there should be a rotation of our independent registered public accountants. The members of the Audit Committee believe that the continued retention of Ernst & Young as our independent registered public accountants is in the best interests of the Company and its stockholders. In conjunction with the mandated rotation of Ernst & Young's lead engagement partner, the Audit Committee and its chairperson are directly involved in the selection of Ernst & Young's new lead engagement partner. A representative

of Ernst & Young is expected to be present at the Annual Meeting and will have an opportunity to make a statement and respond to appropriate questions.

Stockholder ratification of the selection of Ernst & Young as our independent registered public accountants is not required by the Amgen Inc. Restated Certificate of Incorporation, the Amended and Restated Bylaws of Amgen Inc., or otherwise. However, the Board is submitting the selection of Ernst & Young to the stockholders for ratification because we believe it is a matter of good corporate governance practice. If our stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain Ernst & Young, but still may retain them. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in our best interests and that of our stockholders.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS.**

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**ITEM 3 ADVISORY VOTE TO APPROVE OUR EXECUTIVE COMPENSATION**

**Item 3**

**Advisory Vote to Approve Our Executive Compensation**

This advisory stockholder vote, commonly known as **Say on Pay**, gives you, as a stockholder, the opportunity to endorse or not endorse our executive pay program and policies. Accordingly, you are being asked to vote on the compensation of our Named Executive Officers, or NEOs, as disclosed in the Compensation Discussion and Analysis (pages 42 through 71) and related compensation tables and the narrative in this proxy statement (pages 72 through 89).

Our executive compensation program is designed to achieve the following objectives:

**Pay for performance in a manner that strongly aligns with stockholder interests** by rewarding both our short- and long-term measurable performance.

**Attract, motivate and retain the highest level of executive talent** by providing competitive compensation, consistent with their roles and responsibilities, our success and their contributions to this success.

**Mitigate compensation risk** by maintaining pay practices that reward actions and outcomes consistent with the sound operation of our Company and with the creation of long-term stockholder value.

**Consider all Amgen staff members** in the design of our executive compensation programs, to ensure a consistent approach that encourages and rewards all staff members who contribute to our success.

**Our 2015 Executive Compensation Was Aligned With Our Performance**

As discussed more fully in our Compensation Discussion and Analysis starting on page 42, a significant majority of each NEO's compensation is dependent on our performance and our execution of our strategic priorities and the compensation objectives discussed above. 2015 was an exceptional year for Amgen as we delivered strong financial results while achieving an unprecedented number of product launches.

**Our annual cash incentive award program compensation is tied directly to our performance based on pre-established financial and operating performance goals.**

**Our annual cash incentive award program comprises two main performance goal categories: Deliver Results (70% weighting) and Progress Innovative Pipeline (30% weighting) with goals for each.**

*We delivered results.*

Financial performance objectives (revenues and adjusted net income) were weighted 60% and Execute New Product/Delivery System Launches was weighted 10% under our annual cash incentive award program.

**Our financial performance was strong.**

Ø Our revenues increased 8% to \$21.7 billion in 2015.

Ø Our adjusted operating margin improved by four percentage points to 48%<sup>(1)</sup> in 2015.

Ø Our adjusted net income grew 19% to \$8 billion<sup>(1)</sup> in 2015.

Ø In 2015, free cash flow was \$8.5 billion compared to \$7.8 billion in 2014 driven by higher revenues and higher operating income.

(1) Adjusted operating margin and adjusted net income are reported and reconciled in our Form 8-K dated as of January 28, 2016.

**Table of Contents****ITEM 3 ADVISORY VOTE TO APPROVE OUR EXECUTIVE COMPENSATION****We executed on an unprecedented number of product launches.**

- Ø We executed on the launches of six innovative products in the oncology and cardiovascular disease therapeutic areas. These launches are:

**Oncology****Kyprolis®****BLINCYTO®****IMLYGIC****Neulasta® Onpro Kit****Cardiovascular****Repatha®****Corlanor®*****We progressed our innovative pipeline.***

Our Progress Innovative Pipeline goal was weighted 30% under our annual cash incentive award program with Execute Key Clinical Studies and Regulatory Filings weighted 20% and Advance Early Pipeline weighted 10%.

- Ø Our late-stage pipeline continued to advance with the recent regulatory submissions for Parsabiv, positive phase 3 data for romosozumab (in collaboration with UCB), phase 2 data for AMG 334 (in collaboration with Novartis AG), and phase 2b data for omecantiv mecarbil (in collaboration with Cytokinetics, Inc.). In 2015, we also continued to advance our biosimilar program, including the filing for global regulatory approval for ABP 501 biosimilar adalimumab (Humira®) and positive phase 3 data for ABP 215 biosimilar bevacizumab (Avastin®).

***We made significant progress on the transformation of our business.***

We continued to execute on the transformation and process improvement efforts announced in 2014. As part of these efforts, we committed to a more focused operating model. Our transformation and process improvement efforts across the Company have enabled us to reallocate resources to fund many of our innovative pipeline and growth opportunities to deliver value to patients and stockholders.

- Ø In 2015, we reduced gross costs by approximately \$700 million, the majority of which was re-invested in our product launches.

***We invested for long-term growth while returning substantial capital to our stockholders.***

Our strong cash flows and balance sheet allowed continued investment for long-term growth through internal research and development and external business development transactions, while simultaneously providing substantial returns to stockholders.

We returned \$4.3 billion to our stockholders in 2015 through the payment of dividends and stock repurchases.

Ø We increased our dividend per share 30% over 2014 (to \$0.79 per share for 2015).

Ø We repurchased ~12 million shares of our Common Stock during 2015 at an aggregate cost of \$1.9 billion.

**Our long-term incentive, or LTI, equity award compensation is tied directly to our stock performance and aligns with the interests of our stockholders.**

*Our three-year total shareholder return, or TSR, significantly outperformed the TSRs of the Standard and Poor's 500 Index, or S&P 500, for the same period.*

Payout under our LTI performance award program for our 2013-2015 performance period at 150% reflects our three-year TSR performance at the 85.5 percentile relative to the TSRs of the companies in the S&P 500 for this performance period.

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**ITEM 3 ADVISORY VOTE TO APPROVE OUR EXECUTIVE COMPENSATION**

**Positive 2015 Say on Pay Vote and Engagement With Our Stockholders**

**97% stockholder support**

on our 2015 say on pay

In 2015, we received approximately 97% stockholder support on our say on pay advisory vote. We have engaged consistently in broad direct stockholder outreach over the past several years and the compensation-related feedback is reviewed by our Compensation and Management Development Committee, or Compensation Committee. We have made a number of compensation changes in response to past discussions with our stockholders and have

implemented the compensation best practices discussed below.

Since our 2015 annual meeting of stockholders, we have engaged in outreach activities and discussions with stockholders comprising approximately 52% of our outstanding shares. Additionally, Mr. Bradway was a keynote speaker and met with investors at the Council of Institutional Investors 2015 Fall Conference. While we are pleased with our say on pay results and stockholder feedback, we will continue to reach out to understand and address any concerns of our stockholders. For more detail regarding stockholder engagement, see page 45.

**We Have Implemented Compensation Best Practices**

We are mindful of compensation and governance best practices and have implemented the following practices, among others:

We have a clawback policy that requires our Board of Directors, or Board, to consider the recapture of past cash or LTI equity award payouts to our NEOs.

Our incentive compensation plans contain recoupment provisions applicable to all staff members that expressly allow the Compensation Committee to determine that annual cash incentive awards are not earned fully or in part where such employee has engaged in misconduct that causes serious financial or reputational damage to the Company.

Our LTI equity award grants are primarily (80%) performance-based.

We have robust stock ownership guidelines, with a six times base salary ownership requirement for our Chief Executive Officer.

Officers are required to retain shares of our Common Stock until they have reached the required stock ownership level.

Our equity incentive plan provides that equity awards are subject to a minimum vesting period of no less than one year and our grants generally vest over four years, with no vesting in the first year and vesting in approximately three equal annual installments on the second, third and fourth anniversaries of the grant date.

With respect to our Common Stock, our staff members and Board are prohibited from engaging in short sales, purchasing Common Stock on margin, pledging Common Stock, or entering into any hedging, derivative or similar transactions.

Our LTI equity award plans and policies prohibit re-pricing or backdating of equity awards.

LTI equity awards are granted based on a specific dollar amount, rather than a set number of shares.

Dividends accrue on our performance units and restricted stock units, or RSUs, but are paid only when and to the extent the underlying award is earned and vested.

We target compensation at the 50<sup>th</sup> percentile, or median, of our peer group for each element of compensation.

We do not provide tax gross-ups, except for business related payments such as reimbursement of certain moving and relocation expenses.

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**ITEM 3 ADVISORY VOTE TO APPROVE OUR EXECUTIVE COMPENSATION**

We do not have single-trigger equity vesting acceleration upon a change of control for RSUs or stock options, and our double-trigger cash severance is limited to a multiple of two times target annual cash compensation, without tax gross-ups.

We do not have any defined benefit pension or supplemental executive retirement plan benefits or above-market interest on deferred compensation.

**Board Recommends a Vote FOR Our Executive Compensation**

Our Board believes that our current executive compensation program aligns the interests of our executives with those of our stockholders and compensation outcomes are primarily based on the performance of our Company. We intend that our compensation programs reward actions and outcomes that are consistent with the sound operation of our Company and are aligned with the creation of long-term stockholder value.

**For the reasons discussed above, the Board recommends that stockholders vote FOR the following resolution:**

Resolved, that the stockholders approve, on an advisory basis, the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to Securities and

Exchange Commission rules in the Compensation Discussion and Analysis, the compensation tables and the accompanying narrative disclosure of this proxy statement.

Although this vote is advisory and is not binding on the Board, our Compensation Committee values the opinions expressed by our stockholders and will consider the outcome of the vote when making future executive compensation decisions.

We currently conduct annual advisory votes on executive compensation, and we expect to conduct the next advisory vote on executive compensation at our 2017 annual meeting of stockholders.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE ADVISORY RESOLUTION INDICATING THE APPROVAL OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS.**





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**ITEM 4 STOCKHOLDER PROPOSAL**

**Item 4**

**Stockholder Proposal**

A stockholder and co-filers have informed the Company that they intend to present the proposal set forth below at our 2016 Annual Meeting of Stockholders, or Annual Meeting. If the stockholder (or its respective qualified representative as determined under our Amended and Restated Bylaws of Amgen Inc., or Bylaws) are present at the Annual Meeting and properly submit the proposal for a vote, then the stockholder proposal will be voted upon at the Annual Meeting.

In accordance with the Federal securities laws, the stockholder proposal and supporting statement is presented below as submitted by the stockholder and is quoted verbatim and is in italics. The Company disclaims all responsibility for the content of the proposal and the supporting statement, including other sources referenced in the supporting statement.

**FOR THE REASONS STATED IN THE BOARD OF DIRECTOR S, OR BOARD, RESPONSE, WHICH FOLLOWS THE STOCKHOLDER PROPOSAL, THE BOARD STRONGLY AND UNANIMOUSLY RECOMMENDS THAT YOU VOTE AGAINST THE STOCKHOLDER PROPOSAL.**

**Stockholder Proposal**

Francie Rutherford and Michael Burke Stansbury, each owner of a purported 50 shares of our Common Stock as of December 3, 2015, appointing Newground Social Investment, SPC as their representative, with an address of 10033 12th Avenue NW, Seattle, WA 98177, have notified us of their intention to submit the following proposal at our Annual Meeting. Walden Asset Management, owner of a purported 26,808 shares of our Common Stock as of December 3, 2015, and AJF Financial Services, Inc., on behalf of certain of their clients, have notified us that they are co-filing the proposal.

***RESOLVED:** Shareholders of Amgen, Inc. hereby request the Board to take or initiate the steps necessary to amend the Company s governing documents to provide that all non-binding matters presented by shareholders shall be decided*

*by a simple majority of the votes cast FOR and AGAINST an item. This policy shall apply to all such matters unless shareholders have approved higher thresholds, or applicable laws or stock exchange regulations dictate otherwise.*

**SUPPORTING STATEMENT:**

*A simple-majority voting formula includes FOR and AGAINST votes, but not abstentions.*

*Under management s present system, on shareholder resolutions abstentions count as AGAINST votes. This disadvantages shareholders in three ways:*

**1. Every abstention on a shareholder item is treated as an AGAINST vote.**

Regardless of an abstaining voter's intent, Amgen treats every abstention as if against shareholder items, while not counting them against management-sponsored Director elections.

**2. Counting abstentions suppresses outcomes.**

By simple math, including abstentions in a formula depresses the vote result.

Counting abstentions against shareholder items is burdensome, yet Amgen does not place this same burden on management-sponsored Director elections.

Using different formulas boosts the appearance of support for management's Director slate, while artificially depressing support for shareholder items.

**3. Counting abstentions distorts communication among shareholders and Amgen.**

This distortion happens at the annual general meeting ( AGM ) of shareholders the only time each year that owners can directly interact with Board or management.

Amgen's voting policies create misimpressions that endure. Shareholders and the media may not be informed about voting practices at the AGM, so voting

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**ITEM 4 STOCKHOLDER PROPOSAL**

*distortions are widely reported in the press and imprinted on the minds of shareholders and the public. These same distortions impact Board awareness of shareholder concern/interest.*

**Three facts:**

*A CalPERS study found that 48% of S&P 500 and Russell 1000 companies employ a simple-majority standard showing this to be a mainstream practice.*

*Under this proposal, shareholders retain the right to send a message with their abstention in fact, message-sending may be more effective because Amgen will not use abstentions to depress reported outcomes on shareholder proposals.*

*Any suggestion that management- and shareholder-sponsored items are treated the same is false, because management-sponsored item No. 1 Director elections does not count abstentions.*

**Notable supporters of a simple-majority standard:**

**The US Securities and Exchange Commission** (Staff Legal Bulletin No. 14, Question F.4.): *Only votes FOR and AGAINST a proposal are included in the calculation of the shareholder vote of that proposal. Abstentions are not included in this calculation.*

**Institutional Shareholder Services** (ISS the nation's leading proxy reporting service): *a simple majority of voting shares should be all that is necessary to effect change regarding a company and its governance provisions.*

**The Council of Institutional Investors** (Governance Policy 3.7): *Uninstructed broker votes and abstentions should be counted only for purposes of a quorum.*

*Vote to enhance shareholder value and good governance at Amgen: **Item 4 Simple Majority Vote.***

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**Board Response to the Stockholder Proposal**

**The Board of Directors recommends a vote AGAINST the Stockholder Proposal for the following reasons:**

Our Board of Directors has considered this proposal and has concluded that it is not in the best interests of the Company or its stockholders to adopt the proponent's vote-counting methodology.

***Our stockholder approval standard and vote counting methodology of including abstentions adheres to Delaware law.*** The Company is incorporated in the State of Delaware and, therefore, Delaware law governs the voting standards for action by the Company's stockholders. The required vote for action by the Company's stockholders follows the default approval standard for stockholder action under Delaware law. The Company's Amended and Restated Bylaws provide that, except in the election of directors, as otherwise provided by the Company's governing documents or required by applicable laws, rules and regulations, when a quorum is present, the affirmative vote of the holders of a majority of the shares present (in person or by proxy) and entitled to vote is required to approve any matter brought before a stockholder meeting. We believe the majority of

Delaware corporations adhere to the same default voting standard.

Under Delaware law, abstentions are considered shares entitled to vote. Accordingly, in the vote tabulation for matters that require the affirmative vote of the majority of the shares present and entitled to vote, abstentions are not included in the numerator (because they are not affirmative votes), but are included in the denominator as shares entitled to vote. Therefore, abstentions under this standard have the same practical effect as a vote against a proposal.

***Our vote counting methodology applies identically to management-sponsored proposals and stockholder proposals.*** In its supporting statement, the proponent focuses on the effect that counting abstentions has on stockholder proposals. As disclosed in this proxy statement, abstention votes are included in the vote count for each of the management-sponsored proposals and have the same practical effect as a vote against them. This vote count standard does not favor the management-sponsored proposals over the stockholder proposals. Both are treated equally. In contrast, the

Table of Contents**ITEM 4 STOCKHOLDER PROPOSAL**

proponent's vote-counting methodology favors stockholder proposals over management-sponsored proposals.

***Our Board of Directors believes that since stockholders are made aware of the treatment and effect of abstentions, counting abstention votes effectively honors the intent of our stockholders.*** Stockholders typically have three voting choices for a particular proposal: for; against; and abstain. In the proxy statement for each annual meeting, the Company discloses the vote required to approve each proposal, and also describes how abstentions will be counted in the vote tabulation and the effect of abstentions on the outcome of a matter. The Company's stockholders are informed that if they vote abstain on a proposal other than the election of directors, their vote will have the same practical effect as an against vote, and the Board believes that counting abstention votes effectively honors the intent of the Company's stockholders. If a stockholder elects to abstain on a matter, the Board believes that the stockholder recognizes the impact of the vote and expects it to be included in the vote count.

Furthermore, the Board believes that abstentions serve a worthwhile purpose. The proponent of an item of business, be it management or a stockholder, bears the burden of persuading a majority of stockholders to affirmatively vote in favor of the item. Consistent with conversations we have had with some of our stockholders, the proponent's own cited source recognizes the value of abstentions, noting, that some institutional investors abstain on shareholder proposals when they wish to convey support for the general subject matter, but have reservations about the specific action requested.<sup>(1)</sup> We therefore do not believe it would be in our stockholders' best interest or effective corporate governance to disregard these views.

***Our Board of Directors believes that lowering the approval standard for stockholder-sponsored proposals would be poor corporate governance.*** The proponent requests that abstentions be ignored for all stockholder-sponsored matters presented to the Company's stockholders. Ignoring abstention votes would lower the approval standard and effectively make approval easier. Except with respect to the election of directors and matters that require, statutorily

or otherwise, a different vote, the Board believes that a proposal whether management-sponsored or stockholder-sponsored should receive more for votes than the sum of against and abstain votes in order to constitute approval by the Company's stockholders. Moreover, the proponent's argument of using the Securities and Exchange Commission, or SEC, standard of excluding abstentions in vote tabulations is based on the SEC's vote-counting rules for determining whether a stockholder may resubmit a proposal for inclusion in a company's proxy statement. These rules do not govern whether a stockholder proposal has been approved by stockholders. It may be that in this limited context the SEC wished to set a lower bar to enable stockholders to more easily resubmit proposals. However, in other contexts, the SEC promotes voting standards similar to ours. For instance, the SEC expressly requires a form of proxy to include an abstention option with respect to the advisory vote on the frequency of advisory vote on executive compensation.

The Board believes that it would not be effective corporate governance or serve the best interests of the Company's stockholders to take one voting standard that an organization applies to a specific context and adopt that standard to stockholder-sponsored matters. Further, we also note that based on our review of our prior annual meeting voting results, the counting of abstention votes as shares entitled to vote was not determinative of the outcome of any proposal submitted to our stockholders at any of our annual meetings in the past decade.

***Faced with similar proposals in 2015, stockholders overwhelmingly did not support the adoption of the proposed vote counting methodology.*** In 2015, seven companies included a proposal related to a majority vote counting methodology from Investor Voice, Newground Social Investment or Equality Network Foundation in their 2015

annual meeting proxy statements. Each of those proposals received less than 10% support from stockholders. Additionally, Investor Voice and Walden Asset Management included a similar proposal in our 2015 annual meeting proxy statement which received very low support (approximately 5.8%) from our stockholders.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST THE STOCKHOLDER PROPOSAL.**

<sup>(1)</sup> Vote Calculation Methodologies report dated September 17, 2013 prepared for CalPERS by GMI Ratings.

Table of Contents**SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS****Security Ownership of Directors and Executive Officers**

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of March 21, 2016 by: (i) each current director and nominee; (ii) our Named Executive Officers, or NEOs (as specified on page 42 and (iii) all of our current directors and executive officers as a group. There were 750,032,702 shares of our Common Stock outstanding as of March 21, 2016. None of our directors, nominees, NEOs or executive officers, individually or as a group, beneficially owns greater than 1% of our outstanding shares of Common Stock.

Beneficial Owner	Amgen Inc. Common Stock <sup>(1)(2)</sup>		
	Total Common Stock Beneficially Owned	Shares Acquirable Within 60 Days	Percent of Total
<b>Non-Employee Directors and Nominees</b>			
David Baltimore	47,350	20,000	*
Frank J. Biondi, Jr.	31,696	15,000	*
François de Carbonnel	18,014	5,000	*
Vance D. Coffman	48,156	15,000	*
Robert A. Eckert	20,435	20,000	*



Greg C. Garland	3,415	0	*
Fred Hassan	3,582	0	*
Rebecca M. Henderson	8,000	8,000	*
Frank C. Herringer <sup>(3)</sup>	42,722	15,000	*
Tyler Jacks	21,890	20,000	*
Judith C. Pelham	11,890	0	*
Ronald D. Sugar	30,000	30,000	*
R. Sanders Williams	1,500	0	*
<b>Named Executive Officers</b>			
Robert A. Bradway	572,924	208,188	*

Anthony C. Hooper	198,357	3,178	*
David W. Meline	6,591	0	*
Sean E. Harper	115,959	40,178	*
Jonathan P. Graham	0	0	*
All current directors and executive officers as a group (23 individuals) <sup>(4)</sup>	1,522,232	466,792	*

\* Less than 1%.

<sup>(1)</sup> Information in this table is based on our records and information provided by directors, NEOs, executive officers and in public filings. Unless otherwise indicated in the footnotes and subject to community property laws, where applicable, each of the directors and nominees, NEOs and executive officers has sole voting and/or investment power with respect to such shares, including shares held in trust.

**Table of Contents****SECURITY OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS**

- (2) Includes shares which the individuals shown have the right to acquire (a) upon vesting of restricted stock units, or RSUs, and related dividend equivalents (excluding fractional shares), where the shares are issuable as of March 21, 2016 or within 60 days thereafter, and (b) upon exercise of stock options that are vested as of March 21, 2016 or within 60 days thereafter, as set forth in the table below. Such shares are deemed to be outstanding in calculating the percentage ownership of such individual (and the group), but are not deemed to be outstanding as to any other person. Excludes vested RSUs, and related dividend equivalents, for which receipt has been deferred by certain of the non-employee directors to a date later than 60 days after March 21, 2016. Dividend equivalents credited on RSUs are deemed reinvested and are paid out with the vested RSUs in shares of our Common Stock. Excludes the number of shares the Company is required to withhold for taxes from each executive officers performance units earned for the 2013-2015 performance period, as such amounts were not available as of the date this proxy statement went to print.

<b>Name</b>	<b>RSUs and Dividend Equivalents Included</b>	<b>Stock Options Included</b>	<b>RSUs and Dividend Equivalents Excluded</b>
David Baltimore	0	20,000	0
Frank J. Biondi, Jr.	0	15,000	16,955
François de Carbonnel	0	5,000	2,173
Vance D. Coffman	0	15,000	8,606
Robert A. Eckert	0	20,000	5,041

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Greg C. Garland	0	0	0
Fred Hassan	0	0	0
Rebecca M. Henderson	0	8,000	8,892
Frank C. Herringer	0	15,000	18,419
Tyler Jacks	0	20,000	3,086
Judith C. Pelham	0	0	0
Ronald D. Sugar	0	30,000	8,522
R. Sanders Williams	0	0	0
Robert A. Bradway	7,688	200,500	0
Anthony C. Hooper	3,178	0	0
David W. Meline	0	0	0

Sean E. Harper	3,178	37,000	0
Jonathan P. Graham	0	0	0

(3) Includes 17,152 shares held by family trusts.

(4) Includes 334,751 shares (excluding fractional shares) held by the five executive officers who are not NEOs and who have a right to acquire such shares upon the vesting of RSUs that have not been deferred to a date later than 60 days after March 21, 2016 or upon exercise of vested stock options as of March 21, 2016 or within 60 days thereafter. All current directors and executive officers as a group have the right to acquire a total of 19,117 shares upon vesting of RSUs, and related dividend equivalents, where the shares are issuable as of March 21, 2016 or within 60 days thereafter and 447,675 shares upon exercise of stock options that are vested as of March 21, 2016 or within 60 days thereafter.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS****Security Ownership of Certain Beneficial Owners**

The following table shows the number of shares of our Common Stock owned by each person or entity known to the Company to be the beneficial owners of more than 5% of our Common Stock as of December 31, 2015, except as noted, based on a review of publicly available statements of beneficial ownership filed with the Securities and Exchange Commission, or SEC, on Schedules 13D and 13G through March 21, 2016.

Name and Address of Beneficial Owner	Common Stock Beneficially Owned	
	Number of Shares	Percent of Total <sup>(1)</sup>
Capital Research Global Investors <sup>(2)</sup> 333 South Hope Street Los Angeles, CA 90071	91,961,008	12.26%
BlackRock, Inc. <sup>(3)</sup> 55 East 52 <sup>nd</sup> Street New York, NY 10055	50,675,509	6.76%
The Vanguard Group <sup>(4)</sup> 100 Vanguard Blvd. Malvern, PA 19355	44,916,785	5.99%

<sup>(1)</sup> The Percent of Total reported in this column has been calculated based upon the numbers of shares of Common Stock outstanding as of March 21, 2016 and may differ from the Percent of Class reported in statements of beneficial ownership filed with the SEC.

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- (2) The amounts shown and the following information was provided by Capital Research Global Investors pursuant to a Schedule 13G/A filed with the SEC on February 16, 2016. Capital Research Global Investors reports that it has sole voting and dispositive power over all 91,961,008 shares.
- (3) The amounts shown and the following information was provided by BlackRock, Inc. pursuant to a Schedule 13G/A filed with the SEC on February 10, 2016. BlackRock, Inc. reports that it has sole voting power over 43,914,119 of these shares and sole dispositive power over 50,652,713 shares.
- (4) The amounts shown and the following information was provided by The Vanguard Group pursuant to a Schedule 13G/A filed with the SEC on February 10, 2016. The Vanguard Group reports that it has sole voting power over 1,410,260 of these shares and sole dispositive power over 43,422,249 shares.

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**Table of Contents****CORPORATE GOVERNANCE****Corporate Governance****Board of Directors Corporate Governance Highlights**

Our Board of Directors, or Board, is governed by our Amgen Board of Directors Corporate Governance Principles, or Corporate Governance Principles, which are amended from time to time to incorporate certain current best practices in corporate governance. Our Corporate Governance Principles may be found on our website at [www.amgen.com](http://www.amgen.com) and are available in print upon written request to the Company's Secretary at our principal executive offices at One Amgen Center Drive, Thousand Oaks, California 91320-1799. The Board's corporate governance practices include the following:

***Proxy Access.*** We adopted Amended and Restated Bylaws of Amgen Inc., or Bylaws, to implement proxy access for director nominations. Eligible stockholders with an ownership threshold of 3% who have held their shares for at least 3 years and who otherwise meet the requirements set forth in our Bylaws may have their nominees consisting of the greater of 20% or two nominees of our Board included in our proxy materials. Up to 20 eligible stockholders may group together to reach the 3% ownership threshold. In the course of designing our proxy access provisions, we carefully considered each element in the interest of our stockholders as a whole, including that the number of stockholders who may group together (20) would afford those stockholders likely to utilize proxy access with the opportunity to do so.

***Lead Independent Director.*** The independent members of the Board elect a lead independent director on an annual basis. The lead independent director has specific responsibilities and authorities as discussed below. Vance D. Coffman will serve as the lead independent director until his retirement from the Board at the 2016 Annual Meeting of Stockholders, or Annual Meeting. The independent members of the Board have elected Robert A. Eckert as our new lead independent director effective following the Annual Meeting, subject to his re-election to the Board by our stockholders at the Annual Meeting.

***Regular Executive Sessions of Independent Directors.*** Our independent directors meet privately on a regular basis. Our lead independent director presides at such meetings.

***Majority Approval Required for Director Elections.*** If an incumbent director up for re-election at a meeting of stockholders fails to receive a majority of affirmative votes in an uncontested election, the Board will adhere to the director resignation policy as provided in our Bylaws.

***Board Access to Management.*** We afford our directors ready access to our management. Key members of management attend Board and committee meetings to present information concerning various aspects of the Company, its operations and results. The Corporate Responsibility and Compliance Committee, or Compliance



Committee, members also have regular meetings in executive session with our Chief Compliance Officer, and the Audit Committee members have regular meetings in executive session with our internal auditors and separate meetings in executive session with our head of Corporate Audit.

***Board Authority to Retain Outside Advisors.*** Our Board committees have the authority to retain outside advisors. The Audit Committee has the sole authority to appoint, compensate, retain and oversee the independent registered public accountants. The Compensation and Management Development Committee, or Compensation Committee, has the sole authority to appoint, compensate, retain and oversee compensation advisors for senior management compensation review. The Governance and Nominating Committee, or Governance Committee, has the sole authority to appoint, retain and replace search firms to identify director candidates and compensation advisors for our directors' compensation review.

***Director Limitation on Number of Boards.*** A director who is currently serving as our Chief Executive Officer, or CEO, should not serve on more than two outside public company boards. No director should serve on more than five outside public company boards.

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**Director Tenure.** Our average Board tenure of ~7.7 years is substantially less than the average board tenure of the companies in the Standard & Poor's 500 Index.

**Director Retirement Age.** The Board has established a retirement age of 72. A director is expected to retire from the Board on the day of the annual meeting of stockholders following his or her 72nd birthday. After due consideration, the Board has waived the retirement age with respect to David Baltimore based on its determination that it would be beneficial to have Dr. Baltimore continue to serve as a director due to his unique scientific knowledge and deep understanding of the research and development activities and operations of the Company. The Board has waived the retirement age with respect to Frank C. Herringer based on its determination that it would be beneficial to have Mr. Herringer continue to serve as a director due to his financial acumen and Company knowledge and experience.

**Director Changes in Circumstances Evaluated.** If a director has a substantial change in principal business or professional affiliation or responsibility, including a change in principal occupation, he or she shall offer his or her resignation to the chairman of the Governance Committee. The Governance Committee determines whether to accept the resignation based on what it believes to be in the best interests of the Company and our stockholders.

**Director Outside Relationships Require Pre-Approval.** Without the prior approval of disinterested members of the Board, directors should not enter into any transaction or relationship with the Company in which they will have a financial or a personal interest or any transaction that otherwise involves a conflict of interest.

**Director Conflicts of Interest.** If an actual or potential conflict of interest arises for a director or a situation arises giving the appearance of an actual or potential conflict, the director must promptly inform the Chairman of the Board, or Chairman, or the chairman of the Governance Committee. All directors will recuse themselves from any discussion or decision found to affect their personal, business or professional interests.

**Regular Board and Committee Evaluations.** The Board and the Audit, Compensation, Compliance and Governance Committees each have an annual evaluation process which focuses on their role and effectiveness, as well as fulfillment of their fiduciary duties. In 2015, the evaluations were each completed anonymously to encourage candid feedback. The Board completed its evaluation in December 2015, while the Audit, Compensation, Compliance and Governance Committees each completed its assessment in October 2015 for further evaluation by the Governance Committee in December 2015. The results of the committee evaluations are reported to and reviewed by the full Board. Each committee and the Board was satisfied with its performance and each was considered to be operating effectively, with appropriate balance among governance, oversight, strategic and operational matters.

**Solicitation of Stockholder Perspectives.** The Board believes that engagement with stockholders is the source of valuable information and perspectives on the Company. The Board has requested that management solicit input from investors on behalf of the Board and the lead independent director may also meet directly with stockholders

when appropriate. We provide more information regarding the stockholder engagement program on page 45.

### **Director Qualifications and Review of Board Diversity**

Our Governance Committee is responsible for determining Board membership qualifications and for selecting, evaluating and recommending to the Board nominees for annual election to the Board and to fill vacancies as they arise. The Governance Committee reviews, periodically with the Board, the composition and size of the Board, each committee's performance and makes recommendations, as necessary, so that the Board reflects the appropriate balance

of knowledge, experience, skills, expertise and diversity advisable for the Board as a whole and contains at least the minimum number of independent directors required by applicable laws and regulations.

The Governance Committee maintains guidelines for selecting nominees to serve on the Board and for considering stockholder recommendations for nominees. The Amgen Inc.

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Board of Directors Guidelines for Director Qualifications and Evaluations are included in this proxy statement as **Appendix A**. Among other things, Board members should possess demonstrated breadth and depth of management and leadership experience, financial and/or business acumen or relevant industry or scientific experience, integrity and high ethical standards, sufficient time to devote to the Company's business, the ability to oversee, as a director, the Company's business and affairs for the benefit of our stockholders, the ability to comply with the Amgen Board of

Directors Code of Conduct and a demonstrated ability to think independently and work collaboratively. In addition, although the Governance Committee does not maintain a diversity policy, the Governance Committee considers diversity in its determinations. Diversity includes race, ethnicity, age and gender and is also broadly construed to take into consideration many other factors, including industry knowledge, operational experience and scientific and academic expertise, geography and personal backgrounds.

**Leadership Structure**

Our current leadership structure and governing documents permit the roles of Chairman and CEO to be filled by the same or different individuals. The Board has currently determined that it is in the best interests of the Company and our stockholders to have Robert A. Bradway, our CEO and President, serve as Chairman, coupled with an active lead independent director. As such, Mr. Bradway holds the position of Chairman, CEO and President, and Dr. Coffman will serve as the lead independent director until his retirement from the Board at the Annual Meeting. Subject to his re-election at the Annual Meeting, Mr. Eckert has been elected by the independent directors to succeed Dr. Coffman as the lead independent director effective following the Annual Meeting.

***Corporate Governance Structure.*** The Board believes our corporate governance structure, with its strong emphasis on Board independence, an active lead independent director and strong Board and committee involvement, provides sound and robust oversight of management.

***Director Independence.*** At least annually, the Governance Committee reviews the independence of each non-employee director and makes recommendations regarding director independence to the Board and the Board affirmatively determines whether each director qualifies as independent. Each director must keep the Governance Committee fully and promptly informed as to any development that may affect the director's independence. 12 out of the 13 director nominees (approximately 92%) are independent as defined by The NASDAQ Stock Market, or NASDAQ, listing standards and the requirements of the Securities and Exchange Commission, or SEC, with the exception being Mr. Bradway. All of our directors are elected annually.

***Lead Independent Director.*** The lead independent director is elected by the independent members of the Board on an annual basis. Dr. Coffman has been elected as the lead independent director since January 1, 2013 and he will serve as such until his retirement from the Board at the Annual Meeting. The independent members of the Board have elected Mr. Eckert as our new lead independent director effective following the Annual Meeting, subject to his re-election to the Board by our stockholders at the Annual Meeting.

In such position, the lead independent director serves as a means for regular communication between the independent directors and Mr. Bradway, keeping Mr. Bradway apprised of any concerns, issues or determinations made during the independent sessions, and consults with Mr. Bradway on other matters pertinent to the Company and the Board. The lead independent director's additional responsibilities include:

Presiding at meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;

Serving as a liaison between the Chairman and the independent directors;

Previewing the information to be provided to the Board;

Approving meeting agendas for the Board;

Assuring that there is sufficient time for discussion of all meeting agenda items;

Organizing and leading the Board's evaluation of the CEO;

Being responsible for leading the Board's annual self-assessment;

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Having the authority to call meetings of the independent directors; and

If requested by major stockholders, ensuring that he/she is available for consultation and direct communication.

*Key Committees Composed of Independent Directors.* The Audit, Compensation, Compliance and Governance Committees are each composed solely of independent directors and provide independent oversight of management. In addition, the Audit, Compensation and Compliance Committees meet in executive session on a regular basis with no members of management present (unless otherwise requested by the committee). Each of our committees effectively manages its Board-delegated duties and communicates regularly with the Chairman and members of management. In addition, the Compensation Committee has an effective process for monitoring and evaluating Mr. Bradway's compensation and performance. Each committee chair provides a report on committee meetings held to the full Board at each regular meeting of the Board.

*Independent Directors Sessions.* On a regular basis, the independent directors meet in an executive session without Mr. Bradway to review Company performance, management effectiveness, proposed programs and transactions and the Board meeting agenda items. These independent sessions are organized and chaired by our lead independent director.

*Annual Assessment.* As part of the Board's annual self-evaluation process, the Board reviews its leadership structure and whether combining or separating the roles of Chairman and CEO is in the best interests of the Company and our stockholders.

*Benefits of Combined Leadership Structure.* The Board believes that the Company and our stockholders have been best served by having Mr. Bradway in the role of Chairman and CEO for the following reasons:

Mr. Bradway is most familiar with our business and the unique challenges we face. Mr. Bradway's day-to-day insight into our challenges facilitates a timely deliberation by the Board of important matters.

Mr. Bradway has and will continue to identify agenda items and lead effective discussions on the important matters affecting us. Mr. Bradway's knowledge and extensive experience regarding our operations and the highly-regulated industries and markets in which we compete position him to identify and prioritize matters for Board review and deliberation.

As Chairman and CEO, Mr. Bradway serves as an important bridge between the Board and management and provides critical leadership for carrying out our strategic initiatives and confronting our challenges. The Board believes that Mr. Bradway brings a unique, stockholder-focused insight to assist the Company to most effectively execute its strategy and business plans to maximize stockholder value.

The strength and effectiveness of the communications between Mr. Bradway as our Chairman and Dr. Coffman as our lead independent director result in effective Board oversight of the issues, plans and prospects of our

Company.

This leadership structure provides the Board with more complete and timely information about the Company, a unified structure and consistent leadership direction internally and externally and provides a collaborative and collegial environment for Board decision making.

***Flexibility of the Leadership Structure.*** The Board is committed to high standards of corporate governance. The Board values its flexibility to select, from time to time, a leadership structure that is most able to serve the Company's and stockholders' best interests based on the qualifications of individuals available and circumstances existing at the time. As such, the Board regularly evaluates whether combining or separating the roles of Chairman and CEO is in the best interests of the Company and our stockholders. The Board believes that a policy limiting its flexibility to choose, consistent with its fiduciary duties, a leadership structure that will enable the Company to most effectively execute its strategy and business plans to maximize stockholder value would be detrimental to the Company and our stockholders.

### **The Board's Role in Risk Oversight**

Our Board oversees an enterprise-wide approach to risk management, which is designed to support the achievement of the Company's objectives, including strategic objectives to improve long-term financial and operational performance and enhance stockholder value. Our Board believes that a fundamental part of risk management is understanding the risks that we face, monitoring these risks and adopting appropriate control and mitigation of these risks. We believe

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that the risk management areas that are fundamental to the success of our annual and strategic plans include the areas of product development, safety, supply, quality, value and access, sales and promotion and corporate development, as well as protecting our assets (financial, intellectual property and information), all of which are managed cross-functionally by senior executive management reporting directly to our CEO.

We have implemented an Enterprise Risk Management, or ERM, program, which is a Company-wide effort to identify, assess, manage, report and monitor enterprise risks and risk areas that may affect our ability to achieve the Company's objectives. The ERM program involves our Board, our management and other personnel and is overseen by one of

our senior executive officers. Enterprise risks are identified and managed by management and the business functions and, as discussed below, are overseen by the Board or the appropriate Board committee.

The Board discusses enterprise risks with our senior management on a regular basis, including as a part of its annual strategic planning process, annual budget review and approval, capital plan review and approval and through reviews of compliance issues in the applicable committees of our Board, as appropriate. While the Board has the ultimate oversight responsibility for the risk management process, various committees of the Board are structured to oversee specific risks, as follows:

<b>Committee</b>	<b>Primary Risk Oversight Responsibility</b>
<b>Audit Committee</b>	Oversees financial risk, such as capital risk, financial compliance risk and internal controls over financial reporting.
<b>Corporate Responsibility and Compliance Committee</b>	Oversees non-financial compliance risk, such as regulatory risks (including the compliance risks associated with the requirements of the Federal health care program, Food and Drug Administration and Corporate Integrity Agreement). Oversees staff member compliance with the Code of Conduct.
<b>Compensation and Management Development Committee</b>	Evaluates whether the right management talent is in place. Oversees our compensation policies and practices, including whether such policies and practices balance risk-taking and rewards in an appropriate manner as discussed further below.
<b>Governance and Nominating Committee</b>	Oversees the assessment of each member of the Board's independence, as well as the effectiveness



of our Corporate Governance Principles and Board  
of Directors Code of Conduct.

At each regular meeting, or more frequently as needed, the Board considers reports from each of the committees set forth above, which reports may provide additional detail on risk management issues and management's response.

### **Compensation Risk Management**

On an annual basis, management, working with the Compensation Committee's independent compensation consultant, conducts an assessment of the Company's compensation policies and practices for all staff members generally, and for our staff members who participate in our

sales incentive compensation program, for material risk to the Company. The results of this assessment are reviewed and discussed with the Compensation Committee. Based on this assessment, review and discussion, we believe that, through a combination of risk-mitigating features and incentives guided by relevant market practices and Company-wide goals, our compensation policies and practices do not present risks that are reasonably likely to have a material adverse effect on us.

In evaluating our compensation policies and practices, a number of factors were identified which the Company, the

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Compensation Committee and its independent consultant believe discourage excessive risk-taking, including the factors described below:

Our compensation programs consist of a mix of incentives that are tied to varying performance periods and are designed to balance our need to drive our current performance with the need to position the Company for longer-term success.

Of this mix of incentives, Company-wide results are the most important factor in determining the amount of an incentive award for each of our staff members. Additionally, we cap short-term incentives and make long-term incentive, or LTI, equity awards a component of compensation for nearly all of our full-time staff members. In particular, the CEO and the other executive officers participate in compensation plans that are designed so that the largest component of their compensation is in the form of LTI equity awards to ensure that a significant portion of their compensation is associated with long-term, rather than short-term, outcomes, which aligns these individuals interests with our stockholders.

We employ strong practices with respect to equity awards: we do not award mega-grants, discounted stock options or immediately vested stock options to staff members; we have grant guidelines that generally limit the grant date for our equity grants to the third business day after our announcement of quarterly earnings.

We have robust stock ownership guidelines for vice presidents and above that require significant investment by these individuals in our Common Stock.

Our Company values and leadership behaviors are an integral part of the performance assessments of our staff members and are particularly emphasized in our assessment tools at higher positions. These evaluations serve as an important information tool and basis for compensation decisions.

The Compensation Committee retains full discretion to reduce or eliminate annual cash incentive awards to our executive officers and can and has modified awards downwards.

We have a clawback policy that requires our Board to consider recapturing past cash or equity compensation payouts awarded to our executive officers if it is subsequently determined that the amounts of such compensation were determined based on financial results that are later restated and the executive officer's misconduct caused or partially caused such restatement.

We have recoupment provisions that expressly allow the Compensation Committee or management, as appropriate, to consider employee misconduct that caused serious financial or reputational damage to the Company when determining whether an employee has earned an annual cash incentive award or the amount of any such award.

Our Insider Trading Policy prohibits pledging of our Common Stock and hedging the economic risk of our Common Stock.

### **Codes of Ethics and Business Conduct**

Our Board has adopted two codes of business conduct and ethics, one that applies to our directors and the second which applies to all of our staff members, including our executive officers. We also have a Code of Ethics for senior financial officers. To view our codes of business conduct, please visit our website at [www.amgen.com](http://www.amgen.com). We intend to

disclose any future amendments to certain provisions of our codes of business conduct and ethics, or waivers of such provisions, applicable to our directors and executive officers, at the same location on our website identified above. There were no waivers of any of the codes of business conduct or the codes of ethics in 2015.

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At least annually, the Governance Committee reviews the independence of each non-employee director and makes recommendations to the Board and the Board affirmatively determines whether each director qualifies as independent. Each director must keep the Governance Committee fully and promptly informed as to any development that may affect the director's independence.

The Board has determined that each of our non-employee directors is independent under the listing standards of NASDAQ and the requirements of the SEC. Mr. Bradway is not independent based on his service as our CEO and President. Mr. Bradway is the only director who also serves us in a management capacity. In making its independence determinations, the Board reviewed direct and indirect transactions and relationships between each director, or any member of his or her immediate family, and us or one of our subsidiaries or affiliates based on information provided by the director, our records and publicly available information. All of the reviewed transactions and arrangements were entered into in the ordinary course of business and none of the business transactions, donations or grants involved an amount that (i) exceeded the greater of 5% of the recipient entity's revenues or \$200,000 with respect to transactions where a director or any member of his or her immediate family or spouse served in any capacity other than as a director of a publicly held corporation or (ii) exceeded \$10,000 with respect to professional or consulting services provided by entities at which our directors serve as professors or employees. The following types and categories of transactions, relationships and arrangements were considered by our Board in making its independence determinations:

Each of our independent directors (or their immediate family members), currently serves or has previously served within the last three years as a professor, trustee, director, or member of a board, council or committee for one or more colleges, universities or non-profit, charitable organizations, including research or scientific institutions, to which The Amgen Foundation, Inc. has made matching donations under our Amgen matching gift program that is available to all of our employees and directors, or has made grants.

Each of our independent directors (or their immediate family members), other than Judith C. Pelham, currently serves or has previously served within the last three years as a member of the board of directors or the board of trustees or an advisory board for an entity with which Amgen has business transactions or to which Amgen makes donations or grants. The business transactions include, among other things, purchasing supplies, equipment and software licenses, repair and maintenance fees, healthcare sponsorships and programs, utilities, clinical trials, research and development expenses, executive education, conferences and limited consulting services.

Drs. Baltimore, Rebecca M. Henderson, Tyler Jacks and R. Sanders Williams currently serve as professors for universities to which Amgen has made payments for certain business transactions such as symposiums,

conferences, clinical trials, training and research and development expenses, software licenses and maintenance fees, as well as for grants.

None of our directors directly or indirectly provides any professional or consulting services to us and none of our directors currently has or has had any direct or indirect material interest in any of the above transactions and arrangements. The Board determined that these transactions and arrangements did not warrant a determination that the director was not independent.

## **Board Meetings**

The Board held six meetings in 2015 and all of the directors attended at least 75% of the total number of meetings of the Board and committees on which they served. Fred Hassan was appointed to the Board in July 2015 and attended all meetings of the Board and committees on which he served in

2015 after the date of his appointment. The independent directors meet in executive session without management, including Mr. Bradway, present at all regularly scheduled meetings of the Board. Dr. Coffman, our lead independent director, presided at such meetings. We and the Board

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expect all current directors to attend our annual meetings of stockholders barring unforeseen circumstances or irresolvable conflicts. All of the then-current members of

the Board, except for Ronald D. Sugar, were present at our 2015 annual meeting of stockholders.

**Board Committees and Charters**

The Board has six standing committees: Audit Committee; Compensation Committee; Compliance Committee; Equity Award Committee; Executive Committee and Governance Committee. The Board maintains charters for each of these standing committees. In addition, the Board has adopted a written set of Corporate Governance Principles and a Board of Directors code of conduct that generally formalize practices we have in place. To view the charters of our standing Board committees, our Corporate Governance Principles and the Board of Directors code of conduct, please visit our website at [www.amgen.com](http://www.amgen.com).

**Audit Committee**

The Audit Committee met nine times in 2015. Throughout 2015 and currently, Frank J. Biondi, Jr. serves as chairman and Ms. Pelham, Dr. Baltimore, François de Carbonnel, Mr. Eckert and Greg C. Garland serve as members of the Audit Committee, with Mr. Hassan joining the Audit Committee effective July 28, 2015. All members of the Audit Committee meet the NASDAQ composition requirements, including the requirements regarding financial literacy and financial sophistication, and the Board has determined that each member is independent under the listing standards of NASDAQ and the rules of the SEC regarding audit committee membership. The Board has also determined that Messrs. Biondi, de Carbonnel, Eckert, Garland, and Hassan are each an audit committee financial expert as defined by SEC rules.

The Audit Committee has sole authority for the appointment, compensation, retention and oversight of the work of the independent registered public accountants, and responsibility for reviewing and discussing, prior to filing or issuance, with management and the independent registered public accountants (when appropriate) our audited consolidated financial statements to be included in our Annual Report on Form 10-K and earnings press releases.

**Compensation and Management Development Committee**

The Compensation Committee met five times in 2015. Throughout 2015 and currently, Mr. Herringer serves as chairman and Ms. Pelham, Mr. Biondi and Dr. Coffman serve as members of the Compensation Committee, with Mr. Hassan joining the Compensation Committee effective July 28, 2015. Each member of the Compensation Committee has been determined by the Board to be independent under the listing standards of NASDAQ and the requirements of the SEC.

The Compensation Committee assists the Board in fulfilling its fiduciary responsibilities with respect to the oversight of the Company's compensation plans, policies and programs, especially those regarding executive compensation. The Compensation Committee is responsible for designing the Company's compensation programs that encourage high performance, promote accountability and adherence to Company values and the staff member code of conduct and to align with the interests of the Company's stockholders. The Compensation Committee is responsible for ensuring that the executive management development processes attract, develop and retain talented leadership to serve the long-term best interests of the Company.

The Compensation Committee has authority for overseeing the Board's relationship with stockholders on executive compensation matters, including stockholder outreach efforts, stockholder proposals, advisory votes, communications with proxy advisory firms and related matters.

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The processes and procedures of the Compensation Committee for considering and determining compensation for 2015 for our executive officers were as follows:

With respect to our CEO, by the first calendar quarter of each year, the Compensation Committee reviews and approves Company performance goals and objectives for the current year and evaluates the CEO's performance in light of the Company performance goals and objectives established for the prior year. The Compensation Committee evaluates the performance of the CEO within the context of the financial and operational performance of the Company, considers competitive market data and establishes the CEO's compensation based on this evaluation. The values of each component of total compensation (base salary, target annual cash incentive awards and equity awards) for the current year, as well as total annual compensation for the prior year (including the value of equity holdings, potential change of control payments and vested benefits under our Retirement and Savings Plan, Supplemental Retirement Plan and Nonqualified Deferred Compensation Plan as of the end of the last fiscal year) are considered at this time. Final determinations regarding our CEO's performance and compensation are made during an executive session of the Compensation Committee and are reported to and reviewed by the Board in an independent directors' session.

During 2015, the Compensation Committee engaged Frederic W. Cook & Co., Inc., or Cook & Co. or the consultant, an independent compensation consultant, to provide advice regarding executive compensation and executive compensation trends and developments, compensation designs and equity compensation practices, market data as requested, and opinions on the appropriateness and competitiveness of our executive compensation programs relative to market practice. Cook & Co. reported directly to the Compensation Committee and attended regularly scheduled meetings of the Compensation Committee (including meeting in executive session with the Compensation Committee, as requested). In cooperation with management, Cook & Co. assesses the potential risks arising from our compensation policies and practices. Management interacts with the consultant to provide information or the perspective of management as requested by the consultant or Compensation Committee, coordinates payment to the consultant out of the Board's budget, notifies the consultant of upcoming agenda items and makes the consultant aware of regular or special meetings of the Compensation Committee.

In setting executive compensation, the Compensation Committee compares the Company's pay levels and programs to those of the Company's competitors for executive talent and uses this comparative data as a guide in its review and determination of compensation. Our Compensation Committee considers and selects an appropriate peer group (consisting of biotechnology and pharmaceutical companies), based in part on the recommendations of Cook & Co., and, for each Named Executive Officer, or NEO, the Compensation Committee reviews the compensation levels and practices of our peer group, which for our NEOs, other than the CEO, is based on reports prepared by management from information contained in compensation surveys and proxy statements. Cook & Co. provides the Compensation Committee with market data, the practices of our peer group and recommendations for the CEO position.

Our Compensation Committee determines compensation for the executive officers (other than the CEO) based, in part, on the recommendations of our CEO regarding base salary, annual cash incentive awards and equity awards. In determining his compensation recommendations for each NEO, our CEO reviews comparative peer group data. The Compensation Committee has typically followed these recommendations.



The Compensation Committee generally holds executive sessions (with no members of management present, unless requested by the Compensation Committee) at its regular meetings.

The Compensation Committee has authority to delegate any of the functions described above to a subcommittee of its members. No delegation of this authority was made in 2015.

Each year the Compensation Committee reviews the independence of Cook & Co. and whether any conflicts of interest exist. In performing its analysis, the Compensation Committee considers the factors set forth in the SEC rules and the NASDAQ listing standards. After review and consultation with Cook & Co., the Compensation Committee has determined that Cook & Co. is independent and there is no conflict of interest resulting from retaining Cook & Co. currently or during the year ended December 31, 2015.

### **Equity Award Committee**

The Equity Award Committee met four times in 2015. Throughout 2015 and currently, Mr. Herringer serves as

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chairman and Dr. Coffman and Mr. Bradway serve as members of the Equity Award Committee. Our Board has delegated to the Equity Award Committee the responsibility for determining annual equity-based awards to vice presidents and below who are not Section 16 officers and authority to make equity-based awards from time to time to such eligible staff members for purposes of compensation, retention, promotion and upon commencement of their employment consistent with the equity grant guidelines established by the Compensation Committee. In addition, the Equity Award Committee presents a report to the Compensation Committee detailing the equity-based awards made by the Equity Award Committee at least twice per year.

**Governance and Nominating Committee**

The Governance Committee met five times in 2015. Throughout 2015 and currently, Dr. Coffman serves as chairman and Drs. Baltimore, Henderson, Jacks, Sugar and Williams, and Messrs. de Carbonnel, Garland and Herringer serve as members of the Governance Committee. Dr. Coffman is retiring from our Board effective as of the Annual Meeting, and Mr. Garland has been appointed by the Board to serve as the chairman of the Governance Committee after the Annual Meeting, subject to his re-election to the Board by stockholders at the Annual Meeting. Each of the members of the Governance Committee has been determined by the Board to be independent under the listing standards of NASDAQ and the requirements of the SEC.

The Governance Committee is responsible for developing and overseeing the Board's Corporate Governance Principles and a code of conduct applicable to members of the Board and for monitoring the independence of the Board. The Governance Committee also determines Board membership qualifications, selects, evaluates and recommends to the Board nominees to fill vacancies as they arise, reviews the performance of the Board and its committees and is responsible for director education. The Governance Committee maintains, with the approval of the Board, guidelines for selecting nominees to serve on the Board and considering stockholder recommendations for nominees. Such guidelines are included in this proxy statement as **Appendix A**. Stockholders wishing to communicate with the Governance Committee regarding recommendations for director nominees should follow the procedure described in "Communication with the Board" below. See "OTHER MATTERS" Stockholder Proposals for 2017 Annual Meeting for a description of the information that

a stockholder proposing to nominate a director for election must provide to the Company in their advance notice. Additionally, the Governance Committee recommends to the Board nominees for appointment as executive officers and certain other officers.

The Governance Committee also oversees the corporate governance and Board membership matters of the Company. The Governance Committee identifies and recommends to the Board qualified individuals for Board and committee membership and considers and recommends to the Board nominees to stand for election at the annual meeting of stockholders and to fill vacancies as they arise as more fully described previously in "Director Qualifications and Review of Board Diversity." Among the Governance Committee's responsibilities, the Governance Committee evaluates and makes recommendations to our Board regarding compensation for non-employee Board members. Any Board member who is also an employee of the Company does not receive separate compensation for service on the Board.

The processes and procedures of the Governance Committee for considering and determining director compensation are as follows:

The Governance Committee has the authority to evaluate and make recommendations to our Board regarding director compensation. The Governance Committee conducts this evaluation periodically by reviewing our director compensation practices against the practices of an appropriate peer group and the Governance Committee may determine to make recommendations to our Board regarding possible changes to director compensation.

The Governance Committee has the authority to retain consultants to advise on director compensation matters. No executive officer has any role in determining or recommending the form or amount of director compensation. In 2012, the Governance Committee retained Cook & Co. to advise on director compensation and determined to make a change to director compensation, the first increase to director cash compensation since 2003, effective January 1, 2013. No additional changes were made to director compensation in 2014 or 2015.

The Governance Committee has authority to delegate any of these functions to a subcommittee of its members. No delegation of this authority was made in 2015.

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**Corporate Responsibility and Compliance Committee**

The Compliance Committee met five times in 2015. Throughout 2015 and currently, Dr. Sugar serves as chairman and Drs. Henderson, Jacks, and Williams and Mr. Eckert serve as members of the Compliance Committee.

The Compliance Committee is responsible for overseeing our compliance program and reviewing our programs in a number of areas governing ethical conduct including: (i) Federal health care program requirements; (ii) Food and Drug Administration requirements and other regulatory agency requirements, including good manufacturing, clinical and laboratory practices, drug safety and pharmacovigilance activities; (iii) interactions with members of the healthcare community; (iv) the Company's Corporate Integrity Agreement; (v) environment, health and safety and (vi) human resources and government affairs. Additionally, the Compliance Committee receives regular updates on political, social and environmental trends, and public policy issues that may affect our business or public image, and reviews our environmental sustainability, political and philanthropic activities.

Our compliance program is designed to promote ethical business conduct and ensure compliance with applicable laws and regulations. We have codes of conduct for our officers, staff and suppliers that delineate standards for ethical business conduct and legal and regulatory

compliance as well as a business conduct hotline through which anonymous reports of misconduct can be made to our Chief Compliance Officer. To view the codes of conduct, please visit our website at [www.amgen.com](http://www.amgen.com).

Our Chief Compliance Officer, who reports to the Compliance Committee, oversees the ongoing operations of the compliance program. The key objectives of our compliance program operations include developing policies and procedures, providing ongoing compliance training and education, auditing and monitoring of compliance risks, maintaining and promoting the business conduct hotline, conducting investigations, responding appropriately to any compliance violations and taking appropriate steps to detect and prevent recurrence.

**Executive Committee**

The Executive Committee did not meet in 2015. Throughout 2015 and currently, Mr. Bradway serves as chairman and Messrs. Biondi and Herringer and Drs. Coffman and Sugar serve as members of the Executive Committee. The Executive Committee has all the powers and authority of the Board in the management of our business and affairs, except with respect to certain enumerated matters, including Board composition and compensation, changes to the Amgen Inc. Restated Certificate of Incorporation or any other matter expressly prohibited by law or the Amgen Inc. Restated Certificate of Incorporation.

**Communication with the Board**

Our annual meeting of stockholders provides an opportunity each year for stockholders to ask questions of, or otherwise communicate directly with, members of the Board on appropriate matters. In addition, stockholders may communicate in writing with any particular director, any committee of the Board, or the directors as a group, by sending such written communication to our Secretary at our principal executive offices at One Amgen Center Drive, Thousand Oaks, California 91320-1799. Copies of written communications received at such address will be provided to the Board or the relevant director unless such communications are considered, in the reasonable judgment of our Secretary, to be inappropriate for submission to the intended recipient(s). Examples of stockholder

communications that would be considered inappropriate for submission to the Board include, without limitation, customer complaints, solicitations, communications that do not relate directly or indirectly to our business or communications that relate to improper or irrelevant topics. The Secretary or his designee may analyze and prepare a response to the information contained in communications received and may deliver a copy of the communication to other Company staff members or agents who are responsible for analyzing or responding to complaints or requests. Communications concerning potential director nominees submitted by any of our stockholders will be forwarded to the chairman of the Governance Committee.

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**CORPORATE GOVERNANCE**

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the following Compensation Discussion and Analysis with management, and based on the review and discussions, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's 2016 Annual Meeting proxy statement and incorporated by reference into the Company's Annual Report on Form 10-K.

**Compensation Committee of the Board of Directors**

Frank C. Herringer, Chairman

Frank J. Biondi, Jr.

Vance D. Coffman

Fred Hassan

Judith C. Pelham

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Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****Executive Compensation****Compensation Discussion and Analysis**

This Compensation Discussion and Analysis describes our compensation strategy, philosophy, policies, programs and practices, or compensation program, for our Named Executive Officers, or NEOs, and the positions they held in 2015:

<b>Name</b>	<b>Role in 2015</b>
<b>Robert A. Bradway</b>	Chairman of the Board, Chief Executive Officer and President
<b>Anthony C. Hooper</b>	Executive Vice President, Global Commercial Operations
<b>David W. Meline</b>	Executive Vice President and Chief Financial Officer
<b>Sean E. Harper</b>	Executive Vice President, Research and Development
<b>Jonathan P. Graham</b>	Senior Vice President, General Counsel and Secretary <sup>(1)</sup>

(1) Mr. Graham commenced employment with the Company on July 13, 2015.

**Selected 2015 Business Highlights and Pay for Performance**

A significant majority of each NEO's compensation is dependent on our performance and execution of our strategic priorities. In 2015, we delivered strong financial results while achieving an unprecedented number of product launches.

**Our annual cash incentive award program compensation is tied directly to our performance based on pre-established financial and operating performance goals.**

**Revenues increased 8% to \$21.7 billion and adjusted**

**net income grew**

**19% to \$8 billion<sup>(2)</sup> in 2015**

Under our annual cash incentive award program, these pre-established financial performance objectives are weighted 60% in the aggregate and our strong operating performance resulted in above-target performance, with revenues and adjusted net income performing at 135.1% and 218.3% of target performance, respectively.

Ø Our adjusted operating margin improved by four percentage points to 48%<sup>(2)</sup> in 2015.

Ø In 2015, free cash flow was \$8.5 billion compared to \$7.8 billion in 2014, driven by higher revenues and higher operating income.

*We executed on an unprecedented number of product launches and successfully introduced differentiating delivery systems.*

2015 was an exceptional year for Amgen as we launched six innovative products in the oncology and cardiovascular disease therapeutic areas.

**Executed on 6**

**innovative launches**

**Oncology**

**Kyprolis®**

**BLINCYT®**

**IMLYGIC**

**Neulasta® Onpro Kit**

**Cardiovascular**

**Repatha®**

**Corlanor®**

We expect Kyprolis® and Repatha® to be significant opportunities for the Company and see these products as

(2) Adjusted net income and adjusted operating margin are reported and reconciled in our Form 8-K dated as of January 28, 2016.



Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

examples of innovative medicines that address unmet

needs by providing meaningful clinical benefits and demonstrable value propositions for patients and providers.

We continued to innovate with patient and provider-friendly delivery systems to differentiate our products. The success of our launch in the first quarter of 2015 of the Neulasta® Onpro kit is evidenced by it representing 24% of our U.S. Neulasta® business in the fourth quarter of 2015. We also submitted applications to regulators, including the U.S. Food and Drug Administration and the European Medicines Agency, for a single-dosing option for the monthly administration of Repatha®.

Under our annual cash incentive award program, Execute New Product/Delivery System Launches was weighted 10%, and we achieved 77.5% of target performance on our new product and delivery system launches.

*We significantly advanced our late-stage pipeline.*

Our late-stage pipeline continued to advance with the recent regulatory submissions for Parsabiv, positive phase 3 data for romosozumab (in collaboration with UCB), phase 2 data for AMG 334 (in collaboration with Novartis AG), and phase 2b data for omeacamtiv mecarbil (in collaboration with Cytokinetics, Inc.). In 2015, we also continued to advance our biosimilar program, including the filing for global regulatory approval for ABP 501 biosimilar adalimumab (Humira®) and positive phase 3 data for ABP 215 biosimilar bevacizumab (Avastin®).

Under our annual cash incentive award program, Progress Innovative Pipeline was weighted 30% and we achieved a weighted score of 62.3%.

Ø Execute Key Clinical Studies and Regulatory Filings was weighted 20% and we achieved 199% of target performance.

Ø Advance Early Pipeline was weighted 10% and we achieved 225% of target performance.

**Based on our strong performance in 2015 compared to these pre-established performance goals, payout under our annual cash incentive award program was 176.1% of target bonus opportunity.**

*We made significant progress on the transformation of our business.*

We continued to execute on the transformation and process improvement efforts announced in 2014. As part of these efforts, we committed to a more focused operating model. Our transformation and process improvement efforts across the Company have enabled us to reallocate resources to fund many of our innovative pipeline and growth opportunities to deliver value to patients and stockholders.

For the second year in a row, our NEOs did not receive base salary increases. This is consistent with the Compensation and Management Development Committee's, or Compensation Committee, determination that base salaries for executive staff members would not be increased in recognition of our on-going transformation activities.

- Ø In 2015, we reduced gross costs by approximately \$700 million, the majority of which was re-invested in our product launches.

*We invested for long-term growth while returning substantial capital to our stockholders.*

Our strong cash flows and balance sheet allowed continued investment for long-term growth through internal research and development and external business development transactions, while simultaneously providing substantial returns to stockholders.

We returned \$4.3 billion of capital to our stockholders in 2015 through the payment of dividends and stock repurchases.

**\$2.4 billion**

in dividends in 2015

We returned a total of \$2.4 billion of cash to our stockholders in the form of dividends, a 29% increase over 2014.

- Ø We increased our dividend per share 30% over 2014 (to \$0.79 per share for 2015).
- Ø In December 2015, we declared a dividend of \$1.00 per share for the first quarter of 2016, representing a 27% increase over the quarterly dividends paid in 2015.

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Total Dividend Growth of**

**182%** (per share)

Since our first dividend in July 2011 through 2015, we have returned a total of \$7.3 billion of cash to our stockholders through dividends over this period, achieving total dividend growth per share of 182%.

**Annual Dividend Increases**

Represents annualized dividend

**~12 million shares**

repurchased in 2015 at an

aggregate cost of **\$1.9 billion**

We repurchased ~12 million shares of our Common Stock during 2015 at an aggregate cost of \$1.9 billion. As of December 31, 2015, \$4.9 billion remained available under the Board-approved stock repurchase program.

**Our long-term incentive, or LTI, equity award compensation is tied directly to our stock performance and aligns with the interests of our stockholders.**

*Our three-year total shareholder return, or TSR, significantly outperformed the TSRs of the Standard and Poor's 500 Index, or S&P 500, for the same period.*

**Payout under our LTI performance award program for our 2013-2015 performance period at 150% reflects our three-year TSR performance** at the 85.5 percentile relative to the TSRs of the companies in the S&P 500 for this performance period. 80% of our annual LTI equity award grants are performance-based and, as such, a significant portion of total compensation is tied to our stock price performance and value creation for our stockholders.

An investor who had invested in our Company Common Stock on January 1, 2013 would have earned a TSR of 97% as of December 31, 2015 versus 53% for the S&P 500 Index for the same period as depicted below.



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**COMPENSATION DISCUSSION AND ANALYSIS**

**Our 2015 Say on Pay Vote and Engagement With Our Stockholders**

**97% stockholder support**

on our 2015 say on pay

In 2015, we received approximately 97% stockholder support on our say on pay advisory vote. We have engaged consistently in broad direct stockholder outreach over the past several years. These interactions have been valuable and informative and we will continue to engage with our stockholders to further enhance our understanding of the perspectives of our investors. Insights from investors are reported to the full Board. The compensation-related feedback from our stockholders is reviewed by our Compensation Committee, and we have made a number of compensation changes in response to past discussions with our stockholders. Governance-related feedback is reviewed by our Governance and Nominating Committee and has also been a source of governance changes, including our recent adoption of proxy access for director nominations.

Since our 2015 annual meeting of stockholders, we have engaged in outreach activities and discussions with stockholders comprising approximately 52% of our outstanding shares. Additionally, among our presentation activities to investors, Mr. Bradway was a keynote speaker and met with investors at the Council of Institutional Investors 2015 Fall Conference. In 2015, our predominant feedback from investors with respect to our compensation and governance practices was that they are satisfied with our compensation program and governance practices. While we are pleased with our say on pay results and stockholder feedback, we will continue to reach out to understand and address any concerns of our stockholders. Our stockholder outreach efforts will continue after the filing of this proxy statement, as well as through our executive compensation website (accessible at [www.amgen.com/executivecompensation](http://www.amgen.com/executivecompensation)) initiated in 2008 that invites stockholders to provide feedback directly to the Compensation Committee regarding our executive compensation program.

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Our Compensation Program Highlights and Objectives**

**Our compensation practices include three elements (LTI Equity Awards, Annual Cash Incentive Awards and Base Salaries) presented below in order of magnitude and degree of alignment with pay for performance.**

**For 2015, 89% of our CEO's target direct compensation and 81% of target direct compensation of our other NEOs was at risk. The vast majority of this at risk compensation is based solely on our performance (approximately 74% for the CEO and approximately 68% for the other NEOs) and paid in the form of long-term performance units and annual cash incentive awards.**

**LTI Equity Awards (at risk and the largest component of compensation for our NEOs)**

**Purposes**

Provide a direct link to the creation of stockholder value and execution of our strategy.

Align NEOs' interests with stockholders.

Foster long-term focus and retention.

**Our equity award grants are primarily performance-based with 80% of LTI equity awards granted in the form of long-term performance units and the remaining 20% in restricted stock units, or RSUs.**

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**Performance units are earned only if specified long-term performance goals are achieved.** Our outstanding performance units are earned based on our relative TSR performance over a three-year performance period to align our payouts with the experience of our stockholders. Beginning with the 2013-2015 performance period of our performance award program, **we measure our TSR compared with the TSRs of the companies in the S&P 500, a broad-based and realistic measure of our stockholders investment opportunities.** Payouts under our outstanding performance units can range from 0 to 150% of the units granted based on our relative TSR performance. If, however, our absolute TSR is less than zero, the payout percentage shall not be greater than 100% to limit rewards in a performance period in which we perform in-line with, or better than, the S&P 500 companies, but investors do not recognize growth in their investment in our Company.

Our payout for the most recent 2013-2015 performance period was at 150% of target, or maximum payout, because our absolute TSR for this performance period (89.9%) resulted in our 85.5 percentile ranking, above the 75<sup>th</sup> percentile relative to the TSRs of the companies in the S&P 500 since the beginning of the performance period (January 28, 2013). (See Elements of Compensation and Specific Compensation Decisions *Long-Term Incentive Equity Awards Performance Units Performance Award Program Performance Units Earned for the 2013-2015 Performance Period.* )

Performance Period	Comparison Group	Absolute TSR	Amgen	
			Percentile Ranking	Payout as a % of Target
2013-2015 performance period	S&P 500	89.9%	85.5%	150.0%
2012-2014 performance period	Peer Group	185.7%	n/a	150.0%
2011-2013 performance period	Peer Group	114.4%	n/a	122.7%

**Our RSUs are designed to encourage retention and long-term value creation** as they generally vest over four years, with no vesting in the first year and vesting in approximately three equal annual installments on the second, third and fourth anniversaries of the grant date.



### **Annual Cash Incentive Awards (at risk)**

Our Compensation Committee annually approves Company performance goals for our Global Management Incentive Plan, or GMIP, designed to focus the Company's staff on and reward performance against the results of such goals. Our Executive Incentive Plan, or EIP, establishes a maximum award possible for each participant and annual cash incentive awards are generally made to our NEOs under the EIP based on the Company's performance against pre-established GMIP Company performance goals. Each year, the GMIP Company performance goals are established to focus on our financial performance, operational objectives and specific priorities to drive annual performance and position us to execute on our longer-term strategy.

#### **Purposes**

Measure NEOs' performance against pre-established GMIP Company performance goals.

Align all staff members around the same GMIP Company performance goals as all such annual cash incentive awards are based on these goals.

Motivate NEOs to meet or exceed our annual GMIP Company performance goals to drive annual performance and position us for longer-term success.

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**Our annual cash incentive awards are earned based on achieving our financial growth and operational objectives that drive near- and long-term growth and stockholder value.** In 2015, we established annual cash incentive awards based on our performance against our pre-established GMIP Company performance goals of revenues (30%), adjusted net income (30%), and a number of operational measures supporting Execute New Product/Delivery System Launches (10%) and Progress Innovative Pipeline (30%) (comprises Execute Key Clinical Studies and Regulatory Filings (20%) and Advance Early Pipeline (10%)). Based on our strong performance in 2015 compared to these pre-established GMIP Company performance goals, we paid annual cash incentive awards at 176.1% of target bonus opportunity.

In 2015, we increased our CEO's target annual cash incentive award opportunity from 130% to 140% of base salary, as Mr. Bradway's 2014 target total annual cash compensation approximated the 25<sup>th</sup> percentile, and the Compensation Committee wanted Mr. Bradway's target total annual cash compensation to more closely approximate the 2014 Market Median (as described under How Compensation Decisions Are Made For Our Named Executive Officers *Peer Group Data* below) for target total annual cash and to have a greater percentage of compensation at risk based on our objective performance.

**Base Salaries (the smallest component of compensation for our NEOs)****Purposes**

Provide a degree of financial certainty and stability that helps us retain talent.

Recognize competitive market conditions and/or rewards individual performance through periodic increases.

**As discussed as part of the transformation of our business, there were no base salary increases for our NEOs for 2015. The base salary of our CEO is at the 25<sup>th</sup> percentile of 2014 Market Median, and for our NEOs below the 2014 Market Median, on average, for these positions.**

The preceding pie charts are calculated using (i) the Salary column from the Summary Compensation Table in our Executive Compensation Tables, (ii) the target annual cash incentive award in the Estimated Possible Payouts Under Non-Equity Incentive Plan Awards Target column in the table in footnote 2 to the Grants of Plan-Based Awards table in our Executive Compensation Tables and (iii) the grant date fair value of annual grants of performance units and RSUs in the Grant Date Fair Value of Stock and Option Awards column of the Grants of Plan-Based Awards table in our Executive Compensation Tables. Mr. Graham is not included in the pie charts because Mr. Graham commenced employment with our Company on July 13, 2015.

**Our compensation practices are designed to be competitive and balanced.**

**We target compensation at the 50<sup>th</sup> percentile, or median, of our peer group for all elements of compensation.**

**We target the 50<sup>th</sup> percentile of our peer group for our LTI equity award budget generally by job level. We are mindful of stockholder dilution and the potential dilutive effect is considered against our peer group levels.** We provide broad-based grants to nearly all of our full-time staff members and our Board of Directors, or Board. The rates at which we grant LTI equity awards and the resulting potential dilutive effect are consistent with our peer group and have decreased over the last five years.

**We have objective criteria for selection of our peer group and review our peer group annually.** We draw our peers from biotechnology and pharmaceutical companies as we believe they are our direct competitors for executive talent and have comparable enterprise requirements and complexity.

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**COMPENSATION DISCUSSION AND ANALYSIS**

**We Maintain Other Compensation and Governance Best Practices**

<b>Clawback</b>	<p><b>We have a clawback policy</b> that requires our Board to consider the recapture of past cash or LTI equity award payouts to our NEOs if the amounts were determined based on financial results that are later restated and the NEOs' misconduct is determined by the Board to have caused the restatement.</p>
<b>Recoupment Provisions</b>	<p>Our incentive compensation plans contain recoupment provisions applicable to all staff members that expressly allow the Compensation Committee to determine that <b>annual cash incentive awards are not earned fully or in part where such employee has engaged in misconduct</b> that causes serious financial or reputational damage to the Company.</p>
<b>Equity Practices</b>	<p><b>We have robust stock ownership guidelines</b>, with a six times base salary ownership requirement for our CEO.</p> <p><b>Officers are required to retain shares of our Common Stock</b> acquired through the vesting of RSUs, the payout of performance units, or the exercise of stock options <b>until they have reached the required stock ownership level</b>.</p> <p><b>Our equity incentive plan provides that our equity awards are subject to a minimum vesting period</b> of no less than one year and our grants generally vest over four years, with no vesting in the first year and vesting in approximately three equal annual installments on the second, third and fourth anniversaries of the grant date.</p> <p>With respect to our Common Stock, our staff members and Board are <b>prohibited from engaging in short sales, purchasing Common Stock on margin, pledging Common Stock, or entering into any hedging, derivative or similar transactions</b>.</p> <p>We have strong LTI equity award plans and policies that <b>prohibit re-pricing or backdating</b> of equity awards.</p> <p><b>LTI equity awards are granted based on a specific dollar amount</b>, rather than a set number of shares, to avoid the impact of fluctuations in the stock price between the date the Compensation Committee determines the grant amount and the actual grant date.</p> <p>Dividends accrue on our performance units and RSUs, but are <b>paid only when and to the extent the underlying award is earned and vested</b>.</p>
<b>Tax Gross-Ups</b>	<p><b>We do not provide tax gross-ups, except for business-related payments</b> such as reimbursement of certain moving and relocation expenses on behalf of newly-hired and current executives who agree to relocate to work on the Company's behalf.</p>

**Change of Control**     **We do not have single-trigger equity vesting acceleration upon a change of control** for RSUs and stock options. In the event of a change of control, a qualifying termination of employment, or double-trigger, is required for acceleration of RSU and stock option vesting.

Any performance awards earned upon a change in control are **based on a truncated performance period** and TSR based on our actual stock price or, if greater, the value paid in such change in control.

In the event of a change of control, double-trigger cash severance is **limited to a multiple of two times** target annual cash compensation, without tax gross-ups.

**Limited Additional Compensation**     **Our perquisites are limited** to those with a clear business-related rationale.

**We do not have employment contracts or guaranteed bonuses, other than in countries where they are required by law.**

**We do not have defined benefit pension or supplemental executive retirement plan (SERP) benefits or above market interest on deferred compensation.**

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**COMPENSATION DISCUSSION AND ANALYSIS**

**How Compensation Decisions Are Made For Our Named Executive Officers**

**Responsible Party  
Compensation Committee**

*(Composed solely of independent  
directors and reports to the Board)*

**Primary Roles and Responsibilities**

Evaluates the performance of our CEO within the context of the financial and operational performance of the Company.

Determines and approves compensation packages for our CEO, other NEOs, Executive Vice Presidents, Senior Vice Presidents and Section 16 officers (collectively, Senior Management ).

Reviews and approves all compensation programs in which our NEOs participate.

Oversees the development and effective succession planning for members of Senior Management.

Oversees the Board's relationship with and response to stockholders on executive compensation matters and the Compensation Discussion and Analysis.

Exercises the sole authority to select, retain, replace and/or obtain advice from compensation consultants, legal counsel and other outside advisors and assesses the independence of each such advisor, taking into consideration the factors set forth in the Securities and Exchange Commission, or SEC, rules and The NASDAQ Stock Market listing standards.

**Consultant to the  
Compensation Committee**

*(Frederic W. Cook & Co., Inc.  
independent consultant  
retained directly by the*

Regularly attends Compensation Committee meetings, including meeting in executive session with the Compensation Committee.

Provides advice on the appropriateness and competitiveness of our compensation program relative to market practice, including advising the Compensation Committee on CEO compensation and the selection of our peer group.

*Compensation Committee)*

Consults on executive compensation trends and developments.

Consults on various compensation matters and recommends compensation program designs and practices to support our business strategy and objectives.

Cooperates with management to compile market data and review the appropriateness of such data.

Works with management to assess the potential risks arising from our compensation policies and practices.

**CEO**

*(Assisted by the Senior Vice*

*President, Human Resources and*

*other Company staff members)*

Conducts performance reviews for the other NEOs and makes recommendations to the Compensation Committee with respect to compensation of Senior Management other than himself.

Provides recommendations on the development of and succession planning for the members of Senior Management other than himself.

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**COMPENSATION DISCUSSION AND ANALYSIS**

**Use of Independent Compensation Committee Consultant**

To assist the Compensation Committee in its review and determination of executive compensation, the Compensation Committee retained and sought advice from Frederic W. Cook & Co., Inc., or Cook & Co., an independent consultant, throughout 2015 and to date in 2016. George B. Paulin, the Chairman of Cook & Co., worked directly with the Compensation Committee in the roles and undertaking the responsibilities previously described in *How Compensation Decisions Are Made for Our Named Executive Officers* and specifically provided consultation regarding regulatory updates, selection of our peer group, competitive practice for CEO compensation and general market practices for NEO compensation.

On a periodic basis, the Company purchases proprietary executive compensation survey data from Cook & Co. to inform the Compensation Committee's decisions, but does not engage Cook & Co. for any other services to the Company. During 2015, the Compensation Committee, as in past years, had responsibility for engaging Cook & Co. and directed the nature of the activity and interchange of data between Cook & Co. and management.

**Peer Group**

The Compensation Committee recognizes the unique demands of our industry, including its complex regulatory and reimbursement environment, and the challenges of running an enterprise focused on the discovery, development, manufacture and commercialization of innovative treatments to address serious illness. The Compensation Committee believes that these unique demands require executive talent that has significant industry experience as well as, for certain key functions, unique scientific expertise to oversee research and development activities and the complex manufacturing requirements for biologic products. Further, the Compensation Committee believes that these very specific skills and capabilities limit the pool of talent from which we can recruit and also cause our employees to be highly valued and sought after in our industry. This makes it imperative that our peer group for compensation purposes include those companies with which we compete for new executives given the similarities in experience and knowledge that are developed at these companies. Moreover, as evidenced by

the fact that 11 of the 15 companies in our peer group (eight U.S.-based companies) also list us as a peer, we believe that our peer group accurately reflects those companies with whom we compete for executive talent. The Compensation Committee compares our pay levels and programs to the peer group and uses this comparative data as a reference point in its review and determination of executive compensation. The Compensation Committee's approach also considers our performance, the individual's performance and other relevant factors in setting pay.

On an annual basis, Cook & Co. reviews our peer group with the Compensation Committee to determine whether it remains appropriate. The following objective criteria are typically applied in the review:

GICS codes of biotechnology (352010) and pharmaceuticals (352020);



12-month average market capitalization between 0.25 and 4.0x that of Amgen's average market capitalization for the same period;

trailing four-quarter revenues between 0.25 and 4.0x that of Amgen's revenues;

non-U.S. peers limited to those commonly identified as a peer of peers ;

competitors for executive talent;

companies of comparable scope and complexity;

competitors for equity investor capital;

companies that identify us as their direct peer; and

companies with similar pay practices.

In March 2015, Allergan, Inc. was acquired by Actavis plc and, following the acquisition of Allergan, Inc., Actavis plc changed its name to Allergan plc. In July 2015, the Compensation Committee completed its annual review of the peer group and discussed the replacement of Allergan, Inc. with Allergan plc. The Compensation Committee determined that, based in part on recommendations from Cook & Co., this merged entity also met the criteria outlined above and should be added to our peer group for 2015 to replace Allergan, Inc. Further, based in part on recommendations from Cook & Co., the Compensation Committee determined that the remainder of the peer group was appropriate and continued to meet the criteria from the universe of other

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biotechnology and pharmaceutical companies given that our relative size and positioning remains generally the same as the prior year.

As a result, the Compensation Committee replaced Allergan, Inc. with Allergan plc and no other changes were made to the

peer group in 2015. It is the Compensation Committee's view that this peer group is the most appropriate for benchmarking executive compensation as these companies are generally those with which we most closely compete for executive talent.

**2015 Peer Group**

AbbVie Inc.	GlaxoSmithKline pl <sup>1)</sup>
Allergan plc	Johnson & Johnson
AstraZeneca plc	Merck & Co., Inc.
Biogen Inc.	Novartis AG
Bristol-Myers Squibb Company	Pfizer Inc.
Celgene Corporation	Roche Holding AG <sup>2)</sup>
Eli Lilly and Company	Sanofi S.A <sup>1)</sup>

Gilead Sciences, Inc.

The market capitalization of our peer group ranged between \$68 billion and \$293 billion determined as of the last trading day of 2014 as provided by ThomsonONE . The 2014 revenues of our peer group ranged between \$7.7 billion and \$74.3 billion based on public filings. Amgen's 2014 market capitalization and revenues were \$121 billion and \$20.1 billion, respectively. The median 2014 market capitalization and revenues of our peer group (not including Amgen) was \$104 billion and \$26.1 billion, respectively. We were between the 50<sup>th</sup> and 75<sup>th</sup> percentile for market capitalization and between the 25<sup>th</sup> and 50<sup>th</sup> percentile for revenues relative to our peer group.

### **Peer Group Data**

Our primary data sources for evaluating all elements of compensation for our CEO is data compiled by Cook & Co. from proxy statement and Form 8-K filings filed with the SEC for our peer group. For our other NEOs, our primary data sources for evaluating all elements of compensation are the Towers Watson Pharmaceutical Human Resources Association, or PHRA, Executive Compensation Survey and the available data from proxy statements filed with the SEC for our peer group. The Towers Watson PHRA Executive

Compensation Survey contains compensation information from pharmaceutical companies in our peer group, but does not contain information on many biotechnology companies. Therefore, compensation information for the biotechnology companies within our peer group is compiled using proxy statement filings to provide additional data and to inform the Compensation Committee. The Towers Watson PHRA Executive Compensation Survey data and the peer group proxy data is compiled and presented by management to the Compensation Committee both individually and in the aggregate. For Mr. Bradway, Cook & Co. provides data to the Compensation Committee of a range between the 25<sup>th</sup>, 50<sup>th</sup> and 75<sup>th</sup> percentiles of the specific compensation elements paid to CEOs in our peer group (and 85<sup>th</sup> percentile specifically in connection with LTI equity awards). For each of the other NEOs, the comparison of each NEO on a position or pay rank basis and an analysis of each element of direct compensation at the 50<sup>th</sup> and 75<sup>th</sup> percentile of the peer group for each NEO position is presented to the Compensation Committee. In addition to the sources provided previously, for the determination of LTI equity awards, we also provided the Cook & Co. Survey of Long-Term Incentives (Cook & Co. Survey).

(1) Revenues for GlaxoSmithKline plc, Roche Holding AG and Sanofi S.A. were converted into U.S. dollars using the  
av