

AMGEN INC  
Form DEFA14A  
April 22, 2019

**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:

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**Fee paid previously with preliminary materials.**

**Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.**

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[Subsequent to this filing, Amgen Inc. sent the following summary communication to one or more investors and/or proxy advisory firms for their consideration in making their vote recommendations.]

### Amgen 2019 Proxy Statement Key Highlights

We are sending this summary in support of Amgen's Board of Directors' recommendations for our 2019 Annual Meeting of Stockholders to be held on May 21, 2019.

**FOR each**  
**Director Nominee**      Item 1: Election of 12 directors to serve on our Board until the 2020 annual meeting of stockholders.

**FOR**      Item 2: Advisory vote to approve our executive compensation.

**FOR**      Item 3: Ratification of Ernst & Young LLP as our independent registered public accountants.

**Item 1: Our Board recommends **FOR** the election of the 12 director nominees.**

**We are committed to corporate governance best practices, informed by stockholder engagement, and overseen by our highly experienced and independent Board.**

11 of our 12 director nominees are **independent** and five nominees are new directors since 2015 for an average tenure of ~5 years for our director nominees.

Our **lead independent director**, Robert A. Eckert, has substantial and specific duties and has been elected by our Board to serve as the lead independent director in 2019 subject to his re-election to the Board.

We have a long-standing practice of **stockholder engagement**, including outreach by our executives and Investor Relations department to our investors owning ~58% of our outstanding shares and governance-focused outreach activities and discussions with stockholders who hold ~53% of our outstanding shares since our 2018 annual meeting of stockholders.

**Our Board has a history of responsiveness to stockholder feedback.**

Stockholders elect our Board annually by majority voting and have rights to act through a special meeting, by written consent, and through proxy access.

**Item 2: Our Board recommends **FOR** the advisory vote to approve executive compensation.**

**We have implemented compensation best practices, including:**

A substantial **majority of our Named Executive Officer, or NEO, compensation is performance-based**, including 80% of our long-term incentive equity award grants.

We have a **clawback policy** tied to financial restatements and our incentive cash compensation plans contain **recoupment provisions** for employee misconduct causing serious financial or reputational damage to the Company.

Robust **stock ownership** and **retention guidelines**.

**Executive compensation is aligned with our business strategy and is performance-based.**

We **pay for performance**, and pay outcomes reflect the achievements of our NEOs against our short- and long-term performance.

**75%** of our CEO's 2018 target direct compensation and **69%** of our other NEOs' target direct compensation was **based solely on our Company's performance** (paid in the form of annual cash incentive awards based on our annual Company performance goals, stock options vesting over four years, and performance units to be paid based on the Company's performance over a three-year performance period).

**90%** of our CEO's 2018 target direct compensation and **83%** of our other NEOs' target direct compensation is **at-risk**.

Our Compensation and Management Development Committee approves Company performance goals each year that are designed to focus our NEOs and all of our staff members on delivering our financial and operational objectives to drive annual performance, advance strategic priorities (discussed below), and position us for longer-term success.

\* Murdo Gordon and David M. Reese commenced their roles as executive officers of the Company on September 3, 2018, and July 26, 2018, respectively, and, as such, are not included. We use median values as the reference point for each element of compensation at all levels, including our NEOs.

**Our financial performance was strong.**

We delivered a one-year total shareholder return, or TSR, of 15% and a five-year TSR of 93%, outperforming our peer group and the Standard & Poor's 500 Index over both time periods.

As referenced below, we returned \$21.4 billion of capital to our stockholders. Further, we increased our quarterly dividend per share 15% over 2017 (to \$1.32 per share for 2018).

**We executed on our strategic priorities in 2018.**

Our strategy includes a series of integrated activities to strengthen our long-term competitive position in the industry. These 2018 activities include the strategic priorities discussed below (and in further detail in our 2019 proxy statement):

Discovering and advancing **innovative medicines** that address important unmet medical needs.

We **launched Aimovig<sup>®</sup> and Parsabiv<sup>®</sup>**, two **innovative products**, in the U.S. in two **different therapeutic areas** (migraine and nephrology).

We continued to advance our **early pipeline**. We initiated 10 first-in-human studies and, in the oncology pipeline, we are advancing approximately 20 early-stage product candidates.

Developing **branded biosimilars**.

We **launched KANJIVU<sup>®</sup>** (biosimilar trastuzumab (Herceptin<sup>®</sup>)) and **AMGEVITA** (biosimilar adalimumab (HUMIRA<sup>®</sup>)) in Europe also in two **different therapeutic areas** (oncology and inflammation).

**Transforming Amgen** for the future.

We realized our 2014-2018 commitments to investors and our transformation objectives.

2018 was the capstone year for a set of ambitious non-GAAP financial commitments that we made to our stockholders five years ago, including earnings per share growth, operating margin improvement, and return of capital, that we met and exceeded through **significant transformation and process improvement efforts**.

We have embedded the productivity capabilities developed through our transformation activities in our business to reallocate resources to our pipeline and growth opportunities putting us in a better position to serve patients and deliver long-term growth.

Adhering to a disciplined approach to **capital allocation** while **investing for long-term growth**.

We invested \$3.7 billion in research and development and \$738 million in capital expenditures.

We repurchased \$17.9 billion of our Common Stock and paid dividends totaling \$3.5 billion, resulting in our returning a total of \$21.4 billion of capital to our stockholders through stock repurchases and dividends.

Expanding our **global geographic reach**.

Between 2011 and 2018, we have increased our global presence to ~100 countries from 50.

Deploying **next-generation biomanufacturing** facilities.

We successfully operated our next-generation manufacturing facility in Singapore and broke ground on a next-generation biomanufacturing plant in Rhode Island. This new plant will be the first of its kind in the U.S.



Next-generation biomanufacturing plants require a smaller manufacturing footprint and offer greater environmental benefits, including reduced consumption of water and energy and lower levels of carbon emissions.

Improving **drug delivery** systems.

We have invested in delivery devices to enhance patient experiences, including our SureClick® autoinjector for Aimovig.

**Item 3: Our Board recommends **FOR** the ratification of the selection of Ernst & Young LLP as our independent registered public accountants.**

Our Audit Committee periodically considers whether there should be a rotation of our independent registered public accountants. Each year, the Audit Committee evaluates the performance of the independent registered public accountants and determines after such evaluation whether to re-engage the current independent registered public accountants.

Jointly developed in collaboration with Novartis AG.