

BRISTOL MYERS SQUIBB CO
Form DEF 14A
March 23, 2016

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Bristol-Myers Squibb Company

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(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):

Edgar Filing: BRISTOL MYERS SQUIBB CO - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>PROXY STATEMENT SUMMARY</u>	3
<u>ELECTION OF DIRECTORS</u>	10
<u>Majority Vote Standard and Mandatory Resignation Policy</u>	10
<u>Criteria for Board Membership</u>	10
<u>Director Independence</u>	11
<u>Director Succession Planning and Identification of Board Candidates</u>	12
<u>2016 Director Nominees</u>	13
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	19
<u>Active Board Oversight of Our Governance</u>	19
<u>Board Leadership Structure</u>	19
<u>Board's Role in Strategic Planning and Risk Oversight</u>	20
<u>Risk Assessment of Compensation Policies and Practices</u>	21
<u>Annual Evaluation Process</u>	22
<u>Meetings of our Board</u>	22
<u>Annual Meeting of Shareholders</u>	22
<u>Committees of our Board</u>	22
<u>Codes of Conduct</u>	26
<u>Related Party Transactions</u>	26
<u>Disclosure Regarding Political Activities</u>	28
<u>Communications with our Board of Directors</u>	28
<u>Compensation of Directors</u>	28
<u>EXECUTIVE COMPENSATION</u>	
<u>Compensation Discussion and Analysis</u>	33
<u>Compensation and Management Development Committee Report</u>	65
<u>Summary Compensation Table</u>	66
<u>Grants of Plan-Based Awards</u>	68
<u>Outstanding Equity Awards at Fiscal Year-End</u>	70
<u>Option Exercises and Stock Vesting</u>	72
<u>Present Value of Accumulated Pension Benefits</u>	75
<u>Non-Qualified Deferred Compensation Plan</u>	76
<u>Post-Termination Benefits</u>	77

<u>Termination of Employment Obligations (Excluding Vested Benefits)</u>	<u>83</u>
<u>ITEMS TO BE VOTED UPON</u>	
<u>Item 1 Election of Directors</u>	<u>10</u>
<u>Item 2 Advisory Vote to Approve the Compensation of our Named Executive Officers</u>	<u>84</u>
<u>Equity Compensation Plan Information</u>	<u>85</u>
<u>Item 3 Ratification of the Appointment of Independent Registered Public Accounting Firm</u>	<u>85</u>
<u>Audit and Non-Audit Fees</u>	<u>86</u>
<u>Pre-Approval Policy for Services Provided by our Independent Registered Public Accounting Firm</u>	<u>86</u>
<u>Audit Committee Report</u>	<u>87</u>
<u>Item 4 Shareholder Proposal on Special Shareowner Meetings</u>	<u>88</u>
<u>VOTING SECURITIES AND PRINCIPAL HOLDERS</u>	<u>90</u>
<u>Common Stock Ownership by Directors and Executive Officers</u>	<u>91</u>
<u>Principal Holders of Voting Securities</u>	<u>92</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>92</u>
<u>Policy on Hedging and Pledging</u>	<u>92</u>
<u>OTHER MATTERS</u>	<u>92</u>
<u>Advance Notice Procedures</u>	<u>92</u>
<u>2017 Shareholder Proposals</u>	<u>93</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>93</u>
<u>Availability of Corporate Governance Documents</u>	<u>93</u>
<u>FREQUENTLY ASKED QUESTIONS</u>	<u>94</u>
<u>EXHIBIT A Categorical Standards of Independence</u>	<u>A-1</u>
<u>EXHIBIT B Directions to our Plainsboro Office</u>	<u>B-1</u>

Table of Contents

345 Park Avenue
New York, New York 10154-0037

**NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS**

Notice is hereby given that the 2016 Annual Meeting of Shareholders will be held at Bristol-Myers Squibb Company, 777 Scudders Mill Road, Plainsboro, New Jersey, on Tuesday, May 3, 2016, at 10:00 a.m. for the following purposes as set forth in the accompanying Proxy Statement:

- to elect to the Board of Directors the 11 persons nominated by the Board, each for a term of one year;
- to conduct an advisory vote to approve the compensation of our named executive officers;
- to ratify the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2016;
- to consider one shareholder proposal, if presented at the meeting; and
- to transact such other business as may properly come before the meeting or any adjournments thereof.

Holders of record of our common and preferred stock at the close of business on March 11, 2016 will be entitled to vote at the meeting.

By Order of the Board of Directors

Katherine R. Kelly
*Associate General Counsel and
Corporate Secretary*

Dated: March 23, 2016

YOUR VOTE IS IMPORTANT

Edgar Filing: BRISTOL MYERS SQUIBB CO - Form DEF 14A

Regardless of the number of shares you own, your vote is important. If you do not attend the Annual Meeting to vote in person, your vote will not be counted unless a proxy representing your shares is presented at the meeting. To ensure that your shares will be voted at the meeting, please vote in one of these ways:

- (1) GO TO WWW.PROXYVOTE.COM and vote via the Internet;
- (2) CALL THE TOLL-FREE TELEPHONE NUMBER (800) 690-6903 (this call is toll-free in the United States); or
- (3) MARK, SIGN, DATE AND PROMPTLY RETURN the enclosed proxy card in the postage-paid envelope.

If you do attend the Annual Meeting, you may revoke your proxy and vote by ballot.

Table of Contents

Dear fellow shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Bristol-Myers Squibb Company on Tuesday, May 3, 2016, at 10:00 a.m. at our offices located in Plainsboro, New Jersey. We hope that you will be able to attend.

During the meeting, we will cover a number of business items, including the election of directors, advisory vote to approve the compensation of our named executive officers, ratification of the appointment of an independent registered public accounting firm, and consideration of one shareholder proposal. Your vote is very important. Last year, over 88% of the outstanding shares were represented at the Annual Meeting. Whether or not you attend in person, we hope that your shares will be represented at the meeting.

During the meeting, we will also discuss the important work we did last year for patients. From transforming cancer care to diversifying our portfolio to building an even stronger organization, 2015 was an extraordinary year for Bristol-Myers Squibb. Perhaps most significantly, we also became an even more patient-centric company, devoting more time and attention to the people at the center of everything we do – our patients and their families.

And lastly, we will use the opportunity to thank Lewis Campbell for his many years of dedicated service to Bristol-Myers Squibb and our shareholders. Lewis will retire from the Board of Directors effective after this Annual Meeting. We will also welcome Peter Arduini to the Board. Pete was elected to serve as a member of our Board of Directors effective April 1, 2016.

We look forward to welcoming many of you to our 2016 Annual Meeting.

Giovanni Caforio, M.D.
Chief Executive Officer

Lamberto Andreotti
Chairman of the Board

1

Table of Contents

To my fellow shareholders:

2015 was an extraordinary year for Bristol-Myers Squibb and it represented an important inflection point for our company. We emerged from a multi-year transformation to deliver strong operational performance, establishing a position of strength as we enter this exciting next chapter. 2015 was marked by significant growth across our core priority brands, advancement of our leadership position in immuno-oncology, which is a new way of treating cancer by using the body's own immune system, and investment in our key therapeutic areas to further strengthen our pipeline.

We also underwent an important leadership transition. In May, Giovanni Caforio succeeded Lamberto Andreotti as Chief Executive Officer and Lamberto became Chairman of the Board. Additionally, the independent members of the Board elected a Lead Independent Director, with significant independent leadership responsibilities. We believe this leadership structure best positions Bristol-Myers Squibb to execute against our strategic goals as we enter the next chapter of expected growth, while maintaining strong independent leadership in the boardroom.

Your Board remains committed to continued excellence in governance, openness to shareholder feedback, and practices that ensure the Board is comprised of skilled, diverse and engaged members. As evidence of this commitment, three key areas of focus in 2015 are worth highlighting:

Ongoing shareholder dialogue. Both the Board and senior management team are committed to ongoing and constructive engagement with shareholders. Communicating directly with our shareholders and bringing that feedback to the Board was a top priority for me upon being elected Lead Independent Director. During 2015, I met directly with shareholders representing over 20% of our outstanding shares. The input investors provided enabled the Board to more thoroughly evaluate our governance practices, including the proxy access bylaw that we adopted in February, and inform our executive compensation program.

Regular Board evaluation. During our dialogue with shareholders this year, a common focus was Board effectiveness, including Board composition and practices that ensure the Board remains highly engaged. We were pleased to discuss our robust Board and committee evaluation process, which is led by the Committee on Directors and Corporate Governance. We have also significantly enhanced our proxy statement disclosure regarding Board composition in order to provide even greater transparency to our shareholders.

Significant changes to our executive compensation program. Following a disappointing level of support for our advisory vote on executive compensation in 2015, extensive shareholder engagement on our compensation practices, and a thorough review of our compensation practices in the context of our evolving business, the Compensation and Management Development Committee made significant changes to our executive compensation program. These changes further enhance the structural alignment between our incentive program and our strategy, and directly reflect the feedback we received from shareholders. These changes are described in further detail in both our proxy summary on page three and in the "Compensation Discussion and Analysis", which begins on page 33.

At Bristol-Myers Squibb, our Mission is "to discover, develop and deliver innovative medicines that help patients prevail over serious diseases." My fellow Directors and I believe in this Mission, and we strive to ensure from the boardroom that the company is well positioned to be successful in this important undertaking. Thank you for your continued support.

Togo D. West, Jr.
Lead Independent Director
Chair, Compensation and Management Development Committee

Table of Contents**PROXY STATEMENT SUMMARY****2016 Annual Meeting of Shareholders**

Date: Tuesday, May 3, 2016
Time: 10:00 a.m.
Place: 777 Scudders Mill Road, Plainsboro, New Jersey

For additional information about the Annual Meeting, see "Frequently Asked Questions" beginning on page 94.

Voting Matters

Item	Proposal	Board Vote Recommendation	Required Vote	Page Number
1	Election of Directors	FOR ALL	Majority of votes cast	10
2	Advisory vote to approve the compensation of our named executive officers	FOR	Majority of shares voted	84
3	Ratification of the appointment of an independent registered public accounting firm	FOR	Majority of shares voted	85
4	Shareholder proposal on special shareowner meetings	AGAINST	Majority of shares voted	88

2015 Performance Highlights

2015 marked Bristol-Myers Squibb's emergence from a multi-year transformation to an exciting new chapter for the company. Following a number of years of foundation-building and working to streamline our core therapeutic areas, we delivered strong operational and financial performance in 2015 that created significant value for our shareholders.

Key Operational and Financial Highlights for 2015

2015 was an exceptional year in which we began a new chapter of growth and laid a strong foundation for our future as we continued to advance a diversified pipeline of innovative medicines. In a year during which we lost exclusivity of *Abilify*, our largest product in 2014, we increased revenues by 4% compared to 2014. In addition, although our GAAP diluted earnings per share decreased by 23% due to higher research and development expenses as noted in the footnote below, our non-GAAP diluted earnings per share increased by 9% compared to 2014. This growth was the result of the strong performance of new and inline brands (products that are not expected to lose exclusivity for at least the next few years in the U.S. or EU), significant clinical and regulatory achievements, particularly in immuno-oncology, important business development activities that supplement our innovative pipeline, and a strong balance sheet.

Full Year

\$ amounts in millions, except per share amounts

	2015	2014	Change
Total Revenues	\$16,560	\$15,879	4%
GAAP Diluted EPS (1)	0.93	1.20	(23%)
Non-GAAP Diluted EPS (2)	2.01	1.85	9%

- (1) The decrease in GAAP EPS in 2015 was due to higher research and development expenses as a result of upfront payments for licensing and asset acquisitions of investigational compounds, including Flexus Biosciences Inc. and Cardioxyl Pharmaceuticals, Inc., which were acquired for upfront payments of \$800 million and \$200 million, respectively. After excluding specified items due to their significant and/or unusual nature, the increase in non-GAAP

Table of Contents

EPS in 2015 was primarily due to higher revenues. The exclusion of such specified items for 2015 is consistent with the company's current policies and procedures, as well as our past practices.

- (2) Our non-GAAP financial measures, including non-GAAP earnings and related EPS information, are adjusted to exclude specified items which represent certain costs, expenses, gains and losses and other items impacting the comparability of financial results. For a detailed listing of all specified items and further information, including reconciliations of non-GAAP financial measures, please refer to " Non-GAAP Financial Measures" in our Annual Report on Form 10-K for the year ended December 31, 2015.

Total Revenues of Select Key Products (Dollars in Millions)