JOHNSON & JOHNSON
Form DEF 14A
March 11, 2015
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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 x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for the Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material under § 240.14a-12

JOHNSON & JOHNSON

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) 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:

(5) Total fee paid:

¨ 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.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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Notice of Annual Meeting and Proxy Statement

March 11, 2015

The Annual Meeting of Shareholders of Johnson & Johnson will be held on Thursday, April 23, 2015 at 10:30 a.m., Eastern time, at the State Theatre, 15 Livingston Avenue, New Brunswick, New Jersey, to:

1. Elect as Directors the 11 nominees named in the Proxy Statement;

2. Conduct an advisory vote to approve named executive officer compensation;

3. Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2015; and

4. Transact such other business, including action on three shareholder proposals, as may properly come before the meeting, and any adjournment or postponement.

Shareholders as of the record date of February 24, 2015 are cordially invited to attend the meeting. **If you are planning to attend the meeting, please note the important changes to this year s meeting and our admission ticket procedures detailed on page 6 of this Proxy Statement.**

We encourage you to listen to the meeting via the Internet. We will broadcast the meeting as a live webcast through our website. The webcast will remain available for replay for three months following the meeting. Visit our Investor Relations website at *www.investor.jnj.com* and click on Webcasts & Presentations for details.

We are pleased to save costs and help protect the environment by again using the Notice and Access method of delivery. Instead of receiving paper copies of our proxy materials in the mail, many shareholders will receive a Notice Regarding the Availability of Proxy Materials, which provides an Internet website address where shareholders can access electronic copies of the proxy materials and vote. This website also has instructions for voting by phone and for requesting paper copies of the proxy materials and proxy card.

By order of the Board of Directors,

Scan this QR code to view our Proxy Statement and 2014 Annual Report online.

DOUGLAS K. CHIA

Secretary

You can vote in one of several ways:

Visit the website listed on your proxy card or Notice to vote **VIA THE INTERNET**

Call the telephone number specified on your proxy card or on the website listed on your Notice to vote **BY TELEPHONE**

If you received paper copies of your proxy materials in the mail, sign, date and return your proxy card in the enclosed postage-paid envelope to vote **BY MAIL**

Attend the meeting to vote **IN PERSON** (See Important Changes to This Year s Annual Meeting and Admission Ticket Procedures on pages 5 and 6 of this Proxy Statement.)

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on April 23, 2015: The Proxy Statement and Annual Report to Shareholders are available at ***www.investor.jnj.com/annual-reports.cfm.***

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Johnson & Johnson

2015 Proxy Statement   Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider. You should read the entire Proxy Statement carefully before voting.

GENERAL INFORMATION

(see pages 3-7)

Meeting: Annual Meeting of Shareholders

Date: Thursday, April 23, 2015

Time: 10:30 a.m., Eastern

Location: State Theatre, 15 Livingston Avenue,

New Brunswick, New Jersey

Record Date: February 24, 2015

Ticket Requests: *AnnualMeeting@its.jnj.com*

If you are planning to attend the meeting in person, please see Important Changes to This Year s Annual Meeting outlined on page 5.

Stock Symbol: JNJ

Exchange: NYSE

Common Stock Outstanding: 2.8 billion shares

Registrar & Transfer Agent: Computershare

State of Incorporation: New Jersey

Year of Incorporation: 1887

Public Company Since: 1944

Corporate Headquarters: One Johnson & Johnson Plaza,

New Brunswick, New Jersey 08933

Corporate Website: *www.jnj.com*

Investor Relations Website: *www.investor.jnj.com*

Annual Report: *www.investor.jnj.com/annual-reports.cfm*

EXECUTIVE COMPENSATION

(see pages 29-71)

CEO: Alex Gorsky (age 54; CEO since April 2012)

CEO 2014 Total Direct Compensation:

Base Salary: $1.5 million

Annual Performance Bonus: $3.5 million

Long-Term Incentives: $15.2 million

Changes for 2014:

Closed Executive Life Insurance to new participants

Redesigned U.S. Pension Plan for new participants

Above Median Targeting: No

Tax Gross-Ups: No

CEO Employment Agreement: No

Change-In-Control Agreement: No

Stock Ownership Guidelines: Yes

Recoupment Policy: Yes

Anti-Hedging Policy: Yes

CORPORATE GOVERNANCE

(see pages 8-15)

Director Nominees: 11

Mary Sue Coleman (Independent)

D. Scott Davis (Independent)

Ian E. L. Davis (Independent)

Alex Gorsky (Management)(Chairman)

Susan L. Lindquist (Independent)

Mark B. McClellan (Independent)

Anne M. Mulcahy (Independent)(Lead)

William D. Perez (Independent)

Charles Prince (Independent)

A. Eugene Washington (Independent)

Ronald A. Williams (Independent)

Director Term: One year

Director Election Standard: Majority of votes cast

Board Meetings in 2014: 7

Standing Board Committees (Meetings in 2014):

Audit (8), Compensation & Benefits (6), Nominating & Corporate Governance (4), Regulatory, Compliance & Government Affairs (4), Science, Technology & Sustainability (4), Finance (0)

Supermajority Voting Requirements: No

Shareholder Rights Plan: No

Right to Call Special Meetings: Yes

Corporate Governance Materials:

*www.investor.jnj.com/governance/*materials.cfm

Board Communication:

www.investor.jnj.com/governance/communication.cfm

OTHER ITEMS TO BE VOTED ON

(see pages 72-81)

Advisory Vote to Approve Named Executive

Officer Compensation

Ratification of Appointment of Independent

Registered Public Accounting Firm

(PricewaterhouseCoopers LLP)

Shareholder Proposals:

Common Sense Policy regarding Overextended Directors

Alignment between Corporate Values and Political Contributions

Independent Board Chairman

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Johnson & Johnson

2015 Proxy Statement Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider. You should read the entire Proxy Statement carefully before voting.

VOTING GUIDELINES

What am I being asked to vote on?	How does the Board of Directors recommend I vote?	On which pages of this Proxy Statement can I read more information before I vote?
Election of Mary Sue Coleman as a Director	FOR	17
Election of D. Scott Davis as a Director	FOR	17
Election of Ian E. L. Davis as a Director	FOR	18
Election of Alex Gorsky as a Director	FOR	18
Election of Susan L. Lindquist as a Director	FOR	19
Election of Mark B. McClellan as a Director	FOR	19
Election of Anne M. Mulcahy as a Director	FOR	20
Election of William D. Perez as a Director	FOR	20
Election of Charles Prince as a Director	FOR	21
Election of A. Eugene Washington as a Director	FOR	21
Election of Ronald A. Williams as a Director	FOR	22
Advisory Vote to Approve Named Executive Officer Compensation	FOR	72
Ratification of Appointment of Independent Registered Public Accounting Firm	FOR	74
Shareholder Proposal Common Sense Policy regarding Overextended Directors	AGAINST	76
Shareholder Proposal Alignment between Corporate Values and Political Contributions	AGAINST	78
Shareholder Proposal Independent Board Chairman	AGAINST	80

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General Information

This Proxy Statement is furnished in connection with the solicitation of proxies by our Board of Directors for the Annual Meeting of Shareholders. This Proxy Statement and accompanying proxy are being distributed to our shareholders on or about March 11, 2015, concurrently with the distribution of our 2014 Annual Report to Shareholders.

Shareholders Entitled to Vote

Shareholders of record of our common stock at the close of business on February 24, 2015 are entitled to notice of and to vote at the Annual Meeting of Shareholders and at any and all adjournments or postponements of the meeting. Each share entitles its owner to one vote. The holders of a majority of the shares entitled to vote at the meeting must be present in person or represented by proxy in order to constitute a quorum for all matters to come before the meeting. On February 24, 2015, there were 2,780,559,526 shares outstanding.

Each matter to be submitted to the shareholders, including the election of Directors, requires the affirmative vote of a majority of the votes cast at the meeting. For purposes of determining the number of votes cast with respect to a particular matter, only those cast For or Against are included. Abstentions and broker non-votes are counted only for purposes of determining whether a quorum is present at the meeting.

How to Vote

Registered Shareholders. Registered shareholders (that is, shareholders who hold their shares directly with our stock registrar, Computershare), can vote any one of four ways:

Via the Internet: Go to the website listed on your proxy card or Notice Regarding the Availability of Proxy Materials to vote via the Internet. You will need to follow the instructions on the website.

By Telephone: Call the telephone number on your proxy card or provided on the website listed on your Notice Regarding the Availability of Proxy Materials to vote by telephone. You will need to follow the instructions given by the voice prompts.

By Mail: If you received paper copies in the mail of the Proxy Statement, Annual Report and proxy card, sign, date and return your proxy card in the enclosed postage-paid envelope. **If you sign and return your proxy card, but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors.**

In Person: Attend the Annual Meeting, or send a personal representative with an appropriate proxy, to vote by ballot at the meeting. (See Important Changes to This Year s Annual Meeting and Admission Ticket Procedures below.)

If you vote via the Internet or by telephone, your electronic vote authorizes the named proxies in the same manner as if you signed, dated and returned a proxy card.

Beneficial Shareholders. If your shares are held beneficially in the name of a bank, broker or other holder of record (sometimes referred to as holding shares in street name), you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Notice and Access delivery of the proxy materials, and Internet and/or telephone voting, also will be offered to shareholders owning shares through most banks and brokers. **If you wish to vote in person at the meeting, you must obtain a legal proxy from the bank, broker or other holder of record that holds your shares, and bring it, or other evidence of stock ownership, with you to the meeting.** (See Important Changes to This Year s Annual Meeting and Admission Ticket Procedures below.)

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Notice and Access	We are distributing proxy materials to many shareholders via the Internet under the Securities and Exchange Commission s (SEC s) Notice and Access rules, which will save costs and paper. Using this method of distribution, on or about March 11, 2015, we mailed a Notice Regarding the Availability of Proxy Materials (Notice) that contains basic information about our 2015 Annual Meeting and instructions on how to view all proxy materials, and vote electronically, on the Internet. If you receive the Notice and prefer to receive a paper or e-mail copy of the proxy materials, follow the instructions in the Notice for making this request, and the materials will be sent promptly to you via the preferred method. If you prefer to vote by phone rather than Internet, the website listed on the Notice (*www.proxyvote.com*) has instructions for voting by phone.
Revoking Your Proxy or Changing Your Vote	You may change your vote at any time before the proxy is exercised. For registered shareholders, if you voted by mail, you may revoke your proxy at any time before it is exercised by executing and delivering a timely and valid later-dated proxy, by voting by ballot at the meeting or by giving written notice to the Secretary. If you voted via the Internet or by telephone, you may also change your vote with a timely and valid later Internet or telephone vote, as the case may be, or by voting by ballot at the meeting. Attendance at the meeting will not have the effect of revoking a proxy unless (1) you give proper written notice of revocation to the Corporate Secretary before the proxy is exercised, or (2) you vote by ballot at the meeting.
	If you hold your shares beneficially, you must follow the specific directions provided to you by your bank, broker or other holder of record to change or revoke any voting instructions you have already provided. Alternatively, you may vote your shares by ballot at the meeting if you obtain a legal proxy from your bank, broker or other holder of record and bring it with you to the meeting.
Effect of Not Casting Your Vote	If you are a registered shareholder and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Annual Meeting.
	If you hold your shares beneficially, it is critical that you cast your vote if you want it to count in the election of Directors and most other items on the agenda. Under applicable regulations, if you hold your shares beneficially and do not instruct your bank or broker how to vote your shares, your bank or broker will only have discretion to vote your uninstructed shares on the ratification of the appointment of our independent registered public accounting firm (Item 3). They will not have discretion to vote your uninstructed shares on the election of Directors (Item 1), the advisory vote to approve named executive officer compensation (Item 2), or the shareholder proposals (Items 4, 5 and 6), resulting in broker non-votes on those items.
Proxy Solicitation	In addition to the solicitation of proxies by mail, several regular employees of Johnson & Johnson may solicit proxies in person or by telephone. We have also retained the firm of Morrow & Co., LLC to aid in the solicitation of brokers, banks and institutional and other shareholders for a fee of approximately $20,000, plus reimbursement of expenses. We will bear all costs of the solicitation of proxies. On the accompanying proxy, a shareholder may substitute the name of another person in place of those persons presently named as proxies. In order to vote, a substitute proxy must present adequate identification to the Secretary.

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Electronic Access to Proxy Materials

This Proxy Statement and our 2014 Annual Report are available on our website at *www.investor.jnj.com/annual-reports.cfm*. If you received paper copies of this year s Proxy Statement and Annual Report by mail, you can elect to receive in the future an e-mail message that will provide a link to those documents on the Internet. By opting to access your proxy materials via the Internet, you will:

- gain faster access to your proxy materials;
- save us the cost of producing and mailing documents to you;
- reduce the amount of mail you receive; and
- help preserve environmental resources.

Scan this QR code to

see how you can

register to access future proxy materials via the Internet.

Johnson & Johnson shareholders who have enrolled in the electronic access service previously will receive their materials online this year.

Registered shareholders may enroll in the electronic proxy and Annual Report access service for future Annual Meetings of Shareholders by registering online at *www.computershare-na.com/green.* If you vote via the Internet, simply follow the prompts that will link you to that website. Beneficial shareholders who wish to enroll for electronic access may register online at *https://enroll.icsdelivery.com/jnj*.

Important Changes to This Year s Annual Meeting

If you are planning to attend the meeting in person, **please note the following changes from previous meetings**:

- *Venue:* This year, **the Annual Meeting will take place at the State Theatre**, 15 Livingston Avenue, New Brunswick, New Jersey.
- *Duration:* The anticipated running time of the meeting will be one hour.

Parking: Complimentary parking and shuttle service to and from the meeting **will be available at the Rutgers Athletic Center**.

Product Bags and Food: **We will no longer provide product bags or food at the meeting.** The products that would have been contained in the product bags will be donated to charitable causes.

Tickets: See Admission Ticket Procedures below. Tickets to the meeting will be available to shareholders as of the record date of February 24, 2015. **We will be unable to fulfill ticket requests for guests.** Attendees who require an exception in order to attend (for example, due to a physical disability) may request a companion ticket by contacting the Office of the Corporate Secretary at (732) 524-2455, *AnnualMeeting@its.jnj.com,* or c/o Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, NJ 08933.

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Admission Ticket Procedures

If you plan to attend the meeting in person, please request an admission ticket in advance as follows:

If you are a registered shareholder and vote via the Internet or by telephone, there will be instructions to follow when voting to indicate if you would like to receive an admission ticket.

If you are a registered shareholder and vote by mailing a proxy card, there is a box on the proxy card that you should mark to request an admission ticket.

If your shares are held beneficially in the name of a bank, broker or other holder of record and you plan to attend the meeting, you can request an admission ticket in one of three ways: by visiting *www.proxyvote.com* and clicking on the Shareholder Meeting Ticket Request link (be sure to have your 12-digit control number appearing on your Notice Regarding the Availability of Proxy Materials or Voting Instruction Form); by mailing a written request for an admission ticket to the Office of the Corporate Secretary, Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933; or by sending an e-mail to *AnnualMeeting@its.jnj.com*. If requesting a ticket by mail or e-mail, **you must include evidence of your stock ownership** as of the record date of February 24, 2015, which you can obtain from your bank, broker or other holder of record.

Reduce Duplicate Mailings

We are required to provide a Proxy Statement and Annual Report to all shareholders as of the record date of February 24, 2015. If you are a registered shareholder and have more than one registered account in your name, or have an account at the same address and same surname as other registered shareholders, and you receive paper copies of the proxy materials in the mail, you may authorize us to discontinue duplicate mailings of these proxy materials in the future (also referred to as householding). To do so, mark the box on your proxy card to request discontinuation of duplicate copies of proxy materials. The members of the household will continue to receive separate proxy cards for voting the shares held in each account. If you are voting via the Internet or by telephone, you can either follow the prompts when you vote or give instructions to discontinue duplicate copies for future mailings of proxy materials. Beneficial shareholders who wish to discontinue receiving duplicate mailings of future proxy materials should review the information provided in the materials mailed to them by their bank or broker.

If, now or in the future, you wish to discontinue householding and receive separate copies of proxy materials, please notify us by calling (800) 950-5089 or sending a written request to the Office of the Corporate Secretary, Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933, and we will promptly deliver a separate copy.

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Johnson & Johnson Employee Savings Plans

If you are an employee of a Johnson & Johnson company and hold shares in one of our employee savings plans, you will receive one proxy card that covers the shares held for you in your savings plan, as well as any other shares registered directly in your name (but not shares held beneficially). If you vote the plan shares via the Internet, by telephone or by mail, as described above, by 5:00 p.m. (Eastern) on April 21, 2015, the Trustee of your savings plan will vote your shares as you have directed (your voting instructions will be kept confidential). It is important that you direct the Trustee how to vote your shares. In accordance with the terms of the Johnson & Johnson Savings Plan, the Johnson & Johnson Savings Plan for Union Represented Employees and the Johnson & Johnson Puerto Rico Retirement Savings Plan, you are the named fiduciary for shares held in your savings plan and have the right to direct the Trustee with respect to those shares. If you hold shares in either of these plans and do not vote, the plan Trustee will vote your shares in direct proportion to all shares held in that plan for which votes were cast. Participants in the Johnson & Johnson employee savings plans may attend the Annual Meeting. However, shares held in those plans can only be voted as described in this paragraph, and cannot be voted at the meeting.

Advance Notice of Shareholder Proposals and Other Items of Business

To be included in the Proxy Statement and proxy card for the 2016 Annual Meeting of Shareholders, a shareholder proposal must be received at our principal office on or before November 12, 2015 and must comply with Rule 14a-8 under the U.S. Securities and Exchange Act of 1934, as amended.

In addition, under the terms of our By-Laws, a shareholder who intends to present an item of business at the 2016 Annual Meeting of Shareholders (other than a proposal submitted for inclusion in our proxy materials) must provide us with written notice of such business, including the information specified in the By-Laws, which must be received on or before November 12, 2015.

Proposals and other items of business should be directed to the attention of the Office of the Corporate Secretary at our principal office, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933.

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Corporate Governance

Director Independence. The Board of Directors has determined that the following Directors, comprising all of the Non-Employee Directors, are independent under the listing standards of the New York Stock Exchange (NYSE) and our Standards of Independence: Dr. Coleman, Mr. Cullen, Mr. I. Davis, Mr. S. Davis, Dr. Lindquist, Dr. McClellan, Ms. Mulcahy, Mr. Mullin, Mr. Perez, Mr. Prince, Dr. Washington and Mr. Williams. Messrs. Cullen and Mullin are retiring and not standing for re-election this year. In order to assist the Board in making this determination, the Board has adopted ***Standards of Independence*** as part of our Principles of Corporate Governance, which can be found on our website at *www.investor.jnj.com/governance/policies.cfm*. These Standards identify, among other things, material business, charitable and other relationships that could interfere with a Director s ability to exercise independent judgment.

As highly accomplished individuals in their respective industries, fields and communities, the Non-Employee Directors are affiliated with numerous corporations, educational institutions, hospitals and charities, as well as civic organizations and professional associations, many of which have business, charitable or other relationships with the company. The Board considered each of these relationships in light of the Standards of Independence and determined that none of these relationships conflict with the interests of the company or would impair the relevant Non-Employee Director s independence or judgment. The following table describes the relationships that were considered in making this determination. The nature of the transactions, relationships and arrangements summarized in the table below, and the role of each of the Directors at their respective organizations, were such that none of the Non-Employee Directors had any direct business relationships with the company in 2014 or received any direct personal benefit from any of these transactions, relationships or arrangements.

Director	Organization	Type of Organization	Relationship to Organization	Type of Transaction, Relationship or Arrangement	2014 Aggregate Magnitude
M. S. Coleman	Mayo Clinic Foundation	Health Care Institution	Trustee	Continuing Medical Education grants	<1%; <$1 million
S. L. Lindquist	Massachusetts Institute of Technology	Educational Institution	Employee	Research program and other research related payments; sales of health care products and services	<1%
M. B. McClellan	Reagan-Udall Foundation	Not-for-Profit Foundation for the FDA	Director	Grant	<$1 million
M. B. McClellan	Research! America	Public Education and Advocacy Organization	Director	Annual fees; contributions	<$1 million
A. M. Mulcahy	Save the Children	Charitable Organization	Trustee	Contributions	<1%
W. D. Perez	Cornell University	Educational Institution	Trustee	Grants and fellowships	<1%; <$1 million
A. E. Washington	UCLA Health System	Health Care Institution	Executive Officer	Sales of health care products and services; rebates	<1%

All of the transactions, relationships and arrangements of the type listed above were entered into, and payments were made or received, by us in the ordinary course of business and on competitive terms. The company s transactions with, or discretionary charitable contributions to, each of the relevant organizations (not including gifts made under our matching gifts program) did not exceed the greater of $1 million or 1% of the company s or that organization s consolidated gross revenues for 2012, 2013 or 2014.

In the event of Board-level discussions pertaining to a potential transaction, relationship or arrangement involving an organization with which a Director is affiliated, that Director would be expected to recuse himself or herself from the deliberation and decision-making process. In addition, none of the Non-Employee Directors has the authority to review, approve or deny any grant to, or research contract with, an organization.

Board Meetings. During 2014, the Board of Directors held seven regularly-scheduled meetings. Each Director attended at least 75% of the total, regularly-scheduled and special meetings of the Board of Directors and the committees on which he or she served (held during the period that he or she served). A discussion of the role of the Board of Directors in our strategic planning process can be found on our website at *www.investor.jnj.com/strategic.cfm.*

Annual Meeting Attendance. It has been our longstanding practice for all Directors to attend the Annual Meeting of Shareholders. All 12 Directors who were elected to the Board at the 2014 Annual Meeting were in attendance.

Board Leadership Structure. Alex Gorsky, our Chief Executive Officer (CEO), also serves as the ***Chairman*** of our Board of Directors. Our independent Directors determined that for effective board governance it is important to have an independent ***Lead Director*** and have selected Anne M. Mulcahy to continue to serve as the designated Lead Director for 2015.

Our Directors believe that each of the possible leadership structures for a board has its particular pros and cons, which must be considered in the context of the specific circumstances, culture and challenges facing a company, and that such consideration falls squarely on the shoulders of a company s board that has a diversity of views and experiences. As discussed in Item 1: Election of Directors on pages 16 to 22 of this Proxy Statement, our Directors come from a variety of organizational backgrounds with direct experience with a wide range of leadership and management structures. The makeup of our Board puts it in a very strong position to evaluate the pros and cons of the various types of board leadership structures and to ultimately decide which one will work in the best interests of our stakeholders, as they are defined in Our Credo.

Our Board believes that it is in the best interests of the company to continue to have Mr. Gorsky serve as both Chairman and CEO. During the transitional period following Mr. Gorsky s appointment as CEO in 2012, when our previous Chairman/CEO served as Executive Chairman and Mr. Gorsky served as CEO, the Board gave thoughtful and rigorous consideration to its governance structure and ultimately determined that combining the Chairman and CEO positions under the strong leadership of Mr. Gorsky would benefit all our stakeholders. Combining the roles of Chairman and CEO in Mr. Gorsky provides clear and unambiguous authority, which is essential to effective management. The Board and management can respond more effectively to a clearer line of authority. By designating Mr. Gorsky as both CEO and Chairman, the Board also sends an important signal to employees and shareholders about who is accountable. Further, given he is closer to the company s businesses than any other Board member and has the benefit of over 20 years of operational and leadership experience within the Johnson & Johnson Family of Companies, Mr. Gorsky is best-positioned to set the Board s agenda and provide leadership. Mr. Gorsky s career experience also gives him unquestioned industry knowledge, which the Board believes is critical for the chairman of the board of a company that operates in a highly-regulated industry such as health care. The combined Chairman/CEO model is a leadership model that has served our shareholders well for many generations, through numerous economic cycles and a succession of effective leaders, and the Board believes this has and will continue under Mr. Gorsky.

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While deciding to combine the Chairman and CEO roles under Mr. Gorsky, the Board also recognized the importance for a board to have in place, and build upon, a strong counterbalancing structure to ensure that it functions in an appropriately independent manner. Thus, at the same time that it decided to designate Mr. Gorsky as its Chairman and CEO in 2012, the Board took steps to enhance its governance structure. Specifically, the Board changed the title of the Presiding Director position, originally created in 2002, to Lead Director, and expanded the duties and responsibilities of the position. The following table describes the duties and responsibilities of our independent Lead Director, which are also incorporated into our Principles of Corporate Governance.

Duties and Responsibilities of the Independent Lead Director

Board Agendas and Schedules	Approves information sent to the Board and determines timeliness of information flow from management. Periodically provides feedback on quality and quantity of information flow from management. Participates in setting, and ultimately approves, the agenda for each Board meeting. Approves meeting schedules to assure that there is sufficient time for discussion of all agenda items. With the Chair/CEO, determines who attends Board meetings, including management and outside advisors.
Committee Agendas and Schedules	Reviews in advance the schedule of committee meetings. Monitors flow of information from Committee Chairs to the full Board.
Board Executive Sessions	Has the authority to call meetings and Executive Sessions of the Independent Directors. Presides at all meetings of the Board at which the Chair/CEO is not present, including Executive Sessions of the Independent Directors.
Communicating with Management	After each Executive Session of the Independent Directors, communicates with the Chair/CEO to provide feedback and also to effectuate the decisions and recommendations of the Independent Directors. Acts as liaison between the Independent Directors and the Chair/CEO and management on a regular basis and when special circumstances exist or communication out of the ordinary course is necessary.
Communicating with Stakeholders	As necessary, meets with major shareholders or other external parties, after discussions with the Chair/CEO.

	Is regularly apprised of inquiries from shareholders and involved in correspondence responding to these inquiries. Under the Board s guidelines for handling shareholder and employee communications to the Board, is advised promptly of any communications directed to the Board or any member of the Board that allege misconduct on the part of company management, or raise legal, ethical or compliance concerns about company policies or practices.
Chair and CEO Performance Evaluations	Leads the annual performance evaluation of the Chair/CEO, distinguishing as necessary between performance as Chair and performance as CEO.
Board Performance Evaluation	Leads the annual performance evaluation of the Board.
New Board Member Recruiting	Interviews Board candidates, as appropriate.
CEO Succession	Leads the CEO succession process.
Crisis Management	Plays an increased role in crisis management oversight, as appropriate.
Limits on Leadership Positions of Other Boards	May only serve as chair, lead or presiding director, or similar role, or as CEO or similar role at another public company if approved by the full Board upon recommendation from the Nominating & Corporate Governance Committee.

The Chairman of the Board will continue to be designated annually by the Board, and the independent Lead Director of the Board will continue to be designated annually by the independent Directors. Our Board, through its Nominating & Corporate Governance Committee, will continue to periodically review its leadership structure in a serious and open-minded fashion to ensure it is still appropriate for the company.

Standing Board Committees. The Board of Directors has a standing Audit Committee, Compensation & Benefits Committee, Nominating & Corporate Governance Committee, Regulatory, Compliance & Government Affairs Committee and Science, Technology & Sustainability Committee, each composed entirely of Non-Employee Directors determined to be independent under the listing standards of the NYSE and our Standards of Independence. Under their written charters adopted by the Board, each of these committees is authorized and assured of appropriate funding to retain and consult with external advisors, consultants and counsel. In addition, the Board has a standing Finance Committee, composed of the Chairman of the Board and the Lead Director.

The following table shows the Directors who are currently members or chairmen of each of the standing Board Committees and the number of meetings each committee held in 2014.

Board Committee Membership

(1) Designated as an audit committee financial expert for purposes of Section 407 of the Sarbanes-Oxley Act.

(2) Not standing for re-election in 2015.

(3) Does not include teleconferences held prior to each release of quarterly earnings (four in total).

(4) To be appointed Committee Chairman upon re-election to the Board.

The ***Audit Committee*** provides oversight of the company s financial management, internal audit department, and independent auditor. The Audit Committee oversees the quality and adequacy of the company s internal controls, which provide reasonable assurance that assets are safeguarded and that financial reports are properly prepared. The Audit Committee also reviews and monitors the company s financial reporting procedures, compliance and disclosure. In performing these functions, the Audit Committee meets periodically with the independent auditor, management, and internal auditors (including in private sessions) to review their work and confirm that they are properly discharging their respective responsibilities. In addition, the Audit Committee appoints and evaluates the performance of the independent auditor. A copy of the charter of the Audit Committee is available on our website at *www.investor.jnj.com/governance/committee.cfm*. For more information on Audit Committee activities in 2014, see the Audit Committee Report on page 73 of this Proxy Statement.

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Any employee or other person who wishes to contact the Audit Committee to report fiscal improprieties or complaints about internal accounting control or other accounting or auditing matters can do so by writing to: Audit Committee c/o Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, NJ 08933 or by using the online submission form at *www.investor.jnj.com/governance/communication.cfm*. Such reports may be made anonymously.

The Board has designated each of Mr. Cullen, the Chairman of the Audit Committee and an independent Director, and Mr. S. Davis, an independent Director, as an audit committee financial expert under the rules and regulations of the U.S. Securities and Exchange Commission (SEC) after determining that each meet the requirements for such designation. The determination regarding Mr. Cullen was based on his experience while President and Chief Executive Officer of Bell Atlantic Enterprises, New Jersey Bell and President and Chief Operating Officer of Bell Atlantic Corporation, where he actively supervised persons performing the functions of principal financial officer, principal accounting officer and controller. The determination regarding Mr. S. Davis was based on his being a Certified Public Accountant and his experience as Chief Financial Officer at United Parcel Service, Inc.

The ***Compensation & Benefits Committee*** is responsible for establishing the company s executive compensation philosophy and principles; reviewing and recommending for approval by the independent Directors of the Board, the compensation for our Chief Executive Officer; approving the compensation for the company s other executive officers; setting the composition of the group of peer companies used for comparison of executive compensation; overseeing the design and management of the various pension, long-term incentive, savings, health and welfare plans that cover our employees; and reviewing, and recommending for approval by the full Board, the compensation for our Non-Employee Directors. The Compensation & Benefits Committee also provides oversight of the compensation philosophy and policies of the Management Compensation Committee, a non-Board committee composed of Mr. Gorsky (Chairman/CEO), Mr. Dominic J. Caruso (Chief Financial Officer) and Dr. Peter M. Fasolo (Vice President, Global Human Resources), which, under delegation from the Compensation & Benefits Committee, determines management compensation and establishes perquisites and other compensation policies for employees other than our executive officers. A copy of the charter of the Compensation and Benefits Committee is available on our website at *www.investor.jnj.com/governance/committee.cfm*.

The Compensation & Benefits Committee has retained Frederic W. Cook & Co., Inc. (FWC) as its independent compensation consultant for matters related to executive officer and Non-Employee Director compensation. The Compensation & Benefits Committee considered the following factors, among others, when assessing the independence of its compensation consultant:

- FWC does not provide any other services to the company and reports directly to the Compensation & Benefits Committee;
- FWC has in place policies and procedures to prevent conflicts of interest;
- FWC has no significant business or personal relationship with any member of the Compensation & Benefits Committee or any executive officer;
- The amount of fees paid to FWC in relation to FWC s total revenues; and
- Neither FWC nor any principal of FWC owns any shares of our common stock.

Based on this assessment, the Compensation & Benefits Committee determined FWC s service as its independent compensation consultant did not raise any conflict of interest concerns. For further discussion of the role of the Compensation & Benefits Committee in the executive compensation decision-making process, and for a description of the nature and scope of the consultant s assignment, see Compensation Discussion and Analysis Governance of Executive Compensation on pages 47 and 48 of this Proxy Statement.

The ***Nominating & Corporate Governance Committee*** is responsible for overseeing matters of corporate governance, including the evaluation of the performance and practices of the Board of Directors. The Nominating & Corporate Governance Committee also oversees the process for performance evaluations of the committees of the Board. It is also within the charter of the Nominating & Corporate Governance Committee to review our executive succession plans, review and recommend director orientation and continuing orientation programs for Board members, and consider any questions of possible conflicts of interest. In addition, the Nominating & Corporate Governance Committee reviews potential candidates for the Board, as discussed on page 16 of this Proxy Statement, and recommends the nominees for Directors to the Board for approval. A copy of the charter of the Nominating & Corporate Governance Committee can be found on our website at *www.investor.jnj.com/governance/committee.cfm*.

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The ***Regulatory, Compliance & Government Affairs Committee*** assists the Board by providing oversight of regulatory, compliance, quality and governmental matters that may impact the company. The Regulatory, Compliance & Government Affairs Committee oversees the company s major compliance programs with respect to regulatory requirements; oversees compliance with any ongoing Corporate Integrity Agreements or any similar significant undertakings by the company with a government agency; reviews the organization, implementation and effectiveness of the company s compliance and quality programs; oversees the company s Policy on Business Conduct and Code of Business Conduct & Ethics for Members of the Board of Directors and Executive Officers; reviews the company s governmental affairs strategies and priorities; and reviews the policies, practices and priorities for the company s political expenditure and lobbying activities. A copy of the charter of the Regulatory, Compliance & Government Affairs Committee can be found on our website at *www.investor.jnj.com/governance/committee.cfm*.

The ***Science, Technology & Sustainability Committee*** assists the Board of Directors in the general oversight of the significant scientific and technological aspects of the company s businesses and the company s sustainability activities. The Science, Technology & Sustainability Committee monitors and reviews the overall strategy, direction and effectiveness of the company s research and development; serves as a resource and provides input, as needed, regarding the scientific and technological aspects of product safety matters; reviews the company s policies, programs and practices on environment, health, safety and sustainability; assists the Board in identifying and comprehending significant emerging science and technology policy and public health issues and trends that may impact the company s overall business strategy; and assists the Board in its oversight of the company s major acquisitions and business development activities as they relate to the acquisition or development of new science or technology. A copy of the charter of the Science, Technology & Sustainability Committee can be found on our website at *www.investor.jnj.com/governance/committee.cfm*.

The ***Finance Committee*** is composed of the Chairman and Lead Director of the Board. The Committee exercises the authority of the Board during the intervals between Board meetings, as permitted by law. The Finance Committee generally does not hold formal meetings and instead acts from time-to-time between Board meetings by unanimous written consent in lieu of a meeting, as needed. Any such action is taken pursuant to specific advance delegation by the Board or is later ratified by the Board.

Executive Sessions. During 2014, each of the Audit, Compensation & Benefits, Nominating & Corporate Governance, Regulatory, Compliance & Government Affairs, and Science, Technology & Sustainability Committees met in Executive Sessions without members of management present. The independent Directors met seven times during 2014 in Executive Sessions, at every Board meeting, without the Chairman/CEO or any other member of management present, at which the Lead Director acted as Chairman.

Board Oversight of Risk Management. The Board believes that overseeing how management manages the various risks we face is one of its most important responsibilities to our stakeholders. Our enterprise risk management framework reflects a collaborative process, whereby our Board of Directors, management and other personnel apply a common risk management approach to strategy setting and other decisions across the enterprise that is designed to identify potential events that may affect the entity and manage the associated risks and opportunities.

The Board believes that, in light of the interrelated nature of the risks we face, oversight of risk management is ultimately the responsibility of the full Board. In carrying out this critical responsibility, the Board meets at regular intervals with key members of management with primary responsibility for risk management in their respective areas of responsibility. The subject matter of these meetings can generally be grouped into the following categories and risk areas:

- ***Strategy:*** Business Vitality; Strategic Planning; Talent Management; Reputation; Sustainability; Diversity
- ***Reporting:*** Financial Results; Finance/Accounting; Internal Audit; Independent Audit; Tax; Treasury
- ***Compliance:*** Law/Legal Proceedings; Legislative/Regulatory Environment; Health Care Compliance; Foreign Corrupt Practices Act; Environment, Health & Safety; Privacy; Quality; Product Safety/Scientific Issues
- ***Operations:*** Supply Chain (including Manufacturing/Business Continuity Planning); Security (including security of products, sites, personnel, and information); Research & Development

The Board also receives regular reports on aspects of our risk management from senior representatives of our independent auditor. In addition, the Audit Committee meets in private sessions with the Chief Financial Officer; General Counsel; Vice President of Internal Audit; and representatives of our independent auditor at the conclusion of every regularly-scheduled meeting, where aspects of risk management are discussed. The Regulatory, Compliance & Government Affairs Committee meets in private sessions with the General Counsel; Chief Compliance Officer; Chief Quality Officer; and Vice President of Internal Audit, where aspects of risk management are discussed.

A copy of the Johnson & Johnson Framework for Enterprise Risk Management can be found on our website at *www.jnj.com/about-jnj/management-approach*.

Risk Related to Executive Compensation. The following characteristics of our executive compensation program work to reduce the possibility of our executive officers, either individually or as a group, making excessively risky business decisions that could maximize short-term results at the expense of long-term value:

Balanced Mix of Pay Components: The target compensation mix is not overly weighted toward annual incentive awards and represents a balance of cash and long-term equity-based compensation vesting over three years. See Setting Compensation Targets on page 46 of this Proxy Statement.

Balanced Approach to Performance-Based Awards:

Performance targets are tied to multiple financial metrics, including operational sales growth, free cash flow, adjusted earnings per share growth, and long-term total shareholder return.

Performance-based awards are based on the achievement of strategic and leadership objectives in addition to financial metrics.

See Long-Term Incentives on pages 42 and 43 of this Proxy Statement.

Performance Period and Vesting Schedules: The performance period and vesting schedules for long-term incentives overlap, and therefore, reduce the motivation to maximize performance in any one period. Performance Share Units, Restricted Share Units, and Stock Options vest three years from the grant date.

Capped Incentive Awards: Annual performance bonuses and long-term incentive awards are capped at 200% of target. See Range of Awards on page 47 of this Proxy Statement.

Stock Ownership Guidelines: The guidelines require our CEO to directly or indirectly own equity in our company of six times salary, and our other Executive Committee members to own equity of three times salary, and to retain this level of equity at all times while serving as an Executive Committee member. See Stock Ownership Guidelines for Named Executive Officers on page 50 of this Proxy Statement.

Executive Compensation Recoupment Policy: This Policy gives our Board authority to recoup executive officers past compensation in the event of a material restatement of our financial results and for events involving material violations of company policy relating to the manufacturing, sales or marketing of our products. See Executive Compensation Recoupment Policy on page 50 of this Proxy Statement.

No Change-in-Control Arrangements: None of our executive officers have in place any change-in-control arrangements that would result in guaranteed payouts. See No Change-in-Control Arrangements and Agreements on page 49 of this Proxy Statement.

Communication with the Board. Shareholders, employees and others may contact the Board or any of our Directors (including the Lead Director) by writing to them c/o Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, NJ 08933. Shareholders, employees and others may also contact the Board or any of the Non-Employee Directors by using the online submission form on our website at *www.investor.jnj.com/governance/communication.cfm*. Our process for handling communications to the Board or the individual Directors has been approved by the independent Directors and can be found at *www.investor.jnj.com/governance/communication.cfm.* If you have a general comment for our company (including complaints or questions about a product), go to the Contact Us section of our website at *www.jnj.com*.

Corporate Governance Materials. Shareholders can see our Restated Certificate of Incorporation; By-Laws; Principles of Corporate Governance; Charters of the Audit Committee, Compensation & Benefits Committee, Nominating & Corporate Governance Committee, Regulatory, Compliance & Government Affairs Committee and Science, Technology & Sustainability Committee; Policy on Business Conduct for employees; Code of Business Conduct & Ethics for Members of the Board of Directors and Executive Officers; and other corporate governance materials on our website at *www.investor.jnj.com/governance/materials.cfm*. Copies of these documents, as well as additional copies of this Proxy Statement, are available to shareholders, without charge, upon request to the Secretary at our principal address.

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Majority Vote Standard in Uncontested Director Elections. Our By-Laws require that, in uncontested elections (those where the number of nominees does not exceed the number of Directors to be elected), Director nominees receive the affirmative vote of a majority of the votes cast in order to be elected to our Board of Directors. The majority standard applies only to uncontested Director elections. The proxy card for uncontested elections, including the election of Directors at the 2015 Annual Meeting, will allow shareholders to vote For or Against each nominee and also will allow shareholders to Abstain from voting on any nominee. In accordance with New Jersey law, abstentions will have no effect in determining whether the required majority vote has been obtained.

Under our By-Laws and in accordance with New Jersey law, a Director s term extends until his or her successor is duly elected and qualified, or until he or she resigns or is removed from office with cause by a majority vote of shareholders entitled to vote. Thus, an incumbent Director who fails to receive the required vote for re-election at our Annual Meeting of Shareholders would continue serving as a Director (sometimes referred to as a holdover director), generally until the next meeting of shareholders. In order to address the situation where an incumbent Director receives more votes Against his or her re-election than votes For his or her re-election in an uncontested election, the Board has adopted a Director Resignation Policy for Incumbent Directors in Uncontested Elections, which would require that Director to promptly tender an offer of his or her resignation following certification of the shareholder vote. The Nominating & Corporate Governance Committee and the Board would then consider and take appropriate action on such offer of resignation in accordance with the Policy.

Contested Director elections (those where the number of Director nominees exceeds the number of Directors to be elected) would be governed by the plurality standard under New Jersey law. The Director Resignation Policy for Incumbent Directors in Uncontested Elections would not apply to contested elections.

Our By-Laws and Principles of Corporate Governance, including the Director Resignation Policy for Incumbent Directors in Uncontested Elections, can be found on our website at *www.investor.jnj.com/governance/materials.cfm.*

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Item 1: Election of Directors

Director Nomination Process. The Nominating & Corporate Governance Committee of the Board of Directors reviews possible candidates for the Board and recommends the nominees for Directors to the Board for approval. The Board has adopted ***General Criteria for Nomination to the Board of Directors***, which, as part of the Principles of Corporate Governance, are posted on our website at *www.investor.jnj.com/governance/policies.cfm*. These criteria describe specific traits, abilities and experience that the Nominating & Corporate Governance Committee and the Board look for in determining candidates for election to the Board, including:

- the highest ethical character and shared values with Our Credo;
- reputation consistent with our image and reputation;
- accomplishment within candidate s field, with superior credentials and recognition;
- active and former chief executive officers of public companies and leaders of major complex organizations, including scientific, government, educational and other non-profit institutions;
- widely recognized leaders in the fields of medicine or biological sciences, including those who have received the most prestigious awards and honors in their fields;
- relevant expertise and experience and the ability to offer advice and guidance to the CEO based on that expertise and experience;
- independence, without the appearance of any conflict in serving as a Director, and ability to represent all shareholders;
- ability to exercise sound business judgment; and
- diversity reflecting gender, ethnic background and professional experience.

The Nominating & Corporate Governance Committee annually considers the size, composition and needs of the Board in light of these criteria and accordingly considers and recommends candidates for membership on the Board.

The Nominating & Corporate Governance Committee considers suggestions from many sources, including shareholders, regarding possible candidates for Directors. Such suggestions, together with appropriate biographical information, should be submitted to the Office of the Corporate Secretary at our principal office at One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933. Possible candidates suggested by shareholders are evaluated by the Nominating & Corporate Governance Committee in the same manner as other possible candidates.

Nominees. There are 11 nominees for election as Directors of the company to hold office until the next Annual Meeting and until their successors have been duly elected and qualified.

If the enclosed proxy is properly executed and received in time for the meeting, it is the intention of the persons named in the proxy to vote the shares represented thereby For or Against the persons nominated for election as Directors, or Abstain from voting, as instructed. See Corporate Governance Majority Vote Standard in Uncontested Director Elections on page 15 of this Proxy Statement. If any nominee should refuse or be unable to serve, an event which is not anticipated, the proxy will be voted for such person as shall be designated by the Board of Directors to replace such nominee or, in lieu thereof, the Board of Directors may reduce the number of Directors.

Except for Mr. Scott Davis, who was appointed to the Board in June 2014, all of the nominees were elected to the Board at the last Annual Meeting. All of the nominees are currently serving as Directors of the company. Mr. Scott Davis was initially identified as a potential nominee by an executive search firm and recommended for nomination by the Nominating & Corporate Governance Committee.

In keeping with the Board s policy on retirement of Directors, Mr. James Cullen, elected to the Board in 1995, and Mr. Leo F. Mullin, elected to the Board in 1999, will not stand for re-election. The Board thanks Messrs. Cullen and Mullin for their service.

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Below are summaries of the background, business experience and description of the principal occupation of each of the nominees.

MARY SUE COLEMAN, Ph.D., President Emerita, University of Michigan

Having served as President of two of the nation s largest and most prestigious public universities and having a long and decorated career in the sciences, Dr. Coleman brings to our Board a unique point of view regarding organizational management and academic research vital to a company competing in science-based industries.

Director since 2003; Independent

Audit Committee; Science, Technology & Sustainability Committee

Dr. Coleman, 71, joined the Board of Directors in 2003 and is a member of the Audit Committee and the Science, Technology & Sustainability Committee. She is President Emerita of the University of Michigan, having served as President from August 2002 to July 2014. She also was a Professor of Biological Chemistry in the University of Michigan Medical School and a Professor of Chemistry in the University of Michigan College of Literature, Science and the Arts. From 1995 to July 2002, Dr. Coleman served as President of the University of Iowa. Prior to 1995, Dr. Coleman served as Provost and Vice President for Academic Affairs at the University of New Mexico, Vice Chancellor for Graduate Studies & Research and Associate Provost and Dean of Research at the University of North Carolina at Chapel Hill, and a member of the biochemistry faculty and an administrator at the Cancer Center of the University of Kentucky in Lexington. Elected to the National Academy of Sciences Institute of Medicine in 1997, Dr. Coleman is a Fellow of the American Academy of Arts and Sciences and the American Association for the Advancement of Science. Dr. Coleman is a Trustee of the Gerald R. Ford Foundation, the Gates Cambridge Scholarship program, and the Mayo Clinic Foundation, and is on the Board of Directors of The Kavli Foundation.

Other Public Company Board Service: Meredith Corporation (1997 to present)

D. SCOTT DAVIS, Chairman and Former Chief Executive Officer, United Parcel Service, Inc.

Having served as Chairman and CEO of the world s largest publicly-traded logistics company, and given his knowledge and passion for emerging markets and international operations, deep understanding of public policy and global economic indicators, and expertise in management, strategy, finance and operations, Mr. Davis brings to our Board his unique expertise in supply chain logistics at a time of rapid global expansion in the health care industry.

Director since 2014; Independent

Audit Committee; Regulatory, Compliance & Government Affairs Committee

Mr. Davis, 63, joined the Board of Directors in 2014, and is a member of the Audit Committee and the Regulatory, Compliance & Government Affairs Committee. Mr. Davis is Chairman of United Parcel Service, Inc. (UPS), the largest package delivery company in the world and a leading U.S. less-than-truckload transport and global supply chain solutions provider (shipment and logistics). From 2008 to September 2014, Mr. Davis served as the Chairman and Chief Executive Officer of UPS, and prior to this, he served as Vice Chairman and Chief Financial Officer. Previously, Mr. Davis held various leadership positions with UPS, primarily in the finance and accounting areas. Prior to joining UPS, he was Chief Executive Officer of II Morrow Inc., a developer of general aviation and marine navigation instruments. Mr. Davis is a Certified Public Accountant. He previously served on the Board of the Federal Reserve Bank of Atlanta (2003-2009), serving as Chairman in 2009. Mr. Davis is a Director of EndoChoice, Inc., a trustee of the Annie E. Casey Foundation, a member of the President s Intelligence Advisory Board, and a member of The Carter Center Board of Councilors.

Other Public Company Board Service: United Parcel Service, Inc. (2008 to present); Honeywell International, Inc. (2005 to present)

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IAN E. L. DAVIS, Chairman, Rolls-Royce Holdings plc; Former Chairman and Worldwide Managing Director, McKinsey & Company

Having served as Chairman and Worldwide Managing Director of one of the world s leading management consulting firms, and as a consultant to a range of global organizations across the public, private and not-for-profit sectors, Mr. Davis brings considerable global experience, management insight and business knowledge to our Board.

Director since 2010; Independent

Audit Committee; Science, Technology & Sustainability Committee

Mr. Davis, 64, joined the Board of Directors in 2010 and is a member of the Audit Committee and the Science, Technology & Sustainability Committee. Mr. Davis is currently Chairman, Rolls-Royce Holdings plc. Mr. Davis retired from McKinsey & Company (management consulting) in 2010 as a Senior Partner, having served as Chairman and Worldwide Managing Director from 2003 until 2009. In his more than 30 years at McKinsey, he served as a consultant to a range of global organizations across the public, private and not-for-profit sectors. Prior to becoming Chairman and Worldwide Managing Director, he was Managing Partner of McKinsey s practice in the United Kingdom and Ireland. His experience included oversight for McKinsey clients and services in Asia, Europe, the Middle East and Africa, as well as expertise in the consumer products and retail industries. Mr. Davis is a Director of Teach for All, a global network of independent social enterprises working to expand educational opportunities in their nations; a Director of global energy group, BP plc.; a member of the UK s Cabinet Office Board; a Director of Majid Al Futtaim Holding LLC; and Senior Advisor at Apax Partners, a private equity firm.

Other Public Company Board Service: BP plc (2010 to present), Rolls-Royce Holdings plc (2013 to present)

ALEX GORSKY, Chairman, Board of Directors; Chief Executive Officer; Chairman, Executive Committee, Johnson & Johnson

Having started his career at Johnson & Johnson in 1988 and having been promoted to positions of increasing responsibility across business segments, culminating in his appointment to CEO and election to our Board of Directors in 2012, Mr. Gorsky brings a full range of strategic management expertise, a broad understanding of the issues facing a multinational business in the health care industry and an in-depth knowledge of the company s business, history and culture to our Board and the Chairman position.

Director since 2012; Management

Finance Committee

Mr. Gorsky, 54, was appointed as Chairman, Board of Directors in December 2012. He was named Chief Executive Officer, Chairman of the Executive Committee and joined the Board of Directors in April 2012. Mr. Gorsky began his Johnson & Johnson career with Janssen Pharmaceutica Inc. in 1988. Over the next 15 years, he advanced through positions of increasing responsibility in sales, marketing, and management. In 2001, Mr. Gorsky was appointed President of Janssen Pharmaceutical Inc., and in 2003 he was named Company Group Chairman of the Johnson & Johnson pharmaceutical business in Europe, the Middle East and Africa. Mr. Gorsky left Johnson & Johnson in 2004 to join the Novartis Pharmaceuticals Corporation, where he served as head of the company s pharmaceutical business in North America. Mr. Gorsky returned to Johnson & Johnson in 2008 as Company Group Chairman for Ethicon. In early 2009, he was appointed Worldwide Chairman of the Surgical Care Group and member of the Executive Committee. In September 2009, he was appointed Worldwide Chairman of the Medical Devices and Diagnostics Group. Mr. Gorsky became Vice Chairman of the Executive Committee in January 2011. Mr. Gorsky also serves on the boards of the Travis Manion Foundation, the Congressional Medal of Honor Foundation and the National Academy Foundation.

Other Public Company Board Service: International Business Machines Corporation (IBM) (2014 to present)

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SUSAN L. LINDQUIST, Ph.D., Member and Former Director, Whitehead Institute for Biomedical Research; Professor of Biology, Massachusetts Institute of Technology

With her long and decorated career in scientific research and her global reputation as a pioneer in biomedical innovation, Dr. Lindquist brings to our Board an incomparable perspective on the intersection of academic and commercial medical research critical to a company in the health care industry.

Director since 2004; Independent

Regulatory, Compliance & Government Affairs Committee;

Science, Technology & Sustainability Committee

Dr. Lindquist, 65, joined the Board of Directors in 2004 and is Chairman of the Science, Technology & Sustainability Committee and a member of the Regulatory, Compliance & Government Affairs Committee. She is a member of the Whitehead Institute, a non-profit, independent research and educational institution, a Professor of Biology at the Massachusetts Institute of Technology and an Investigator of the Howard Hughes Medical Institute. Dr. Lindquist served as Director of the Whitehead Institute from 2001 to 2004. Previously she was affiliated with the University of Chicago where she was the Albert D. Lasker Professor of Medical Sciences in the Department of Molecular Genetics and Cell Biology. Dr. Lindquist was elected to the American Academy of Arts and Sciences in 1996, the National Academy of Sciences in 1997, the American Philosophical Society in 2003 and the Institute of Medicine in 2006. She received the Novartis/Drew Award for Biomedical Research in 2000, the Dickson Prize in Medicine in 2002, the Sigma Xi William Procter Prize for Academic Achievement in 2006, the Nevada Silver Medal for Scientific Achievement in 2007, the Genetics Society of America Medal and the Centennial Medal of the Harvard University Graduate School of Arts and Sciences in 2008. In 2010, she received the Mendel Medal from the Genetics Society (UK), The Delbrück Medal from Bayer Schering, and the National Medal of Science (USA). In 2012, Dr. Lindquist received the Wilson Medal in Cell Biology and in 2013 the Dart Prize in Biotechnology. She has served on the Scientific Advisory boards of many independent research institutes, associations and foundations, including: the Massachusetts General Hospital, Brigham and Women s Hospital and the Institute für Molekulare Biotechnology GmbH. Dr. Lindquist was a Co-Founder of FoldRx Pharmaceuticals, Inc., a subsidiary of Pfizer Inc., and is a Founder of Yumanity Therapeutics.

Other Public Company Board Service: None

MARK B. McCLELLAN, M.D., Ph.D., Senior Fellow in Economic Studies and Director of the Initiative on Value and Innovation in Health Care, Brookings Institution

With his extensive experience in public health policy, including as Commissioner of the U.S. Food and Drug Administration and Administrator for the U.S. Centers for Medicare & Medicaid Services, Dr. McClellan possesses broad knowledge of, and unique insights into, the challenges facing the health care industry, making him a valuable member of the board of a broad-based health care company.

Director since 2013; Independent

Regulatory, Compliance & Government Affairs Committee;

Science, Technology & Sustainability Committee

Dr. McClellan, 51, joined the Board of Directors in 2013, and is a member of the Regulatory, Compliance & Government Affairs Committee, and the Science, Technology & Sustainability Committee. He currently is a Senior Fellow in Economic Studies, and Director of the Initiatives on Value and Innovation in Health Care at the Brookings Institution, which he joined in 2007, following a year as a visiting senior fellow at the American Enterprise Institute-Brookings Joint Center for Regulatory Studies. As former commissioner of the U.S. Food and Drug Administration from 2002 to 2004, and as the former administrator of the Centers for Medicare & Medicaid Services for the U.S. Department of Health and Human Services from 2004 to 2006, Dr. McClellan has more than two decades of public service and academic research experience. From 2001 to 2002, he served as a member of the President s Council of Economic Advisers and senior director for health care policy at the White House. During President William J. Clinton s administration, Dr. McClellan held the position of deputy assistant secretary of the Treasury for economic policy. Dr. McClellan previously served as an associate professor of economics and medicine with tenure at Stanford University, where he also directed the Program on Health Outcomes Research.

Other Public Company Board Service: Aviv REIT, Inc. (2013 to present)

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ANNE M. MULCAHY, Former Chairman and Chief Executive Officer, Xerox Corporation

Having served as Chairman and CEO of a large, global manufacturing and services company with one of the world s most recognized brands and track record for innovation, Ms. Mulcahy presents to our Board valuable insight into organizational and operational management issues crucial to a large public company, as well as a strong reputation for leadership in business innovation and talent development.

Director since 2009; Independent Lead Director

Audit Committee; Nominating & Corporate Governance Committee;

Finance Committee

Ms. Mulcahy, 62, joined the Board of Directors in 2009 and became the Lead Director of the Board in 2012. Ms. Mulcahy is a member of the Audit Committee, the Nominating & Corporate Governance Committee, and the Finance Committee. Ms. Mulcahy was both Chairman and Chief Executive Officer of Xerox Corporation (business equipment and services) until July 2009, when she retired as CEO after eight years in the position. Prior to serving as CEO, Ms. Mulcahy was President and Chief Operating Officer of Xerox. She has also served as President of Xerox s General Markets Operations, which created and sold products for reseller, dealer and retail channels. During a career at Xerox that began in 1976, Ms. Mulcahy also served as Vice President for Human Resources with responsibility for compensation, benefits, human resource strategy, labor relations, management development and employee training; and Vice President and Staff Officer for Customer Operations, covering South America and Central America, Europe, Asia and Africa. Ms. Mulcahy has been a U.S. Board Chair of Save the Children since March 2010.

Other Public Company Board Service: Target Corporation (1997 to present), Graham Holdings Company (2008 to present), LPL Financial Holdings Inc. (2013 to present)

Recent Past Public Company Board Service: Xerox Corporation (2000 to 2010)

WILLIAM D. PEREZ, Retired President and Chief Executive Officer, Wm. Wrigley Jr. Company

With his experience as CEO of several large, consumer-focused companies across a wide variety of industries, Mr. Perez contributes to our Board significant organizational and operational management skills, combined with a wealth of experience in global, consumer-oriented businesses vital to a large public company in the consumer products space.

Director since 2007; Independent

Compensation & Benefits Committee;

Nominating & Corporate Governance Committee

Mr. Perez, 67, joined the Board of Directors in 2007 and is Chairman of the Nominating & Corporate Governance Committee and a member of the Compensation & Benefits Committee. Mr. Perez is currently a Senior Advisor at Greenhill & Co., Inc. (investment banking). Mr. Perez served as President and Chief Executive Officer for the Wm. Wrigley Jr. Company (confectionary and chewing gum) from 2006 to 2008. Before joining Wrigley, Mr. Perez served as President and Chief Executive Officer of Nike, Inc. Previously, he spent 34 years with S.C. Johnson & Son, Inc., including eight years as its President and Chief Executive Officer. Mr. Perez is a Trustee for Cornell University and Northwestern Memorial Hospital.

Other Public Company Board Service: Whirlpool Corporation (2009 to present)

Recent Past Public Company Board Service: Campbell Soup Company (2009 to 2012)

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CHARLES PRINCE, Retired Chairman and Chief Executive Officer, Citigroup Inc.

Having served as Chairman and CEO of the nation s largest and most diversified financial institution, Mr. Prince brings to our Board a strong mix of organizational and operational management skills combined with well-developed legal, global business and financial acumen critical to a large public company.

Director since 2006; Independent

Compensation & Benefits Committee;
Nominating & Corporate Governance Committee

Mr. Prince, 65, joined the Board of Directors in 2006 and is Chairman of the Compensation & Benefits Committee and a member of the Nominating & Corporate Governance Committee. Mr. Prince served as Chief Executive Officer of Citigroup Inc. (financial services) from 2003 to 2007 and as Chairman from 2006 to 2007. Previously he served as Chairman and Chief Executive Officer of Citigroup s Global Corporate and Investment Bank from 2002 to 2003 and Chief Operating Officer from 2001 to 2002. Mr. Prince began his career as an attorney at U.S. Steel Corporation in 1975. Mr. Prince is a member of the Council on Foreign Relations and The Council of Chief Executives.

Other Public Company Board Service: Xerox Corporation (2008 to present)

A. EUGENE WASHINGTON, M.D., M.Sc., Vice Chancellor of Health Sciences, Dean of the David Geffen School of Medicine at the University of California, Los Angeles (UCLA); Chief Executive Officer of the UCLA Health System

Dr. Washington brings to our Board his distinct expertise born of significant achievements as a senior executive in academia, an accomplished clinical investigator, an innovator in health care, and a leader in shaping national health policy. With his unique combination of knowledge, skills and experience in organizational management, medical research, patient care, and public health policy, Dr. Washington provides an invaluable perspective for a company in the health care industry.

Director since 2012; Independent

Compensation & Benefits Committee;
Science, Technology & Sustainability Committee

Dr. Washington, 64, joined the Board of Directors in 2012 and is a member of the Compensation & Benefits Committee, and the Science, Technology & Sustainability Committee. Dr. Washington is currently Vice Chancellor of Health Sciences, Dean of the David Geffen School of Medicine at UCLA; Chief Executive Officer of the UCLA Health System; and Distinguished Professor of Gynecology and Health Policy at UCLA. Effective April 1, 2015, he will become Duke University s next Chancellor for Health Affairs and the President and Chief Executive Officer of the Duke University Health System. Prior to UCLA, he served as Executive Vice Chancellor and Provost at the University of California, San Francisco (UCSF) from 2004 to 2010. Dr. Washington co-founded UCSF s Medical Effectiveness Research Center for Diverse Populations in 1993 and served as the director until 2005. He was Chair of the Department of Obstetrics, Gynecology, and Reproductive Sciences at UCSF from 1996 to 2004. Dr. Washington also co-founded the UCSF-Stanford Evidence-based Practice Center and served as its first director from 1997 to 2002. Prior to UCSF, Dr. Washington worked at the Centers for Disease Control and Prevention. Dr. Washington was elected to the National Academy of Sciences Institute of Medicine in 1997, where he served on its governing Council. He also served as Chair of the Board of Directors of the California HealthCare Foundation, as a member of the Scientific Management Review Board for the National Institutes of Health, and as founding Chair of the Board of Governors of the Patient-Centered Outcomes Research Institute. Dr. Washington is currently Chairman of the Board of Directors of The California Wellness Foundation.

Other Public Company Board Service: None

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RONALD A. WILLIAMS, Former Chairman and Chief Executive Officer, Aetna Inc.

With his long and distinguished career in the health care industry, from his experience leading one of Fortune s Most Admired health care companies to his career-long role as an advocate for meaningful health care reform, Mr. Williams provides our Board with an exceptional combination of operational management expertise and insight into both public health care policy and the health care industry critical to a large public company in the health care industry.

Director since 2011; Independent

Compensation & Benefits Committee;
Regulatory, Compliance & Government Affairs Committee

Mr. Williams, 65, joined the Board of Directors in 2011 and is a member of the Compensation & Benefits Committee and the Regulatory, Compliance & Government Affairs Committee. Mr. Williams served as Chairman and Chief Executive Officer of Aetna Inc. (managed care and health insurance) from 2006 to 2010, and as Chairman from 2010 until his retirement in April 2011. He currently serves on President Obama s Management Advisory Board, which is helping to bring the best of business practices to the management and operation of federal government. He is also an advisor to the private equity firm, Clayton, Dubilier & Rice, LLC, and serves as Lead Director of the board of Envision Healthcare Holdings, Inc. Mr. Williams also serves as Chairman of the Board of Clayton, Dubilier & Rice, LLC s portfolio companies, PharMedium Healthcare Corporation and Healogics, Inc. In addition, Mr. Williams also serves on the board of MIT Corporation, Peterson Institute for International Economics and on the Advisory Board of Peterson Center on Healthcare. Previously, Mr. Williams served as Chairman of the Council for Affordable Quality Healthcare from 2007 to 2010 and Vice Chairman of The Business Council from 2008 to 2010.

Other Public Company Board Service: The Boeing Company (2010 to present), American Express Company (2007 to present), Envision Healthcare Holdings, Inc. (2011 to present)

Recent Past Public Company Board Service: Aetna Inc. (2006 to 2011)

The Board of Directors recommends a vote FOR election of each of the above-named nominees.

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Director Compensation 2014

The following table provides information concerning the compensation of our Non-Employee Directors for 2014. Mr. Gorsky was an employee of the company and therefore received no additional compensation for his service as a Director. For a complete understanding of the table, please read the footnotes and the narrative disclosures that follow the table.

A Name	B Fees Earned or Paid in Cash ($)	C Stock Awards ($)	D All Other Compensation ($)	E Total ($)
M. S. Coleman	$110,000	$154,924	$20,000	$284,923
J. G. Cullen[(1)]	135,000	154,924	0	289,923
D. S. Davis[(2)]	58,366	0	0	58,366
I. E. L. Davis	110,000	154,924	0	264,923
M. M. E. Johns[(3)]	36,667	154,924	20,000	211,590
S. L. Lindquist	130,000	154,924	1,400	286,323
M. B. McClellan	110,000	154,924	0	264,923
A. M. Mulcahy	140,000	154,924	20,000	314,923
L. F. Mullin[(1)]	130,000	154,924	0	284,923
W. D. Perez	130,000	154,924	0	284,923
C. Prince	130,000	154,924	0	284,923
A. E. Washington	110,000	154,924	2,000	266,923
R. A. Williams	110,000	154,924	20,000	284,923

(1) Not standing for re-election in 2015.
(2) Joined the Board on June 19, 2014. Cash fees are pro-rated for six months of service.
(3) Retired from the Board in April 2014. Cash fees are pro-rated for partial year of service.

Fees Earned or Paid in Cash (Column B)

Board Retainer. Each Non-Employee Director received an annual cash retainer of $110,000 for his or her service as a member of our Board of Directors, except as noted above in the table.

Committee Chair Retainer. The Chairman of the Audit Committee received an annual cash retainer of $25,000 and the Chairs for all other Board committees received an annual cash retainer of $20,000.

Lead Director Retainer. In 2014, Ms. Mulcahy served as the Lead Director and was paid an additional annual cash retainer of $30,000.

Stock Awards (Column C)

All figures in column C represent the grant date fair value, computed in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP).

Deferred Share Units. Pursuant to the terms of the Deferred Fee Plan for Non-Employee Directors, each Non-Employee Director received a grant of Deferred Share Units having a value of $155,000 on the grant date. Accordingly, each Non-Employee Director was granted 1,713 Deferred Share Units on February 10, 2014, except for Mr. Scott Davis who joined the Board in June 2014. Deferred Share Units are settled in cash upon termination of directorship.

Stock Ownership Guidelines. Under the company s stock ownership guidelines, Non-Employee Directors must own company stock equal to five times the annual Board retainer. Stock ownership for the purpose of these guidelines includes shares directly owned by the Director, restricted shares and Deferred Share Units. Non-Employee Directors are required to achieve the ownership threshold within five years after first becoming a Director. Our policy prohibits Non-Employee Directors from transacting in derivative instruments linked to the

performance of our securities. As of March 1, 2015, all of our Non-Employee Directors, except for Mr. Scott Davis and Dr. McClellan, who each joined the Board within the past three years, had met the stock ownership threshold.

All Other Compensation (Column D)

The amounts reported in column D represent the aggregate dollar amount for each Non-Employee Director for charitable matching contributions.

Charitable Matching Contributions. Non-Employee Directors are eligible to participate in our charitable matching gift program on the same basis as employees, pursuant to which we will contribute, on a two-to-one basis, up to $20,000 per year per person to certain charitable institutions.

Deferred Fee Plan for Non-Employee Directors

Voluntary Deferrals into Deferred Share Units. Under the Deferred Fee Plan for Non-Employee Directors, a Non-Employee Director may elect to defer payment of all or a portion of his or her cash retainers until termination of his or her directorship. Deferred fees earn additional amounts based on a hypothetical investment in our common stock. As a Non-Employee Director who has served on the Board since prior to January 1, 1996, Mr. Cullen may elect to invest deferred fees into Certificates of Long-term Compensation under the Certificates of Long-term Compensation Plan up to the time of termination of his directorship. Currently, Mr. Cullen, who will retire from our Board in April 2015, has not elected this option. All Deferred Share Units held in each Non-Employee Director s Deferred Fee Account accrue dividend equivalents in the same amount and at the same time as dividends on our common stock. In 2014, Drs. Lindquist and Washington and Messrs. Perez and Williams elected to defer all of their 2014 cash retainers.

Deferred Compensation Balances. At December 31, 2014, the aggregate number of Deferred Share Units (including dividend equivalents) held in each Non-Employee Director s Deferred Fee Account was as follows:

Name	Deferred Share Units (#)
M. S. Coleman	21,433
J. G. Cullen[(1)]	39,479
D. S. Davis[(2)]	0
I. E. L. Davis	4,560
S. L. Lindquist	23,983
M. B. McClellan	1,760
A. M. Mulcahy	4,560
L. F. Mullin[(1)]	15,810
W. D. Perez	11,336
C. Prince	10,451
A. E. Washington	6,360
R. A. Williams	6,983

(1) Not standing for re-election in 2015.
(2) Joined the Board on June 19, 2014.

Additional Arrangements

We pay for or provide (or reimburse Directors for out-of-pocket costs incurred for) transportation, hotel, food and other incidental expenses related to attending Board and committee meetings and director orientation or other relevant educational programs.

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2015 Non-Employee Director Compensation

On September 9, 2014, the Board approved the following 2015 compensation for Non-Employee Directors, representing no change from 2014 compensation:

- Annual Cash Retainer of $110,000
- Annual Grant of Deferred Share Units valued at $155,000

In addition, the Lead Director will receive an annual cash retainer of $30,000, the Chairman of the Audit Committee will receive an annual cash retainer of $25,000, and the Chairs of all other Board committees will receive an annual cash retainer of $20,000.

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Stock Ownership and Section 16 Compliance

The following table sets forth information regarding beneficial ownership of our common stock by each Director; our Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executive officers named in the tables in the section Executive Compensation Tables on pages 54 through 71 of this Proxy Statement (each a named executive officer), and by all Directors and executive officers as a group. Each of the individuals/groups listed below is the owner of less than 1% of our outstanding shares. Because they serve as co-trustees of two trusts which hold stock for the benefit of others, Messrs. Gorsky and Ullmann are deemed to control an additional 5,788,265 shares of our stock in which they have no economic interest. In addition to such shares, the Directors and executive officers as a group own/control a total of 494,459 shares. In the aggregate, these 6,282,724 shares represent less than 1% of the shares outstanding. All stock ownership is as of February 24, 2015 (except shares held in our Savings Plans, which are included as of January 31, 2015).

Name	Number of Common Shares[(1)] (#)	Deferred Share Units[(2)] (#)	Common Shares Underlying Options or Stock Units[(3)] (#)	Total Number of Shares Beneficially Owned (#)
Dominic J. Caruso	89,035	12,781	693,803	795,619
Mary Sue Coleman	12,602	22,957	0	35,559
James G. Cullen[(4)]	1,581	41,003	0	42,584
D. Scott Davis[(5)]	0	1,524	0	1,524
Ian E. L. Davis	4,193	6,084	0	10,277
Alex Gorsky	114,778	0	496,416	611,194
Susan L. Lindquist	16,023	25,507	0	41,530
Mark B. McClellan	0	3,284	0	3,284
Anne M. Mulcahy	5,789	6,084	0	11,873
Leo F. Mullin[(4)]	27,395	17,334	0	44,729
William D. Perez	19,622	12,860	0	32,482
Sandra E. Peterson	19,042	0	0	19,042
Charles Prince	21,445	11,976	0	33,421
Paulus Stoffels	53,040	0	228,683	281,723
Michael H. Ullmann	73,677	0	50,361	124,038
A. Eugene Washington	0	7,884	0	7,884
Ronald A. Williams	3,650	8,507	0	12,157
All Directors and executive officers as a group (18)	494,459	177,787	1,584,570	2,256,816

(1) The shares described as owned are shares of our common stock directly or indirectly owned by each listed person, including shares held in 401(k) and Employee Stock Ownership Plans, and by members of his or her household, and are held individually, jointly or pursuant to a trust arrangement. Mr. Prince disclaims beneficial ownership of 800 shares listed as owned by him.

(2) Includes Deferred Share Units credited to Non-Employee Directors under our Amended and Restated Deferred Fee Plan for Directors and Deferred Share Units credited to the executive officers under our Executive Income Deferral Plan (Amended and Restated).

(3) Includes shares underlying options exercisable on February 24, 2015, options that become exercisable within 60 days thereafter and Restricted Share Units that vest within 60 days thereafter.

(4) Not standing for re-election in 2015.

(5) Became a member of the Board in June 2014.

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As of March 1, 2015, the following are the only persons known to us to be the beneficial owners of more than five percent of any class of our voting securities:

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 55 East 52nd Street New York, NY 10022	Common Stock	171,475,096 shares(1)	6.1%(1)
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	Common Stock	163,863,072 shares(2)	5.85%(2)
State Street Corporation State Street Financial Center One Lincoln Street Boston, MA 02111	Common Stock	159,065,904 shares(3)	5.7%(3)

(1) Based solely on an Amendment to Schedule 13G filed with the SEC on February 9, 2015, BlackRock, Inc. reported aggregate beneficial ownership of approximately 6.1%, or 171,475,096 shares, of our common stock as of December 31, 2014. BlackRock reported that it possessed sole voting power of 143,351,223 shares and sole dispositive power of 171,475,096 shares. BlackRock also reported that it did not possess shared voting or dispositive power over any shares beneficially owned.

(2) Based solely on a Schedule 13G filed with the SEC on February 10, 2015, The Vanguard Group reported aggregate beneficial ownership of approximately 5.85%, or 163,863,072 shares of our common stock as of December 31, 2014. Vanguard reported that it possessed sole dispositive power of 159,279,960 shares, sole voting power of 4,828,711 shares, shared dispositive power of 4,583,112 shares, and no shared voting power over any shares beneficially owned.

(3) Based solely on a Schedule 13G filed with the SEC on February 12, 2015, State Street Corporation reported aggregate beneficial ownership of approximately 5.7%, or 159,065,904 shares, of our common stock as of December 31, 2014. State Street reported that it possessed shared voting power and shared dispositive power of 159,065,904 shares, and that it did not possess sole voting power or sole dispositive power over any shares beneficially owned.

As a result of being beneficial owners of more than 5% of our stock, BlackRock, Vanguard and State Street are currently considered related persons under our Policy on Transactions with Related Persons described on page 28 of this Proxy Statement.

Certain of our U.S. and international employee savings and retirement plans have retained BlackRock and its affiliates to provide investment management services. In connection with these services, we paid BlackRock approximately $2.9 million in fees during fiscal year 2014.

Certain of our U.S. employee savings plans have retained Vanguard and its affiliates to provide investment management, trustee, custodial and administrative services. In connection with these services, we paid Vanguard approximately $2.1 million in fees during fiscal year 2014.

Certain of our U.S. and international employee savings and retirement plans and other affiliates have retained State Street and its affiliates to provide investment management, trustee, custodial, administrative and ancillary investment services. In connection with these services, we paid State Street approximately $10.2 million in fees during fiscal year 2014.

Section 16(a) Beneficial Ownership Reporting Compliance

Based on our review of Forms 3, 4 and 5 and amendments thereto in our possession and written representations furnished to us, we believe that during 2014 all reports for our executive officers and Directors that were required to be filed under Section 16 of the Securities Exchange Act of 1934 were filed on a timely basis.

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Transactions with Related Persons

Policies and Procedures. Our written Policy on Transactions with Related Persons requires the approval or ratification by the Nominating & Corporate Governance Committee for any transaction or series of transactions exceeding $120,000 in which the company is a participant and any related person has a direct or indirect material interest (other than solely as a result of being a director or trustee or less than 10% owner of another entity). Related persons include our Directors and executive officers and their immediate family members and persons sharing their households. It would also include persons controlling more than 5% of our outstanding common stock.

Under our Principles of Corporate Governance and Code of Business Conduct & Ethics for Members of the Board of Directors and Executive Officers, all of our Directors and executive officers have a duty to report to the Chairman, Vice Chairman or the Lead Director potential conflicts of interest, including transactions with related persons. Management also has established procedures for monitoring transactions that could be subject to approval or ratification under the Policy on Transactions with Related Persons.

Once a related person transaction has been identified, the Nominating & Corporate Governance Committee will review all of the relevant facts and circumstances and approve or disapprove of the entry into the transaction. The Committee will take into account, among other factors, whether the transaction is on terms no more favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person s interest in the transaction.

If advance Committee approval of a transaction is not feasible, the transaction will be considered for ratification at the Committee s next regularly scheduled meeting. If a transaction relates to a member of the Committee, that member will not participate in the Committee s deliberations. In addition, the Committee Chairman (or, if the transaction relates to the Committee Chairman, the Lead Director) may pre-approve or ratify any related person transactions involving up to $1 million.

The following types of transactions have been deemed by the Committee to be pre-approved or ratified, even if the aggregate amount involved will exceed $120,000:

- compensation paid by the company for service as a Director or executive officer of the company;
- transactions with other companies where the related person s only relationship is as a non-executive employee, less than 10% equity owner, or limited partner, and the transaction does not exceed the greater of $1 million or 2% of that company s annual revenues;
- contributions by the company to charitable organizations where the related person is an employee and the transaction does not exceed the lesser of $500,000 or 2% of the charitable organization s annual receipts;
- transactions where the related person s only interest is as a holder of company stock and all holders receive proportional benefits, such as the payment of regular quarterly dividends;
- transactions involving competitive bids;
- transactions where the rates or charges are regulated by law or government authority; and
- transactions involving bank depositary, transfer agent, registrar, trustee under a trust indenture, or party performing similar banking services.

Our Policy on Transactions with Related Persons can be found on our website at *www.investor.jnj.com/governance/policies.cfm*.

Transactions with Related Persons for 2014

A sister-in-law of Dr. Paulus Stoffels, Chief Scientific Officer and Worldwide Chairman, Pharmaceuticals, is a Senior Manager at Janssen Pharmaceutica NV, a subsidiary of the company, and earned 96,765 in base salary and annual performance bonus in 2014, and during 2014 was granted a long-term incentive award of 277 restricted share units at fair value of $82.408 per share. She also participates in the general welfare and benefit plans of Janssen Pharmaceutica NV. Her compensation was established in accordance with Janssen Pharmaceutica NV s employment and compensation practices applicable to employees with equivalent qualifications and responsibilities and holding similar positions. Dr. Stoffels does not have a material interest in his sister-in-law s employment, nor does he share a household with her.

This transaction was ratified by the Nominating & Corporate Governance Committee in compliance with our Policy on Transactions with Related Persons described above.

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Compensation Committee Report

The Compensation & Benefits Committee of the Board of Directors has reviewed and discussed the section of this Proxy Statement entitled Compensation Discussion and Analysis with management. Based on this review and discussion, the Committee has recommended to the Board that the section entitled Compensation Discussion and Analysis, as it appears on pages 30 through 53, be included in this Proxy Statement and incorporated by reference into the company s Annual Report on Form 10-K for the fiscal year ended December 28, 2014.

Charles Prince, Chairman

William D. Perez

A. Eugene Washington

Ronald A. Williams

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Compensation Discussion and Analysis

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Executive Summary: The Committee believed that 2014 was a year of excellent financial and strong strategic performance.

KEY PERFORMANCE AND COMPENSATION HIGHLIGHTS	2014 FINANCIAL RESULTS*
Upheld Our Credo values by putting the needs and well-being of the people we serve first our:	OPERATIONAL SALES GROWTH
Consumers, caregivers, and patients	6.1%
Employees	FREE CASH FLOW
Communities in which we live and work	$14.8B
Shareholders	ADJUSTED OPERATIONAL EPS GROWTH
Successfully achieved our near-term priorities in 2014:	8.7%
Exceeded our financial goals for operational sales and adjusted EPS growth, and met our free cash flow goal.	
Met all U.S. OTC Consent Decree requirements to date and returned 80% of our brands to the shelves.	25%

Exceeded revenue and cost reduction goals for DePuy Synthes, the world s leading orthopaedics company with 80% of its key product platforms in the #1 or #2 market positions.

Our Pharmaceutical business grew to become the fourth largest pharmaceutical company in the world and remained the fastest-growing top ten pharmaceutical company in the U.S., Europe and Japan.+

Advanced our long-term growth drivers:

Exceeded our Creating Value through Innovation objectives, with 25% of 2014 sales from new products launched between 2010 and 2014; gaining or holding market share in 14 out of 17 key product platforms; and investing 11.4% of revenue into research and development.

Exceeded our Excellence in Execution (portfolio, organizational effectiveness, quality, and supply) objectives, and completed the divestitures of Ortho-Clinical Diagnostics and certain non-core Consumer brands.

Met our Global Reach with Local Focus (global sales growth) objectives, driven by growth in the Pharmaceutical business, developed markets, and, in emerging markets, by the Medical Devices and Consumer businesses.

Exceeded our Leading with Purpose (talent, engagement, and reputation) objectives, strengthening our leadership talent pipeline, reaching an all-time high on employee engagement scores, and improving our reputational standings.

Continued our shareholder and other stakeholder outreach on our executive compensation program and made the following changes in response to feedback and market data:

Closed Executive Life Insurance to new participants

Redesigned our U.S. Pension Plan for new participants

Received strong support for our named executive officer compensation in our 2014 Say on Pay vote 96% in favor

of 2014 sales from new products

launched between 2010 and 2014

CEO Pay Decisions

Annual Bonus: 135% of target

LTI Award: 130% of target

Salary: 6.7% increase

Total Direct Compensation

2014: $20,253,820

2013: $18,227,695

(See page 36 for details)

31	52
Consecutive years of adjusted earnings increases*	Consecutive years of dividend increases

+ Source: IMS MIDAS Q3 2014 (growth vs. previous year (moving annual total) in local currency dollars).

* Non-GAAP measures; See page 33 for details on non-GAAP measures.

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2014 COMPANY PERFORMANCE

In 2014, we successfully executed our near-term priorities: exceeding our financial goals for operational sales and adjusted EPS, and meeting our free cash flow goal; restoring a reliable supply of approximately 80% of our U.S. OTC products to the market; exceeding revenue and cost synergies goals for DePuy Synthes; and continued building on the strong momentum in our Pharmaceutical business. We also advanced our long-term growth drivers: Creating Value through Innovation; Excellence in Execution; Global Reach with Local Focus; and Leading with Purpose.

The company s 2014 performance met or exceeded all of our financial and strategic goals for 2014 as follows:

Financial Objective[(1)]	**Goal**	**2014 Results**
2014 Operational Sales Growth	3.7% 4.7%	**6.1%**
2014 Free Cash Flow	$14 $15B	**$ 14.8B**
2014 Adjusted Operational EPS Growth	3.3% 5.1%	**8.7%**

(1) Non-GAAP measures; see page 33 for details on non-GAAP performance measures.

Total sales on an operational basis grew 6.1%, which exceeded our goal of 3.7% 4.7% growth.

Generated free cash flow of $14.8 billion, which met our goal of $14 $15 billion.

Grew adjusted earnings per share (excluding special items) 8.7% on an operational basis, which exceeded our goal of 3.3% 5.1% growth.

Exceeded our Creating Value through Innovation objectives.

In 2014, 25% of 2014 sales were from new products launched between 2010 and 2014; in 14 of 17 key in-line product platforms we gained (10) or held (4) market share; and we invested 11.4% of revenue into research and development. We continued to have success with our recent product introductions of IMBRUVICA® (a chronic lymphocytic leukemia and mantle cell lymphoma treatment), the ATTUNE® Knee System and the THERMOCOOL SMARTTOUCH® Catheter in electrophysiology. We had a record number of patents issued in the past year and are among the top-ranked healthcare companies in patents issued. We continued to invest in innovation with the opening of the fourth Johnson & Johnson Innovation Center in Shanghai and the expansion of five Johnson & Johnson Innovation JLabs locations.

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Exceeded our Excellence in Execution (portfolio, organizational effectiveness, quality, and supply) objectives.
We continued to reshape our portfolio, by completing the strategic divestitures of Ortho-Clinical Diagnostics (OCD) and certain non-core Consumer brands. We exceeded revenue and cost synergies goals for DePuy Synthes, the world s leading orthopaedics company, with 80% of its key product platforms in the #1 or #2 market positions. We have continued to evolve our organizational structures to drive effectiveness and efficiencies. We made significant progress in our supply chain, with important improvements in quality, supply, and efficiency.

Met our Global Reach with Local Focus (global sales growth) objectives.
We achieved strong operational sales growth, driven by developed markets (8.0% excluding OCD) and Pharmaceutical (16.5%) growth. In emerging markets, we achieved strong operational sales growth in the Medical Devices (7.8 % excluding OCD) and Consumer (6.0%) businesses. We made significant progress implementing our One J&J initiatives in Asia (creating one Johnson & Johnson business in 9 countries in Southeast Asia, facilitating efficiency and effectiveness and enabling one voice to governments, customers, and talent). We also developed a strategy to accelerate innovation and create a Global Lung Cancer center in China.

Exceeded our Leading with Purpose (talent, engagement, and reputation) objectives.
Our leadership talent pipeline health continued to grow stronger and we reached an all-time high on employee engagement scores. We enhanced our reputational standings, including ranking fifth on Barron s list of The World s Most Respected Companies and being the highest ranked Pharmaceutical company on Fortune s list of The World s Most Admired Companies .

Detail on Non-GAAP Performance Measures

Operational Sales Growth: Operational Sales Growth is the sales increase due to volume and price, excluding the effect of currency translation. As set forth on page 3 of the Management s Discussion and Analysis section of our Annual Report on Form 10-K for the fiscal year ended December 28, 2014 (2014 Form 10-K), our 2014 Operational Sales Growth was 6.1%.

Free Cash Flow: As set forth in the Consolidated Statements of Cash Flows on page 24 of our 2014 Form 10-K, net cash flows from operating activities was $18.5 billion, and additions to property, plant and equipment were $3.7 billion. For compensation purposes, Free Cash Flow is the net cash from operating activities less additions to property, plant and equipment ($18.5 billion $3.7 billion = $14.8 billion).

Adjusted Operational EPS Growth: Adjusted EPS and Adjusted Operational EPS are non-GAAP financial measures. Adjusted EPS excludes special items as set forth in Exhibit 99.2O to the company s Current Report on Form 8-K dated January 20, 2015. For compensation purposes, Adjusted Operational EPS Growth also excludes the effect of currency translation. The following is a reconciliation of Adjusted EPS and Adjusted Operational EPS to Diluted EPS (the most directly comparable U.S. GAAP measure):

	2014 Actual $ per share	% Change vs. Prior Year*
Diluted EPS	$ 5.70	
Special Items	0.27	
Adjusted EPS	5.97	8.2%
Currency Translation	0.03	
Adjusted Operational EPS	6.00	8.7%

* Prior year Adjusted EPS = $5.52

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KEY FEATURES OF OUR 2015 EXECUTIVE COMPENSATION PROGRAM

The Committee believes that the executive compensation program includes key features that align the interests of the named executive officers and Johnson & Johnson s long-term strategic direction with shareholders and does not include features that could misalign their interests.

What We Do

Align CEO Pay with Company Performance:

Our CEO s actual pay is aligned with actual total shareholder returns.

Use Long-Term Incentives to Link the Majority of Named Executive Officer Pay to Company Performance:

Over two-thirds of pay for our named executive officers is in the form of long-term incentives linked to growing sales, EPS, TSR, and our stock price.

Balance Short-Term and Long-Term Incentives:

The incentive programs provide an appropriate balance of annual and long-term incentives and include multiple measures of performance.

Cap Incentive Awards:

Awards under both our annual and long-term incentive plans are capped at 200% of target.

Mitigate Excessive Risk-taking Behaviors by Named Executive Officers:

What We Don t Do

No Above-Median Targeting of Executive Compensation:

We do not target total direct compensation of our executive officers above the median of our Executive Peer Group.

No Dividend Equivalents on Unvested Long-Term Incentives:

Since 2010, we do not pay dividend equivalents on unvested awards and do not pay any dividend equivalents under our long-term incentive program.

No Change-in-Control Benefits:

No named executive officer is covered by a change-in-control or golden parachute agreement and there are no change-in-control provisions in any of our compensation plans.

No Option Repricing without Shareholder Approval

Our long-term incentive plans prohibit repricing of options unless we receive approval from our shareholders.

No Hedging of Company Stock:

We regularly review the risks related to our executive compensation program, and our executive compensation program includes features that reduce the possibility of our named executive officers, either individually or as a group, making excessively risky business decisions that could maximize short-term results at the expense of long-term value.

Require Named Executive Officers to Maintain Stock Ownership:

Our CEO must own 6x salary and our other named executive officers must own 3x salary worth of our company stock within 5 years of first becoming an executive officer.

Have a Compensation Recoupment Policy Applicable to our Named Executive Officers:

The Board has the authority to recoup compensation that resulted from a material misstatement of financial results or in the event of material violations of company policy relating to the manufacturing, sales or marketing of company products.

Our named executive officers are prohibited from hedging their company stock.

No Tax Gross Ups:

We do not provide tax reimbursements unless they are provided pursuant to our standard relocation practices.

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SHAREHOLDER OUTREACH AND COMPENSATION PROGRAM CHANGES

When casting your 2015 Say on Pay vote, we encourage you to consider:

- **Our continued direct engagement with our shareholders**
- **Our continued evaluation and changes to our executive compensation program**
- **The pay-for-performance alignment built into the design of our incentive programs**
- **The alignment of the 2014 compensation of our Chairman/CEO and our other named executive officers with our company s 2014 performance**

In 2014, we held an annual advisory vote to approve named executive officer compensation, commonly known as Say on Pay . Approximately 96% of the votes cast voted in favor of our executive compensation program as disclosed in our 2014 Proxy Statement. We believe that this continued strong support for the named executive officer compensation resulted from our direct engagement with our shareholders and the changes we made to our executive compensation program over the past several years.

During 2014, we continued our shareholder outreach on our executive compensation program. Our Lead Director, Compensation & Benefits Committee Chair, and members of senior management had discussions with a diverse mix of U.S. and international institutional shareholders on our executive compensation program.

We considered the feedback from our shareholders and continued to evaluate our executive compensation program and this year we made the following changes:

- **Redesigned our U.S. pension plan:** We redesigned our U.S. pension plan for new participants effective January 1, 2015. The redesigned pension plan continues to provide competitive retirement benefits and reward long service while reducing the long-term financial exposure to our company.
- **Closed executive life insurance to new participants:** Effective January 2015, the U.S. executive life insurance program was closed to new participants. U.S. executives will continue to be able to purchase supplemental term life insurance coverage at the same group rates offered to other employees.

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CEO PERFORMANCE AND COMPENSATION DECISIONS

Alex Gorsky

Chairman, Board of Directors; Chief Executive Officer

Performance:

The Board based its assessment of Mr. Gorsky primarily upon its evaluation of the company s performance. The Board believes that the company delivered excellent financial and strong strategic performance in 2014 under Mr. Gorsky s leadership as summarized under 2014 Company Performance on pages 32 and 33 and it approved compensation for 2014 reflecting this strong performance.

Compensation Decisions:

The Board s compensation decisions for Mr. Gorsky reflect the Board s assessment of his 2014 performance: delivering strong company performance and above-expectations leadership. The Board recognized Mr. Gorsky s 2014 performance by awarding him an annual performance bonus at 135% of target and long-term incentives at 130% of target. After reviewing market data as one factor and his overall compensation, performance, alignment with Our Credo values, complexity and scope of responsibilities, and experience, the Board set Mr. Gorsky s salary rate at $1,600,000 per year, effective March 2, 2015 (a 6.7% increase).

2015 Compensation Decisions for 2014 Performance:

	Amount	Percent of Target
2014 Annual Performance Bonus	$ 3,543,800	135%
2015 Long-Term Incentive Awards	$ 15,210,020	130%

Please see 2015 Compensation Decisions for 2014 Performance and 2015 Salary Increases on pages 38 to 40 for details on the awards, total direct compensation, and base salary increase.

The actual pay mix for Mr. Gorsky for 2014 is displayed below. Please see 2015 Compensation Decisions for 2014 Performance on pages 38 to 40 for details on the mix of base salary, annual performance bonus, and long-term incentive awards.

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OTHER NAMED EXECUTIVE OFFICER PERFORMANCE

The Committee based its assessment of each of the other named executives officers upon its evaluation of the company s performance as well as the individual performance of each named executive officer. Each of the named executive officers contributed to the company s performance as a member of the Executive Committee. See 2014 Company Performance on pages 32 and 33 for the Committee s evaluation of the company s performance for 2014.

Dominic J. Caruso	**Vice President, Finance; Chief Financial Officer** In addition to his contribution to our company s overall performance, Mr. Caruso: Drove strong financial management, financial metrics and cash flow management, reflected by the organization exceeding its 2014 business plan for operational Sales and adjusted operational EPS, meeting its target for Free Cash Flow, and the company continuing to increase the dividend for the 52nd consecutive year by 6.1% in 2014. Drove clear and effective analysis of merger and acquisition activity with prioritization and focus on capital allocation, and delivered above benchmark results in procurement. Continued to build strong relationships and external partnerships with the financial community and was actively involved in industry coalitions. Provided strong leadership within Finance including strengthening the talent pipeline in key roles across the function. See pages 38 to 40 for details on 2015 Compensation Decisions for 2014 Performance.
Paulus Stoffels, M.D.	**Chief Scientific Officer; Worldwide Chairman, Pharmaceuticals** In addition to his contribution to our company s overall performance, Dr. Stoffels:

Significantly contributed to the extraordinary results of our Pharmaceutical business.

Provided strong leadership within the Pharmaceutical Research & Development organization, building on the industry leading track record of launching 14 new products over the last 5 years.

Strengthened the product pipeline through targeted licensing & acquisitions, partnerships and collaborations.

Led the development of a company wide external innovation strategy through the Innovation Centers and the assessment of the health of the company s R&D portfolio.

Led Johnson & Johnson in having a major impact on health in the world with innovative therapies in cancer, schizophrenia, diabetes, cardiovascular diseases, inflammation, HIV, and HCV and becoming the leading prescription pharmaceutical company in the U.S.

Provided oversight of world class medical safety for the products of the Johnson & Johnson Family of Companies and the alignment of the company s commitment to global public health.

See pages 38 to 40 for details on 2015 Compensation Decisions for 2014 Performance.

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Sandra E. Peterson	**Group Worldwide Chairman** In addition to her contribution to the company s overall performance, Ms. Peterson: Provided strong leadership to the Consumer, Vision Care, and Diabetes Solutions businesses, and the Information Technology and Supply Chain functions. Led the Consumer business to a positive trend in global market share and delivered income and cash flow above business goals. Led the U.S. McNeil business to meet all consent decree requirements to date while further stabilizing supply. Assumed responsibility for our Vision Care business as well as our Diabetes Solutions business, which under her leadership pivoted to a growth strategy and the Diabetes Solutions business delivered sales growth above plan. Oversaw the continued execution of our Information Technology strategy focusing on key infrastructure and capability upgrades and the transformation of our supply chain, which has driven improved cost, quality and reliability metrics. See pages 38 to 40 for details on 2015 Compensation Decisions for 2014 Performance.
Michael H. Ullmann	**Vice President, General Counsel** In addition to his contribution to our company s overall performance, Mr. Ullmann: Led the Law Department in reversing major adverse judgments, prevailing in significant litigation, and settling several high profile investigations and disputes.

Oversaw efforts resulting in dismissal of the FCPA deferred prosecution agreement.

Oversaw legal support for all licensing, acquisition and divestiture transactions, including the Ortho-Clinical Diagnostics divestiture, and a record number of patents issued.

Provided strong leadership in advancing a diverse talent pipeline in his organization and participating in, and supporting, a wide range of Credo commitment activities and legal and ethics training throughout the company.

See pages 38 to 40 for details on 2015 Compensation Decisions for 2014 Performance.

2015 COMPENSATION DECISIONS FOR 2014 PERFORMANCE

How Compensation Decisions are Reported

Each year, based on the performance assessments of the named executive officers, the Committee determines the salary rate for the upcoming year, the annual performance bonus earned for the prior year s performance, and long-term incentive awards that are granted in the first quarter of the year for each named executive officer. Decisions regarding these elements and the amounts for 2014 are summarized in the tables below. The Committee believes that these tables best summarize the actions taken on the named executive officers compensation for the performance year. By contrast, most of the amounts required by the rules of the SEC to be reported in the Summary Compensation Table on page 54 are the result of compensation decisions from prior years, earnings from prior long-term incentive awards, or participation in long-standing programs.

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2014 Total Direct Compensation

The following table shows the salary paid during 2014 and the annual performance bonus and long-term incentive grants approved on February 9, 2015 for performance in 2014 for each named executive officer.

A	B	C	D	E
	Cash		Equity	
	Salary	Annual Performance Bonus	Long-Term Incentive	Total Direct Compensation
Name	($)	($)	($)	($)
A. Gorsky	$ 1,500,000	$ 3,543,800	$ 15,210,020	$ 20,253,820
D. Caruso	878,115	1,400,000	4,861,985	7,140,100
P. Stoffels	1,075,423	1,500,000	6,077,542	8,652,965
S. Peterson	841,346	1,400,000	5,248,769	7,490,115
M. Ullmann	591,346	780,000	2,730,051	4,101,397

Salary (Column B)

The amounts reported in column B represent base salaries paid to each of the named executive officers for the 2014 fiscal year.

Annual Performance Bonus (Column C)

Based on 2014 company performance and individual performance as discussed on pages 32 to 33 and 36 to 38, the Board and the Committee awarded annual performance bonuses (which were paid in 2015) ranging from 127% to 136% of target. See the Grants of Plan Based Awards table on page 59 for the target bonus amounts.

Long-Term Incentive Awards (for 2014 performance) (Column D)

The Board and Committee granted the following long-term equity incentive awards (ranging from 116% to 130% of target) to the named executive officers based on competitive market data, relative duties and responsibilities, the individual s long-term potential within the organization, and his or her performance and impact on the company s results. These awards included Performance Share Units (PSUs), Stock Options, and Restricted Share Units (RSUs).

Name	PSUs Granted[(1)] (#)	PSUs Granted ($)	Options Granted[(2)] (#)	Options Granted ($)	RSUs Granted[(3)] (#)	RSUs Granted ($)	Total Long-Term Incentive[(4)] ($)
A. Gorsky	82,913	$ 7,605,029	427,127	$ 4,562,998	33,165	$ 3,041,993	$ 15,210,020
D. Caruso	26,504	2,431,026	136,535	1,458,603	10,601	972,356	4,861,985
P. Stoffels[(5)]	33,130	3,038,783	170,668	1,823,246	13,252	1,215,513	6,077,542
S. Peterson	28,612	2,624,378	147,395	1,574,621	11,445	1,049,770	5,248,769
M. Ullmann	14,882	1,365,022	76,664	819,002	5,953	546,027	2,730,051

(1) The estimated grant date fair value used to determine the number of PSUs granted was $91.723. The estimated grant date fair value per PSU was assumed to be equal to the estimated grant date fair value per RSU for the purpose of determining the number of PSUs.

(2)

The grant date fair value used to determine the number of options granted was $10.683. The option exercise price was $100.06 based on the average of the high and low prices of our common stock on the NYSE on the grant date. The Black-Scholes option valuation model was used to calculate the grant date fair value with the following assumptions: volatility of 15.48% based on a blended rate of historical average volatility rate and implied volatility rate based on at-the-money traded Johnson & Johnson stock options with a life of two years; dividend yield of 2.90%; risk-free interest rate of 1.77% based on a U.S. Treasury rate of seven years; and a seven-year option life.

(3) The grant date fair value used to determine the number of RSUs granted was $91.723. The grant date fair value for the RSU awards as calculated under U.S. GAAP was based on the average of the high and low prices of our common stock on the NYSE on the grant date ($100.06) and discounted by an expected dividend yield of 2.9% as dividends are not paid on the RSUs prior to vesting.

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(4) Award values are rounded to the nearest share.

(5) In addition to the long-term incentive award included in the above table, on October 31, 2014 the Committee granted a special award of 75,492 RSUs with a fair value on the grant date of $7.5 million to Dr. Stoffels to recognize his significant contributions to past performance and enhance his future retention. See the Grants of Plan-Based Awards table on page 59 for more details.

Total Direct Compensation (Column E)

The amounts reported in column E are the sum of columns B through D for each of the named executive officers. The Committee believes that totals in column E best summarize the total direct compensation paid to each named executive officer for the 2014 fiscal year.

2015 Salary Increases

Annual salary increases are neither automatic nor guaranteed. In determining the base salary rates for our named executive officers the Committee reviewed market data as one factor, along with the individual s overall compensation, performance, alignment with Our Credo values, complexity and scope of responsibilities, and experience in those roles. The Committee can elect to leave a base salary rate unchanged, as it did for Mr. Gorsky last year.

The following table shows the annual base salary rate approved on February 9, 2015 for each named executive officer. The annual base salary rates are all effective as of March 2, 2015.

Name	2014 Annual Base Salary Rate ($)	2015 Annual Base Salary Rate ($)
A. Gorsky	$ 1,500,000	$ 1,600,000
D. Caruso	884,000	909,500
P. Stoffels	1,100,000	1,144,000
S. Peterson	850,000	900,000
M. Ullmann	600,000	640,000

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Executive Compensation Philosophy

IMPORTANCE OF CREDO VALUES IN ASSESSING PERFORMANCE

For over 70 years, the Johnson & Johnson Credo has guided us in fulfilling our responsibilities to our customers, employees, communities, and shareholders. In assessing our named executive officers contributions to Johnson & Johnson s performance, the Committee not only looks to results-oriented measures of performance, but also considers how those results were achieved whether the decisions and actions leading to the results were consistent with the values embodied in Our Credo and the long-term impact of a named executive officer s decisions. Credo-based behavior is not something that can be precisely measured; thus, there is no formula for how Credo-based behavior can, or will, impact an executive s compensation. The Committee and the Chairman/ CEO use their judgment and experience to evaluate whether an executive s actions were aligned with Our Credo values.

GUIDING PRINCIPLES

We design our executive compensation programs to achieve our goals of attracting, developing, and retaining global business leaders who can drive financial and strategic growth objectives and build long-term shareholder value. We use the following guiding principles to design our compensation programs:

Competitiveness: We compare our practices against appropriate peer companies that are of similar size and complexity, so we can continue to attract, retain, and motivate high-performing executives.

Pay for Performance: Annual bonuses and grants of long-term incentives are tied to performance, including the performance of the individual named executive officer and his or her specific business unit or function, as well as the overall performance of our company.

Accountability for Short- and Long-Term Performance: We structure performance-based compensation to reward an appropriate balance of short- and long-term financial and strategic business results, with an emphasis on managing the business for long-term results.

Alignment to Shareholders Interests: We structure performance-based compensation to align the interests of our named executive officers with the long-term interests of our shareholders.

Components of Executive Compensation

BASE SALARY

We provide competitive base salaries to our named executive officers in recognition of their job responsibilities. We reference competitive data from companies that are of similar size and complexity as Johnson & Johnson within our Executive Peer group. In addition to competitive data, we consider individual work experience, alignment with Our Credo values, leadership, time in position, complexity and scope of responsibilities, knowledge, and internal parity among those performing similar jobs when setting salary levels.

ANNUAL PERFORMANCE BONUS

We establish competitive annual performance bonus opportunities as a percent of salary for our named executive officers that:

motivate attainment of short-term goals;

link annual cash compensation to achievement of the annual priorities and key objectives of the business, which includes business unit/function and overall company performance; and

reward individual performance and contribution.

Our named executive officers participate in the Executive Incentive Plan (EIP). Under the EIP, payments of annual performance bonuses to named executive officers are prohibited unless Consolidated Net Earnings, as shown in the audited financial statements of our company, are positive. Individual bonuses cannot exceed 0.08%

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of Consolidated Net Earnings for the Chairman/CEO and any Vice Chairman and 0.04% of Consolidated Net Earnings for the other named executive officers. It is important to note that, while the EIP is designed so that the annual performance bonuses for our named executive officers are fully tax deductible under Section 162(m) of the Internal Revenue Code of 1986, as amended, the bonus amounts actually paid to them are based on consideration of both company and individual performance as discussed on pages 32 to 33 and 36 to 38.

LONG-TERM INCENTIVES

We establish competitive long-term incentive opportunities as a percent of salary for our named executive officers that:

- motivate achievement of long-term operational goals and increased total shareholder return;
- align the interests of participants with shareholders;
- vary in the size of award, based on competitive market data, relative duties and responsibilities, the individual s long-term potential within the organization, and his or her performance and impact on the company s results; and
- vary in the ultimate actual value of the awards based on: (1) the degree to which long-term operational goals are attained and (2) the company s actual total shareholder return.

We provide long-term incentives to our named executive officers using three types of equity awards to provide an appropriate balance of incentives tied to internal measures of performance (sales and earnings per share) and external measures of success (share price appreciation and equity value). The forms of equity awards and their weightings for our named executive officers are as follows:

We granted our named executive officers the following long-term incentives based on competitive market data, relative duties and responsibilities, the individual s long-term potential within the organization, and his or her performance and impact on the company s results:

- **Performance Share Units,** which are converted into shares of our common stock after the end of a three-year performance period. Performance share units receive no dividend equivalents and are earned based on performance against the following metrics:

Sales: 1-year Operational Sales for each year of the performance period

Earnings Per Share: 3-year Cumulative Adjusted Operational EPS

Relative Total Shareholder Return: 3-year Compound Annual Growth Rate versus the Competitor Composite Peer Group

Stock Options, which vest 100% on the day following the third anniversary of the grant date, have an exercise price equal to the fair market value of our common stock on the grant date, and expire 10 years from the grant date.

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Restricted Share Units, which receive no dividend equivalents and are converted into shares of common stock on the third anniversary of the grant date.

EXECUTIVE PERQUISITES & OTHER BENEFITS

Our named executive officers received the same employee benefits provided to all other non-union U.S. employees, with the exception of the Executive Life Insurance Program, which is provided to approximately 300 employees. The executive life insurance premiums paid for named executive officers are disclosed in the Summary Compensation Table under All Other Compensation (Column I) on page 54 of this Proxy Statement. Effective January 2015, the executive life insurance program was closed to new participants.

In addition to the benefits offered to all employees, our named executive officers were provided benefits intended for business purposes. In some cases, these benefits may be used for personal use, which would then be considered part of a named executive officer s total compensation and would be treated as taxable income under the applicable tax laws. In 2014, this included: limited access to the company aircraft for personal travel, access to company cars and drivers for commutation and other personal transportation, and reimbursement of home security system monitoring fees.

Setting Compensation & Performance Targets

USE OF PEER GROUPS FOR PAY AND PERFORMANCE

The Committee uses two peer groups for executive compensation. The Executive Peer Group is used to assess the competitiveness of the compensation of our named executive officers, and the Competitor Composite Peer Group is used to evaluate the relative performance of our company. As described below, the two peer groups vary because executive compensation levels and practices are influenced by business complexity and company size, and most of our business competitors are much smaller than Johnson & Johnson as a whole, or even as compared to each of our three individual business segments.

EXECUTIVE PEER GROUP

The Committee considers relevant market pay practices when setting executive compensation to increase our ability to recruit and retain high performing talent. In assessing market competitiveness, the compensation of our named executive officers is reviewed against executive compensation at a designated set of companies (the Executive Peer Group). The Executive Peer Group, which is reviewed by the Committee on an annual basis, consists of companies that generally:

- are similar to Johnson & Johnson in terms of certain factors, including one or more of the following: size (i.e., revenue, net income, market capitalization), industry, gross margin, global presence and research and development investment;

- have named executive officer positions that are comparable to ours in terms of breadth, complexity and scope of responsibilities; and

- compete with us for executive talent.

The Executive Peer Group does not include companies headquartered outside the United States (because comparable compensation data for the named executive officers is not available) or companies in industries whose compensation programs are not comparable to our programs, such as the financial services or oil and gas industries.

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The following table lists the companies in the 2014 Executive Peer Group and their business characteristics, along with Johnson & Johnson s rankings among these companies, based on financial data reported by each company for the most recent four fiscal quarters. Market capitalization is calculated as of December 31, 2014. Johnson & Johnson ranks in the top half of the peers for revenue and in the top quartile for net income and market capitalization.

Executive Peer Group

Company (Ticker Symbol)	Revenue (Millions)	Net Income (Millions)	Market Cap (Billions)	Common Industry(1)	Gross Margin (>40%)	Global Presence (International >33% of Sales)	Business Complexity(2)	Innovation Emphasis (R&D> or = 5% of Sales)
3M Company (MMM)	$ 31,821	$ 4,956	$105	ü	ü	ü	ü	ü
Abbott Laboratories (ABT)	20,247	2,284	68	ü	ü	ü	ü	ü
The Boeing Company (BA)	90,762	5,446	93			ü	ü	
Bristol-Myers Squibb Company (BMY)	15,879	2,004	98	ü	ü	ü	ü	ü
Cisco Systems, Inc. (CSCO)(3)	48,083	8,653	142		ü	ü	ü	ü
The Coca-Cola Company (KO)	45,998	7,098	185	ü	ü	ü		
Eli Lilly and Company (LLY)	19,616	2,390	77	ü	ü	ü	ü	ü
General Electric Company (GE)	148,589	15,233	254	ü	ü	ü	ü	
Hewlett-Packard Company (HPQ)	111,454							