

BRISTOL MYERS SQUIBB CO
Form PRE 14A
March 12, 2015

Table of Contents

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Bristol-Myers Squibb Company

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5)

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

Total fee paid:

- o Fee paid previously with preliminary materials.
 - o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

March , 2015

NOTICE OF
2015 ANNUAL
MEETING AND
PROXY STATEMENT
TUESDAY, MAY 5, 2015
AT 10:00 A.M.
BRISTOL-MYERS
SQUIBB COMPANY
777 SCUDDERS MILL RD.
PLAINSBORO
NEW JERSEY

DEAR FELLOW STOCKHOLDER:

You are cordially invited to attend the Annual Meeting of Stockholders of Bristol-Myers Squibb Company at our offices located in Plainsboro, New Jersey, on Tuesday, May 5, 2015, at 10:00 a.m.

These materials include the Notice of Annual Meeting and the Proxy Statement. The Proxy Statement describes the business to be transacted at the meeting and provides other information about the company that you should know when you vote your shares.

The principal business of the Annual Meeting will be: (i) the election of directors; (ii) an advisory vote to approve the compensation of our named executive officers; (iii) the ratification of the appointment of an independent registered public accounting firm; (iv) the consideration of two amendments to our Amended and Restated Certificate of Incorporation; and (v) the consideration of one stockholder proposal.

We will also review the status of the company's business at the meeting.

Last year, over 86% of the outstanding shares were represented at the Annual Meeting. It is important that your shares be represented whether or not you attend the meeting. Registered stockholders can vote their shares via the Internet or by using a toll-free telephone number. Instructions for using these convenient services appear in the Proxy Statement. If you are receiving a hard copy of the proxy materials, you can also vote your shares by marking your votes on the proxy card, signing and dating it and mailing it promptly using the envelope provided. Proxy votes are tabulated by an independent agent and reported at the Annual Meeting. The tabulating agent maintains the confidentiality of the proxies.

Please follow the instructions in the Proxy Statement on how to attend the Annual Meeting. Admission to the Annual Meeting will be by ticket only. **Please bring photo identification.**

We have provided space on the proxy card for comments from our registered stockholders. We urge you to use it to let us know your feelings about BMS or to bring a particular matter to our attention. If you hold your shares through an intermediary or received the proxy materials electronically, please feel free to write directly to us.

JAMES M. CORNELIUS
Chairman of the Board

LAMBERTO ANDREOTTI
Chief Executive Officer and
Chairman-Designate

Table of Contents

**345 Park Avenue
New York, New York 10154-0037**

**NOTICE OF ANNUAL MEETING
OF STOCKHOLDERS**

Notice is hereby given that the 2015 Annual Meeting of Stockholders will be held at Bristol-Myers Squibb Company, 777 Scudders Mill Road, Plainsboro, New Jersey, on Tuesday, May 5, 2015, at 10:00 a.m. for the following purposes as set forth in the accompanying Proxy Statement:

to elect to the Board of Directors the eleven persons nominated by the Board, each for a term of one year;

to conduct an advisory vote to approve the compensation of our named executive officers;

to ratify the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2015;

to approve two amendments to our Amended and Restated Certificate of Incorporation;

to consider one stockholder proposal, if presented at the meeting; and

to transact such other business as may properly come before the meeting or any adjournments thereof.

Holders of record of our common and preferred stock at the close of business on March 13, 2015 will be entitled to vote at the meeting.

By Order of the Board of Directors

SANDRA LEUNG
General Counsel and Corporate Secretary

Dated: March , 2015

YOUR VOTE IS IMPORTANT

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

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

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

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

Table of Contents**PROXY STATEMENT SUMMARY****2015 Annual Meeting of Stockholders**

Date: Tuesday, May 5, 2015
 Time: 10:00 a.m.
 Place: 777 Scudders Mill Road, Plainsboro, New Jersey

Voting Matters

Item	Proposal	Board Vote Recommendation	Required Vote	Page Number
1	Election of Directors	FOR ALL	Majority of votes cast	14
2	Advisory vote to approve the compensation of our named executive officers	FOR	Majority of shares voted	71
3	Ratification of the appointment of an independent registered public accounting firm	FOR	Majority of shares voted	72
4	Approval of Amendment to our Amended and Restated Certificate of Incorporation to designate Delaware Chancery Court as the exclusive legal forum for certain legal actions	FOR	Majority of outstanding shares	75
5	Approval of Amendment to our Amended and Restated Certificate of Incorporation to remove the supermajority voting provisions applicable to Preferred Stockholders	FOR	Majority of outstanding shares <u>AND</u> 2/3 of outstanding preferred shares	76
6	Stockholder proposal on shareholder action by written consent	AGAINST	Majority of shares voted	77

Nominees for Board of Directors

Name	Occupation	Independent	Committee Memberships*	Other Public Company Boards
Lamberto Andreotti Age: 64, Director Since: 2009	Chief Executive Officer and Chairman-Designate of the Company	No		1
Giovanni Caforio, M.D. Age: 50, Director Since: 2014	Chief Operating Officer and CEO-Designate of the Company	No		0
Lewis B. Campbell Age: 68, Director Since: 1998	Former Chairman and Chief Executive Officer of Textron Inc. and Navistar International Corporation	Yes	CDCG (c); CMDC	2
Laurie H. Glimcher, M.D. Age: 63, Director Since: 1997	Dean of Weill Cornell Medical College and the Cornell University Provost for Medical Affairs	Yes	Audit; S&T	1
Michael Grobstein Age: 72, Director Since: 2007	Former Vice Chairman of Ernst & Young LLP	Yes	Audit; CMDC	1
Alan J. Lacy Age: 61, Director Since: 2008	Former Chairman and Chief Executive Officer, Sears, Roebuck and Co.	Yes	Audit (c); CDCG	1
Thomas J. Lynch, Jr., M.D. Age: 54, Director Since: 2014	Director of Yale Cancer Center; Professor of Internal Medicine, Yale Cancer Center, Yale School of Medicine; and Physician-in-Chief of Smilow Cancer Hospital, Yale-New Haven	Yes	CDCG; S&T	0
Dinesh C. Paliwal Age: 57, Director Since: 2013	Chairman, President and Chief Executive Officer of Harman	Yes	Audit; CDCG	1

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

Vicki L. Sato, Ph.D. Age: 66, Director Since: 2006	International Industries, Inc. Professor of Management Practice at the Harvard Business School	Yes	CMDC; S&T (c)	2
Gerald L. Storch Age: 58, Director Since: 2012	Chief Executive Officer of Hudson's Bay Company	Yes	Audit; CMDC	1
Togo D. West, Jr. Age: 72, Director Since: 2008	Chairman of TLI Leadership Group and Former U.S. Secretary of Veterans Affairs	Yes	CDCG; CMDC (c)	2

*** Audit: Audit Committee**

CDCG: Committee on Directors and Corporate Governance

CMDC: Compensation and Management Development Committee

S&T: Science and Technology Committee

(c): Committee Chair

Table of Contents

Corporate Governance Highlights

The Committee on Directors and Corporate Governance continually reviews corporate governance issues and is responsible for identifying and recommending corporate governance initiatives. Below are some significant corporate governance features and best practices that the Company has adopted:

Annual election of Directors	Semi-annual disclosure of political contributions
Majority voting standard and resignation policy for election of Directors	Director retirement policy (age 75)
Ability for stockholders to call a special meeting (25%)	Clawback and recoupment policies
No supermajority voting provisions for common stockholders	Share ownership and retention policy
No stockholder rights plan	Limit on number of public company directorships Board members may hold (4)
Extensive related party transaction policies and procedures	Active stockholder engagement
Prohibition of speculative and hedging transactions by all employees and directors	Annual review of Corporate Governance Guidelines

Stockholder Engagement

Bristol-Myers Squibb values the views of its stockholders. In 2014, members of management met with institutional stockholders holding a substantial portion of our outstanding shares to discuss the Company's executive compensation program and general corporate governance issues. We received valuable and generally positive feedback from these meetings, which is described in more detail on page 32.

Executive Compensation

Our Compensation Discussion and Analysis can be found on page 29 of the Proxy Statement.

Performance Graph

The following performance graph compares the performance of Bristol-Myers Squibb for the periods indicated with the performance of the Standard & Poor's 500 Stock Index (S&P 500) and the average performance of our executive compensation extended peer group which is listed on page 35 of this Proxy Statement.

Assumes \$100 invested on December 31, 2008 in Bristol-Myers Squibb common stock, S&P 500 Index and the peer group. Values are as of December 31 of specified year assuming dividends are reinvested. Total return indices reflect reinvested dividends and are weighted using beginning-period market capitalization for each of the reported time periods.

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING</u>	1
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	6
<u>Board's Role in Strategic Planning and Risk Oversight</u>	7
<u>Director Independence</u>	7
<u>Board Leadership Structure</u>	8
<u>Meetings of our Board</u>	9
<u>Annual Meeting of Stockholders</u>	9
<u>Committees of our Board</u>	10
<u>Compensation Committee Interlocks and Insider Participation</u>	12
<u>Risk Assessment of Compensation Policies and Practices</u>	12
<u>Criteria for Board Membership</u>	13
<u>Identification and Selection of Nominees for our Board</u>	13
<u>Stockholder Nominations for Director</u>	13
<u>Information on Nominees for Directors</u>	15
<u>Communications with our Board of Directors</u>	20
<u>Codes of Conduct</u>	21
<u>Related Party Transactions</u>	21
<u>Availability of Corporate Governance Documents</u>	22
<u>Compensation of Directors</u>	22
<u>VOTING SECURITIES AND PRINCIPAL HOLDERS</u>	27
<u>Common Stock Ownership by Directors and Executive Officers</u>	27
<u>Principal Holders of Voting Securities</u>	28
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	28
<u>Policy on Hedging and Pledging</u>	28
<u>EXECUTIVE COMPENSATION</u>	29
<u>Compensation Discussion and Analysis</u>	29
<u>Compensation and Management Development Committee Report</u>	54
<u>Summary Compensation Table</u>	55
<u>Grants of Plan-Based Awards</u>	56
<u>Outstanding Equity Awards at Fiscal Year-End</u>	58
<u>Option Exercises and Stock Vesting</u>	60
<u>Present Value of Accumulated Pension Benefits</u>	62
<u>Non-Qualified Deferred Compensation</u>	63
<u>Post-Termination Benefits</u>	64
<u>Termination of Employment Obligations (Excluding Vested Benefits)</u>	69
<u>ITEMS TO BE VOTED UPON</u>	
<u>Item 1 Election of Directors</u>	14
<u>Item 2 Advisory Vote to Approve the Compensation of our Named Executive Officers</u>	71
<u>Equity Compensation Plan Information</u>	72
<u>Item 3 Ratification of the Appointment of Independent Registered Public Accounting Firm</u>	72
<u>Audit and Non-Audit Fees</u>	73
<u>Pre-Approval Policy for Services Provided by our Independent Registered Public Accounting Firm</u>	73

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

<u>Audit Committee Report</u>	<u>74</u>
<u>Item 4 Approval of Amendment to our Amended and Restated Certificate of Incorporation to Designate Delaware Chancery Court as the Exclusive Forum for Certain Legal Actions</u>	<u>75</u>
<u>Item 5 Approval of Amendment to our Amended and Restated Certificate of Incorporation to Remove the Supermajority Provisions Applicable to Preferred Stockholders</u>	<u>76</u>
<u>Item 6 Stockholder Proposal on Shareholder Action by Written Consent</u>	<u>77</u>
<u>OTHER MATTERS</u>	<u>79</u>
<u>Exhibit A Categorical Standards of Independence</u>	<u>A-1</u>
<u>Exhibit B Certificate of Amendment to Amended and Restated Certificate of Incorporation - exclusive forum provision</u>	<u>B-1</u>
<u>Exhibit C Certificate of Amendment to Amended and Restated Certificate of Incorporation - supermajority voting applicable to preferred stockholders</u>	<u>C-1</u>
<u>DIRECTIONS TO OUR PLAINSBORO OFFICE Inside Back Cover</u>	

Table of Contents

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Why am I receiving these materials?

This Proxy Statement is being delivered to all stockholders of record as of the close of business on March 13, 2015 in connection with the solicitation of proxies on behalf of the Board of Directors for use at the Annual Meeting of Stockholders on May 5, 2015. We expect our proxy materials, including this Proxy Statement and the Annual Report, to be first made available to stockholders on or about March 10, 2015. Although the Annual Report and Proxy Statement are being delivered together, the Annual Report should not be deemed to be part of the Proxy Statement.

What is "Notice and Access" and how does it affect me?

The U.S. Securities and Exchange Commission (SEC) has adopted a "Notice and Access" model which permits us to provide proxy materials to our stockholders electronically by posting the proxy materials on a publicly accessible website. Delivering proxy materials electronically will conserve natural resources and save us money by reducing printing and mailing costs. Accordingly, we have sent to most of our stockholders a "Notice of Internet Availability of Proxy Materials." This Notice provides instructions on how to access our proxy materials online and, if you prefer receiving a paper copy of the proxy materials, how you can request one. Employees and pension plan participants who have given consent to receive materials electronically received a link to access our proxy materials by email. We encourage all of our stockholders who currently receive paper copies of the proxy materials to elect to view future proxy materials electronically if they have Internet access. You can do so by following the instructions when you vote your shares online or, if you are a beneficial holder, by asking your bank, broker or other holder of record how to receive proxy materials electronically.

What is "householding" and how does it work?

"Householding" is a procedure we adopted whereby stockholders of record who have the same last name and address and who receive the proxy materials by mail will receive only one copy of the proxy materials unless we have received contrary instructions from one or more of the stockholders. This procedure reduces printing and mailing costs. If you wish to receive a separate copy of the proxy materials, now or in the future, at the same address, or if you are currently receiving multiple copies of the proxy materials at the same address and wish to receive a single copy, you may contact us by writing to Stockholder Services, Bristol-Myers Squibb Company, 345 Park Avenue, New York, New York 10154, or by calling us at (212) 546-3309.

If you are a beneficial owner (your shares are held in the name of a bank, broker or other holder of record), the bank, broker or other holder of record may deliver only one copy of the Proxy Statement and Annual Report, or Notice of Internet Availability of Proxy Materials, to stockholders who have the same address unless the bank, broker or other holder of record has received contrary instructions from one or more of the stockholders. If you wish to receive a separate copy of the Proxy Statement and Annual Report, or Notice of Internet Availability of Proxy Materials, now or in the future, you may contact us at the address or phone number above and we will promptly deliver a separate copy. Beneficial owners sharing an address who are currently receiving multiple copies of the Proxy Statement and Annual Report, or Notice of Internet Availability of Proxy Materials, and wish to receive a single copy in the future, should contact their bank, broker or other holder of record to request that only a single copy be delivered to all stockholders at the shared address in the future.

Who can attend the Annual Meeting?

Only stockholders of Bristol-Myers Squibb as of the record date, March 13, 2015, their authorized representatives and guests of Bristol-Myers Squibb may attend the Annual Meeting. Admission will be by ticket only. A form of government-issued photograph identification will be required to enter the meeting. Large bags, backpacks, briefcases, cameras, recording equipment and other electronic devices will not be permitted in the meeting, and attendees will be subject to security inspections. Our

Table of Contents

offices are wheelchair accessible. We will provide, upon request, wireless headsets for hearing amplification.

How do I receive an admission ticket?

If you are a registered stockholder (your shares are held in your name) and plan to attend the meeting, you should bring either the Notice of Internet Availability of Proxy Materials or the top portion of the proxy card, both of which will serve as your admission ticket.

If you are a beneficial owner (your shares are held in the name of a bank, broker or other holder of record) and plan to attend the meeting, you can obtain an admission ticket in advance by writing to Stockholder Services, Bristol-Myers Squibb Company, 345 Park Avenue, New York, New York 10154. Please be sure to enclose proof of ownership, such as a bank or brokerage account statement. Stockholders who do not obtain tickets in advance may obtain them upon verification of ownership at the Registration Desk on the day of the Annual Meeting.

We may also issue tickets to other individuals at our discretion.

Who is entitled to vote?

All holders of record of our \$0.10 par value common stock and \$2.00 convertible preferred stock at the close of business on March 13, 2015 will be entitled to vote at the 2015 Annual Meeting. Each share is entitled to one vote on each matter properly brought before the meeting.

How do I vote if I am a registered stockholder?

Proxies are solicited to give all stockholders who are entitled to vote on the matters that come before the meeting the opportunity to do so whether or not they attend the meeting in person. If you are a registered holder, you can vote your shares by proxy in one of the following manners:

- (i) via Internet at www.proxyvote.com;
- (ii) by telephone at (800) 690-6903;
- (iii) by mail, if you received a paper copy of the proxy materials; or
- (iv) in person at the Annual Meeting.

Choosing to vote via Internet or calling the toll-free number listed above will save us expense. In order to vote online or via telephone, have the voting form in hand and either call the number or go to the website and follow the instructions. If you vote via the Internet or by telephone, please do not return a signed proxy card.

If you received a paper copy of the proxy materials and choose to vote by mail, specify how you want your shares voted on each proposal by marking the appropriate boxes on the proxy card enclosed with the Proxy Statement, date and sign it, and mail it in the postage-paid envelope.

If you wish to vote in person, you can vote your shares at the Annual Meeting.

How do I vote if I am a beneficial stockholder?

If you are a beneficial stockholder, you have the right to direct your broker or nominee on how to vote the shares. You should complete a voting instruction card which your broker or nominee is obligated to provide you. If you wish to vote in person at the meeting, you must first obtain from the record holder a legal proxy issued in your name.

Under the rules of the New York Stock Exchange (NYSE), brokers that have not received voting instructions from their customers ten days prior to the meeting date may vote their customers' shares in the brokers' discretion on the proposals regarding routine matters, which in most cases includes the ratification of the appointment of the independent registered public accounting firm.

Table of Contents

Under NYSE rules, the election of directors, the advisory vote to approve the compensation of our named executive officers, the approval of two amendments to our Amended and Restated Certificate of Incorporation and the approval of any stockholder proposals are considered "non-discretionary" items, which means that your broker cannot vote your shares on these proposals.

What items will be voted upon at the Annual Meeting?

At the Annual Meeting, we will consider and act on the following items of business:

- (i) the election to the Board of Directors the eleven persons no