

ALTERA CORP  
Form 4  
June 03, 2015

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
FINNEY ELISHA W

(Last) (First) (Middle)  
101 INNOVATION DRIVE  
(Street)  
SAN JOSE, CA 95134

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ALTERA CORP [ALTR]

3. Date of Earliest Transaction (Month/Day/Year)  
06/02/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	06/02/2015		M	20,000 A	\$ 37.425 31,901	D	
Common Stock	06/02/2015		S	20,000 D	\$ 51.73 11,901	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
Non-Qualified Stock Option (right to buy)	\$ 37.425 <sup>(1)</sup>	06/02/2015		M	20,000	<sup>(2)</sup> 09/14/2021 <sup>(3)</sup>	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FINNEY ELISHA W 101 INNOVATION DRIVE SAN JOSE, CA 95134		X		

## Signatures

Elisha W Finney                      06/03/2015  
 \*\*Signature of                      Date  
 Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The per share exercise price for the shares to be issued pursuant to exercise of an option shall be no less than 100% of the fair market value per share on the date of grant.
- (2) The option, representing a right to purchase a total of 40,000 shares, became exercisable in 4 equal annual installments beginning on September 14, 2012, which was the first anniversary of the date on which the option was granted.
- (3) The grant shall expire ten years from the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. s'>

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retirement savings component of our benefits program. We designed the SSP to be competitive with the nonqualified deferred compensation plans offered by our peers. Details of the SSP are presented in the narrative preceding the 2011 Non-Qualified Deferred Compensation Table.

#### Post-termination Compensation and Benefits

We provide severance benefits to all of our executives if they are terminated without cause or in certain other instances following a corporate transaction or a change in control. The terms of these arrangements and the amounts payable under them are described below for each named executive officer in the subsection titled Potential Payments Upon Termination or Change in Control. We provide these benefits because we

believe that some severance protection is necessary to help our executives maintain their focus when providing advice to the Company and making strategic decisions about a potential corporate transaction or change in control, and to demonstrate effective leadership in the closing and integration of approved transactions.

**Share Ownership Requirement**

We maintain share ownership requirements for our executive officers to strengthen the link our compensation programs create between our executives and our stockholders. Our current policy requires each named executive officer to maintain share or share-equivalent holdings as shown in the following table:

	<b>Share Requirement</b>
CEO	75,000
Executive Vice Presidents	10,000

Our policy became effective for all current executive officers upon its adoption in 2009 and was amended in 2010 to give newly-elected executive officers five years from initial election to meet the requirement. Shares owned outright and unvested time-vested restricted stock units are credited toward the share ownership requirement. The policy requires retention of vested shares for any executive officer who does not maintain share ownership at or above the policy requirements. All of our executive officers currently meet or are on track to meet the share ownership requirement within five years from their initial election.

**Recoupment of Compensation**

We maintain policies to recover compensation from our employees who engage in detrimental or competitive activity. Detrimental activity includes any action or failure to act that constitutes financial malfeasance that is materially injurious to the Company, violates our Code of Business Conduct, results in restatement of our earnings or financial results or results in a violation or breach of law or contract. Competitive activity includes any action or failure to act that violates non-disclosure, non-competition and/or non-solicitation agreements. Our current annual cash incentive plan, the 2008 Performance-Based Management Incentive Plan, provides for the forfeiture and/or repayment of awards and our current long-term incentive plan, the 2008 Omnibus Equity Plan, also provides for the cancellation of LTI awards in these circumstances.

**Tax-Deductibility of Compensation**

Section 162(m) of the Internal Revenue Code limits to \$1 million the amount a company may deduct for compensation paid to its CEO or any of its other three named executive officers (excluding the Chief Financial Officer). This limitation does not, however, apply to compensation meeting the definition of qualifying performance-based compensation.

Management regularly reviews the provisions of our plans and programs, monitors legal developments and works with the Committee and its consultant to preserve Section 162(m) tax deductibility of compensation payments. Changes to preserve tax-deductibility are adopted to the extent reasonably practicable, consistent with our compensation policies and as determined to be in the best interests of the Company and our stockholders.

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Amounts of base salary above \$1 million are not deductible. Our annual cash incentive plan payouts in 2012 for our 2011 plan year and our 2011 grants of cash-settled performance shares and market stock units are designed to fall within the exception for qualifying performance-based compensation (and therefore to be tax-deductible compensation) under Section 162(m).

**Compensation and Management Development Committee Report**

The Compensation and Management Development Committee furnishes the following report:

The Committee has reviewed and discussed the Compensation Discussion and Analysis with Biogen Idec management. Based on this review and discussion, the Committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Submitted by,

Robert W. Pangia (Chair)

Alexander J. Denner

Eric K. Rowinsky

Lynn Schenk

**Summary Compensation Table**

The following table shows the compensation paid to or earned by our named executive officers during the years ended December 31, 2009, December 31, 2010 and December 31, 2011, for the year(s) in which he or she was a named executive officer.

Name and Principal Position	Year	Salary (\$) (c)	Bonus (\$) (1) (d)	Stock Awards (\$) (2) (e)	Option Awards (\$) (2) (f)	Non-Equity Incentive Plan Compensation (\$) (3) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (4) (h)	All Other Compensation (\$) (5) (i)	Total (\$) (j)
George A. Scangos Chief Executive Officer	2011	1,242,308		7,235,199		2,700,000	6,016	147,918	11,331,441
Paul J. Clancy EVP and Chief Financial Officer	2010	516,923	500,000	6,894,906		1,207,094	88	288,590	9,407,601
	2011	602,733		1,799,250		450,193	9,930	83,540	2,945,646
	2010	572,808		1,406,234		380,932	7,598	52,170	2,419,742
	2009	524,231		999,951	475,884	279,840	6,456	101,039	2,387,401
Douglas Williams EVP, Research & Development	2011	593,654	250,000	1,988,876		456,221		89,904	3,378,655
Steven H. Holtzman EVP, Corporate Development	2011	576,923	350,000	1,988,876		392,040	20	35,760	3,343,619
Francesco Granata Former EVP, Global	2011	620,308		1,897,305		373,200	9,552	143,496	3,043,861
	2010	542,308	400,000	1,707,505		365,185	275	257,572	3,272,845

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### Commercial Operations

John G. Cox	2011	476,702	1,799,250	463,320	2,086	139,817	2,881,175
EVP, Pharmaceutical							

### Operations & Technology

#### *Notes to Summary Compensation Table*

- (1) The amounts in column (d) for Messrs. Scangos, Williams, Holtzman and Granata reflect a one-time cash payment in connection with their initial employment with the Company.

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- (2) The amounts in column (e) and (f) reflect the grant date fair value for awards granted during 2011, 2010 and 2009. The amount in column (e) for Dr. Scangos for 2011 represents market stock units (MSU) and cash-settled performance shares (CSPS) and for 2010 represents MSU and restricted stock units (RSU). The amounts in column (e) for all other named executive officers for 2011, 2010 and 2009 represent: for 2011 and 2010, MSU and CSPS; and for 2009, RSU and Performance-Vested RSU (PVRSU). The fair value for MSU grants is estimated as of the date of grant using a lattice model with a Monte Carlo simulation. Assumptions used in this calculation are included on page F-45 in footnote 16 of our 2011 Annual Report on Form 10-K.

The amounts in column (f) reflect the fair value of stock option grants awarded in 2009 and are estimated as of the date of grant using a Black-Scholes option pricing model. Assumptions used in this calculation are included on page F-35 in footnote 12 of our 2009 Annual Report on Form 10-K. The fair values for the MSU and CSPS granted in 2011 are based on target performance. The table below shows the target and maximum payouts possible for the 2011 stock awards based on the value at the date of grant and the payout ranges.

Executive Officer	Target Payout	Maximum Payout
Dr. Scangos	\$ 7,235,199	\$ 12,665,239
Mr. Clancy	\$ 1,799,250	\$ 3,148,830
Dr. Williams	\$ 1,988,876	\$ 3,483,331
Mr. Holtzman	\$ 1,988,876	\$ 3,483,331
Dr. Granata	\$ 1,897,305	\$ 3,320,498
Mr. Cox	\$ 1,799,250	\$ 3,148,830

- (3) The amounts in column (g) reflect actual amounts paid for performance in 2011 under our annual cash incentive plan, which is discussed on page 30 of this Proxy Statement.
- (4) The amounts in column (h) reflect earnings in the Supplemental Savings Plan (SSP) that are in excess of 120% of the average applicable federal long-term rate. The federal long-term rate for 2011 applied in this calculation is 4.57%, the federal long-term rate effective in January 2011 when the fixed rate option was established for 2011. The federal long-term rate for 2010 applied in this calculation is 4.83%, the federal long-term rate effective in January 2010 when the fixed rate option was established for 2010. The federal long-term rate for 2009 applied in this calculation is 4.21%, the federal long-term rate effective in January 2009 when the fixed rate option was established for 2009. Details of the SSP are presented in the narrative preceding the 2011 Non-Qualified Deferred Compensation Table.
- (5) The amounts in column (i) for 2011 reflect the following:

Executive Officer	Company Matching Contribution to 401(k) Plan Account	Company Contribution to SSP Account	Personal Financial and Tax Planning Reimbursement (6)	Value of Company-Paid Life Insurance Premiums	Other (7)
Dr. Scangos	\$ 14,700	\$ 132,264		\$ 954	
Mr. Clancy	\$ 14,700	\$ 65,978	\$ 1,750	\$ 1,112	
Dr. Williams	\$ 14,700	\$ 20,919	\$ 3,410	\$ 1,202	\$ 49,673
Mr. Holtzman	\$ 14,700	\$ 19,915		\$ 1,145	
Dr. Granata	\$ 14,700	\$ 70,797	\$ 5,170	\$ 1,145	\$ 51,684
Mr. Cox	\$ 14,700	\$ 44,690	\$ 500	\$ 859	\$ 79,068

- (6) Dr. Scangos is not eligible to participate in our personal financial and tax planning reimbursement program.

(7) Represent benefits under our executive relocation policy.

**Table of Contents****2011 Grants of Plan-Based Awards**

The following table shows additional information regarding all grants of plan-based awards made to our named executive officers for the year ended December 31, 2011.

Name	Grant Date	Notes	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (2)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
George A. Scangos	02/10/11	(3)				25,110	50,220	75,330				3,610,316
	02/10/11	(4)				27,370	54,740	109,480				3,624,883
	02/10/11	(5)	781,250	1,562,500	2,343,750							
Paul J. Clancy	02/09/11	(3)				6,255	12,510	18,765				899,340
	02/09/11	(4)				6,818	13,635	27,270				899,910
	02/09/11	(5)	166,738	333,476	500,214							
Douglas Williams	02/01/11	(3)				6,878	13,755	20,633				988,844
	02/01/11	(4)				7,635	15,270	30,540				1,000,032
	02/01/11	(5)	173,250	346,500	519,750							
Steven H. Holtzman	02/01/11	(3)				6,878	13,755	20,633				988,844
	02/01/11	(4)				7,635	15,270	30,540				1,000,032
	02/01/11	(5)	165,000	330,000	495,000							
Francesco Granata	02/09/11	(3)				6,595	13,190	19,785				948,225
	02/09/11	(4)				7,190	14,380	28,760				949,080
	02/09/11	(5)	171,600	343,200	514,800							
John G. Cox	02/09/11	(3)				6,255	12,510	18,765				899,340
	02/09/11	(4)				6,818	13,635	27,270				899,910
	02/09/11	(5)	143,000	286,000	429,000							

*Notes to 2011 Grants of Plan-Based Awards Table*

- (1) Reflects the estimated future payouts for each named executive officer as of the grant date.
- (2) Represents the full grant date fair value as determined in accordance with accounting standards for stock compensation. The fair value for MSU grants is estimated as of the date of grant using a lattice model with a Monte Carlo simulation. Assumptions used in this calculation are included on page F-45 in footnote 16 of our 2011 Annual Report on Form 10-K.
- (3) These amounts relate to the annual grant of market stock units (MSU). These are performance stock units tied to the change in our common stock price between the grant date and each of four annual vesting dates. The number of MSU earned will be determined on each vesting date. Columns (f), (g), and (h) represent the number of MSU earned at the threshold of 50%, target of 100%, and the maximum of 150%, respectively. The award becomes eligible to vest ratably over four years. These awards are described on page 35 of this Proxy Statement.



- (4) These amounts relate to the annual grant of cash-settled performance shares (CSPS). These are performance stock units tied to our 2011 financial performance and are subject to time-based vesting. The number of CSPS earned was determined in early 2012 based on actual 2011 revenue, earnings per share and free cash flow performance versus target, and will vest ratably over three years. These awards are settled in cash at vesting based on our then-current common stock price. Columns (f), (g), and (h) represent the number of CSPS earned if the performance multiplier were 50%, 100%, and 200%, respectively. These awards are described on page 34 of this Proxy Statement.
- (5) These amounts relate to the annual cash incentive plan. The amounts shown in column (d) represent the 2011 target payout amount based on the target incentive percentage applied to each named executive officer's base salary as of December 31, 2011. For 2011, the bonus targets were 125% of salary for Dr. Scangos and 55% of salary for all other named executive officers. The amounts in columns (c), (d) and (e) assume that the named executive officer's Individual Multiplier is 100%. Columns (c), (d), and (e) represent a payment if the Company Multiplier were 50%, 100% and 150%, respectively. The amount for Dr. Williams reflects annualized opportunities; Dr. Williams' actual bonus for 2011 was prorated based on his hire date. This plan is described on page 30 of this Proxy Statement.

**Table of Contents****Outstanding Equity Awards at 2011 Fiscal Year-End**

The following table summarizes the equity awards that were outstanding as of December 31, 2011 for each of our named executive officers.

Name	Grant Date	Notes	Option Awards(1)				Stock Awards				
			Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date (1)	Number of Shares or Units of Stock That Have Not Vested (#) (2)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#) (4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
George A. Scangos	7/15/2010	(4)(c)								21,339	2,348,357
	7/15/2010							42,110	\$ 4,634,206		
	2/10/2011	(4)(b)								65,141	7,168,767
	2/10/2011	(4)(c)								25,110	2,763,356
Paul J. Clancy	2/6/2004		13,000			43.50	02/05/14				
	2/17/2005		8,400			67.57	02/16/15				
	2/6/2006		10,990			44.24	02/05/16				
	8/1/2006		6,000			41.03	07/31/16				
	2/12/2007		18,100			49.31	02/11/17				
	9/4/2007		20,000			63.55	09/03/17				
	2/12/2008		32,955	10,985		60.56	02/11/18				
	2/24/2009		13,392	13,393		49.65	02/23/19				
	2/24/2009	(4)(a)								3,323	365,696
	2/24/2009							3,356	\$ 369,328		
	2/23/2010	(4)(b)								10,811	1,189,751
2/23/2010	(4)(c)								4,281	471,124	
2/9/2011	(4)(b)								16,226	1,785,671	
2/9/2011	(4)(c)								6,255	688,363	
Douglas Williams	2/1/2011	(4)(b)								18,171	1,999,719
	2/1/2011	(4)(c)								6,878	756,924
Steven H. Holtzman	2/1/2011	(4)(b)								18,171	1,999,719
	2/1/2011	(4)(c)								6,878	756,924
Francesco Granata	2/23/2010	(4)(b)								13,128	1,444,736
	2/23/2010	(4)(c)								5,198	572,040
	2/9/2011	(4)(b)								17,112	1,883,176
2/9/2011	(4)(c)								6,595	725,780	
John G. Cox	11/1/2007		2,175			72.87	10/31/17				
	2/12/2008			5,783		60.56	02/11/18				
	2/24/2009			7,588		49.65	02/23/19				
	2/24/2009	(4)(a)								1,882	207,114
	2/24/2009							1,901	209,205		
	2/23/2010	(4)(b)								6,562	722,148
	2/23/2010	(4)(c)								2,599	286,020
	5/3/2010							3,666	403,443		
2/9/2011	(4)(b)								16,226	1,785,671	
2/9/2011	(4)(c)								6,255	688,363	

Notes to Outstanding Equity Awards At 2011 Fiscal Year-End Table

- (1) All stock option grants were granted with a ten-year term and remain exercisable through the end of the date noted. Stock option grants vest 25% over the first four anniversaries of grant unless otherwise noted.

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- (2) Time-vested restricted stock units (RSU) vest 33% on the first three anniversaries of grant, unless otherwise noted.
- (3) The market value of awards is based on the closing price of the Company's common stock as of December 31, 2011 (\$110.05) as reported by the NASDAQ Global Select Market.
- (4) Performance based stock awards granted in 2011, 2010 and 2009:
- (a) Performance-vested restricted stock units (PVRSU) granted in 2009 were subject to the attainment of revenue and earnings per share performance criteria during 2009. Based on our performance, 99% of the number granted became eligible to vest ratably on the first three anniversaries of the grant date; the other 1% of the number granted was cancelled.
- (b) Cash-settled performance shares (CSPS) granted in 2011 and 2010. Columns (j) and (k) reflect the number earned based on our financial performance and December 31, 2011 common stock price. The number earned vests ratably over three years and the cash payout will be based on our 60 calendar-day average common stock price at vesting. These awards are described on page 34 of this Proxy Statement.
- (c) Market stock units (MSU) granted in 2011 and 2010. These are performance stock units tied to the change in our common stock price between the dates of grant and vesting. The number granted is eligible to vest ratably over four years. The number and value shown in columns (j) and (k), respectively, reflect threshold performance results. These awards are described on page 35 of this Proxy Statement.

**2011 Option Exercises and Stock Vested**

Our executive officers must use pre-established trading plans to sell shares of Biogen Idec stock. Trading plans may only be entered into when the executive is not in possession of material non-public information about the Company, and we require a waiting period following the establishment of a trading plan before any trades may be executed. Our policy is designed to protect against trading activity that may be perceived as suspect while still providing our executives an opportunity to realize the value intended by the Company in granting equity-based LTI awards.

Our share ownership requirements for our named executive officers are described above in the subsection titled Share Ownership Requirement.

The following table shows information regarding option exercises and vesting of stock awards for each named executive officer during the year ended December 31, 2011.

Name (1)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized On Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
(a)	(#) (b)	(\$) (c)	(#) (d)	(\$) (e)
George A. Scangos			42,396	4,409,184
Paul J. Clancy	43,516	1,201,853	22,838	1,595,421
Francesco Granata			10,851	720,151
John G. Cox	52,499	1,342,684	13,792	977,362

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### *Notes to 2011 Option Exercises and Stock Vested Table*

- (1) Messrs. Williams and Holtzman did not have any vestings of awards during 2011.
  
- (2) The value realized is the difference between the market price at exercise and the option exercise price, times the number of shares acquired on each exercise.

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- (3) Upon vesting, market stock units (MSU) and restricted stock units (RSU) were settled in shares. The number of shares acquired on vesting includes the following number of shares withheld to pay the minimum withholding of taxes:

Name	MSU	RSU
Dr. Scangos	8,911	8,791
Mr. Clancy	1,119	3,587
Dr. Granata	1,385	
Mr. Cox	680	2,279

Upon vesting, the cash-settled performance shares (CSPS) were settled in cash. These terms of these awards are described on page 34 of this Proxy Statement.

- (4) The value realized for MSU and RSU is calculated as the closing price of the Company's common stock on the vesting date, times the total number of shares vested. The value realized for CSPS is calculated using the 60 calendar-day average closing price of the Company's common stock through the vesting date.

**2011 Non-Qualified Deferred Compensation**

Our Supplemental Savings Plan (SSP) covers our executive officers and other management employees in the U.S. The SSP replaced our prior deferred compensation plan as well as the Biogen, Inc. Voluntary Executive Supplemental Savings Plan. Employees whose base salary and annual cash incentives for the year exceed a specified limit (\$245,000 in 2011) receive a Company-paid restoration match on the portion of their base salary, annual cash incentive and payments of cash-settled performance shares that exceeds this limit; the restoration match equals 6% of this excess compensation. The restoration match feature is intended to replace the amount of matching employer contributions that the participant would otherwise have been eligible to receive under our 401(k) plan but for the \$245,000 limit imposed by Section 401(a)(17) of the Internal Revenue Code. In addition, eligible employees may make voluntary contributions of up to 80% of their base salary and 100% of their annual cash incentives, payments from cash-settled performance shares and, beginning in 2012, their equity compensation to the SSP, and thereby defer income taxes on such amounts until distribution is made from the SSP. The Company does not match participants' voluntary contributions to the SSP. Our SSP provides for immediate vesting of the restoration match consistent with our immediate vesting of the Company match provided under our 401(k) plan.

Notional SSP accounts are maintained for each participant. Accounts include employee and employer contributions and reflect performance of notional investments selected by the employee or a default investment if the employee does not make a selection. These notional investment options include the mutual funds offered under our 401(k) plan as well as a fixed rate option which earns a rate of return determined each year by the Company's retirement committee. For contributions to the SSP fixed rate option in 2011 and in 2012, this rate of return is set at 6.25%. Contributions to the fixed rate option continue to earn at the rate of return that was in effect during the year of contribution. The excess of the interest rate paid on the fixed rate option above 120% of the applicable federal long-term rate (compounded quarterly) earned by our named executive officers during 2011 is shown in the Summary Compensation Table. We fund the SSP liabilities through corporate owned life insurance (COLI) which we purchase with the written consent of SSP participants. We believe that the COLI policies will be sufficient to cover plan liabilities through the projected payout date so the plan will not require direct funding by the Company.

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The following table shows a summary of all contributions to, earnings on and distributions received from the non-qualified deferred compensation plan for each of our named executive officers for the year ended December 31, 2011. The account balances as of year-end include all contributions and amounts earned by our named executive officers through the end of 2011 plus the contributions that the Company made in early 2012 based on earnings during 2011.

Name	Executive Contributions in	Company Contributions in	Aggregate Earnings in Last	Aggregate Distributions in	Aggregate Balance at Last
	Last Fiscal Year (1) (2)	Last Fiscal Year (3)	Fiscal Year (4)	Last Fiscal Year	Fiscal Year-End
	(\$)	(\$)	(\$)	(\$)	(\$)
(a)	(b)	(c)	(d)	(e)	(f)
George A. Scangos	486,359	132,264	12,117		685,030
Paul J. Clancy		65,978	24,469		383,314
Douglas Williams		20,919			20,919
Steven H. Holtzman		19,915	74		19,990
Francesco Granata	604,675	70,797	35,248		777,255
John G. Cox	194,685	44,690	-12,752		359,780

*Notes to 2011 Non-Qualified Deferred Compensation Table*

- (1) The amounts in this column are also included in columns (c) and (g) of the Summary Compensation Table as non-qualified deferral of salary and non-qualified deferral of payments under the annual cash incentive plan, respectively.
- (2) The following table lists the compensation deferrals during 2010 by our named executive officers, as reported in the proxy statement for our 2011 annual meeting of stockholders.

Name	Amounts Previously Reported as Deferred During 2010
George A. Scangos	\$ 36,923
Francesco Granata	\$ 46,154

- (3) The amounts in this column are also included in column (i) of the Summary Compensation Table as Company contributions to the Supplemental Savings Plan.
- (4) Earnings in excess of 120% of the applicable federal long-term rate are reported in column (h) of the Summary Compensation Table for Dr. Scangos (\$6,016), Mr. Clancy (\$9,930), Dr. Granata (\$9,552), Mr. Cox (\$2,086), and Mr. Holtzman (\$20). Dr. Williams did not have investments in the fixed rate option.

**Potential Payments Upon Termination or Change in Control***Executive Severance Policy**Definition of Key Terms Relating to our Executive Severance Policy*

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Our Executive Severance Policy and benefits refer to certain key terms. These terms are defined in our 2008 Omnibus Equity Plan and are summarized below:

*Change in Control:* the acquisition by one or more persons of more than 50% of our outstanding stock, other than in connection with a merger or consolidation, or a change in a majority of our incumbent directors other than as approved by a majority of our current incumbent directors and directors they have elected or whose nomination they have approved.

*Corporate Transaction:* a merger or consolidation other than one in which our stockholders acquire or retain 50% or more of the voting power of the surviving corporation, or a liquidation, dissolution or sale of all or substantially all of the assets of Biogen Idec.



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*Involuntary Employment Action:* following a change in control or corporate transaction, a termination by the Company without cause or a resignation by the employee because of material reduction in his or her authority, duties and responsibilities, a reduction in his or her base pay or target bonus opportunity or a relocation of his or her principal office by more than 100 miles roundtrip.

*Arrangements for Messrs. Clancy, Williams, Holtzman, Granata and Cox*

Messrs. Clancy, Williams, Holtzman and Cox participate in executive severance plans under which they are eligible to receive the following benefits:

In the event of a termination other than for cause (as defined in our 2008 Omnibus Equity Plan) and other than for reason of the executive's death or disability, a lump sum severance payment equal to a minimum of nine months' proration of the named executive officer's then annual base salary and target annual cash incentive, with an additional two and one-half months for each full year of service to a maximum benefit of 21 months (with that number of months referred to as the severance period).

If, within two years following a corporate transaction or a change in control, the named executive officer experiences an involuntary employment action, a lump sum severance payment equal to two times the named executive officer's then annual base salary plus target annual cash incentive. This payment is in lieu of any payment in the preceding paragraph.

These executive severance arrangements do not pay severance upon a termination for cause, retirement or upon death or disability. Dr. Granata participated in the above described executive severance plans prior to his termination. However, in the case of Dr. Granata, he was entitled to the maximum severance benefit of 21 months if his employment was terminated because of a breach by the Company of its obligations relating to expansion of his role on or before July 2012 (which time period was extended at the Company's request from July 2011). The Company and Dr. Granata agreed to a termination of his employment effective February 29, 2012 and the Company agreed to provide Dr. Granata with the maximum 21 month severance benefit.

Our annual cash incentive plan provides for a prorated target bonus payment for terminations due to the death or disability of the participant, and for terminations arising from an involuntary employment action. As the annual cash incentive plan provides for payment of a full bonus to any participant remaining employed on the last day of the plan year, this amount is not included in the Potential Post-Termination Payments Table.

In any case where severance is payable under the plan, our named executive officers would also receive continuation of medical and dental insurance benefits until the earlier of the last date of the severance period or the date the executive becomes eligible to participate in another employer's medical and dental insurance plans. These named executive officers are also provided up to nine months of executive-level outplacement services at our cost.

*Dr. Scangos Arrangements*

Dr. Scangos' employment agreement provides that if his employment is terminated by the Company without cause or if he terminates his employment for good reason (as defined in his employment agreement), then he will be entitled to a lump sum payment of cash severance in the amount of two times his annual base salary and target annual cash bonus. Dr. Scangos would also receive continuation of medical and dental benefits until the earlier of 24 months or the date upon which he becomes eligible to receive substantially comparable benefits through another employer. In addition, he would be entitled to receive a pro rata portion of his annual cash bonus in the year such termination occurs based on actual performance or, in the event of a termination within two years following a change in control, the target annual cash bonus. Dr. Scangos would also be provided up to nine months of executive-level outplacement services at our cost.

Further, under Dr. Scangos' employment agreement, if Dr. Scangos retires at or after age 65, his outstanding and unvested restricted stock units and cash settled performance shares will continue to vest as if he had remained employed by the Company.

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*Excise Tax Provisions*

Prior to June 2009, we maintained an excise tax gross-up policy for all of our executives, including our named executive officers. Under this policy, if payments to these executive officers in the event of a corporate transaction or corporate change in control are subject to excise tax under Internal Revenue Code Section 4999, we will pay the executive officer an additional amount that equals the amount of the excise tax, plus the income and other payroll taxes arising from our payment of the excise tax amount (280G tax gross-up), so that the executive officer realizes the full intended benefit.

In June 2009, we changed our excise tax gross-up policy so that newly-hired executives are not eligible for any 280G tax gross-up but may elect to have severance payments reduced to an amount that will not be subject to excise tax. Consistent with this policy, Messrs. Scangos, Williams, Granata and Holtzman are not eligible for a 280G tax gross-up. As they were already eligible for this benefit prior to June 2009, Messrs. Clancy and Cox remain eligible for a 280G tax gross-up.

*Awards Under Equity Plans*

Under the provisions of our equity plans, if a change in control occurs, all outstanding options and stock awards under our equity plans become fully exercisable or vested, as the case may be, and options will remain exercisable until the original option expiration date.

In the event of a corporate transaction, we can either cause the surviving corporation to assume all equity awards or accelerate their vesting and exercisability immediately before the corporate transaction. If the equity awards are assumed and an executive officer's employment is terminated in an involuntary employment action within two years following the corporate transaction, the equity awards that are assumed will become fully vested and, if applicable, exercisable. Under our equity plans, any assumed awards that become vested will remain exercisable through the earlier of twelve months from the termination date or the original option expiration date.

If the holder of an equity award retires, which is defined under our equity plans as leaving the employment of Biogen Idec after reaching age 55 with at least ten years of service, each then outstanding equity award not yet vested or exercisable would become immediately vested or exercisable upon such termination at a rate of 50% of the shares unvested at the time of retirement plus an additional 10% of the shares for each full year of service beyond ten years of service. Options vested under these provisions remain exercisable for 36 months from retirement or until the original option expiration date, if sooner. None of our named executive officers were eligible for potential payments under this retirement provision at December 31, 2011.

**Table of Contents***Potential Post-Termination Payments Table*

The following table summarizes the potential payments to each named executive officer under various termination events. The table assumes that the event occurred on December 31, 2011 and the calculations use the closing price of our common stock on December 30, 2011 (the last trading day of 2011), which was \$110.05 per share.

Name and Payment Elements (1) (a)	Voluntary Termination Unrelated to Corporate Transaction or Change in Control (2) (\$) (b)	Involuntary by the Company Without Cause and Not Following a Corporate Transaction or Change in Control (\$) (c)	Employment Action Following a Corporate Transaction or Change in Control (\$) (d)
<b>George A. Scangos</b>			
Cash Compensation			
Severance		5,625,001	5,625,001
Equity Awards			
Performance & time-vested restricted stock units			27,138,066
Benefits and Perquisites			
Medical, Dental and Vision		26,319	26,319
Outplacement		14,000	14,000
Total		5,665,320	32,803,386
<b>Paul J. Clancy</b>			
Cash Compensation			
Severance		1,644,644	1,879,593
Equity Awards			
Options			1,352,585
Performance & time-vested restricted stock units			7,188,703
Benefits and Perquisites			
Medical, Dental and Vision		33,685	38,497
Outplacement		14,000	14,000
280G Tax Gross-Up			762,462
Total		1,692,329	11,235,840
<b>Douglas Williams</b>			
Cash Compensation			
Severance		732,375	1,953,000
Equity Awards			
Performance & time-vested restricted stock units			4,270,358
Benefits and Perquisites			
Medical, Dental and Vision		14,436	38,497
Outplacement		14,000	14,000
Total		760,811	6,275,855

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Name and Payment Elements (1) (a)	Voluntary Termination Unrelated to Corporate Transaction or Change in Control (2) (\$) (b)	Involuntary by the Company Without Cause and Not Following a Corporate Transaction or Change in Control (\$) (c)	Employment Action Following a Corporate Transaction or Change in Control (\$) (d)
<b>Steven H. Holtzman</b>			
Cash Compensation			
Severance		697,500	1,860,001
Equity Awards			
Performance & time-vested restricted stock units			4,270,358
Benefits and Perquisites			
Medical, Dental and Vision		14,436	38,497
Outplacement		14,000	14,000
Total		725,936	6,182,856
<b>Francesco Granata</b>			
Cash Compensation			
Severance	1,692,600	926,900	1,934,401
Equity Awards			
Performance & time-vested restricted stock units			7,221,228
Benefits and Perquisites			
Medical, Dental and Vision	23,029	12,611	26,319
Outplacement	14,000	14,000	14,000
Total	1,729,629	953,511	9,195,948
<b>John G. Cox</b>			
Cash Compensation			
Severance		1,410,500	1,612,000
Equity Awards			
Options			744,516
Performance & time-vested restricted stock units			6,250,526
Benefits and Perquisites			
Medical, Dental and Vision		33,685	38,497
Outplacement		14,000	14,000
280G Tax Gross-Up			759,981
Total		1,458,185	9,419,520

*Notes to Post-Termination Payments Table*

- (1) This table excludes payments under our annual cash incentive plan which would have been earned based on employment on December 31, 2011. In the event of an executive's death or disability, the value of the accelerated stock options and restricted stock units would be as shown in column (d).
- (2) Dr. Granata's employment with the Company terminated on February 29, 2012 and the Company agreed to provide Dr. Granata the payments reflected in column (b).

**Table of Contents****Director Compensation**

This section describes the compensation of our non-employee directors and presents actual compensation in tabular form for our directors during 2011.

Dr. Scangos receives no compensation for his service on our Board of Directors. The following table presents the retainers and fees for all non-employee members of our Board of Directors in effect during 2011:

**Retainers**

Annual Board Retainer	\$35,000
	(\$50,000 as of July 1, 2011)
Annual Retainers (in addition to Annual Board Retainer)	
Independent Chairman of the Board	\$60,000
Finance and Audit Committee Chair	\$20,000
Compensation and Management Development Committee Chair	\$15,000
Corporate Governance Committee Chair	\$15,000
Science and Technology Committee Chair	\$15,000
Finance and Audit Committee Member (other than Chair)	\$ 5,000

**Fees**

Board of Directors Meetings (per meeting day)	
In-person attendance	\$ 2,500
Telephonic attendance	\$ 1,500
Committee Meetings (per meeting)	\$ 1,500

Our non-employee directors are also eligible to be paid a fee of \$1,000 for each full day of service to the Company other than in connection with meetings of our Board of Directors or its committees.

Our directors may defer all or part of their cash compensation and, beginning in 2012, their equity compensation under our Voluntary Board of Directors Savings Plan, which is similar to our Supplemental Savings Plan described in the narrative preceding the 2011 Non-Qualified Deferred Compensation Table, but without any Company matching features. If directors choose to defer compensation, the plan periodically will credit their accounts with amounts of deemed investment results as if their deferred compensation was invested in notional investments selected by the director or a default investment if the director does not make a selection. These notional investment options include the mutual funds available under our 401(k) plan as well as a fixed rate option which earns a rate of return determined each year by the Company's retirement committee. For director contributions to the fixed rate option in 2011 and 2012, this rate of return is set at 6.25%. Contributions to the fixed rate option continue to earn at the rate of return that was in effect during the year of contribution.

Directors are also reimbursed for actual expenses incurred in attending meetings of our Board of Directors and its committees, as well as service to our Board of Directors unrelated to such meetings.

*Awards Under Our Non-Employee Directors Equity Plan*

Our 2006 Non-Employee Directors Equity Plan was approved by stockholders at the 2006 annual meeting of stockholders, and approved in amended form at the 2010 annual meeting of stockholders.

*General provisions of the plan.* While our plan allows for an initial award of up to a maximum of 35,000 shares of our common stock (or 50,000 for the independent Chairman of the Board) upon initial election to our Board of Directors, in 2010 our Board of Directors determined to no longer make such initial awards. Non-employee directors receive grants effective with the date of each annual meeting of stockholders (or a pro rata grant upon election other than at an annual meeting of stockholders), up to an annual maximum of 17,500 shares of our common stock (or 30,000 shares for the independent Chairman of the Board). Annual grants

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vest on the one-year anniversary of the date of grant or over a longer period in the discretion of the Compensation Committee.

Grants to directors are recommended by both the Compensation Committee and the Corporate Governance Committee, and approved by our Board of Directors, with the independent Chairman recused from discussion and voting upon his awards.

*Grants During 2011.* In June 2011, the Compensation Committee and the Corporate Governance Committee recommended, and our Board of Directors approved annual grants to non-employee directors with a grant date fair value of \$270,000 for each director and an additional grant of \$270,000 for the independent Chairman. While the grant date fair values were above the median (\$251,440) of our named peer group, our cash compensation for directors is below the median of that same group of named peers. The June 1, 2011 annual grants were awarded in the form of restricted stock units vesting in full on the first anniversary of the grant date.

Awards granted under the 2006 Non-Employee Directors Equity Plan will be subject to accelerated vesting upon termination of Board of Directors service by reason of death, disability, retirement and change in control (as such terms are defined in the plan). In addition, director awards will become fully vested upon an involuntary termination of Board of Directors service within two years following certain mergers or other corporate transactions, as defined in the plan.

Our directors must use pre-established trading plans to sell shares of Biogen Idec stock. Trading plans may only be entered into when the director is not in possession of material non-public information about the Company, and we require a waiting period following the establishment of a trading plan before any trades may be executed. Our policy is designed to protect against trading activity that may be perceived as suspect, while still providing our directors an opportunity to realize the value intended by the Company in granting equity-based awards.

On May 30, 2007, our directors adopted share ownership guidelines for our non-employee directors. These guidelines provide that each director other than the independent Chairman is to own 5,000 shares of Biogen Idec stock outright within five years following May 30, 2007, or within five years following initial election for directors elected after May 30, 2007. Under the guidelines, the independent Chairman is to own 10,000 shares of Biogen Idec stock outright within five years following his election as independent Chairman. All of our non-employee directors currently meet or are on track to meet the share ownership requirement within the applicable five year period.

**Table of Contents****2011 Director Compensation**

Name (a)	Fees Earned or Paid in Cash (\$) (b)	Stock Awards (\$) (1) (c)	Option Awards (\$) (d)	Non-Equity Incentive Plan Compensation (\$) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) (2) (f)	All Other Compensation (\$) (3) (g)	Total (\$) (h)
Alexander J. Denner	89,500	270,222					359,722
Caroline D. Dorsa	87,000	270,222					357,222
Nancy L. Leaming	108,000	270,222					378,222
Richard C. Mulligan	77,500	270,222					347,722
Robert W. Pangia	101,500	270,222			103,790		475,512
Stelios Papadopoulos	95,000	270,222					365,222
Brian S. Posner	96,500	270,222					366,722
Eric K. Rowinsky	91,000	270,222					361,222
Lynn Schenk	107,500	270,222					377,722
Stephen A. Sherwin	107,500	270,222					377,722
William D. Young	151,000	540,444					691,444

*Notes to 2011 Director Compensation Table*

- (1) Grant date fair value of 2011 annual time-vested restricted stock unit (RSU) grants to non-employee directors, as described in the narrative preceding this table. These RSUs are scheduled to vest in full and be settled in shares on the first anniversary of the grant date.
- (2) The amounts in column (f) represent earnings in the Voluntary Board of Directors Savings Plan that are in excess of 120% of the average applicable federal long-term rate. The federal long-term rate for 2011 applied in this calculation is 4.57%, the federal long-term rate effective in January 2011 when the fixed rate option was established for 2011. Only Mr. Pangia participates in the fixed rate option.
- (3) No disclosure is required in this column because the values of perquisites or other personal benefits provided to each non-employee director does not exceed \$10,000.

**Table of Contents****Director Equity Outstanding at 2011 Fiscal Year-End**

The following table summarizes the equity awards that were outstanding as of December 31, 2011 for each of the directors serving during 2011.

Name (a)	Option Awards (1)		Stock Awards (2) Number of Shares or Units of Stock That Have Not Vested (#) (d)
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	
Alexander J. Denner	29,309	11,666	2,900
Caroline D. Dorsa	14,237	23,333	2,900
Nancy L. Leaming	15,700		2,900
Richard C. Mulligan	29,309	11,666	2,900
Robert W. Pangia	63,250		2,900
Stelios Papadopoulos	46,675		2,900
Brian S. Posner	4,900		2,900
Eric K. Rowinsky	12,992	23,333	2,900
Lynn Schenk	5,975		2,900
Stephen A. Sherwin	12,992	23,333	2,900
William D. Young			5,800

*Notes to Director Equity Outstanding at 2011 Fiscal Year-End Table*

- (1) All stock options were granted with a ten-year term. Stock options granted to non-employee directors as part of the annual grant vest in full on the first anniversary of the grant date.
- (2) Restricted stock units granted to non-employee directors as part of the annual grant vest in full on the first anniversary of the grant date.



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**CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

Our Code of Business Conduct, Corporate Governance Principles and Conflict of Interest Policy set forth our policies and procedures for the review and approval of transactions with related persons, including transactions that would be required to be disclosed in this Proxy Statement in accordance with SEC rules. Our Code of Business Conduct and Corporate Governance Principles are posted on our website, [www.biogenidec.com](http://www.biogenidec.com), under the Corporate Governance subsection of the About Us section of the site. In circumstances where one of our directors or executive officers, or a family member, has a direct or indirect material interest in a transaction involving Biogen Idec, the Finance and Audit Committee must review and approve all such proposed transactions or courses of dealing. In determining whether to approve or ratify a transaction with a related person, among the factors the Finance and Audit Committee may consider (as applicable) are: the business reasons for entering into the transaction; the size of the transaction and the nature of the related person's interest in the transaction; whether the transaction terms are as favorable to us as they would be to an unaffiliated third party; whether the transaction terms are more favorable to the related person than they would be to an unaffiliated third party; the availability of alternative sources for comparable products, services or other benefits; whether the transaction would impair the independence or judgment of the related person in the performance of his or her duties to us; for non-employee directors, whether the transaction would be consistent with NASDAQ's requirements for independent directors; whether the transaction is consistent with our Conflict of Interest Policy which prohibits related persons and others from having a financial interest in any competitor, customer, vendor or supplier of ours; the related person's role in arranging the transaction; the potential for the transaction to be viewed as representing or leading to an actual or apparent conflict of interest; and any other factors that the Finance and Audit Committee deems appropriate. In addition, certain transactions involving Biogen Idec that are deemed not to give rise to a direct or indirect material interest by a related person have standing pre-approval from the Finance and Audit Committee.

There are no relationships or transactions with related persons that are required to be disclosed in this Proxy Statement under SEC rules. Indeed, our Code of Business Conduct, which sets forth legal and ethical guidelines for all of our directors and employees, states that directors, executive officers and employees must avoid relationships or activities that might impair their ability to make objective and fair decisions while acting in their Company roles.

**Indemnification**

We indemnify our directors and executive officers to the fullest extent permitted by law so that they will be free from undue concern about personal liability in connection with their service to us. This is required under our Bylaws and we have also entered into separate agreements with each of our directors and executive officers to provide such indemnification.

**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information as of December 31, 2011 about:

the number of shares of common stock to be issued upon exercise of outstanding options and vesting of restricted stock units under plans adopted and assumed by us;

the weighted-average exercise price of outstanding options under plans adopted and assumed by us; and

the number of shares of common stock available for future issuance under our active plans: the 2008 Omnibus Equity Plan, the 2006 Non-Employee Directors Equity Plan and the 1995 Employee Stock Purchase Plan.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights (1)	Weighted-average Exercise Price of Outstanding Options and Rights (2)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the first column) (3)
Equity compensation plans approved by stockholders	5,801,262	\$ 52.75	14,929,446
Equity compensation plans not approved by stockholders			
<b>Total</b>	<b>5,801,262</b>	<b>\$ 52.75</b>	<b>14,929,446</b>

- (1) In connection with the merger of Biogen, Inc. with a subsidiary of IDEC Pharmaceuticals Corporation, we assumed all of Biogen, Inc. s then outstanding options. On an as-converted basis, the options that we assumed from Biogen, Inc. consist of the following as of December 31, 2011: (1) outstanding options to purchase 40,250 shares of common stock under the Biogen, Inc. 1987 Scientific Board Stock Option Plan with a weighted average exercise price of \$38.67; and (2) outstanding options to purchase 63,939 shares of common stock under the Biogen, Inc. 1985 Stock Option Plan with a weighted average exercise price of \$37.27.
- (2) The weighted-average exercise price includes all outstanding stock options, including the as-converted Biogen, Inc. options described in footnote 1, but does not include restricted stock units which do not have an exercise price. If the restricted stock units were included in this calculation, the weighted average exercise price would be \$15.36. The total number of restricted stock units included in the first column is 4,111,759.
- (3) Of these shares, (1) 11,266,654 remain available for future issuance under our 2008 Omnibus Equity Plan, (2) 818,803 remain available for future issuance under our 2006 Non-Employee Directors Equity Plan and (3) 2,843,990 remain available under our 1995 Employee Stock Purchase Plan, in each case as of December 31, 2011. In addition to shares issuable upon the exercise of options or rights, the shares under our 2008 Omnibus Equity Plan and our 2006 Non-Employee Directors Equity Plan may also be issued other than upon such exercise.

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### MISCELLANEOUS

#### **Stockholder Proposals**

Stockholder proposals submitted pursuant to Securities Exchange Act Rule 14a-8 and intended to be presented at our 2013 annual meeting of stockholders must be received by our Secretary no later than December 28, 2012 to be eligible for inclusion in our proxy statement and form of proxy relating to that meeting.

A stockholder proposal not included in our proxy statement for the 2013 annual meeting of stockholders will be ineligible for presentation at the meeting unless the stockholder gives timely notice of the proposal in writing to our Secretary at our principal executive offices and otherwise complies with the provisions of our Bylaws. To be timely, our Bylaws provide that we must have received the stockholder's notice not less than 90 days and not more than 120 days in advance of the first anniversary of the date this Proxy Statement was released to our stockholders in connection with the Annual Meeting. However, if the date of the 2013 annual meeting of stockholders is more than 30 days before or more than 60 days after the first anniversary of the Annual Meeting, we must receive the stockholder's notice not earlier than the close of business on the 120th day before the 2013 annual meeting of stockholders and not later than the close of business on the later of (1) the 90th day before the 2013 annual meeting of stockholders and (2) the 10th day following the day on which public announcement of the date of the 2013 annual meeting of stockholders is first made.

All stockholder proposals for our 2013 annual meeting of stockholders should be sent to the Secretary, Biogen Idec Inc., 133 Boston Post Road, Weston, Massachusetts 02493.

#### **Other Stockholder Communications**

Generally, stockholders who have questions or concerns should contact our Investor Relations department at (781) 464-2442. However, stockholders who wish to communicate directly with our Board of Directors, or any individual director, should direct questions in writing to the Secretary, Biogen Idec Inc., 133 Boston Post Road, Weston, Massachusetts 02493. Communications addressed in this manner will be forwarded directly to the Board of Directors or named individual director(s).

#### **Incorporation by Reference**

Notwithstanding anything to the contrary set forth in any of our previous filings under the securities laws that might incorporate future filings, including this Proxy Statement, in whole or in part, the Compensation and Management Development Committee Report, the Finance and Audit Committee Report, the content of [www.biogenidec.com](http://www.biogenidec.com), including the charters of the committees of our Board of Directors, Corporate Governance Principles, Finance and Audit Committee Practices and Code of Business Conduct, included or referenced in this Proxy Statement shall not be incorporated by reference into any such filings.

#### **Copies of Annual Meeting Materials**

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that, unless you have instructed otherwise, only one copy of our proxy statement, annual report or Notice of Internet Availability of Proxy Materials, as applicable, may have been sent to multiple stockholders in your household. **We will promptly deliver a separate copy of any of these documents without charge to you if you write or call Investor Relations, Biogen Idec Inc., 133 Boston Post Road, Weston, Massachusetts 02493, (781) 464-2442.** If you want to receive separate copies of our proxy statement, annual report or Notice of Internet Availability of Proxy Materials, as applicable, in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address or phone number.

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**Manner and Cost of Proxy Solicitation**

Biogen Idec pays the cost of soliciting proxies. In addition to solicitation by mail, our directors, officers and employees may contact you in person, by telephone or by email or other electronic means. None of our directors, officers or employees will receive additional compensation for soliciting you. We will reimburse brokerage houses, banks, custodians and other nominees and fiduciaries for out-of-pocket expenses incurred in forwarding our proxy solicitation materials to, and obtaining instructions relating to such materials from, beneficial owners of our common stock.

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**APPENDIX A**

**AMENDMENT TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**

If approved by stockholders, a new ARTICLE XII would be added to the Amended and Restated Certificate of Incorporation of Biogen Idec Inc. as follows (and the current Article XII would be renumbered as Article XIII):

**ARTICLE XII**

Unless the Board of Directors or one of its committees otherwise consents to the selection of an alternate forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action brought on behalf of the corporation and (ii) any direct action brought by a stockholder against the corporation or any of its directors or officers alleging a violation of the Delaware General Corporation Law, the corporation's certificate of incorporation or bylaws or breach of fiduciary duties or other violation of Delaware decisional law relating to the internal affairs of the corporation; in each case excluding actions in which the Court of Chancery of the State of Delaware concludes that an indispensable party is not subject to the jurisdiction of the Delaware courts and can be subject to the jurisdiction of another court within the United States.

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**APPENDIX B**

**AMENDMENT TO SECOND AMENDED AND RESTATED BYLAWS**

If approved by stockholders, a new Section 2.3A would be added to the Second Amended and Restated Bylaws of Biogen Idec Inc. as follows (and the current Section 2.3 would be retitled Special Meetings Called by Directors or Officers ):

**2.3A Special Meetings Called by Stockholders**

(a) Special meetings of the stockholders (each a Stockholder Requested Special Meeting ) shall be called by the Secretary upon the written request of a stockholder (or a group of stockholders formed for the purpose of making such request) who or which (i) has Net Long Beneficial Ownership (as defined below) of 25% or more of the outstanding common stock of the corporation (the Requisite Percent ) as of the date of submission of the request and (ii) has or have had continuous Net Long Beneficial Ownership of at least the same amount of securities so owned by such stockholder or by each member of such group of stockholders for at least one year as of the date of such request, subject to section 2.3A(b) below. Compliance by the requesting stockholder or group of stockholders with the requirements of this section and related provisions of these bylaws shall be determined in good faith by the Board, which determination shall be conclusive and binding on the corporation and the stockholders.

Net Long Beneficial Ownership (and its correlative terms), when used to describe the nature of a stockholder's ownership of common stock of the corporation, shall mean those shares of common stock of the corporation as to which the stockholder in question possesses (a) the sole power to vote or direct the voting, (b) the sole economic incidents of ownership (including the sole right to profits and the sole risk of loss), and (c) the sole power to dispose of or direct the disposition. The number of shares calculated in accordance with clauses (a), (b) and (c) shall not include any shares (i) sold by such stockholder in any transaction that has not been settled or closed, (ii) borrowed by such stockholder for any purposes or purchased by such stockholder pursuant to an agreement to resell or (iii) subject to any option, warrant, derivative or other agreement or understanding, whether any such arrangement is to be settled with shares of common stock of the corporation or with cash based on the notional amount of shares subject thereto, in any such case which has, or is intended to have, the purpose or effect of (A) reducing in any manner, to any extent or at any time in the future, such stockholder's rights to vote or direct the voting and full rights to dispose or direct the disposition of any of such shares or (B) offsetting to any degree gain or loss arising from the sole economic ownership of such shares by such stockholder.

(b) A request for a Stockholder Requested Special Meeting must be signed by the Requisite Percent of stockholders (or their duly authorized agents) and be delivered to the Secretary at the principal executive offices of the corporation by registered mail, return receipt requested. Such request shall (i) set forth a statement of the specific purpose or purposes of the meeting and the matters proposed to be acted on at such special meeting, (ii) bear the date of signature of each such stockholder (or duly authorized agent) signing the request, (iii) set forth (A) the name and address, as they appear in the corporation's stock ledger, of each stockholder signing such request (or on whose behalf the request is signed), (B) the class, if applicable, and the number of shares of common stock of the corporation as to which such stockholder has Net Long Beneficial Ownership, (C) include evidence of the fact and duration of such stockholder's beneficial ownership of such stock consistent with that which is required under Regulation 14A under the 1934 Act and (D) a certification that the stockholder satisfies the Net Long Beneficial Ownership requirement of these bylaws, (iv) set forth all information relating to each such stockholder that must be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or is otherwise required, in each case, pursuant to Regulation 14A under the 1934 Act, (v) contain the information required by Section 2.2 of these bylaws and (vi) include an acknowledgment by each stockholder and any duly authorized agent that any disposition of shares of common stock of the corporation as to which such stockholder has Net Long Beneficial Ownership as of the date of

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delivery of the special meeting request and prior to the record date for the proposed meeting requested by such stockholder shall constitute a revocation of such request with respect to such shares. In addition, the stockholder and any duly authorized agent shall promptly provide any other information reasonably requested by the corporation to allow it to satisfy its obligations under applicable law. Any requesting stockholder may revoke a request for a special meeting at any time by written revocation delivered to the Secretary at the principal executive offices of the corporation. If, following such revocation at any time before the date of the Stockholder Requested Special Meeting, the remaining requests are from stockholders holding in the aggregate less than the Requisite Percent, the Board, in its discretion, may cancel the Stockholder Requested Special Meeting.

(c) Notwithstanding the foregoing, the Secretary shall not be required to call a special meeting of stockholders if (i) the Board has called or calls an annual or special meeting of stockholders to be held not later than sixty (60) days after the date on which a valid request has been delivered to the Secretary (the Delivery Date ); or (ii) the request (A) is received by the Secretary during the period commencing ninety (90) days prior to the first anniversary of the date of the immediately preceding annual meeting and ending on the date of the next annual meeting; (B) contains an identical or substantially similar item (a Similar Item ) to an item that was presented at any meeting of stockholders held within one hundred and twenty (120) days prior to the Delivery Date (and, for purposes of this clause (B) the election of directors shall be deemed a Similar Item with respect to all items of business involving the election or removal of directors); (C) relates to an item of business that is not a proper subject for action by the stockholders of the corporation under applicable law; (D) was made in a manner that involved a violation of Regulation 14A under the 1934 Act or other applicable law; or (E) does not comply with the provisions of this Section 2.3A.

(d) Any Stockholder Requested Special Meeting shall be held at such date, time and place within or without the state of Delaware as may be fixed by the Board; provided, however, that the date of any Stockholder Requested Special Meeting shall be not more than sixty (60) days after the record date for such meeting (the Meeting Record Date ), which shall be fixed in accordance with Section 2.11 of these bylaws and if the Board fails to designate, within ten (10) days after the Delivery Date, the Meeting Record Date, then such Meeting Record Date shall be twenty (20) days after the Delivery Date; provided further that, if the Board fails to designate, within ten (10) days after the Delivery Date, a date and time for a Stockholder Requested Special Meeting, then such meeting shall be held at 9:00 a.m. local time on the 60th day after the Meeting Record Date (or, if that day shall not be a business day, then on the next preceding business day); and provided further that in the event that the Board fails to designate a place for a Stockholder Requested Special Meeting within ten (10) days after the Delivery Date, then such meeting shall be held at the corporation's principal executive offices. In fixing a date and time for any Stockholder Requested Special Meeting, the Board may consider such factors as it deems relevant within the good faith exercise of business judgment, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for meeting and any plan of the Board to call an annual meeting or a special meeting.

(e) Business transacted at any Stockholder Requested Special Meeting shall be limited to the purpose(s) stated in the request; provided, however, that nothing herein shall prohibit the corporation from submitting matters to a vote of the stockholders at any Stockholder Requested Special Meeting.

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**NOTICE OF ANNUAL MEETING  
AND PROXY STATEMENT**

**April , 2012**



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IMPORTANT ANNUAL MEETING INFORMATION

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on June 8, 2012.

Vote by Internet

Go to [www.envisionreports.com/BIIB](http://www.envisionreports.com/BIIB)

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone

Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas.

Follow the instructions provided by the recorded message

Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A Proposals The Board recommends a vote FOR the election of all of the director nominees listed in Proposal 1 and FOR

Proposals 2, 3, 4 and 5.

1. Election of Directors. The twelve director nominees numbered 1 through 12 are standing for election to serve for a one-year term extending until the 2013 annual meeting of stockholders and their successors are duly elected and qualified.

For Against Abstain For Against Abstain

01 Caroline D. Dorsa 02 Stelios Papadopoulos 03 George A. Scangos

04 Lynn Schenk 05 Alexander J. Denner 06 Nancy L. Leaming

07 Richard C. Mulligan 08 Robert W. Pangia 09 Brian S. Posner

10 Eric K. Rowinsky 11 Stephen A. Sherwin 12 William D. Young

For Against Abstain

2. To ratify the selection of PricewaterhouseCoopers LLP as Biogen Idec's 3. Say on Pay An advisory vote on

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independent registered public accounting firm for the fiscal year ending executive compensation.

December 31, 2012.

For Against Abstain

For Against Abstain

4. To approve an amendment to Biogen Idec's Amended and Restated 5. To approve an amendment to Biogen Idec's

Certificate of Incorporation establishing Delaware as exclusive Second Amended and Restated Bylaws permitting

forum for certain disputes. holders of at least 25% of common stock to call

special meetings.

B Authorized Signatures This section must be completed for your vote to be counted. Date and Sign Below

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

01FTJB

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IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy Biogen Idec Inc.

Proxy Solicited by Board of Directors for the 2012 Annual Meeting of Stockholders

To Be Held at Biogen Idec Inc., 15 Cambridge Center, Cambridge, Massachusetts 02142, on June 8, 2012, 9:00 A.M. (local time)

The undersigned hereby appoints George A. Scangos, Paul J. Clancy and Susan H. Alexander, and each of them (with full power to act alone), as proxies of the undersigned with all the powers the undersigned would possess if personally present and with full power of substitution in each of them to appear and vote all shares of common stock of Biogen Idec which the undersigned would be entitled to vote if personally present at the 2012 annual meeting of stockholders, and at any adjournment or postponement thereof.

The shares represented by this proxy will be voted as directed herein. If no direction is indicated, such shares will be voted FOR the election of all of the director nominees listed in Proposal 1 and FOR Proposals 2, 3, 4 and 5. As to any other matter that may properly come before the meeting or any adjournment or postponement thereof, said proxy holders will vote in accordance with their best judgment.

This proxy may be revoked in writing any time before the voting thereof. The undersigned hereby revokes all proxies previously given by the undersigned to vote at the 2012 annual meeting of stockholders or any adjournment or postponement thereof.

(Items to be voted appear on reverse side.)

C Non-Voting Items

Change of Address Please print your new address below. Comments Please print your comments below. Meeting Attendance

Mark the box to the right if you plan to attend the Annual Meeting.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.