

BIOGEN IDEC INC.  
Form DEF 14A  
April 28, 2010

**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**

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

**BIOGEN IDEC INC.**  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

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

Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

---

**Table of Contents**

**NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 9, 2010**

**To our Stockholders:**

The annual meeting of stockholders of Biogen Idec Inc., a Delaware corporation, will be held at **9:00 a.m., local time, on Wednesday, June 9, 2010 at the American Academy of Arts & Sciences, 136 Irving Street, Cambridge, Massachusetts 02138** for the following purposes:

1. To elect four nominees identified in this Proxy Statement to our Board of Directors to serve for a three-year term extending until the 2013 annual meeting of stockholders and their successors are duly elected and qualified. Our Board of Directors' nominees are Nancy L. Leaming, Brian S. Posner, Eric K. Rowinsky and Stephen A. Sherwin.
2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010.
3. To approve an amendment to our 2006 Non-Employee Directors Equity Plan to increase the number of shares available for issuance from 850,000 shares to 1,600,000 shares.
4. To transact such other business as may be properly brought before the meeting and any adjournments or postponements.

Only Biogen Idec stockholders of record at the close of business on April 19, 2010 will be entitled to vote at the meeting.

**Our Board of Directors recommends a vote FOR the election of all of the nominees listed in proposal 1 above and FOR proposals 2 and 3 above.**

Your vote is extremely important regardless of the number of shares you own. Whether or not you expect to attend the annual meeting in person, we urge you to vote as promptly as possible by telephone or by Internet by following the instructions on the accompanying proxy card or by signing, dating and returning the accompanying proxy card in the postage-paid envelope provided. **If your shares are held in street name in a stock brokerage account or by a bank or other nominee, you must provide your broker with instructions on how to vote your shares in order for your shares to be voted on important matters presented at the annual meeting. If you do not instruct your broker on how to vote in the election of directors this year, your shares will not be counted in the election.**

If you have any questions or require any assistance with voting your shares, please contact:

**MACKENZIE PARTNERS, INC.  
STOCKHOLDERS CALL TOLL FREE: 800-322-2885  
BANKS AND BROKERS CALL COLLECT: 212-929-5500  
EMAIL: *biogenidecproxy@mackenziepartners.com***

BY ORDER OF OUR BOARD OF DIRECTORS,

Susan H. Alexander,  
*Secretary*

14 Cambridge Center  
Cambridge, Massachusetts 02142  
April 28, 2010

---

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>GENERAL INFORMATION ABOUT THE MEETING AND VOTING</u></b>	<b>1</b>
<u>Who can vote?</u>	1
<u>Who can attend the Annual Meeting?</u>	1
<u>How do proxies work?</u>	1
<u>How do I vote?</u>	2
<u>What does it mean if I receive more than one proxy card or voting instruction form?</u>	2
<u>How can I change my vote?</u>	2
<u>What is a broker non-vote?</u>	3
<u>Will my shares be counted if I do not vote?</u>	3
<u>How many shares must be present to hold the Annual Meeting?</u>	3
<u>What vote is required to approve each proposal and how are votes counted?</u>	3
<u>Are there other matters to be voted on at the Annual Meeting?</u>	4
<u>Where do I find the voting results of the Annual Meeting?</u>	4
<u>Who should I call if I have any questions?</u>	4
<b><u>PROPOSAL 1 ELECTION OF DIRECTORS</u></b>	<b>5</b>
<u>Our Board Structure</u>	5
<u>Our Directors and Nominees for Director</u>	5
<u>Director Independence</u>	9
<u>Nominating Processes</u>	10
<u>Majority Voting</u>	11
<u>Director Qualification Standards and Diversity</u>	11
<u>Committees and Meetings</u>	11
<u>Compensation Committee Interlocks and Insider Participation</u>	13
<u>Risk Oversight</u>	13
<u>Compensation Risk Assessment</u>	13
<u>Finance and Audit Committee Report</u>	13
<b><u>PROPOSAL 2 RATIFICATION OF THE SELECTION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	<b>15</b>
<u>Audit and Other Fees</u>	15
<u>Policy on Pre-Approval of Audit and Non-Audit Services</u>	15
<b><u>PROPOSAL 3 APPROVAL OF AN AMENDMENT TO OUR 2006 NON-EMPLOYEE DIRECTORS EQUITY PLAN</u></b>	<b>17</b>
<b><u>STOCK OWNERSHIP</u></b>	<b>20</b>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	21
<b><u>EXECUTIVE COMPENSATION AND RELATED INFORMATION</u></b>	<b>22</b>
<u>Compensation Discussion and Analysis</u>	22
<u>Compensation and Management Development Committee Report</u>	33
<u>Summary Compensation Table</u>	33
<u>2009 Grants of Plan-Based Awards</u>	35
<u>Outstanding Equity Awards at 2009 Fiscal Year-End</u>	36
<u>2009 Options Exercised and Stock Vested</u>	38
<u>2009 Non-Qualified Deferred Compensation</u>	38
<u>Potential Payments Upon Termination or Change in Control</u>	40

<u>Director Compensation</u>	44
<u>2009 Director Compensation</u>	45

---

**Table of Contents**

	<b>Page</b>
<u>Director Equity Outstanding at 2009 Fiscal Year-End</u>	46
<u>CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS</u>	47
<u>DISCLOSURE WITH RESPECT TO OUR EQUITY COMPENSATION PLANS</u>	47
<u>Equity Compensation Plan Information</u>	48
<u>MISCELLANEOUS</u>	48
<u>Stockholder Proposals</u>	48
<u>Other Stockholder Communications</u>	49
<u>Incorporation by Reference</u>	49
<u>Copies of Annual Meeting Materials</u>	49
<u>Manner and Cost of Proxy Solicitation</u>	49
<u>APPENDIX A 2006 NON-EMPLOYEE DIRECTORS EQUITY PLAN</u>	A-1

---



**Table of Contents**

**Biogen Idec Inc.  
14 Cambridge Center  
Cambridge, Massachusetts 02142**

**PROXY STATEMENT FOR 2010 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 9, 2010**

**GENERAL INFORMATION ABOUT THE MEETING AND VOTING**

We are sending you this Proxy Statement and the accompanying proxy card because the Board of Directors of Biogen Idec Inc. (Biogen Idec or Company) is soliciting your proxy to vote at our 2010 annual meeting of stockholders (Annual Meeting) to be held at 9:00 a.m., local time, on Wednesday, June 9, 2010 at the American Academy of Arts & Sciences, 136 Irving Street, Cambridge, Massachusetts 02138, for the purposes summarized in the accompanying Notice of 2010 Annual Meeting of Stockholders. Our 2009 Summary Annual Report and 2009 Annual Report on Form 10-K are also being sent with this Proxy Statement.

**Who can vote?**

Each share of our common stock that you own as of the close of business on the record date of April 19, 2010 (Record Date) entitles you to one vote on each matter to be voted upon at the Annual Meeting. As of the Record Date, 266,999,801 shares of our common stock were outstanding and entitled to vote. We are mailing this Proxy Statement and the accompanying proxy card on or about April 28, 2010 to all stockholders of record as of the Record Date. For 10 days before the Annual Meeting, a list of stockholders entitled to vote will be available for inspection at our offices located at 10 Cambridge Center, Cambridge, Massachusetts 02142. If you would like to review the list, please call our Investor Relations department at (617) 679-2812.

**Who can attend the Annual Meeting?**

Attendance at the Annual Meeting will be limited to stockholders of Biogen Idec as of the Record Date (or their authorized representatives). If your shares are held by a bank, broker or other nominee, please bring to the Annual Meeting your bank or broker statement evidencing your beneficial ownership of Biogen Idec stock to gain admission to the Annual Meeting. Stockholders who plan to attend the Annual Meeting must present valid photo identification. Stockholders of record will be verified against an official list available at the registration area. We reserve the right to deny admittance to anyone who cannot adequately show proof of share ownership as of the Record Date.

**How do proxies work?**

Our Board of Directors is asking for your proxy using the accompanying proxy card. Giving us your proxy means that you authorize us to vote your shares at the Annual Meeting in the manner you direct. You may vote for or against some or all of our director nominees. You may also vote for or against the other proposals or abstain from voting. If you submit the proxy card without specifying your voting instructions, we will vote your shares as follows:

***Election of Directors:*** FOR the election of all of our director nominees;

***Ratification of PricewaterhouseCoopers LLP:*** FOR the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010;

***Amendment to Directors Plan:*** FOR the approval of an amendment to our 2006 Non-Employee Directors Equity Plan to increase the number of shares available for issuance from 850,000 shares to 1,600,000 shares; and

As to any other matter that may properly come before the meeting or any adjournment or postponement thereof, in accordance with our best judgment.

## **Table of Contents**

Shares represented by valid proxies received in time for the Annual Meeting and not revoked before the Annual Meeting will be voted at the Annual Meeting. You can revoke your proxy and change your vote in the manner described below in the subsection titled *How can I change my vote?* If your shares are held through a bank, broker or other nominee, please follow the instructions provided by your bank, broker or other nominee.

### **How do I vote?**

It is important that your shares are represented at the Annual Meeting, whether or not you attend the Annual Meeting in person.

*If you are a registered stockholder (also called a **record holder** ),* there are four ways to vote:

**Telephone:** By calling the toll-free telephone number indicated on your proxy card. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded;

**Internet:** By going to the Internet website indicated on your proxy card. As with telephone voting, you can confirm that your instructions have been properly recorded;

**Mail:** By signing, dating and returning the accompanying proxy card in the postage-paid envelope provided; or

**In Person:** By submitting a written ballot in person at the Annual Meeting. To obtain directions to attend the Annual Meeting, please contact our Investor Relations department at (617) 679-2812. We will pass out ballots at the Annual Meeting to anyone who wishes to vote in person.

*If your shares are held in a brokerage account in your broker's name (this is called **street name** ),* please follow the voting instructions provided by your bank, broker or other nominee. In most cases, you may submit voting instructions by telephone or by Internet to your bank, broker or other nominee, or you can sign, date and return a voting instruction form to your bank, broker or other nominee. If you provide specific voting instructions by telephone, by Internet or by mail, your bank, broker or other nominee must vote your shares as you have directed. If you wish to vote in person at the Annual Meeting, you must request a legal proxy from your bank, broker or other nominee.

### **What does it mean if I receive more than one proxy card or voting instruction form?**

If you hold your shares in more than one account, you will receive a proxy card or voting instruction form for each account. To ensure that all of your shares are voted, please use each proxy card and voting instruction form to vote by telephone or by Internet or sign, date and return a proxy card or voting instruction form for each account.

### **How can I change my vote?**

You may revoke your proxy and change your vote at any time before the Annual Meeting by:

Re-voting by telephone or by Internet as instructed above. Only your latest telephone or Internet vote will be counted.

Signing and dating a new proxy card or voting instruction form and submitting it as instructed above. Only your latest proxy card or voting instruction form will be counted.

If your shares are registered in your name, delivering timely written notice of revocation to the Secretary, Biogen Idec Inc., 14 Cambridge Center, Cambridge, Massachusetts 02142.

Attending the Annual Meeting in person and voting in person. Attending the Annual Meeting in person will not in and of itself revoke a previously submitted proxy unless you specifically request it. If your shares are held in street name in a brokerage account or by a bank or other nominee, you must request a legal proxy from your bank, broker or other nominee to vote in person at the Annual Meeting.

Only your latest vote, in whatever form, will be counted.

## **Table of Contents**

### **What is a broker non-vote?**

Broker non-votes generally occur when shares held by a broker nominee for a beneficial owner are not voted with respect to a proposal because the broker nominee has not received voting instructions from the beneficial owner and lacks discretionary authority to vote the shares. Under stock exchange and other rules, brokers have the authority to vote such shares on discretionary, or routine, matters but not on non-discretionary, or non-routine, matters.

**Each matter on the agenda for the Annual Meeting (other than ratification of our independent accounting firm) is a non-routine matter. If you do not instruct your broker how to vote on these matters your shares will not be counted.**

You should vote your shares by following the instructions on the voting instruction form provided by your bank, broker or other nominee and returning your voting instruction form to your bank, broker or other nominee to ensure that your shares are voted on your behalf.

### **Will my shares be counted if I do not vote?**

If you are a record holder and do not vote by telephone or by Internet or by signing, dating and returning a proxy card, your shares will not be voted.

If you are the beneficial owner of shares held in street name by a bank, broker or other nominee, as the record holder of the shares, your bank, broker or other nominee is required to vote those shares in accordance with your instructions. We urge you to provide instructions to your bank, broker or other nominee so that your votes may be counted on these important matters. You should vote your shares by following the instructions on the voting instruction form provided by your bank, broker or other nominee and returning your voting instruction form to your bank, broker or other nominee to ensure that your shares are voted on your behalf.

**If you do not give instructions to your broker, your broker will be entitled to vote your shares only with respect to routine matters, which at the Annual Meeting is only the ratification of our independent accounting firm, but will not be permitted to vote your shares with respect to non-routine matters. Uninstructed shares will be treated as broker non-votes. We urge you to provide instructions to your broker to ensure that your votes will be counted. You should vote your shares by following the instructions on the voting instruction form provided by your bank, broker or other nominee and returning your voting instruction form to your bank, broker or other nominee to ensure that your shares are voted on your behalf.**

### **How many shares must be present to hold the Annual Meeting?**

A majority of our outstanding shares of common stock as of the Record Date must be present at the Annual Meeting to hold the Annual Meeting and conduct business. This is called a quorum. Shares voted in the manner described above (under "How do I vote?") will be counted as present at the Annual Meeting. Shares that are present and entitled to vote on one or more of the matters to be voted upon are counted as present for establishing a quorum. If a quorum is not present, we expect that the Annual Meeting will be adjourned until we obtain a quorum.

### **What vote is required to approve each proposal and how are votes counted?**

***Election of Directors:*** The affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and cast in favor of or against a nominee for director is required to elect such nominee.

Abstentions and broker non-votes, if any, are not counted for purposes of electing directors and will have no effect on the results of this vote.

***Ratification of PricewaterhouseCoopers LLP:*** The affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is required to ratify PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2010. Abstentions will have the effect of votes against this proposal. Broker non-votes, if any, will have no effect on the results of this vote.

**Table of Contents**

***Amendment to Directors Plan:*** The affirmative vote of a majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the proposal is required to approve an amendment to our 2006 Non-Employee Directors Equity Plan to increase the number of shares available for issuance from 850,000 shares to 1,600,000 shares. Abstentions will have the effect of votes against this proposal. Broker non-votes, if any, will have no effect on the results of this vote.

**Are there other matters to be voted on at the Annual Meeting?**

We do not know of any other matters that may come before the Annual Meeting. If any other matters are properly presented to the Annual Meeting, the persons named in the accompanying proxy card intend to vote, or otherwise act, in accordance with their best judgment.

**Where do I find the voting results of the Annual Meeting?**

We will publish voting results in a Current Report on Form 8-K filed with the Securities and Exchange Commission (SEC) within four business days after the end of the Annual Meeting. You may request a copy of this Form 8-K by writing to Investor Relations, Biogen Idec Inc., 14 Cambridge Center, Cambridge, Massachusetts 02142. You will also be able to find a copy on the Internet through the SEC's electronic data system called EDGAR at [www.sec.gov](http://www.sec.gov) or through the Investors' section of our website, [www.biogenidec.com](http://www.biogenidec.com).

**Who should I call if I have any questions?**

If you have any questions or require any assistance with voting your shares, please contact:

**MACKENZIE PARTNERS, INC.**  
**STOCKHOLDERS CALL TOLL FREE: 800-322-2885**  
**BANKS AND BROKERS CALL COLLECT: 212-929-5500**  
**EMAIL: [biogenidecproxy@mackenziepartners.com](mailto:biogenidecproxy@mackenziepartners.com)**

**Important Notice Regarding the Availability of Proxy Materials for Annual Meeting of Stockholders To Be Held on June 9, 2010:** The Notice of 2010 Annual Meeting of Stockholders, Proxy Statement, 2009 Summary Annual Report and 2009 Annual Report on Form 10-K are available online at <http://investor.biogenidec.com/phoenix.zhtml?c=148682&p=proxy>.

**Table of Contents**

**PROPOSAL 1 ELECTION OF DIRECTORS**

Our Board of Directors has nominated Nancy L. Leaming, Brian S. Posner, Eric K. Rowinsky and Stephen A. Sherwin for election as Class 1 directors to serve a three-year term extending until the 2013 annual meeting of stockholders and their successors are duly elected and qualified, unless they resign or are removed. As described in detail below, our nominees have considerable professional and business expertise. The recommendation of our Board of Directors is based on its carefully considered judgment that the experience, qualifications, attributes and skills of our nominees qualify them to serve on our Board of Directors.

If any of our nominees is unable to serve on our Board of Directors, the shares represented by the accompanying proxy card will be voted for the election of such other person as may be nominated by our Board of Directors. In addition, in full compliance with all applicable state and federal laws and regulations, we will file an amended proxy statement and proxy card that, as applicable, (1) identifies the alternate nominee(s), (2) discloses that such nominees have consented to being named in the revised proxy statement and to serve if elected and (3) includes the disclosure required by Item 7 of Schedule 14A with respect to such nominees. We know of no reason why any nominee would be unable to accept nomination or election. All nominees have consented to be named in this Proxy Statement and to serve if elected.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF NANCY L. LEAMING, BRIAN S. POSNER, ERIC K. ROWINSKY AND STEPHEN A. SHERWIN.**

**Our Board Structure**

Our Board of Directors consists of three classes of directors with each director serving a staggered three-year term as follows:

<b>Class 1 Directors</b>	<b>Class 2 Directors</b>	<b>Class 3 Directors</b>
<b>Term Expires at this Annual Meeting</b>	<b>Term Expires at 2011 Annual Meeting</b>	<b>Term Expires at 2012 Annual Meeting</b>
Nancy L. Leaming	Caroline D. Dorsa	Alexander J. Denner
James C. Mullen	Stelios Papadopoulos	Richard C. Mulligan
Brian S. Posner	Lynn Schenk	Robert W. Pangia
Bruce R. Ross		William D. Young*
Eric K. Rowinsky		
Stephen A. Sherwin		

\* Chairman of the Board

Messrs. Mullen and Ross are not standing for re-election and will retire from our Board of Directors at the end of their current terms as directors upon certification of the election results at the Annual Meeting. Immediately following the Annual Meeting, our Board of Directors will comprise 12 director positions.

**Our Directors and Nominees for Director**



We were known as IDEC Pharmaceuticals Corporation before our merger with Biogen, Inc. in November 2003 (Merger). References to our or us in the following biographical descriptions include Biogen Idec and the former IDEC Pharmaceuticals Corporation.

***Nominees for Election as Class 1 Directors at this Annual Meeting***

Nancy L. Leaming  
(Director since  
January 2008)

Ms. Leaming, 62, has been an independent consultant since 2005. From 2003 to 2005, she served as the Chief Executive Officer and President of the Tufts Health Plan, a provider of healthcare insurance. From 1986 to 2003, Ms. Leaming served in several executive positions at Tufts Health Plan, including President, Chief Operating Officer and Chief Financial Officer.

**Table of Contents**

Ms. Leaming is a member of the boards of directors of Hologic, Inc., a provider of diagnostic and surgical products, and Edgewater Technology, Inc., a technology management consulting firm.

Ms. Leaming has well-developed leadership skills and financial acumen and provides insights into the healthcare reimbursement and payor market, where she spent 20 years in senior operational, financial and managerial roles.

Brian S. Posner  
(Director since July 2008)

Mr. Posner, 48, has been a private investor since March 2008 and is the President of Point Rider Group LLC, a consulting and advisory services firm within the financial services industry. From 2005 to March 2008, Mr. Posner served as the Chief Executive Officer and co-Chief Investment Officer of ClearBridge Advisors LLC, an asset management company and a wholly-owned subsidiary of Legg Mason. Prior to that, Mr. Posner co-founded Hygrove Partners LLC, a private investment fund, in 2000 and served as the Managing Partner for five years. He served as a portfolio manager and an analyst at Fidelity Investments from 1987 to 1996 and, from 1997 to 1999, at Warburg Pincus Asset Management/Credit Suisse Asset Management where he also served as co-Chief Investment Officer and Director of Research.

Given his substantial experience as a leading institutional investment manager and advisor, Mr. Posner brings a professional investor's perspective and financial expertise that is valuable to our Board of Directors as it oversees our strategy for enhancing shareholder value.

Eric K. Rowinsky, M.D.  
(Director since  
March 2010)

Dr. Rowinsky, 53, has been an independent consultant since January 2010. From 2005 to December 2009, he served as the Chief Medical Officer and Executive Vice President of Clinical Development and Regulatory of ImClone Systems Incorporated, a life sciences company, and served on the company's board of directors from 2005 to November 2008. Prior to that, Dr. Rowinsky held several positions at the Cancer Therapy & Research Center's Institute of Drug Development, including Director of the Institute, Director of Clinical Research and SBC Endowed Chair for Early Drug Development. Prior to that, he served as Clinical Professor of Medicine in the Division of Medical Oncology at the University of Texas Health Science Center at San Antonio and as Associate Professor of Oncology at the Johns Hopkins University School of Medicine.

Dr. Rowinsky is a member of the board of directors of ADVENTRX Pharmaceuticals, Inc., a life sciences company. During the past five years, Dr. Rowinsky has also served as a director of Tapestry Pharmaceuticals, Inc., a life sciences company.

Dr. Rowinsky has extensive research and drug development experience, oncology expertise and broad scientific and medical knowledge.

Stephen A. Sherwin, M.D.  
(Director since  
March 2010)

Dr. Sherwin, 61, has been Chairman of Ceregene, Inc., a life sciences company that he co-founded, since 2001. From 1990 to October 2009, he served as the Chief Executive Officer of Cell Genesys, Inc., a life sciences company, and was the company's Chairman from 1994 to October 2009. Prior to that, Dr. Sherwin held various positions at Genentech, Inc., a life sciences company, most recently as Vice President, Clinical Research.

Dr. Sherwin is a member of the board of directors of BioSante Pharmaceuticals, Inc., a pharmaceutical company, Neurocrine Biosciences, Inc., a life sciences company, and Rigel Pharmaceuticals, Inc., a life sciences company. He is also Chairman of the Biotechnology Industry Organization.

**Table of Contents**

Dr. Sherwin has extensive knowledge of the life sciences industry and brings more than 25 years of experience in senior leadership positions at large and small publicly traded life sciences companies to our Board of Directors.

***Class 2 Directors***

Caroline D. Dorsa  
(Director since  
January 2010)

Ms. Dorsa, 51, has been Executive Vice President and Chief Financial Officer of Public Service Enterprise Group Incorporated, a diversified energy company, since April 2009 and served on the company's board of directors from 2003 to April 2009. From February 2008 to April 2009, she served as Senior Vice President, Global Human Health, Strategy and Integration at Merck & Co., Inc., a pharmaceutical company. From November 2007 to January 2008, Ms. Dorsa served as Senior Vice President and Chief Financial Officer of Gilead Sciences, Inc., a life sciences company. From February 2007 to November 2007, she served as Senior Vice President and Chief Financial Officer of Avaya, Inc., a telecommunications company. From 1987 to January 2007, Ms. Dorsa held various financial and operational positions at Merck & Co., Inc., including Treasurer, Executive Director of U.S. Customer Marketing and Executive Director of U.S. Pricing and Strategic Planning. Ms. Dorsa has financial and accounting expertise and a deep knowledge of the pharmaceutical industry. Her strategic perspective on the industry is particularly valuable to our Board of Directors as it oversees our growth initiatives and reviews both internal development projects and external opportunities.

Stelios Papadopoulos, Ph.D.  
(Director since July 2008)

Dr. Papadopoulos, 61, is Chairman of Exelixis, Inc., a drug discovery and development company that he co-founded in 1994. Previously, he was an investment banker with Cowen & Co., LLC, focusing on the biotechnology and pharmaceutical sectors, from 2000 until his retirement as Vice Chairman in August 2006. Prior to joining Cowen & Co., Dr. Papadopoulos spent 13 years as an investment banker at PaineWebber, Inc. where he was most recently Chairman of PaineWebber Development Corp., a PaineWebber subsidiary focusing on biotechnology.

Dr. Papadopoulos is a member of the boards of directors of Anadys Pharmaceuticals, Inc., a drug discovery and development company he co-founded, and BG Medicine, Inc., a life sciences company. During the past five years, Dr. Papadopoulos has also served as a director of GenVec, Inc. and SGX Pharmaceuticals, Inc., both life sciences companies.

Having founded multiple life sciences companies and worked as an investment banker focused on the life sciences industry, Dr. Papadopoulos brings a first-hand understanding to our Board of Directors of the demands of establishing, growing and running life sciences businesses.

Lynn Schenk  
(Director since 1995)

Ms. Schenk, 65, is an attorney and consultant in private practice with extensive public policy and business experience. From 1999 to 2003, she served as Chief of Staff to the Governor of California, during which time she led the effort to create the institutes for science and innovation at the University of California. From 1993 to 1995, Ms. Schenk was a Member of the United States House of Representatives, representing San Diego, California and served on the House Energy & Commerce Committee with a special

emphasis on biotechnology. From 1980 to 1983, she was the California Secretary of Business, Transportation and Housing.

Ms. Schenk is a member of the board of directors of Semptra Energy, an energy services and development company.

**Table of Contents**

Ms. Schenk's strong public policy and legal experience provides vital insights to our Board of Directors about significant issues affecting the highly regulated life sciences industry, and she has extensive knowledge of Biogen Idec derived from her 15 year tenure as a director.

***Class 3 Directors***

Alexander J. Denner, Ph.D. (Director since June 2009)	<p>Dr. Denner, 40, has been serving as Managing Director of private investment funds affiliated with Carl C. Icahn since August 2006. From 2005 to May 2006, he served as a portfolio manager specializing in healthcare investments for Viking Global Investors, a private investment fund. Prior to that, Dr. Denner served in a variety of roles at Morgan Stanley, beginning in 1996, including as portfolio manager of healthcare and biotechnology mutual funds.</p> <p>Dr. Denner is a member of the boards of directors of Amylin Pharmaceuticals, Inc. and Enzon Pharmaceuticals, Inc., both life sciences companies. During the past five years, Dr. Denner has also served as a director of ADVENTRX Pharmaceuticals, Inc. and ImClone Systems Incorporated.</p> <p>Dr. Denner has experience overseeing the operations and research and development of biopharmaceutical companies and evaluating corporate governance matters. He also has extensive experience as an investor, particularly with respect to healthcare companies, and possesses broad life-sciences industry knowledge.</p>
Richard C. Mulligan, Ph.D. (Director since June 2009)	<p>Dr. Mulligan, 55, has been the Mallinckrodt Professor of Genetics at Harvard Medical School and Director of the Harvard Gene Therapy Initiative since 1996. Prior to that, he was Professor of Molecular Biology at the Massachusetts Institute of Technology, a member of the Whitehead Institute for Biomedical Research, and Chief Scientific Officer of Somatix Therapy Corporation, a drug discovery and development company that he founded. Dr. Mulligan was named a MacArthur Foundation Fellow in 1981.</p> <p>Dr. Mulligan is a member of the boards of directors of Enzon Pharmaceuticals, Inc. and Collectis SA, both life sciences companies. During the past five years, Dr. Mulligan has also served as a director of ImClone Systems Incorporated.</p> <p>Dr. Mulligan has scientific expertise in the areas of molecular biology, genetics, gene therapy and biotechnology, as well as extensive experience within the life sciences industry, including overseeing the operations and research and development of biopharmaceutical companies.</p>
Robert W. Pangia (Director since 1997)	<p>Mr. Pangia, 58, has been a partner in Ivy Capital Partners, LLC, the general partner of Ivy Healthcare Capital, L.P., a private equity fund specializing in healthcare investments, since 2003. From October 2007 to October 2009, he served as the Chief Executive Officer of Highlands Acquisition Corp., a special purpose acquisition company. From 1996 to 2003, Mr. Pangia was self-employed as an investment banker. From 1987 to 1996, he held various senior management positions at PaineWebber, including Executive Vice President and Director of Investment Banking for PaineWebber Incorporated of New York, member of the board of directors of PaineWebber, Inc., Chairman of PaineWebber Properties, Inc., and member of several of PaineWebber's executive and operating committees.</p> <p>Mr. Pangia is a member of the board of directors of McAfee, Inc., a security technology company. During the past five years, Mr. Pangia has also served as a</p>

director of Icos Corporation, a life sciences company.

Mr. Pangia has a breadth of expertise within the healthcare industry and finance and extensive knowledge of Biogen Idec derived from his 13 year tenure as a director.

## Table of Contents

William D. Young (Director since 1997) Mr. Young, 65, has been a venture partner in Clarus Ventures, LLC, a life sciences venture capital firm, since March 2010 and has served as the Executive Chairman of NanoString Technologies, Inc., a provider of molecular diagnostics and a portfolio company of Clarus Ventures, since February 2010. He has also served as our independent Chairman since January 2010. From 1999 to August 2009, Mr. Young served as the Chief Executive Officer of Monogram Biosciences, Inc., a provider of molecular diagnostics, and as its Chairman from 1998 to August 2009. From 1980 to 1999, he held several positions at Genentech, Inc. and served as its Chief Operating Officer from 1997 to 1999. Prior to joining Genentech, Mr. Young was with Eli Lilly & Co., a pharmaceutical company, for 14 years. He was elected to the National Academy of Engineering in 1993 for his contributions to biotechnology. Mr. Young is a member of the board of directors of Theravance, Inc., a life sciences company. During the past five years, Mr. Young has also served as a director of Human Genome Sciences, Inc., a life sciences company. Mr. Young has extensive operational experience, leadership skills and knowledge of the life sciences industry and a broad understanding of Biogen Idec through his service as a director over the past 13 years.

## **Director Independence**

**Board of Directors.** All of our directors and nominees for director, other than Mr. Mullen, our Chief Executive Officer and President, satisfy the independence requirements of The NASDAQ Stock Market, Inc. (NASDAQ). Our independent directors during 2009 also included our former directors Lawrence C. Best, Marijn E. Dekkers, Alan B. Glassberg and Phillip A. Sharp. In determining independence, our Board of Directors considered the following transactions and relationships:

Dr. Dekkers was the Chief Executive Officer of Thermo Fisher Scientific Inc., which is one of our suppliers. The volume of business between Biogen Idec and Thermo Fisher Scientific amounts to less than 1% of the revenues of each company.

Ms. Schenk is a director of Sempra Energy, which is a publicly regulated utility that supplies electricity to our facility in San Diego, California. The volume of business between Biogen Idec and Sempra Energy amounts to less than 1% of the revenues of each company.

Dr. Sharp founded and serves as a director of Alnylam Pharmaceuticals, Inc., which in 2006 entered into a collaboration agreement with us related to the discovery and development of RNAi therapeutics for the potential treatment of progressive multifocal leukoencephalopathy. Dr. Sharp is not an executive officer or significant stockholder of Alnylam Pharmaceuticals, he did not participate in our Board of Directors discussion and vote on the agreement and he was not involved in the transaction on Alnylam Pharmaceuticals behalf.

**Committees.** The committees of our Board of Directors consist solely of independent directors, as defined by NASDAQ. The members of the Finance and Audit Committee also meet the additional SEC and NASDAQ independence and experience requirements applicable specifically to members of the Finance and Audit Committee. In addition, all of the members of the Compensation and Management Development Committee are non-employee directors within the meaning of the rules of Section 16 of the Securities Exchange Act of 1934, as amended (Securities Exchange Act), and outside directors for purposes of Section 162(m) of the Internal Revenue Code.



**Leadership Structure.** We currently separate the roles of Chairman of the Board of Directors and Chief Executive Officer. Our Chairman, an independent director, presides at meetings of our Board of Directors, executive sessions of our non-employee directors and our annual meeting of stockholders. In addition, our Chairman sets the agenda for our Board meetings in collaboration with our Chief Executive Officer, recommends Board committee appointments and responsibilities in conjunction with the Corporate Governance Committee, and leads the evaluation process of our Chief Executive Officer. We believe that having an independent Chairman promotes a greater role for the independent directors in the oversight of the Company, including oversight of material risks

## **Table of Contents**

facing the Company, encourages active participation by the independent directors in the work of our Board of Directors, enhances our Board of Directors' role of representing stockholders' interests, and improves our Board of Directors' ability to supervise and evaluate our Chief Executive Officer and other executive officers.

## **Nominating Processes**

The Corporate Governance Committee is responsible for identifying individuals qualified to become members of our Board of Directors, including the review of candidates recommended by stockholders. The Corporate Governance Committee has retained a search firm to help identify and recruit potential candidates. Stockholders may recommend nominees for consideration by the Corporate Governance Committee by submitting the names and supporting information to the Secretary, Biogen Idec Inc., 14 Cambridge Center, Cambridge, Massachusetts 02142. Any such recommendation should include at a minimum the name(s) and address(es) of the stockholder(s) making the recommendation and appropriate biographical information for the proposed nominee(s). Candidates who are recommended by stockholders will be considered on the same basis as candidates from other sources. For all potential candidates, the Corporate Governance Committee will consider all factors it deems relevant, including at a minimum those listed below in the subsection titled "Director Qualification Standards and Diversity." Director nominations are recommended by the Corporate Governance Committee to our Board of Directors and must be approved by a majority of independent directors.

In addition, our Bylaws contain provisions that address the process by which a stockholder may nominate an individual to stand for election to our Board of Directors at an annual meeting of stockholders. In order to nominate a director candidate for election at our 2011 annual meeting of stockholders, a stockholder must give timely notice in writing to our Secretary at our principal executive offices and otherwise comply with the provisions of our Bylaws. To be timely, our Bylaws provide that we must have received a stockholder's notice not less than 90 days and not more than 120 days in advance of the anniversary of the date our proxy statement was released to the stockholders in connection with the previous year's annual meeting of stockholders. However, in the event that no annual meeting of stockholders was held in the previous year or the date of the annual meeting of stockholders has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, we must receive a stockholder's notice not earlier than the close of business on the 120th day prior to such annual meeting of stockholders and not later than the close of business on the later of (1) the 90th day prior to such annual meeting of stockholders and (2) the 10th day following the day on which public announcement of the date of such annual meeting of stockholders is first made. Information required by the Bylaws to be in the notice includes, among other things, the name, contact information and security ownership information for the candidate and the person making the nomination, any voting commitment by the candidate, whether the person making the nomination is part of a group that intends to deliver a proxy statement or solicit proxies, and other information about the nominee that must be disclosed in proxy solicitations under Section 14 of the Securities Exchange Act and the related rules and regulations under that Section. The Corporate Governance Committee may also require any proposed nominee to furnish such other information as may be reasonably required to determine the eligibility of such proposed nominee to serve as our director.

In January 2010, we received notice from entities affiliated with Carl C. Icahn, namely, Icahn Partners LP, Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP, Icahn Partners Master Fund III LP and High River Limited Partnership, of their intention to nominate Thomas F. Deuel, Dr. Rowinsky and Richard A. Young for election to our Board of Directors at the Annual Meeting. These entities also indicated their intention to submit at the Annual Meeting a proposal to amend our Bylaws in order to fix the number of directors at 12 and eliminate the power of our Board of Directors to fix the number of directors. In March 2010, we entered into an agreement with Mr. Icahn and entities affiliated with Mr. Icahn pursuant to which, among other things, (1) they agreed to withdraw their notice of nomination of directors and business for the Annual Meeting and vote their shares of our common stock at the Annual Meeting in favor of our director nominees and (2) we agreed to appoint Dr. Rowinsky and Dr. Sherwin to our

Board of Directors and include them in our slate of director nominees at the Annual Meeting. Dr. Sherwin was identified as a director candidate by a search firm that the Corporate Governance Committee has retained to help identify and recruit potential candidates.

## **Table of Contents**

### **Majority Voting**

Under our Bylaws, directors are elected by a majority of votes cast in uncontested elections, and by a plurality of votes cast in contested elections. In addition, following their appointment or election by stockholders to our Board of Directors, directors must submit an irrevocable resignation that will be effective upon (1) the failure to receive the required number of votes for reelection at the next annual meeting of stockholders at which they face reelection and (2) acceptance of such resignation by our Board of Directors. If an incumbent director fails to receive the number of votes required for reelection, our Board of Directors (excluding the director in question) will, within 90 days after certification of the election results, decide whether to accept the director's resignation taking into account such factors as it deems relevant. Such factors may include the stated reasons why stockholders voted against such director's reelection, the qualifications of the director and whether accepting the resignation would cause us to fail to meet any applicable listing standards or would violate state law. Our Board of Directors will promptly disclose its decision and, if applicable, the reasons for rejecting the resignation in a filing with the SEC.

### **Director Qualification Standards and Diversity**

Our directors should possess the highest personal and professional ethics and integrity, understand and be aligned with our core values, and be committed to representing the long-term interests of our stockholders. Our directors must also be inquisitive and objective and have practical wisdom and mature judgment. In accordance with our Corporate Governance Principles, we endeavor to have a Board of Directors representing diverse experience at strategic and policy-making levels in business, government, education, healthcare, science and technology, and the international marketplace. In selecting nominees to the Board of Directors, the Corporate Governance Committee considers a variety of characteristics and qualifications in potential nominees, including, among other things, their experience, employment and background as well as their ability to enhance the perspective and experience of the Board of Directors as a whole.

Our directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serving on our Board of Directors for an extended period of time. We ask directors who also serve in full-time positions with another company not to serve on more than two boards of public companies in addition to our Board of Directors (excluding their own company) and other directors not to serve on more than six boards of public companies in addition to ours.

Our Board of Directors does not believe that arbitrary term limits on directors' service are appropriate, nor does it believe that directors should expect to be re-nominated. Regular evaluations are an important determinant for continued tenure. Our Corporate Governance Principles provide that directors should offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities or any circumstances that may adversely affect their ability to carry out their duties and responsibilities effectively. Our directors are also expected, but not required, to offer their resignation to the Board of Directors effective at the annual meeting of stockholders in the year of their 75th birthday.

### **Committees and Meetings**

Our Board of Directors has four standing committees, which are described in the table below. The chair of each committee periodically reports to our Board of Directors about such committee's deliberations and decisions. Each committee's charter is posted on our website, [www.biogenidec.com](http://www.biogenidec.com), under the Board of Directors' Corporate Governance subsection of the About Us section of the site. Also posted there are the Finance and Audit Committee Practices, which describe the key practices used by the Finance and Audit Committee in undertaking its functions and

responsibilities, and our Corporate Governance Principles, which, together with our committee charters, provide the framework for our governance.

**Table of Contents**