

BRISTOL MYERS SQUIBB CO
Form DEF 14A
March 23, 2017

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[TABLE OF CONTENTS](#)

[Table of Contents](#)

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

SCHEDULE 14A

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
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Bristol-Myers Squibb Company

(Name of Registrant as Specified In Its Charter)

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

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Table of Contents

Table of Contents

PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>PROXY STATEMENT SUMMARY</u>	3
<u>ELECTION OF DIRECTORS</u>	9
<u>Majority Vote Standard and Mandatory Resignation Policy</u>	9
<u>Criteria for Board Membership</u>	9
<u>Director Independence</u>	9
<u>Director Succession Planning and Identification of Board Candidates</u>	10
<u>2017 Director Nominees</u>	11
<u>CORPORATE GOVERNANCE AND BOARD MATTERS</u>	17
<u>Active Board Oversight of Our Governance</u>	17
<u>Board Leadership Structure</u>	17
<u>Board's Role in Strategic Planning and Risk Oversight</u>	18
<u>Risk Assessment of Compensation Policies and Practices</u>	19
<u>Annual Evaluation Process</u>	19
<u>Meetings of our Board</u>	20
<u>Annual Meeting of Shareholders</u>	20
<u>Committees of our Board</u>	20
<u>Codes of Conduct</u>	23
<u>Related Party Transactions</u>	23
<u>Disclosure Regarding Political Activities</u>	24
<u>Communications with our Board of Directors</u>	25
<u>Compensation of Directors</u>	25
<u>EXECUTIVE COMPENSATION</u>	
<u>Compensation Discussion and Analysis</u>	29
<u>Compensation and Management Development Committee Report</u>	56
<u>Summary Compensation Table</u>	57
<u>Grants of Plan-Based Awards</u>	58
<u>Outstanding Equity Awards at Fiscal Year-End</u>	59
<u>Option Exercises and Stock Vesting</u>	60
<u>Present Value of Accumulated Pension Benefits</u>	62
<u>Non-Qualified Deferred Compensation Plan</u>	63
<u>Post-Termination Benefits</u>	64

<u>Termination of Employment Obligations (Excluding Vested Benefits)</u>	<u>68</u>
<u>ITEMS TO BE VOTED UPON</u>	
<u>Item 1 Election of Directors</u>	<u>9</u>
<u>Item 2 Advisory Vote to Approve the Compensation of our Named Executive Officers</u>	<u>69</u>
<u>Equity Compensation Plan Information</u>	<u>70</u>
<u>Item 3 Advisory Vote on the Frequency of the Advisory Vote to Approve the Compensation of our Named Executive Officers</u>	<u>70</u>
<u>Item 4 Re-approval of the Material Terms of the Performance-Based Awards under the Company's 2012 Stock Award and Incentive Plan (as amended)</u>	<u>70</u>
<u>Item 5 Approval of an Amendment to the Company's 2012 Stock Award and Incentive Plan</u>	<u>72</u>
<u>Item 6 Ratification of the Appointment of Independent Registered Public Accounting Firm</u>	<u>80</u>
<u>Audit and Non-Audit Fees</u>	<u>80</u>
<u>Pre-Approval Policy for Services Provided by our Independent Registered Public Accounting Firm</u>	<u>81</u>
<u>Audit Committee Report</u>	<u>81</u>
<u>Items 7 Shareholder Proposal to Lower the Share Ownership Threshold to Call Special Shareholder Meetings</u>	<u>82</u>
<u>VOTING SECURITIES AND PRINCIPAL HOLDERS</u>	<u>85</u>
<u>Common Stock Ownership by Directors and Executive Officers</u>	<u>85</u>
<u>Principal Holders of Voting Securities</u>	<u>86</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>86</u>
<u>Policy on Hedging and Pledging</u>	<u>86</u>
<u>OTHER MATTERS</u>	<u>86</u>
<u>Advance Notice Procedures</u>	<u>86</u>
<u>2018 Shareholder Proposals</u>	<u>87</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>87</u>
<u>Availability of Corporate Governance Documents</u>	<u>87</u>
<u>FREQUENTLY ASKED QUESTIONS</u>	<u>88</u>
<u>EXHIBIT A Categorical Standards of Independence</u>	<u>A-1</u>
<u>EXHIBIT B 2012 Stock Award and Incentive Plan (as amended)</u>	<u>B-1</u>
<u>EXHIBIT C Directions to our Lawrence Township Office</u>	<u>C-1</u>

Table of Contents

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

**NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS**

Notice is hereby given that the 2017 Annual Meeting of Shareholders will be held at Bristol-Myers Squibb Company, 3401 Princeton Pike, Lawrence Township, New Jersey, on Tuesday, May 2, 2017, at 10:00 a.m. for the following purposes as set forth in the accompanying Proxy Statement:

- to elect to the Board of Directors the 11 persons nominated by the Board, each for a term of one year;
- to conduct an advisory vote to approve the compensation of our Named Executive Officers;
- to conduct an advisory vote on the frequency of the advisory vote to approve the compensation of our Named Executive Officers;
- to re-approve the material terms of the Performance-Based Awards under the Company's 2012 Stock Award and Incentive Plan (as amended);
- to approve an Amendment to the Company's 2012 Stock Award and Incentive Plan;
- to ratify the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2017;
- to consider one shareholder proposal, if presented at the meeting; and
- to transact such other business as may properly come before the meeting or any adjournments thereof.

Holders of record of our common and preferred stock at the close of business on March 14, 2017 will be entitled to vote at the meeting.

By Order of the Board of Directors

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

Dated: March 23, 2017

YOUR VOTE IS IMPORTANT

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

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

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

Table of Contents

Dear fellow shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Bristol-Myers Squibb Company on Tuesday, May 2, 2017, at 10:00 a.m. at our offices located in Lawrence Township, New Jersey. We hope that you will be able to attend.

During the meeting, we will cover a number of business items, including the election of directors, advisory votes to approve the compensation of our Named Executive Officers and the frequency of the advisory vote on compensation of our Named Executive Officers, two proposals related to our 2012 Stock Award and Incentive Plan, ratification of the appointment of an independent registered public accounting firm, and consideration of one shareholder proposal.

We will also use the meeting as an opportunity to look back on the past year, highlighting everything from our strong financial and operational company performance to our regulatory and clinical advances to the important work of the BMS Foundation. We will discuss our ongoing efforts to transform our operating model to enable us to continue to seize opportunities in a challenging external environment. And, of course, we will talk about our unwavering focus on our patients and their families – the people at the center of everything we do.

Lastly, we will use this opportunity to thank Secretary Togo D. West, Jr. and Dr. Thomas J. Lynch, Jr. for their many years of dedicated service to the Bristol-Myers Squibb Board of Directors and our shareholders. The Board is extremely grateful to Secretary West and Dr. Lynch for their contributions. Secretary West will retire from the Board of Directors effective after this Annual Meeting, and Dr. Lynch retired from the Board on March 15, 2017 and became our new Chief Scientific Officer. We would also like to welcome Robert Bertolini, Matthew Emmens and Theodore Samuels to the Board. Bob, Matt and Ted were each elected to serve as a member of our Board of Directors effective February 21, 2017. Each brings to our company important experience and skills that will further strengthen and complement our Board.

Last year, over 89% of the outstanding shares were represented at the Annual Meeting. Whether or not you attend in person, we hope that your shares will be represented at the meeting. Your vote is very important.

We look forward to welcoming many of you to our 2017 Annual Meeting.

Giovanni Caforio, M.D.
Chief Executive Officer

Lamberto Andreotti
Chairman of the Board

1

Table of Contents

To my fellow shareholders:

At Bristol-Myers Squibb, our Mission is "to discover, develop and deliver innovative medicines that help patients prevail over serious diseases." My fellow Directors and I believe in this Mission, and we strive to ensure from the boardroom that the company is well-positioned to be successful in this important undertaking. 2016 was an outstanding year financially for us, and despite the unique challenges we faced, we continued to make meaningful strides in the right direction, leveraging the operational flexibility afforded to us by our transition to a specialty biopharmaceutical company. Namely, 2016 was marked by continued growth across our core priority brands, additional clinical and regulatory achievements, important business development activities, the evolution of our operating model, and a strong balance sheet.

In December 2016, we announced that our Chairman of the Board, Lamberto Andreotti, has decided to retire effective after this Annual Meeting. We would like to use this opportunity to thank Lamberto for his many years of dedicated service to Bristol-Myers Squibb and its shareholders, including in his former capacity as CEO from 2010 to 2015. The Board of Directors has elected Giovanni Caforio, M.D., to become Chairman of the Board upon Lamberto's retirement. The Board looks forward to working with Dr. Caforio in his new role as Chairman and CEO.

On March 23, 2017, we announced that I have also decided to retire effective after this Annual Meeting. I am very pleased to report that Dr. Vicki Sato will be your new Lead Independent Director. Vicki has been a stalwart member of our Board over the last several years, and I know that as Lead Independent Director, she will continue to advance our commitment to excellence in governance.

Your Board remains committed to sound corporate governance, openness to shareholder feedback, and practices that ensure the Board is comprised of skilled, diverse and engaged members that effectively support the execution of the company's strategy. As evidence of this commitment, three key areas of focus in 2016 are worth highlighting:

Ongoing shareholder dialogue. Shareholder engagement continues to be a top priority. During 2016, we met with shareholders representing over 30% of our outstanding shares. The input shareholders provided enabled the Board to more thoroughly evaluate our governance practices and inform our executive compensation program, as evidenced by the proxy access shareholder right we adopted in February 2016 and the re-design of our executive compensation program for 2016.

Focus on Board effectiveness and succession planning. We were pleased to discuss our robust Board and committee evaluation process with shareholders. The Board considers board refreshment an integral part of its process to ensure that the skill set, proficiency and perspectives of board members remain sufficiently current and broad to deal with the ever-changing business dynamics of the company. The election of three new directors this year demonstrates our commitment to refreshment. The Board also considers important the need to balance such refreshment with the understanding that age and experience often bring solid judgment, proven knowledge and wisdom, and invaluable continuity.

Board's role in execution of company strategy. My fellow Directors and I believe that we are only able to effectively serve the governance needs of our organization when company decisions are the product of strategic partnership between management and the Board where the Board is informed, active and constructively engages management, without undue disruption to the day-to-day business of the company. Our Board meets regularly to discuss the strategic direction and the issues and opportunities facing our company. As a group, we provide a valuable mix of experience and insights in key areas, including, among others, expertise in the healthcare industry, fields of medicine, science and technology, executive and boardroom leadership, and financial, capital markets and operating experience. Our Board will continue to provide critical insights to our company that will (i) focus on maximizing shareholder value and (ii) support the pursuit of our Mission "to discover, develop and deliver innovative medicines that help patients prevail over serious diseases."

Your Bristol-Myers Squibb family of employees, management leadership, and Board is an extraordinary collection of devoted and talented team members. It has been an honor to serve with them, and, in doing so, to serve your interests while remembering those who rely upon the Bristol-Myers Squibb name and integrity. On behalf of the Board of Directors, I thank you for your continued support.

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

2

Table of Contents**PROXY STATEMENT SUMMARY****2017 Annual Meeting of Shareholders**

Date: Tuesday, May 2, 2017
Time: 10:00 a.m.
Place: 3401 Princeton Pike, Lawrence Township, New Jersey

For additional information about the Annual Meeting, see "Frequently Asked Questions" beginning on page 88.

Voting Matters

Item	Proposal	Board Vote Recommendation	Required Vote	Page Number
1	Election of Directors	FOR ALL	Majority of votes cast	9
2	Advisory vote to approve the compensation of our Named Executive Officers	FOR	Majority of shares voted	69
3	Advisory vote on the frequency of the advisory vote to approve the compensation of our Named Executive Officers	EVERY (1) YEAR	Majority of shares voted	70
4	Re-approval of the material terms of the Performance-Based Awards under the Company's 2012 Stock Award and Incentive Plan (as amended)	FOR	Majority of shares voted	70
5	Approval of an Amendment to the Company's 2012 Stock Award and Incentive Plan	FOR	Majority of shares voted	72
6	Ratification of the appointment of an independent registered public accounting firm	FOR	Majority of shares voted	80
7	Shareholder proposal to lower the share ownership threshold to call special shareholder meetings	AGAINST	Majority of shares voted	82

2016 Performance Highlights

2016 marked Bristol-Myers Squibb's successful transition to a specialty biopharmaceutical company, with a strategy uniquely designed to leverage both the reach and resources of a major pharmaceutical company, and the entrepreneurial spirit and agility of a biotech firm. Building on a number of years of foundation building and working to streamline our core therapeutic areas, we met, or exceeded, our financial and operational goals in key areas in 2016.

Key Financial and Operational Highlights for 2016

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2016 was a great year in which we built on the substantial growth and strong foundation put in place in 2015. Management's continued execution of our strategic priorities in 2016 resulted in increased revenues of 17% and increased GAAP and non-GAAP earnings per share of 185% and 41%, respectively, compared to 2015. This growth was the result of the strong performance of new and inline brands (products that are not expected to lose exclusivity in the U.S. between the next three years, in the case of *Sprycel*, and the next ten years, in the case of *Opdivo*), additional clinical and regulatory achievements, particularly in immuno-oncology, important business development activities that supplement our innovative pipeline, the evolution of our operating model, and a strong balance sheet.

\$ amounts in millions, except per share amounts	Full Year		
	2016	2015	Change
Total Revenues	\$19,427	\$16,560	17%
GAAP Diluted EPS	2.65	0.93	185%
Non-GAAP Diluted EPS (1)	2.83	2.01	41%

- (1) Our non-GAAP financial measures, including non-GAAP earnings and related EPS information, are adjusted to exclude specified items which represent certain costs, expenses, gains and losses and other items impacting the comparability of financial results. For a detailed listing of all specified items and further information, including reconciliations of non-GAAP financial measures, please refer to " Non-GAAP Financial Measures" in our Annual Report on Form 10-K for the year ended December 31, 2016.

Table of Contents

Total Revenues of Select Key Products (Dollars in Millions)

Execution of our Strategy Continues to Create Value for Shareholders

Our strong financial and operational performance in 2016 continued to develop a strong platform for long-term value creation for shareholders, as evidenced by our 18% three year total shareholder return (TSR) and 92% five-year TSR, which exceeded our peer group, while increasing the dividend for the eighth year in a row.

Cumulative Indexed Total Shareholder Return

Table of Contents**Director Nominees**

Our Committee on Directors and Corporate Governance maintains an active and engaged Board, whose diverse skill sets benefit from both the industry and company-specific knowledge of our longer-tenured directors, as well as the fresh perspectives brought by our newer directors, including the perspectives of our three newest directors appointed to the Board in February 2017. We continually review our Board's composition with a focus on refreshing necessary skill sets as our business strategy and industry dynamics evolve.

Name	Occupation	Independent	Committee Memberships*	Other Public Company Boards
Giovanni Caforio, M.D. <i>Chairman-Designate of the Board</i> Age: 52 Director Since: 2014	Chief Executive Officer and Chairman-Designate of the Company	No		0
Vicki L. Sato, Ph.D. <i>Lead Independent Director</i> Age: 68 Director Since: 2006	Professor of Management Practice at the Harvard Business School	Yes	CDCG (c); S&T (c)	3**
Peter J. Arduini Age: 52 Director Since: 2016	President and Chief Executive Officer of Integra LifeSciences Holdings Corporation	Yes	Audit; CMDC	1
Robert J. Bertolini Age: 55 Director Since: 2017**	Former President and Chief Financial Officer of Bausch & Lomb Incorporated	Yes	Audit; CDCG	1
Matthew W. Emmens Age: 65 Director Since: 2017**	Former Chairman, President and Chief Executive Officer Vertex Pharmaceuticals Incorporated	Yes	CMDC; S&T	0
Laurie H. Glimcher, M.D. Age: 65 Director Since: 1997	President and Chief Executive Officer of Dana Farber Cancer Institute, Inc.	No	S&T	1
Michael Grobstein Age: 74 Director Since: 2007	Former Vice Chairman of Ernst & Young LLP	Yes	Audit; CMDC (c)	1

<p>Alan J. Lacy Age: 63 Director Since: 2008</p>	<p>Non-Executive Chairman, Dave & Buster's Entertainment, Inc. and former Vice Chairman and CEO of Sears Holdings Corporation</p>	<p>Yes</p>	<p>Audit (c); CDCG</p>	<p>1</p>
<p>Dinesh C. Paliwal Age: 59 Director Since: 2013</p>	<p>Chief Executive Officer and Director of Harman International Industries, Inc.</p>	<p>Yes</p>	<p>CMDC; CDCG</p>	<p>1</p>
<p>Theodore R. Samuels Age: 62 Director Since: 2017**</p>	<p>Former President of the Capital Guardian Trust Company</p>	<p>Yes</p>	<p>Audit; CDCG</p>	<p>2</p>
<p>Gerald L. Storch Age: 60 Director Since: 2012</p>	<p>Chief Executive Officer of Hudson's Bay Company</p>	<p>Yes</p>	<p>Audit; CMDC</p>	<p>1</p>

* **Committee memberships listed as of the date of this Annual Meeting.**

Audit: Audit Committee

CDCG: Committee on Directors and Corporate Governance

** **Messrs. Bertolini, Emmens, and Samuels were each elected to serve as a member of the Board of Directors effective February 21, 2017. Dr Sato will not stand for re-election at the PerkinElmer 2017 annual meeting.**

CMDC: Compensation and Management Development Committee

S&T: Science and Technology Committee

(c): Committee Chair

Table of Contents

Board Leadership Transition

Our Chairman of the Board, Lamberto Andreotti, has decided to retire effective after this Annual Meeting. The Board of Directors has elected Giovanni Caforio, M.D. to become Chairman of the Board upon Mr. Andreotti's retirement. We believe that it is in the best interests of the company to have Dr. Caforio serve as our next Chairman. Our Board determined that Dr. Caforio's deep institutional knowledge and industry experience uniquely position him to serve as Chairman.

The Board recognizes the importance of a Lead Independent Director, and Dr. Sato will serve in this position following the 2017 Annual Meeting.

The Lead Independent Director's responsibilities include, among others:

- | | | | |
|---|---|---|---|
| ü | Serving as liaison between the independent directors and the Chairman | ü | Approving the quality, quantity and timeliness of information sent to the Board |
| ü | Reviewing and approving meeting agendas and sufficiency of time | ü | Serving a key role in Board and Chief Executive Officer evaluations |
| ü | Calling meetings of the independent directors | ü | Responding directly to shareholder and stakeholder questions, as appropriate |
| ü | Presiding at all meetings of the independent directors and any Board meeting when the Chairman and the Chief Executive Officer are not present, including executive sessions of the independent directors | ü | Providing feedback from executive sessions of the independent directors to the Chief Executive Officer, other senior management and to the Chairman |
| ü | Communicating with major shareholders, as appropriate | ü | Recommending advisors and consultants |

Table of Contents

Corporate Governance Highlights

We are committed to strong governance practices that protect the long-term interests of our shareholders and establish strong Board and management accountability. The "Corporate Governance and Board Matters" section beginning on page 17 describes our governance framework, which includes the following key governance best practices that we have adopted:

- | | | | |
|---|--|---|--|
| ü | Annual election of Directors | ü | Proxy access shareholder right |
| ü | Majority voting standard for election of Directors | ü | Limit on number of public company directorships Board members may hold (4) |
| ü | Shareholder right to call a special meeting (25%) | ü | Emphasis on board refreshment and effectiveness |
| ü | No supermajority voting provisions for common shareholders | ü | Clawback and recoupment policies |
| ü | Proactive shareholder engagement | ü | Share ownership and retention policy |
| ü | Robust related party transaction policies and procedures | ü | Prohibition of speculative and hedging transactions by all employees and directors |
| ü | Semi-annual disclosure of political contributions | ü | No shareholder rights plan |

Shareholder Engagement and Responsiveness

We continued to place a high priority on engagement with our shareholders in 2016, reaching out to our top 30 institutional shareholders, and meeting with shareholders representing over 30% of our shares outstanding, which included both major asset managers as well as pension funds. The feedback received through these efforts was shared with the entire Board and members of senior management.

As in previous years, we continued to engage with our investors on our executive compensation program and general corporate governance matters. The feedback received was generally positive, with a focus on the structural changes to the compensation program, which became effective in 2016, and the voluntary adoption of proxy access in February of 2016. Over the last few years, general themes that have emerged from our outreach are:

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

Table of Contents

Significant Compensation Program Changes for 2016

As noted, during the last few years, our Board and management conducted extensive engagement with shareholders and performed an in-depth review of our compensation program in the context of our pay philosophy and strategic goals. As a result, the Compensation and Management Development Committee determined to make a number of changes to our compensation program, which became effective in 2016. These changes are intended to:

Further enhance the structural alignment between our incentive program and our strategy;

Respond directly to feedback received from shareholders and the results of our 2015 advisory vote on compensation; and

Improve disclosure and transparency of our compensation practices.

- ü **Lengthened the performance period in our Performance Share Unit (PSU) program from one year to three years.**
- ü **Eliminated non-GAAP earnings per share (EPS) metric overlap in annual and long-term incentive plans.** Non-GAAP EPS remains a financial measure in our annual incentive plan, but is no longer used in our PSU program.
- ü **Introduced a new mix of financial performance metrics in our PSU program.** Effective 2016, metrics are: total revenues (net of foreign exchange), non-GAAP operating margin and three-year relative TSR.
- ü **Reduced the annual maximum incentive opportunity from 251% to 200% of target.**
- ü **Increased the disclosure of target setting process and enhanced transparency of individual performance goals and determinations.**

Additional detail on our executive compensation program and the changes the Compensation and Management Development Committee implemented in 2016 is provided in the "Compensation Discussion and Analysis" beginning on page 29.

Executive Compensation

The Compensation and Management Development Committee firmly believes in pay-for-performance and has structured the executive compensation program to align our executives' interests with those of our shareholders.

2016 Target Total CEO Compensation

In line with our commitment to a highly performance-based compensation structure, approximately 90% of Dr. Caforio's total target compensation (and approximately 82% of the target total compensation for our other Named Executive Officers) is variable and at risk, based on the financial, operational, strategic and share price performance of the company.

Table of Contents

ITEM 1 ELECTION OF DIRECTORS

Our Board of Directors has nominated 11 current directors, Peter J. Arduini, Robert J. Bertolini, Giovanni Caforio, M.D., Matthew W. Emmens, Laurie H. Glimcher, M.D., Michael Grobstein, Alan J. Lacy, Dinesh C. Paliwal, Theodore R. Samuels, Vicki L. Sato, Ph.D. and Gerald L. Storch, to serve as directors of Bristol-Myers Squibb. The directors will hold office from election until the 2018 Annual Meeting.

Majority Vote Standard and Mandatory Resignation Policy

A majority of the votes cast is required to elect directors. Any current director who does not receive a majority of votes cast must tender his or her resignation as a director within 10 business days after the certification of the shareholder vote. The Committee on Directors and Corporate Governance, without participation by any director tendering his or her resignation, will consider the resignation offer and recommend to the Board whether to accept it. The Board, without participation by any director tendering his or her resignation, will act on the Committee's recommendation at its next regularly scheduled meeting to be held within 60 days after the certification of the shareholder vote. We will promptly disclose the Board's decision and the reasons for that decision in a broadly disseminated press release that will also be furnished to the U.S. Securities and Exchange Commission (SEC) on Form 8-K. If any nominee is unable to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees, unless our Board of Directors provides for a lesser number of directors.

Criteria for Board Membership

As specified in our Corporate Governance Guidelines, members of our Board should be persons with broad experience in areas important to the operation of our company. These include areas such as business, science, medicine, finance/accounting, law, business strategy, crisis management, corporate governance, education or government. Board members should possess qualities reflecting integrity, independence, leadership, good business judgment, wisdom, an inquiring mind, vision, a proven record of accomplishment and an ability to work well with others. The Corporate Governance Guidelines also express the Board's belief that its membership should continue to reflect a diversity of gender, race and ethnicity.

All Director Nominees Possess:

Director Orientation and Continuing Education

Director education is an ongoing, year-round process, which begins when a director joins our Board. Upon joining our Board, new directors are provided with a comprehensive orientation to our company, including our business, strategy and governance. For example, new directors typically participate in one-on-one introductory meetings with our senior business and functional leaders and participate in site visits to one or more of our locations. On an ongoing basis, directors receive presentations on a variety of topics related to their work on the Board and within the biopharmaceutical industry, both from senior management and from experts outside of the company. Directors may also enroll in continuing education programs sponsored by third parties at our expense.

Director Independence

9 of our 11 director nominees are currently independent

Our Corporate Governance Guidelines provide that a substantial majority of Board members be independent from management, and the Board has adopted independence standards that meet the listing standards of the New York Stock Exchange. Our Board has determined that each of our directors and each director nominee for election at this Annual Meeting is independent of Bristol-Myers Squibb and its management in that none currently have a direct or indirect material relationship with our company, except for Giovanni Caforio, M.D.,

Table of Contents

Lamberto Andreotti and Laurie Glimcher, M.D. Dr. Caforio and Mr. Andreotti are not independent directors because Dr. Caforio is currently our Chief Executive Officer and Mr. Andreotti was our Chief Executive Officer until May 2015. Dr. Glimcher is not independent because she is President and Chief Executive Officer of the Dana-Farber Cancer Institute (Dana-Farber), a role she assumed on October 1, 2016, and Bristol-Myers Squibb made payments to Dana-Farber in 2014 that exceeded 2% of Dana-Farber's consolidated gross revenues in that year.

Process for Determining Independence

In accordance with our Corporate Governance Guidelines, our Board undertakes an annual review of director independence. In February 2017 and March 2017, the Board considered all commercial and charitable relationships of our independent directors and director nominees, including the following relationships, which were deemed immaterial under our categorical standards (see Exhibit A):

Dr. Sato, Messrs. Arduini, Bertolini, Grobstein, Lacy, Samuels and Storch, and Secretary West are directors of companies that received payment from the company for property or services in an aggregate amount that did not exceed the greater of \$1 million or 2% of such other company's consolidated gross revenues. For each transaction, the Board determined that the director did not initiate or negotiate the transaction and that the transaction was entered into in the ordinary course of business.

Dr. Sato, Messrs. Arduini, Grobstein and Lacy and Secretary West, or one of their immediate family members, are employed by, or serve as directors of, businesses or educational or medical institutions with which we engage in ordinary course business transactions. The directors did not initiate or negotiate any transaction with such institutions and the payments made did not exceed the greater of \$1 million or 2% of such institutions' respective consolidated gross revenues.

Dr. Sato, Messrs. Grobstein and Samuels and Secretary West are directors of charitable or non-profit organizations to which the Bristol-Myers Squibb Foundation made charitable contributions, which, in the aggregate, did not exceed the greater of \$1 million or 2% of such organizations' respective consolidated gross revenues.

The Board determined that none of these relationships impair the independence of these directors under the New York Stock Exchange's independence standards or otherwise.

Director Succession Planning and Identification of Board Candidates

Regular Assessment of our Board Composition

The Committee on Directors and Corporate Governance regularly assesses the appropriate size and composition of our Board, which incorporates the results of the Committee's annual evaluation process. The Committee also considers succession planning for its directors.

Identification and Selection of Director Nominees

Director Tenure

The Committee on Directors and Corporate Governance, in consultation with the Chairman, conducts an initial evaluation of prospective nominees against the established Board membership criteria discussed above. The Committee also reviews the skills of the current

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directors and compares them to the particular skills of potential candidates, keeping in mind the Board's commitment to maintain members of diverse experience and background. Candidates may come to the attention of the Committee on Directors and Corporate Governance through current Board members, third-party search firms, management, shareholders or others. Additional information relevant to the qualifications of prospective nominees may be requested from third-party search firms, other directors, management or other sources. After this initial evaluation, prospective nominees may be interviewed by telephone or in person by the members of the Committee on Directors and Corporate Governance, the Chairman, the Lead Independent Director and other directors, as applicable. After completing this evaluation and interview, the Committee on Directors and Corporate Governance makes a recommendation to the full Board as to the persons who should be nominated by our Board, and the full Board determines the nominees after considering the recommendation and any additional information it may deem appropriate. Messrs. Bertolini, Emmens and Samuels were identified by advisors to the company and vetted through the use of a third-party

Table of Contents

search firm. These candidates were interviewed by members of the Committee on Directors and Corporate Governance and other directors, and after a period of consultation, the candidates were recommended for nomination to the Board and the Board unanimously approved their nomination and election. The company also discussed Board composition with JANA Partners, LLC, a shareholder of the company, and incorporated their views into its decision process.

Shareholder Nominations for Director

The Committee on Directors and Corporate Governance considers and evaluates shareholder recommendations of nominees for election to our Board of Directors in the same manner as other director nominees. Shareholder recommendations must be accompanied by disclosure, including written information about the recommended nominee's business experience and background with consent in writing signed by the recommended nominee that he or she is willing to be considered as a nominee and, if nominated and elected, he or she will serve as a director. Shareholders should send their written recommendations of nominees accompanied by the required documents to: Bristol-Myers Squibb Company, 345 Park Avenue, New York, New York 10154, Attention: Corporate Secretary.

Proxy Access Shareholder Right

Following extensive engagement with our shareholders, our Board determined to adopt proxy access in February 2016, permitting a shareholder or group of up to 20 shareholders holding 3% of our outstanding shares of common stock for at least three years to nominate a number of directors constituting the greater of two directors or 20% of the number of directors on our Board, as set forth in detail in our Bylaws. If you wish to propose any action pursuant to our proxy access bylaw provision, you must deliver a notice to BMS containing certain information set forth in our Bylaws, not less than 120 but not more than 150 days before the anniversary of the prior year's filing of the proxy materials. For our 2018 Annual Meeting, we must receive this notice between October 24, 2017 and November 23, 2017. Shareholders should send their notices to: Bristol-Myers Squibb Company, 345 Park Avenue, New York, New York 10154, Attention: Corporate Secretary.

2017 Director Nominees

The following biographies of our director nominees reflect their Board Committee membership and Chair positions as of the date of this year's Annual Meeting.

GIOVANNI CAFORIO, M.D.

Dr. Caforio, age 52, has been our Chief Executive Officer since May 2015 and our Chairman-Designate since December 2016. He was our Chief Operating Officer from June 2014 to May 2015, and he served as Executive Vice President and Chief Commercial Officer from November 2013 to June 2014. From October 2011 to November 2013, he served as President, U.S. Dr. Caforio held the position of Senior Vice President, Global Commercialization and Immunology from May 2010 to October 2011. Prior to that, he served as Senior Vice President, Oncology, U.S. and Global Commercialization from March 2009 to May 2010. From January 2007 to March 2009 he served as Senior Vice President, U.S. Oncology and from May 2004 to January 2007, he served as Senior Vice President, European Marketing and Brand Commercialization. Dr. Caforio is a member of the Board of Trustees of Hun School of Princeton and the Pharmaceutical Research and Manufacturers of America.

**Director since 2014
CEO of the Company and
Chairman-Designate**

Key Skills and Experience: With over 26 years of pharmaceutical industry experience, including more than 15 years at the company, Dr. Caforio has overseen the creation of a fully integrated worldwide commercial organization as part of our evolution into a specialty biopharmaceutical company. A physician by training, Dr. Caforio has worked across many businesses within the company, in Europe and the U.S., and has a proven record of developing talented leaders with the diverse experiences and competencies needed for the continued success of the company.

Table of Contents

VICKI L. SATO, PH.D.

Dr. Sato, age 68, has served as a professor of management practice at the Harvard Business School since July 2005. From July 2005 to October 2014 she served as professor of the practice of molecular and cell biology at Harvard University. In 2005, Dr. Sato retired as President of Vertex Pharmaceuticals Incorporated, a global biotechnology company, where she was responsible for research and development, business and corporate development, commercial operations, legal and finance. Dr. Sato also served as Chief Scientific Officer, Senior Vice President of Research and Development and Chair of the Scientific Advisory Board at Vertex before being named President in 2000. She serves as Chairman of Denali Therapeutics, Inc. and VIR Biotechnology, Inc. and a Director of Syros Pharmaceuticals. She is a co-Chair on the Advisory Council for LifeSci NYC. She also serves on the Board of Directors of the Peer Health Exchange, Inc. Dr. Sato will not stand for re-election to the Board of Directors of PerkinElmer at their 2017 annual meeting.

Director since 2006

BMS Committees:

Committee on Directors
and Corporate
Governance (Chair)

Key Skills and Experience: Dr. Sato's extensive and distinctive experience in business, academia and science over more than 31 years brings to the Board a valuable perspective on the biotech industry. Dr. Sato has a strong background in research and development positioning her well to serve as Chair of our Science and Technology Committee. Her experience serving on the Boards of other healthcare companies and her knowledge and keen understanding of the issues facing public companies, and in particular, healthcare companies position her well to serve as our Lead Independent Director.

Science & Technology
(Chair)

Other Directorships:

Current:

PerkinElmer Corporation

BorgWarner, Inc.

Syros Pharmaceuticals

PETER J. ARDUINI

Mr. Arduini, age 52, has been President and Chief Executive Officer of Integra LifeSciences Holdings Corporation, a global medical technology company, since January 2012 and currently serves as a member of Integra's Board of Directors. He served as President and Chief Operating Officer of Integra from November 2010 to January 2012. Before joining Integra, Mr. Arduini was Corporate Vice President and President of Medication Delivery, Baxter Healthcare, from 2005 to 2010. Prior to joining Baxter, he worked for General Electric Healthcare, where he spent much of his 15 years in a variety of management roles for domestic and global businesses, culminating in

leading the global functional imaging business. Mr. Arduini also serves on the Board of Directors of ADVAMED (the Advanced Medical Technology Association), the Board of Directors of MDIC (the Medical Device Innovation Consortium), and the Board of Directors of the National Italian American Foundation.

Mr. Arduini also serves on the Board of Trustees of Susquehanna University.

Key Skills and Experience: With over 25 years in the healthcare industry, Mr. Arduini brings to the Board extensive leadership, business and operational experience, particularly with respect to manufacturing and sales of medical technology and devices. In addition, his experience serving as a public company chief executive officer and former chief operational officer positions him well to serve as a member of our Audit Committee and our Compensation and Management Development Committee.

Director since 2016

BMS Committees:

Audit Committee

Compensation and
Management Development
Committee

Other Directorships:

Current:

Integra LifeSciences
Holdings Corporation

Table of Contents

ROBERT J. BERTOLINI

Mr. Bertolini, age 55, served as President and Chief Financial Officer of Bausch & Lomb Incorporated from February 2013 until August 2013 (until its acquisition by Valeant Pharmaceuticals). Previously, Mr. Bertolini served as Executive Vice President and Chief Financial Officer at Schering-Plough Corp. from November 2003 until November 2009 (through its merger with Merck & Co.) with responsibility for tax, accounting and financial asset management. Prior to joining Schering-Plough, Mr. Bertolini spent 20 years at PricewaterhouseCoopers LLP, ultimately leading its global pharmaceutical industry practice. Mr. Bertolini also serves on the Board of Directors of Actelion Pharmaceuticals Ltd.

Director since 2017

BMS Committees:

Audit

Committee on Directors
and Corporate
Governance

Other Directorships:

Current:

Charles River Laboratories
International, Inc.

Key Skills and Experience: Mr. Bertolini brings to the Board extensive expertise in our industry, particularly in building world-class finance and information technology functions and in leading business development and strategy. In addition, as a former chief financial officer who also has over 20 years' experience at a major auditing firm, Mr. Bertolini has extensive knowledge and background related to accounting and financial reporting rules and regulations as well as the evaluation of financial results, internal controls and business processes and this positions him well to serve as a member of our Audit Committee and our Committee on Directors and Corporate Governance.

MATTHEW W. EMMENS

Mr. Emmens, age 65, served as Chief Executive Officer of Shire PLC from 2003 to 2008 and Chairman of the Board from 2008 to 2014. He also served as a Director of Vertex Pharmaceuticals Incorporated from 2004 to 2009, Chairman, President and Chief Executive Officer from 2009 to 2012 and Director from 2012 to 2013. Mr. Emmens served as President, Worldwide Pharmaceuticals of Merck KGaA from 1999 to 2003, as Chief Executive Officer, Commercial Operations of Astra Merck Inc. from 1992 to 1999 and in Sales, Marketing and Administration positions for Merck & Co, Inc. from 1974 to 1991.

Director since 2017

BMS Committees:

Key Skills and Experience: With over 40 years in the biopharmaceutical industry, Mr. Emmens brings to the Board significant expertise in management, business development, business and operations, particularly with respect to strategy and team effectiveness. Mr. Emmens' strong leadership qualities and industry knowledge position him well to provide valuable insights to both management and his fellow Board members on issues facing our company and to serve as a member of our Compensation and Management Development Committee and a member of our Science and Technology Committee.

Compensation and
Management Development
Committee

Science & Technology

Other Directorships:

Past 5 Years:

Vertex Pharmaceuticals
Incorporated

Table of Contents

LAURIE H. GLIMCHER, M.D.

Dr. Glimcher, age 65, has been the President and Chief Executive Officer of Dana Farber Cancer Institute, Inc. since October 2016. She has also served as Principal Investigator and Director of the Dana Farber/Harvard Cancer Center and as the Susan Smith Professor of Medicine at Harvard Medical School since December 2016. Dr. Glimcher served as the Stephen and Suzanne Weiss Dean of Weill Cornell Medical College and the Cornell University Provost for Medical Affairs from January 2012 to September 2016. She was the Irene Heinz Given Professor of Immunology at the Harvard School of Public Health and Professor of Medicine at Harvard Medical School from 1990 to December 2011. Dr. Glimcher is a Fellow of the American Academy of Arts and Sciences, a member of the National Academy of Sciences and a Fellow of the Royal Society of Biology (in the UK). She is the former President of the American Association of Immunologists and serves as a member of the American Asthma Foundation, Cancer Research Institute and Prix Galien Scientific Advisory Boards and the Lasker Award Jury. Dr. Glimcher is also a member of the American Association for Cancer Research, Association of American Cancer Institutes, and the American Society of Clinical Oncology. She is also a Director of the Parker Institute for Cancer Immunotherapy.

Director since 1997

BMS Committees:

Science & Technology
Committee

Dr. Glimcher serves on the Board of Trustees of the Memorial Sloan-Kettering Cancer Center Board of Overseers. She also serves on the Scientific Advisory Boards of Cancer Research Institute, Health Care Ventures, Inc. and American Asthma Foundation.

Other Directorships:

Current:

Key Skills and Experience: Dr. Glimcher is an internationally known immunologist and physician who brings a unique perspective to our Board on a variety of healthcare related issues. Her expertise in the immunology area and her extensive experience in the medical field position her well to serve as a member of our Science and Technology Committee.

Waters Corporation

MICHAEL GROBSTEIN

Mr. Grobstein, age 74, is a retired Vice Chairman of Ernst & Young LLP, an independent registered public accounting firm. He worked with Ernst & Young from 1964 to 1998, and was admitted as a partner in 1975. Mr. Grobstein served as Vice Chairman-International Operations from 1993 to 1998, as Vice Chairman-Planning, Marketing and Industry Services from 1987 to 1993, and Vice Chairman-Accounting and Auditing Services from 1984 to 1987. He serves on the Board of Trustees and Executive Committee and is the Treasurer of the Central Park Conservancy. He also serves on the Board of Directors of the Peer Health Exchange, Inc.

Director since 2007

BMS Committees:

Key Skills and Experience: With over 30 years of experience at a major auditing firm, Mr. Grobstein has extensive knowledge and background relating to accounting and financial reporting rules and regulations as well as the evaluation of financial results, internal controls and business processes. Mr. Grobstein's depth and breadth of financial expertise and his experience handling complex financial issues position him well to serve as Chair of our Compensation and Management Development Committee and a member of our Audit Committee.

Audit Committee

Compensation and
Management Development

Committee (Chair)

Other Directorships:

Current:

Mead Johnson Nutrition
Company

Past 5 Years:

Given Imaging

Table of Contents

ALAN J. LACY

Mr. Lacy, age 63, is currently the Non-Executive Chairman of Dave & Buster's Entertainment Inc. and previously served as the Chairman and Chief Executive Officer of Sears, Roebuck and Co. and the Vice Chairman and Chief Executive Officer of its successor, Sears Holdings Corporation, from 2000 to 2005. Mr. Lacy also served as Vice Chairman of Sears Holdings Corporation from 2005 to 2006. More recently, Mr. Lacy served as Senior Advisor to Oak Hill Capital Partners, L.P., a private equity investment firm, from 2007 to 2014. He is a Trustee of Fidelity Funds and the California Chapter of The Nature Conservancy. Mr. Lacy is a Director of the Center for Advanced Study in the Behavioral Sciences at Stanford University.

Director since 2008

BMS Committees:

Audit Committee (Chair)

Committee on Directors
and Corporate Governance

Other Directorships:

Current:

Dave & Buster's
Entertainment, Inc.
(Non-Executive Chairman)

Past 5 Years:

The Hillman Companies

Key Skills and Experience: Mr. Lacy is a highly respected business leader with a proven record of accomplishment. He brings to the Board extensive business understanding and demonstrated management expertise having served in key leadership positions at Sears Holdings Corporation, including Chief Executive Officer. In addition, his experience as a senior financial officer of three large public companies provides him with a comprehensive understanding of the complex financial, legal and corporate governance issues facing large companies and positions him well to serve as Chair of our Audit Committee and a member of our Committee on Directors and Corporate Governance.

DINESH C. PALIWAL

Mr. Paliwal, age 59, served as Chairman, President and Chief Executive Officer of Harman International Industries, Inc., the connected technologies company for automotive, consumer and enterprise markets, from July 2008 to March 2017 (until its acquisition by Samsung Electronics Co., Ltd.). Following the merger with Samsung Electronics, he continues to serve as Chief Executive Officer and Director of the standalone Harman subsidiary. He has served as President and Chief Executive Officer of Harman since July 2007. Prior to joining Harman, Mr. Paliwal served as a member of the Group Executive Committee of ABB Ltd., a provider of industrial automation, power transmission systems and services, from January 2001 until June 2007. He also served as President of Global Markets and Technology of ABB Ltd. from January 2006

until June 2007, as Chairman and Chief Executive Officer of ABB North America from January 2004 until June 2007, and as President and Chief Executive Officer of ABB Automation Technologies Division from October 2002 to December 2005. Mr. Paliwal is a member of the CEO Business Roundtable in Washington, D.C. and the U.S. India Business CEO Forum.

He also serves on the Boards of Directors of the Business Advisory Council of Farmer School of Business, Miami University of Ohio and the U.S. Business Council.

Key Skills and Experience: Mr. Paliwal brings to the Board extensive leadership, business and governance experience having served as a public company chief executive officer and a senior executive officer of various divisions of a multinational corporation. His engineering and financial background, together with his worldwide experience, particularly in emerging markets, provide him with a heightened understanding of the complex issues which arise in the global marketplace. In addition, Mr. Paliwal's experience and his prior service on Boards of other public companies position him well to serve as a member of our Committee on Directors and Corporate Governance and our Compensation and Management Development Committee.

Director since 2013

BMS Committees:

Committee on Directors
and Corporate Governance

Compensation and
Management Development
Committee

Other Directorships:

Current:

Raytheon Company

Past 5 Years:

ADT Corporation

Tyco International, Ltd.

Table of Contents

THEODORE R. SAMUELS

Mr. Samuels, age 62, served with Capital Group Companies from 1981 to 2016. He was President of the Capital Guardian Trust Company from 2010 to 2016 and was the Capital Group representative for Focusing Capital on the Long Term from 2014 to 2015. Mr. Samuels was a portfolio manager from 1990 to 2016, and while at Capital Group served on numerous management and investment committees. He also served as a board member of Capital Group Foundation and as Chair of Capital Group Foundation Investment Committee and the Capital International (North America) Proxy Committee. Mr. Samuels served on the Capital Group Finance Committee from 2013-2016 and previously served on the Capital Group Board and the Capital Group Audit Committee. He also serves as Co-chair of Tuft's President's Council, the Harvard West Coast Council and is a member of the Harvard College Fund Executive Committee. Mr. Samuels is a trustee of Children's Hospital Los Angeles, where he served as Co-chair from 2012 to 2015 and is also a trustee of the Pasadena City College Foundation.

Director since 2017

BMS Committees:

Audit Committee

Key Skills and Experience: With over 35 years in the financial industry, Mr. Samuels brings to the Board extensive business and operational experience, particularly with respect to economics and investment decision-making. His experience and the investor perspective he brings to the Board position him well to serve as a member of our Audit Committee and our Committee on Directors and Corporate Governance.

Committee on Directors
and Corporate Governance

Other Directorships:

Current:

Perrigo Company, PLC

Stamps.com

GERALD L. STORCH

Mr. Storch, age 60, has served as Chief Executive Officer of Hudson's Bay Company since January 2015, a leading owner and operator of department stores, including Saks Fifth Avenue, Lord & Taylor, Hudson's Bay Department Stores, Home Outfitters, Saks OFF 5th, Kaufhof, Inno and the e-commerce business Gilt. From November 2013 to January 2014 he served as Chairman and Chief Executive Officer of Storch Advisors. He also served as Chairman of Toys"R"Us, Inc. from February 2006 to November 2013 and Chief Executive Officer of Toys"R"Us from February 2006 to May 2013. Prior to joining Toys"R"Us, Mr. Storch served as Vice Chairman of Target Corporation. He joined Target in 1993 as Senior Vice President of Strategy and served in roles of increasing seniority over the next 12 years. Prior to joining Target, Mr. Storch was a partner at McKinsey & Company. He is a director of Fanatics, Inc.

Director since 2012

BMS Committees:

Key Skills and Experience: A retail veteran with more than 20 years of experience, Mr. Storch provides the Board with valuable business, leadership and management insight, including expertise leading an organization with global operations, giving him a keen understanding of the issues facing

Audit Committee

a multinational business. These qualities make him a valued member of our Audit Committee. Additionally, his prior service on the compensation committee of another public company positions him well to serve as a member of our Compensation and Management Development Committee.

Compensation and
Management Development
Committee

Other Directorships:

Current:

Supervalu, Inc.
(Non-Executive Chairman)

Table of Contents

CORPORATE GOVERNANCE AND BOARD MATTERS

Active Board Oversight of Our Governance

Our business is managed under the direction of our Board of Directors pursuant to the Delaware General Corporation Law and our Bylaws. The Board has responsibility for establishing broad corporate policies and for the overall performance of our company. The Board keeps itself informed of company business through regular written reports and analyses and discussions with the Chief Executive Officer and other officers of Bristol-Myers Squibb; by reviewing materials provided to Board members by management and by outside advisors; and by participating in Board and Board Committee meetings.

The Committee on Directors and Corporate Governance continually reviews corporate governance issues and is responsible for identifying and recommending the adoption of corporate governance initiatives. In addition, our Compensation and Management Development Committee regularly reviews compensation issues and recommends adoption of policies and procedures that strengthen our compensation practices. The "Compensation Discussion and Analysis" beginning on page 29 discusses many of these policies and procedures.

The Board of Directors has adopted Corporate Governance Guidelines that govern its operation and that of its Committees. Our Board annually reviews the Corporate Governance Guidelines and, from time to time, our Board revises them in response to changing regulatory requirements, evolving best practices and the concerns of our shareholders and other constituents. Our Corporate Governance Guidelines may be viewed on our website at www.bms.com/ourcompany/governance.

Board Leadership Structure

The company's governance documents provide the Board with flexibility to select the appropriate leadership structure for the company. They establish well-defined responsibilities with respect to the Chairman and Lead Independent Director roles, including the requirement that the Board have a Lead Independent Director if the Chairman is not an independent director. This information is set forth in more detail on our website at www.bms.com/ourcompany/governance.

On December 21, 2016, we announced the following Board leadership changes:

Mr. Andreotti will retire as our Chairman and a member of our Board at the 2017 Annual Meeting of Shareholders on May 2, 2017.

The Board has elected Dr. Caforio to become Chairman of the Board in addition to his current role as Chief Executive Officer, effective May 2, 2017.

Our Board has dedicated significant consideration to our leadership structure, particularly in connection with the planned retirement of Mr. Andreotti at the 2017 Annual Meeting. The Board's analysis of our leadership structure took into account many factors, including the specific needs of the Board and the company, the strong role of our Lead Independent Director, our Corporate Governance Guidelines (including our governance practices that provide for independent oversight of management), the challenges specific to our company, and the best interests of our shareholders. After thoughtful and rigorous consideration, the Board determined that combining the Chairman and Chief Executive Officer positions and electing Dr. Caforio as the next Chairman of the Board is in the best interest of the company and our shareholders. Specifically, our Board believes that to have Dr. Caforio serve in the combined role of Chairman and Chief Executive Officer confers distinct advantages at this time, including:

by selecting a Chairman who, like our current Chairman, can draw on detailed institutional knowledge of the company and industry experience from serving as Chief Executive Officer, this provides the Board with focused leadership, particularly in discussions about the company's strategy;

a combined role ensures that the company presents its message and strategy to all stakeholders, including shareholders, employees and patients, with a unified voice; and

the structure allows for efficient decision making and focused accountability.

The Board recognizes the importance of appointing a strong Lead Independent Director to maintain a counterbalancing structure to ensure that the Board functions in an appropriately independent manner. The Lead

Table of Contents

Independent Director is selected annually by the independent directors. Secretary West served as our Lead Independent Director from 2015 through the date of the 2017 Annual Meeting, and the independent directors have elected Dr. Sato to serve in that position following the 2017 Annual Meeting.

The Lead Independent Director's responsibilities include, among others:

- | | |
|---|--|
| <ul style="list-style-type: none"> ü Serving as liaison between the independent directors and the Chairman ü Reviewing and approving meeting agendas and sufficiency of time ü Calling meetings of the independent directors ü Presiding at all meetings of the independent directors and any Board meeting when the Chairman and the Chief Executive Officer are not present, including executive sessions of the independent directors ü Communicating with major shareholders, as appropriate | <ul style="list-style-type: none"> ü Approving the quality, quantity and timeliness of information sent to the Board ü Serving a key role in Board and Chief Executive Officer evaluations ü Responding directly to shareholder and stakeholder questions, as appropriate ü Providing feedback from executive sessions of the independent directors to the Chief Executive Officer, other senior management and to the Chairman ü Recommending advisors and consultants |
|---|--|

The Board believes this structure provides an effective, high-functioning Board, as well as appropriate safeguards and oversight. Our Board will continue to evaluate its leadership structure in light of changing circumstances and will evaluate the Board's leadership structure on at least an annual basis and make changes at such times as it deems appropriate.

Board's Role in Strategic Planning and Risk Oversight

Our Board meets regularly to discuss the strategic direction and the issues and opportunities facing our company in light of trends and developments in the biopharmaceutical industry and general business environment. Our Board has been instrumental in determining our next steps as we have emerged as a specialty biopharmaceutical company.

Furthermore, in setting our business strategy, the Board plays a critical role in the determination of the types and appropriate levels of risk undertaken by the company.

Constant focus on strategy: Throughout the year, our Board provides guidance to management on strategy and helps to refine operating plans to implement the strategy.

Annual strategy deep-dive: Each year, typically during the second quarter, the Board holds an extensive meeting with senior management dedicated to discussing and reviewing our long-term operating plans and overall corporate strategy. A discussion of key risks to the plans and strategy as well as risk mitigation plans and activities is led by our Chief Executive Officer as part of the meeting.

Dedicated to oversight of risk management: As stated in our Corporate Governance Guidelines, our Board is responsible for risk oversight as part of its fiduciary duty of care to monitor business operations effectively.

Our Board administers its strategic planning and risk oversight function as a whole and through its Board Committees. The following are examples of how our Board Committees are involved in this process:

Regularly reviews and discusses with management our process to assess and manage enterprise risks, including those related to market/environmental, strategic, financial, operational, legal, compliance, information security and reputation

Annually evaluates our incentive compensation programs to determine whether incentive pay encourages excessive or inappropriate risk-taking

Table of Contents

Regularly considers and makes recommendations to the Board concerning the appropriate size, function and needs of the Board, determines the criteria for Board membership, provides oversight of our corporate governance affairs and reviews corporate governance practices and policies

Regularly reviews our pipeline to evaluate our progress in achieving our near-term and long-term strategic research and development goals and objectives and assures that we make well-informed choices in the investment of our research and development resources, among other things

Risk Assessment of Compensation Policies and Practices

The Compensation and Management Development Committee annually conducts a worldwide review of our material compensation policies and practices. Based on this review, we have concluded that our material compensation policies and practices are not reasonably likely to have a material adverse effect on the company. On a global basis, our compensation programs contain many design features that mitigate the likelihood of inducing excessive or inappropriate risk-taking behavior. These features include:

- ü Balance of fixed and variable compensation, with variable compensation tied both to short-term objectives and the long-term value of our stock price
- ü Multiple metrics in our incentive programs that balance top-line, bottom-line and pipeline performance
- ü Caps in our incentive program payout formulas
- ü Reasonable goals and objectives in our incentive programs
- ü Payouts modified based upon individual performance, inclusive of assessments against our BMS BioPharma Behaviors and the BMS Commitment
- ü The Compensation and Management Development Committee's ability to exercise downward discretion in determining incentive program payouts
- ü Clawback and recoupment provisions and policies pertaining to annual incentive payouts and long-term incentive awards
- ü Share ownership and retention guidelines applicable to our senior executives
- ü Equity award policies that limit risk by having fixed annual grant dates
- ü Prohibition of speculative and hedging transactions by all employees and directors
- ü All non-sales managers and executives worldwide participate in the same annual incentive program that pertains to our Named Executive Officers and that has been approved by the Compensation and Management Development Committee
- ü Mandatory training on our Principles of Integrity: BMS Standards of Business Conduct and Ethics (the Principles of Integrity) and other policies that educate our employees on appropriate behaviors and the consequences of taking inappropriate actions

Annual Evaluation Process

Our Board recognizes the important role Board and committee evaluations play in ensuring the effective functioning of our Board. The committee evaluation process of gathering and analyzing feedback is led by each committee chair and commences at the first committee meetings of the year. In March, the Board undertakes its own, separate evaluation process, led by our Chairman and our Lead Independent Director, and committee chairs report to the Board the results of each committee's own evaluation process. Our Board also believes in the importance of continuously improving the functioning of our Board and committees. The Lead Independent Director actively conveys directors' feedback on an ongoing basis to our Chairman and Chief Executive Officer. The Committee on Directors and Corporate Governance continuously assesses the Board evaluation process and plans to enhance the process for 2017.

While the Board considers board refreshment as an integral part of its process to ensure that the skill set, proficiency and perspectives of board members remain sufficiently current and broad to deal with the ever-changing business dynamics of the company; it also considers important the need to balance such refreshment with the understanding that age and experience often bring solid judgment, proven knowledge and wisdom, and invaluable continuity.

Table of Contents**Meetings of our Board**

Our Board meets on a regularly scheduled basis during the year to review significant developments affecting Bristol-Myers Squibb and to act on matters requiring Board approval. It also holds special meetings when important matters require Board action between scheduled meetings. Members of senior management regularly attend Board meetings to report on and discuss their areas of responsibility. In 2016, the Board met 11 times. The average aggregate attendance of directors at Board and committee meetings was over 96%. No director attended fewer than 75% of the aggregate number of Board and committee meetings during the period he or she served, except for Lewis Campbell, who retired from the Board in May 2016. In addition, our independent directors met 10 times during 2016 to discuss such topics as our independent directors determined, including the evaluation of the performance of our current Chief Executive Officer.

Annual Meeting of Shareholders

Directors are strongly encouraged, but not required, to attend the Annual Meeting of Shareholders. All of the 2016 nominees for director attended our 2016 Annual Meeting of Shareholders.

Committees of our Board

Our Bylaws specifically provide for an Audit Committee, Compensation and Management Development Committee, and Committee on Directors and Corporate Governance, which are composed entirely of independent directors. Our Bylaws also authorize the establishment of additional committees of the Board and, under this authorization, our Board of Directors established the Science and Technology Committee. Our Board has appointed individuals from among its members to serve on these four standing committees and each committee operates under a written charter adopted by the Board, as amended from time to time. These charters are published on our website at http://bms.com/ourcompany/governance/Pages/board_committees_charters.aspx. Each of these Board Committees has the necessary resources and authority to discharge its responsibilities, including the authority to retain consultants or experts to advise the committee.

The table below indicates the current members of our standing Board Committees and the number of meetings held in 2016:

Director(3)	Audit(1)	Committee on Directors and Corporate Governance	Compensation and Management Development	Science and Technology(2)
Lamberto Andreotti				
Peter J. Arduini	X			
Giovanni Caforio, M.D.				
Laurie H. Glimcher, M.D.				X
Michael Grobstein	X		C	
Alan J. Lacy	C	X		
Dinesh C. Paliwal	X	X		
Vicki L. Sato, Ph.D.(4)			X	C
Gerald L. Storch	X		X	
Togo D. West, Jr.(5)		C	X	
Number of 2016 Meetings	5	4	7	8

"C"

indicates Chair of the committee.

(1)

Our Board of Directors has determined, in its judgment, that all members of the Audit Committee are financially literate and that all members of the Audit Committee meet additional, heightened independence criteria applicable to directors serving on audit committees under the New York Stock Exchange listing standards. In addition, our Board has determined that Messrs. Arduini, Grobstein, Lacy and Storch each qualify as an "audit committee financial expert" under the applicable SEC rules.

(2) Dr. Thomas J. Lynch Jr., our Executive Vice President and Chief Scientific Officer, is a member of the Science and Technology Committee but he is no longer a member of our Board.

(3) Robert J. Bertolini, Matthew W. Emmens and Theodore R. Samuels were each elected to serve as a member of our Board of Directors effective February 21, 2017. Effective May 2, 2017 Mr. Bertolini will become a member of our Audit Committee and Committee on Directors and Corporate Governance, Mr. Emmens will become a member of our Compensation and Management Development Committee and Science and Technology Committee, and Mr. Samuels will become a member of our Audit Committee and Committee on Directors and Corporate Governance.

(4) Dr. Sato was elected to serve as our Lead Independent Director effective May 2, 2017. Dr. Sato will also assume the role of Chair of the Committee on Directors and Corporate Governance effective May 2, 2017.

(5) Secretary West will retire from our Board effective after the 2017 Annual Meeting.

Table of Contents

The following descriptions reflect each standing Board Committee's membership and Chair effective as of May 2, 2017.

Committee Chair: ***Key Responsibilities***

Alan J. Lacy

Overseeing and monitoring the quality of our accounting and auditing practices

Appointing, compensating and providing oversight of the performance of our independent registered public accounting firm for the purpose of preparing or issuing audit reports and related work regarding our financial statements and the effectiveness of our internal control over financial reporting

Assisting the Board in fulfilling its responsibilities for general oversight of (i) compliance with legal and regulatory requirements, (ii) the performance of our internal audit function and (iii) enterprise risk assessment and risk management policies and guidelines

Additional Members:

Peter J. Arduini

Reviewing our disclosure controls and procedures, periodic filings with the SEC, earnings releases and earnings guidance

Robert J. Bertolini

Michael Grobstein

Theodore R. Samuels

Producing the required Audit Committee Report for inclusion in our Proxy Statement

Gerald L. Storch

Overseeing the implementation and effectiveness of our compliance and ethics program

Reviewing our information security and data protection program

Committee Chair: ***Key Responsibilities***

Vicki L. Sato, Ph.D.

Providing oversight of our corporate governance affairs and reviewing corporate governance practices and policies, including annually reviewing the Corporate Governance Guidelines and recommending any changes to the Board

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Identifying individuals qualified to become Board members and recommending that our Board select the director nominees for the next annual meeting of shareholders

Reviewing and recommending annually to our Board the compensation of non-employee directors

Considering questions of potential conflicts of interest involving directors and senior management and establishing, maintaining and overseeing related party transaction policies and procedures

Additional Members:

Robert J. Bertolini Evaluating and making recommendations to the Board concerning director independence and defining specific categorical standards for director independence

Alan J. Lacy

Dinesh C. Paliwal Providing oversight of the company's political activities

Theodore R. Samuels

Considering matters relating to the company's responsibilities as a global corporate citizen pertaining to corporate social responsibility and corporate public policy and the impact on the company's employees and shareholders

Overseeing the annual evaluation process of the Board and its Committees

Table of Contents

Committee Chair:

Key Responsibilities

Michael Grobstein

Reviewing, approving and reporting to our Board on our major compensation and benefits plans, policies and programs

Reviewing corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those goals and objectives and recommending for approval by at least three-fourths of the independent directors of our Board the CEO's compensation based on this evaluation

Reviewing and evaluating the performance of senior management; approving the compensation of executive officers and certain senior management

Additional Members:

Peter J. Arduini

Overseeing our management development programs, performance assessment of senior executives and succession planning

Mathew W. Emmens

Dinesh C. Paliwal

Gerald L. Storch

Reviewing and discussing with management the Compensation Discussion and Analysis and related disclosures required for inclusion in our Proxy Statement, recommending to the Board whether the Compensation Discussion and Analysis should be included in our Proxy Statement, and producing the Compensation and Management Development Committee Report required for inclusion in our Proxy Statement

Establishing and overseeing our compensation recoupment policies

Reviewing incentive compensation programs to determine whether incentive pay encourages inappropriate risk-taking

Committee Chair:

Key Responsibilities

Vicki L. Sato, Ph.D.

Reviewing and advising our Board on the strategic direction of our research and development (R&D) programs and our progress in achieving near-term and long-term R&D objectives

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Reviewing and advising our Board on our internal and external investments in science and technology

Identifying and discussing significant emerging trends and issues in science and technology and considering their potential impact on our company

Providing assistance to the Compensation and Management Development Committee in setting any pipeline performance metric under the company's incentive compensation programs and reviewing the performance results

Additional Members:

Matthew W. Emmens

Laurie H. Glimcher,
M.D.

Thomas J. Lynch, Jr.,
M.D.

Table of Contents

Codes of Conduct

The Principles of Integrity adopted by our Board of Directors set forth important company policies and procedures in conducting our business in a legal, ethical and responsible manner. These standards are applicable to all of our employees, including the Chief Executive Officer, the Chief Financial Officer and the Controller.

In addition, the Audit Committee has adopted the Code of Ethics for Senior Financial Officers that supplements the Principles of Integrity by providing more specific requirements and guidance on certain topics. The Code of Ethics for Senior Financial Officers applies to the Chief Executive Officer, the Chief Financial Officer, the Controller, the Treasurer and the heads of major operating units.

Our Board has also adopted the Code of Business Conduct and Ethics for Directors that applies to all directors and sets forth guidance with respect to recognizing and handling areas of ethical issues.

The Principles of Integrity, the Code of Ethics for Senior Financial Officers and the Code of Business Conduct and Ethics for Directors are available on our website at www.bms.com/ourcompany/governance. We will post any substantive amendments to, or waivers from, applicable provisions of our Principles, our Code of Ethics for Senior Financial Officers, and our Code of Business Conduct and Ethics for Directors on our website at www.bms.com/ourcompany/governance within two days following the date of such amendment or waiver.

Employees are required to report any conduct they believe in good faith to be an actual or apparent violation of our Codes of Conduct. In addition, as required under the Sarbanes-Oxley Act of 2002, the Audit Committee has established procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by company employees of concerns regarding questionable accounting or auditing matters.

Related Party Transactions

The Board has adopted a written policy and procedures for the review and approval of transactions involving the company and related parties, such as directors, executive officers and their immediate family members. The policy covers any transaction or series of transactions (an "interested transaction") in which the amount involved exceeds \$120,000, the company is a participant, and a related party has a direct or indirect material interest (other than solely as a result of being a director or less than 10% beneficial owner of another entity). All interested transactions are subject to approval or ratification in accordance with the following procedures:

Management will be responsible for determining whether a transaction is an interested transaction requiring review under this policy, in which case the transaction will be disclosed to the Committee on Directors and Corporate Governance (the "Governance Committee").

The Governance Committee will review the relevant facts and circumstances, including, among other things, whether the interested transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or ordinary circumstances and the related party's interest in the transaction.

If it is impractical or undesirable to wait until a Governance Committee meeting to complete an interested transaction, the Chair of the Governance Committee, in consultation with the General Counsel, may review and approve the transaction, which approval must be ratified by the Governance Committee at its next meeting.

In the event the company becomes aware of an interested transaction that has not been approved, the Governance Committee will evaluate all options available to the company, including ratification, revision or termination of such transaction and take such course of action as the Governance Committee deems appropriate under the circumstances.

No director will participate in any discussion or approval of the interested transaction for which he or she is a related party, except that the director will provide all material information concerning the interested transaction to the Governance Committee.

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If an interested transaction is ongoing, the Governance Committee may establish guidelines for management to follow in its ongoing dealings with the related party and will review and assess such ongoing relationships on at least an annual basis.

Table of Contents

Certain types of interested transactions are deemed to be pre-approved or ratified by the Governance Committee, as applicable, even if the amount involved will exceed \$120,000, including the employment of executive officers, director compensation, certain transactions with other companies or charitable contributions, transactions where all shareholders receive proportional benefits, transactions involving competitive bids, regulated transactions and certain banking-related services.

BlackRock, Inc. (BlackRock), Wellington Management Group, LLP (Wellington) and The Vanguard Group (Vanguard) are each considered a "Related Party" under our related party transaction policy because they each beneficially own more than 5% of our outstanding common stock. The Governance Committee ratified and approved the following related party transactions in accordance with our policy and Bylaws:

Certain of our retirement plans use BlackRock and its affiliates to provide investment management services. In connection with these services, we paid BlackRock approximately \$1.5 million in fees during 2016.

Certain of our retirement plans use Wellington and its affiliates to provide investment management services. In connection with these services, we paid Wellington approximately \$1.02 million in fees during 2016.

Vanguard acts as an investment manager with respect to certain investment options under our savings and thrift plans. Participants in the plans pay Vanguard's investment management fees if they invest in investment options managed by Vanguard; neither the plans themselves nor the company pays fees directly to Vanguard. In connection with these services, Vanguard received approximately \$445,000 in fees during 2016.

The Governance Committee ratified the above relationships on the basis that these entities' ownership of our stock plays no role in the business relationship between us and them, and that the engagement of each entity was on terms no more favorable to them than terms that would be available to unaffiliated third parties under the same or similar circumstances.

On September 1, 2015, Dr. Lynch became the Chairman and Chief Executive Officer of the Massachusetts General Physicians Organization (MGPO) and a member of the Board of Directors of Massachusetts General Hospital (MGH). The MGPO and MGH comprise the operating structure of the General Hospital Corporation, which is the largest part of the parent corporation, Partners HealthCare, a not-for-profit healthcare system. The company has made both business and charitable payments to MGH for many years, including for research studies and grants led by principal investigators affiliated with the hospital. The company paid MGH approximately \$316,000 in 2016, which accounted for less than 0.01% of Partners HealthCare's revenues for the fiscal year ended September 30, 2016. Dr. Lynch retired from the Board on March 15, 2017 and is our new Chief Scientific Officer.

On October 1, 2016, Dr. Glimcher became President and CEO of Dana-Farber Cancer Institute ("Dana-Farber"). The company has made both business and charitable payments to Dana-Farber for several years and entered into multiple research collaborations with Dana-Farber as recently as February 2016. The company paid Dana-Farber approximately \$9.94 million in 2016, which accounted for less than 2% of Dana-Farber's revenues for the 2016 fiscal year.

The Governance Committee ratified the above relationships on the basis that Dr. Lynch and Dr. Glimcher did not initiate or negotiate any of the arrangements the company has with either of their affiliated organizations, all of the business dealings were entered into in the ordinary course of business prior to either Dr. Lynch or Dr. Glimcher assuming the stated roles at the respective organizations and the engagement of such companies by BMS were on terms no more favorable to them than terms that would be available to unaffiliated third parties under the same or similar circumstances.

Disclosure Regarding Political Activities

We provide semi-annual disclosure on our website of all political contributions to political committees, parties or candidates on both state and federal levels that are made by our employee political action committee, as well as annual disclosure of the portion of our dues or other payments made to trade associations to which we give \$50,000 or more that can be attributed to lobbying expenditures.

Table of Contents

Communications with our Board of Directors

Our Board has created a process for anyone to communicate directly with our Board, any committee of the Board, the non-management directors of the Board collectively or any individual director, including our Chairman and Lead Independent Director. Any interested party wishing to contact our Board may do so in writing by sending a letter c/o Corporate Secretary, Bristol-Myers Squibb Company, 345 Park Avenue, New York, NY 10154.

Any matter relating to our financial statements, accounting practices or internal controls should be addressed to the Chair of the Audit Committee. All other matters should be addressed to the Chair of the Governance Committee.

Our Corporate Secretary or her designee reviews all correspondence and forwards to the addressee all correspondence determined to be appropriate for delivery. Our Corporate Secretary periodically forwards to the Governance Committee a summary of all correspondence received. Directors may at any time review a log of the correspondence we receive that is addressed to members of the Board and request copies of any such correspondence. Our process for handling communications to our Board has been approved by the independent directors.

Compensation of Directors

Director Compensation Program

We aim to provide a competitive compensation program to attract and retain high quality directors. The Committee on Directors and Corporate Governance annually reviews our directors' compensation practices, including a review of the director compensation programs at our executive compensation peer group. Furthermore, for 2016 we again engaged an outside consultant, Frederic W. Cook & Co., Inc. (FWC), to review market data and competitive information on director compensation. FWC recommended that our executive compensation peer group should be the primary source for determining director compensation.

Based on this analysis, the Committee determined, in light of the fact that our director compensation program has been unchanged since 2013 and was below the 25th percentile of our peer group, among other reasons, to increase each of the annual retainer and the annual equity award for service as a director for 2016 by \$10,000. Our employee directors do not receive any additional compensation for serving as directors.

The Committee believes the total compensation package for directors we offered in 2016 was reasonable, and appropriately aligned the interests of directors with our shareholders by ensuring directors have a proprietary stake in our company.

In consideration of emerging corporate governance best practices, on March 2, 2017, our Board adopted an amendment to the Company's 2012 Stock Award and Incentive Plan, for the sole purpose of adding a limit on the amount of equity and cash compensation that can be paid to a non-employee director of the company in a calendar year. The amendment is subject to approval by our shareholders at the 2017 Annual Meeting. In setting the non-employee director compensation limit, the Board reviewed survey data covering companies within the Fortune 500, as well as data from our 2016 executive compensation peer group discussed below in the Compensation Discussion and Analysis.

Table of Contents

The Components of our Director Compensation Program

In 2016, non-management directors who served for the entirety of 2016 received:

Component	Value of Award
Annual Retainer	\$100,000
Annual Equity Award	Deferred Share Units valued at \$170,000
Committee Chair Retainer	\$25,000
Committee Member (not Chair) Retainer Audit, Compensation and Management Development, and Science and Technology Committees	\$15,000
Committee Member (not Chair) Retainer Committee on Directors and Corporate Governance	\$7,500

Annual Equity Award

On February 1, 2016, all non-management directors serving on the Board at that time received an annual award of deferred share units valued at \$170,000 under the 1987 Deferred Compensation Plan for Non-Employee Directors. These deferred share units are non-forfeitable at grant and are settleable solely in shares of company common stock. A new member of the Board who is eligible to participate in the Plan receives, on the date the Director joins the Board, a pro-rata number of deferred share units based on the number of share units payable to participants as of the prior February 1.

Compensation of our Lead Independent Director

Our Lead Independent Director receives an additional retainer of \$35,000. Our Board has determined to award this retainer in light of the increased duties and responsibilities demanded by this role, which duties and responsibilities are described in further detail on page 18.

Compensation of our Non-Executive Chairman

Our Non-Executive Chairman had significantly greater responsibilities than other directors, including chairing the Office of the Chairman, meeting on a regular basis with the Chief Executive Officer on the most critical strategic issues and transactions, serving as a liaison between the Chief Executive Officer and the independent directors, and frequently discussing the strategy and direction of the company with senior management.

In addition to the regular Board retainer and annual equity award, in 2016 Mr. Andreotti received an annual Non-Executive Chairman retainer of \$200,000, paid quarterly, of which 50% was paid in cash and 50% in shares of the company's common stock. Mr. Andreotti also received a pro-rated portion of his Transitional Non-Executive Chairman retainer of \$225,000, of which 50% was paid in cash and 50% in shares of the company's common stock. Mr. Andreotti's Transitional Non-Executive Chairman retainer ended May 3, 2016. Bristol-Myers Squibb also provides Mr. Andreotti with office space, supplies and administrative support for company-related work. Mr. Andreotti will retire from the Board effective after this Annual Meeting.

Share Retention Requirements

We significantly increased the share retention requirements for non-management directors in 2016. All non-management directors are required to acquire a minimum of shares and/or units of company stock valued at not less than five times their annual cash retainer within five years of joining the Board and to maintain this ownership level throughout their service as a director. We require that at least 25% of the annual retainer be deferred and credited to a deferred compensation account, the value of which is determined by the value of our common stock, until a non-management director has attained our share retention requirements.

Table of Contents*Deferral Program*

A non-management director may elect to defer payment of all or part of the cash compensation received as a director under our company's 1987 Deferred Compensation Plan for Non-Employee Directors. The election to defer is made in the year preceding the calendar year in which the compensation is earned. Deferred funds for compensation received in connection with service as a Director in 2016 were credited to one or more of the following funds: a United States total bond index, a short term fund, a total market index fund or a fund based on the return on our common stock. Deferred portions are payable in a lump sum or in a maximum of ten annual installments. Payments under the Plan begin when a participant ceases to be a director or at a future date previously specified by the director.

Charitable Contribution Programs

Each director who joined the Board prior to December 2009 participates in our Directors' Charitable Contribution Program. Upon the death of a director, we will donate up to an aggregate of \$500,000 to up to five qualifying charitable organizations designated by the director. Individual directors derive no financial or tax benefit from this program since the tax benefit of all charitable deductions relating to the contributions accrues solely to us. In December 2009, the Board eliminated the Charitable Contributions Program for all new directors.

In addition, each director was able to participate in our company-wide matching gift program in 2016. We matched dollar for dollar a director's contribution to qualified charitable and educational organizations up to \$30,000, except in the case of Mr. Andreotti, who received a match of \$31,000 that was approved by the Board. This benefit was also available to all company employees. In 2016, each of the following non-employee directors participated in our matching gift programs as indicated in the Director Compensation Table below: Messrs. Andreotti, Arduini, Campbell, Grobstein, Lacy, and Paliwal and Drs. Lynch and Sato.

Director Compensation Table

The following table sets forth information regarding the compensation earned by our non-employee directors in 2016.

Name	Fees Earned or Paid				Total
	in Cash(1)	Stock Awards(2)	Option Awards(3)	All Other Compensation(4)	
L. Andreotti(5)	\$ 238,015	\$ 308,015	\$ 0	\$ 31,000	\$ 577,030
P. J. Arduini	\$ 84,931	\$ 142,054	\$ 0	\$ 6,000	\$ 232,985
L. B. Campbell(6)	\$ 47,308	\$ 170,000	\$ 0	\$ 16,250	\$ 233,558
L. H. Glimcher, M.D.	\$ 120,068	\$ 170,000	\$ 0	\$ 0	\$ 290,068
M. Grobstein	\$ 136,621	\$ 170,000	\$ 0	\$ 30,000	\$ 336,621
A. J. Lacy	\$ 132,500	\$ 170,000	\$ 0	\$ 30,000	\$ 332,500
T. J. Lynch, Jr., M.D.	\$ 122,500	\$ 170,000	\$ 0	\$ 30,000	\$ 322,500
D. C. Paliwal	\$ 122,500	\$ 170,000	\$ 0	\$ 30,000	\$ 322,500
V. L. Sato, Ph.D.	\$ 140,000	\$ 170,000	\$ 0	\$ 25,000	\$ 335,000
G. L. Storch	\$ 130,000	\$ 170,000	\$ 0	\$ 0	\$ 300,000
T. D. West, Jr.	\$ 172,465	\$ 170,000	\$ 0	\$ 0	\$ 342,465

(1) Includes the annual retainer, committee chair retainers, committee membership retainers and Lead Independent Director retainer, as applicable. All or a portion of the cash compensation may be deferred until retirement or a date specified by the director, at the election of the director. The directors listed in the below table deferred the following amounts in 2016, which amounts are included in the figures above.

Table of Contents

Name	Dollar Amount Deferred	Percentage				Number of Deferred Share Units Acquired
		Percentage of Deferred Amount Allocated to U.S. Bond Index	Percentage of Deferred Amount Allocated to Short Term Fund	Percentage of Deferred Amount Allocated to Total Market Index Fund	Percentage of Deferred Amount Allocated	
P. J. Arduini	\$ 84,931	0%	0%	0%	100%	1,398
L. H. Glimcher, M.D.	\$ 120,068	50%	50%	0%	0%	0
M. Grobstein	\$ 68,310	0%	0%	0%	100%	1,110
A. J. Lacy	\$ 132,500	0%	0%	0%	100%	2,150
T. J. Lynch, Jr., M.D.	\$ 30,625	0%	0%	0%	100%	497
D. C. Paliwal	\$ 122,500	50%	0%	50%	0%	0
G. L. Storch	\$ 130,000	0%	0%	0%	100%	2,110

(2)

Represents aggregate grant date fair value under FASB ASC Topic 718 of deferred share unit and common stock awards granted during 2016. On February 1, 2016, each of the non-management directors then serving as a director received a grant of 2,795 deferred share units valued at \$170,000 based on the fair market value on the day of grant of \$60.82. On April 1, 2016, in connection with his appointment to the Board, Mr. Arduini received a pro-rated grant of 2,188 deferred share units valued at \$142,054 based on the fair market value on the day of grant of \$64.91. The aggregate number of deferred share units held by each of these directors as of December 31, 2016 is set forth below. In some cases, these figures include deferred share units acquired through elective deferrals of cash compensation.

Name	# of Deferred Share Units
L. Andreotti(5)	4,093
P. J. Arduini	3,634
L. B. Campbell(6)	0
L. H. Glimcher, M.D.	89,765
M. Grobstein	62,753
A. J. Lacy	51,435
T. J. Lynch, Jr., M.D.	10,801
D. C. Paliwal	11,020
V. L. Sato, Ph.D.	51,499
G. L. Storch	31,697
T. D. West, Jr.	46,676

(3)

There have been no stock options granted to directors since 2006 and no non-employee Director had stock options outstanding as of December 31, 2016

- (4) Amounts include company matches of charitable contributions under our matching gift program.

- (5) In addition to the standard Board compensation that all non-management directors received, Mr. Andreotti received an annual Non-Executive Chairman retainer of \$200,000 and a pro-rated portion of his Transitional Non-Executive Chairman retainer of \$225,000, both paid quarterly, of which 50% was paid in cash and 50% was paid in shares of company stock. Mr. Andreotti's Transitional Non-Executive Chairman retainer ended May 3, 2016. Shares of company stock were paid out as follows based on the fair market value of the company's common stock on the award date:

Award Date		Value		Fair Market Value	Shares of Common Stock Acquired
3/31/2016	\$	53,125	\$	63.88	831
6/30/2016	\$	34,890	\$	73.55	474
9/30/2016	\$	25,000	\$	53.92	463
12/31/2016	\$	25,000	\$	58.44	427

- (6) Lewis B. Campbell retired from the Board of Directors effective May 3, 2016.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis (CD&A) is intended to explain how our compensation program is designed and how it operates for our Named Executive Officers (NEOs). The below table includes a list of our 2016 NEOs. As previously announced, on March 16, 2017, Dr. Thomas J. Lynch, Jr. succeeded Dr. Francis Cuss as Executive Vice President and Chief Scientific Officer. Dr. Cuss will retire from the company after a three-month transition period.

NAME	PRINCIPAL POSITION
Giovanni Caforio, M.D.	Chief Executive Officer & Chairman-Designate
Charles Bancroft	Chief Financial Officer and EVP, Head of Global Business Operations
Francis Cuss, MB BChir, FRCP	EVP and Chief Scientific Officer
Sandra Leung	EVP and General Counsel
Murdo Gordon	EVP and Chief Commercial Officer

EXECUTIVE SUMMARY**A. Introduction**

Overview. Bristol-Myers Squibb Company continues to recognize that aligning pay to the achievement of both our short-term and long-term goals, engagement, the achievement of our mission and the delivery of value to our shareholders is a cornerstone of our compensation philosophy and program structure. In 2016, we met or exceeded our financial and operational goals in key areas, including continued growth across our core priority brands, additional clinical and regulatory achievements, important business development activities, the evolution of our operating model and maintaining a strong balance sheet.

Received strong shareholder support for executive compensation with 96% in favor of our 2016 "Say on Pay" vote

Strong commercial and operational execution resulted in significant top-line and bottom-line growth compared to 2015

§ *Opdivo* sales grew over 300%

§ *Eliquis* continued to perform strongly growing by 80% in revenues and is becoming the leading oral anticoagulant within its approved indications

§ We also achieved significant growth across a number of our established in-line brands, including *Orencia* and *Sprycel*, which grew by 20% and 13%, respectively

Continued to advance our long-term business strategy, focusing on key priorities

§ We continued to build on the unprecedented achievements in immuno-oncology experienced in 2015

§ *Opdivo* received additional FDA approvals for treatment of classical Hodgkin lymphoma and head & neck cancer and an EU approval for classical Hodgkin lymphoma

§ Our CheckMate-026 study did not meet its primary endpoint. This study investigated the role of *Opdivo* monotherapy compared to chemotherapy in patients with previously untreated advanced non-small cell lung cancer, whose tumors expressed a particular biomarker, PD-L1, at $\geq 5\%$

§ *Opdivo* reached a record ten U.S. indications in under 2 years

§ At the end of 2016, *Opdivo* was approved in over 61 countries

Key 2016 performance highlights

§ Total revenues increased by 17% on a GAAP basis

§ GAAP and non-GAAP earnings per share increased by 185% and 41%, respectively

§ Our strong financial and operational performance in 2016 continued to develop a strong platform for long-term value creation for shareholders, as evidenced by our 18% three-year total shareholder return, which exceeded our peer group

§ We began executing on our operating model evolution

Table of Contents

Although 2016 was an outstanding year financially, it nevertheless posed some unique challenges for us. We fully implemented significant compensation program changes (discussed in further detail below) that were approved by our Compensation and Management Development Committee (the "CMDC" or the "Committee") after extensive discussion with key shareholders. These changes were designed to provide the tools and flexibility to appropriately incentivize, reward and retain our executives, and reflect a holistic assessment of the company's and management's overall performance. Additionally, these changes were immediately tested by the events of 2016. Although we continued to deliver outstanding financial and operational results in virtually all key areas, share price declined 15.0% in 2016, primarily due to the market reaction to the disappointing results of the CheckMate-026 clinical trial. After reviewing all details of our financial and operational performance, our share price performance and the individual performance of our executives, our CMDC determined that the compensation of our executives under the new program design was appropriate. This determination reflects the Committee's assessment of the importance of balancing long-term and short-term elements of compensation and what each element of our compensation program is designed to accomplish.

Company Transformation & Evolution of Operating Model. We have successfully transitioned to a specialty biopharmaceutical company, with a strategy uniquely designed to leverage both the reach and resources of a major pharmaceutical company, and the entrepreneurial spirit and agility of a biotech firm. In 2016, this allowed us to continue to build on our financial and operational successes from the prior year. As we focus on the future, we continue to make changes to the organization that align with our transformed company, including continuing to evolve our operating model to more effectively focus resources on key priorities and simplify execution to speed the delivery of transformational medicines to patients.

Our Committee's ongoing review of our business strategy and our extensive shareholder engagement efforts have allowed our executive compensation program to evolve while maintaining close alignment with our strategic focus and the perspectives of our shareholders. This executive summary includes an overview of the key components of our executive compensation program and recent changes approved and deployed that continue to support our company's evolution to a leading specialty biopharmaceutical company.

Table of Contents

B. Shareholder Engagement and our Executive Compensation Program

In 2016, we held an annual advisory vote on executive compensation and approximately 96% of the votes cast voted in favor of our executive compensation program as disclosed in our 2016 Proxy Statement. We believe that this strong support for our executive compensation is directly related to the changes we made to our program over the last year, which resulted from our direct engagement with our shareholders.

2016 Compensation Program

In 2015, we received valuable feedback from our shareholders on our compensation practices, and this feedback directly informed the changes that our Committee made to our executive compensation program for 2016 in order to further enhance the structural alignment between our incentive program and our strategy.

2016 Engagement

During our 2016 shareholder outreach, we had discussions with a diverse mix of institutional shareholders, reaching out to our top 30 institutions, and meeting with shareholders representing over 30% of our shares outstanding, which included both major asset managers as well as pension funds. We continued to engage with our investors on our executive compensation program, receiving generally positive feedback on the structural changes to the compensation program that became effective in 2016. The feedback received from shareholders was brought to the Committee and Board for discussion. We are committed to ongoing shareholder engagement and consideration of feedback as we continually evaluate our executive compensation program.

Our Financial and Operational Performance Continue to Create Value for Shareholders

Our overall philosophy to create shareholder value is primarily to focus on strong year-to-year financial and operational performance and on the development and advancement of our pipeline. Despite a 15.0% decline in stock price in 2016, our total shareholder return (stock price appreciation plus dividends), or TSR, has outperformed our peer group over both a three-year period (18% TSR) and a five-year period (92% TSR). While we are not satisfied with our share price performance in 2016, we believe that our philosophy supports the right framework for delivering value to shareholders over the long-term.

Table of Contents

Cumulative Indexed Total Shareholder Return

C. Our Company Performance in 2016 and *Advancement of our Long-term Business Strategy*

Building on the strategic foundation established by our transformation to a specialty biopharmaceutical company, our management's execution of our strategic priorities resulted in continued profitable growth in 2016 driven by strong performance of new and inline brands (products that are not expected to lose exclusivity in the U.S. between the next three years, in the case of *Sprycel*, and the next ten years, in the case of *Opdivo*), additional clinical and regulatory achievements, particularly in immuno-oncology, important business development activities that supplement our innovative pipeline, the evolution of our operating model, and a strong balance sheet. For a discussion of our Board's involvement in the strategic planning process, please see "Board's Role in Strategic Planning and Risk Oversight" beginning on page 18.

Table of Contents

§

Management's execution of our strategic priorities in 2016 resulted in increased revenues of 17% and GAAP and non-GAAP earnings per share of 185% and 41%, respectively, compared to 2015.

§

We continued to build off our success with *Opdivo* in 2015, receiving additional approvals and other regulatory milestones for *Opdivo* and strong commercial execution, described in more detail below. We achieved significant revenue growth in *Opdivo*, which grew by over 300% to \$3.8 billion.

§

Outside of immuno-oncology, our cardiovascular product *Eliquis* continues to perform strongly growing by 80% in revenues and is becoming the leading oral anticoagulant within its approved indications.

§

We achieved significant growth across a number of other key product portfolios, including *Orencia* and *Sprycel*, which grew by 20% and 13%, respectively.

§

We continued to advance a diversified pipeline of innovative medicines, including early stage assets in fibrosis, heart failure, immunoscience and certain genetically defined diseases.

§

Our management team successfully leveraged our newly streamlined operating model to accelerate the speed with which we bring new treatment options to patients while maintaining quality, safety and cost efficiency, all while operating with high ethical standards.

§

We continued our use of important business development activities to supplement our innovative pipeline, including (i) our acquisitions of Cormorant Pharmaceuticals, which broadens the company's oncology pipeline focus on the tumor microenvironment and combination therapy, and Padlock Therapeutics, which expanded the company's immunoscience pipeline, (ii) our exclusive worldwide license agreements covering Nitto Denko's targeted siRNA therapy in advance non-alcoholic steatohepatitis (NASH) and cirrhosis due to NASH, and PsiOxus Therapeutics' NG-348, an "armed" oncolytic virus to address solid tumors, and (iii) our immuno-oncology collaboration with Enterome focused on microbiome-derived biomarkers, drug targets and bioactive molecules to be developed as potential companion diagnostics and therapeutics for cancer.

Table of Contents

In 2016, we continued to build on the unprecedented achievements in immuno-oncology experienced in 2015. *Opdivo* continued to have success, gaining additional FDA approvals for treatment of classical Hodgkin lymphoma and head & neck cancer and an EU approval for classical Hodgkin lymphoma. With these approvals, *Opdivo* reached a record ten U.S. indications in under 2 years. At the end of 2016, *Opdivo* was approved in over 61 countries.

Although we continued to deliver outstanding operating and financial results, the company announced that a pivotal Phase III clinical trial did not meet its primary endpoint. This clinical trial, CheckMate-026, studied *Opdivo* alone compared to chemotherapy in patients with previously untreated advanced non-small cell lung cancer (NSCLC) whose tumors expressed a particular biomarker, PD-L1, at $\geq 5\%$. The company continues to investigate *Opdivo* in other comprehensive development programs for first-line NSCLC, including combination therapies with *Yervoy* and other anti-cancer agents, while learning from the results of CheckMate-026. Beyond *Opdivo* and *Yervoy*, we are building on the continued success of and remain strongly committed to *Eliquis*, *Orencia* and *Sprycel*. Additionally, we continued to use important business development activities to supplement and strengthen our early stage portfolio in immunoscience, cardiovascular and fibrotic diseases. We continue to believe that the breadth and depth of our portfolio, our disciplined approach to capital allocation as well as our complementary business development activities position us well for the execution of our long-term business strategy.

D. 2016 Pay Decisions Align with Company Performance and Evolution

Key Considerations

As noted, when evaluating company and senior management performance and making its compensation decisions for 2016, the Committee considered our compensation philosophy and program structure, which underscores competitive compensation and pay for performance, striking the appropriate balance between (i) directly aligning executives' compensation with the achievement of our Mission and the delivery of value to our shareholders, (ii) making a substantial portion of our executives' compensation variable and at risk based on operational, financial, strategic and share price performance and (iii) attracting, retaining and engaging executives who are capable of leading our business in a highly competitive, complex, and dynamic business environment.

After reviewing all details of our financial and operational performance, our share price performance, and the individual performance of our executives, our CMDC determined that the compensation of our executives under the new program design was appropriate. In reviewing the description of the 2016 compensation decisions made in light of the market's reaction to results of the CheckMate-026 clinical trial, it is important to keep in mind the following:

Most of the 2016 compensation decisions regarding our executives were made in the first half of 2016 several months before the CheckMate-026 results were known. These decisions include the determination of our executives' base salaries, the grant of new equity awards and the vesting of outstanding equity awards granted in prior years.

Portions of our outstanding equity awards granted in prior years that vested in the first half of 2016 did not take into account the market reaction to the CheckMate-026 results.

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Decisions regarding our 2016 annual incentive program were made in early 2017. While our annual incentive program is primarily focused on encouraging and rewarding outstanding financial and operational performance, our program does take into account the advancement of our pipeline and the Committee's holistic assessment of the individual performance of our executives. Both of these factors for all of our Named Executive Officers were negatively affected by the CheckMate-026 results and the associated market reaction, resulting in lower bonuses for our Named Executive Officers.

Table of Contents

The Committee looked at how all the elements of our new compensation program design work together, noting the balance inherent in the 2016 re-design between long-term and short-term compensation and performance; top-line and bottom-line results; absolute and relative factors; and internal and market-based performance metrics. In evaluating 2016 performance, the Committee determined that the compensation of our executives appropriately reflects:

our financial and operational performance,

the advancement of the pipeline in 2016,

the results from our CheckMate-026 clinical trial,

the subsequent decline in our share price during the second half of 2016, and

evolution of our operating model.

We believe that our core strategy will continue to create long-term value for shareholders, as evidenced by our 18% three-year total shareholder return that, despite our 2016 share price decline, still exceeds our peer group TSR over the same time period.

Other Key Factors Considered

As noted, our compensation program is guided by our compensation philosophy and principles and this is illustrated through the following elements of our program:

Balance of incentives created by the new compensation design for 2016, which places greater emphasis on long-term performance.

Long-term incentive program significantly aligns executive compensation with shareholder value over the relevant period:

- Long-term compensation emphasized in our overall executive pay mix;
- 34% of the 2016 PSU grant is tied to 3-year TSR vs. our peer group. If the TSR position relative to our peer group at the end of the performance period remains unchanged from where it was on 12/31/2016, the relative TSR component of the 2016 PSU grant will yield no payout; and
- MSUs are also highly leveraged relative to changes in our share price.

Robust share ownership and retention guidelines further the alignment of management and shareholders, with management's retained shares experiencing the same decline in value as other shareholders.

E. 2016 Annual Incentive Program Results & Incentive Plan Target Setting Considerations

Annual Incentive Program Results

Annual awards are determined based on a Company Performance Factor, which is calculated based on pre-defined financial and pipeline goals, and an Individual Performance Factor, which is calculated based on individual achievements against pre-defined strategic and operational goals. When determining the individual component of our annual incentive awards, the Committee considers each executive's contributions to the company's strategic achievements and financial and operational performance. In addition, the Committee considers how each executive demonstrates the Company's Behaviors and his or her contributions to our company's culture of business integrity, ethics and compliance.

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Specifically, for 2016, applying all elements of the newly designed compensation plan, the Committee's determination is reflected in the compensation of all current NEOs as follows:

the pipeline performance metric in our annual incentive program was determined to be a 2, which includes a significant downward adjustment related to the negative results of the CheckMate-026 clinical trial; and

the range of Individual Performance Factors for 2016 is significantly lower than the range of Individual Performance Factors for 2015.

Table of Contents*Target Setting Considerations*

At the beginning of each year, the Committee undertakes an incentive target setting process to establish targets that it believes will motivate our executives appropriately to deliver the performance that drives shareholder value creation in both the short and longer term.

Taking into consideration, among other things, budget, operational priorities, long-term strategic plans, historical performance, product pipeline and other external factors, as well as the evolution of our business and product portfolio in the context of our transition to a specialty biopharmaceutical company, the Committee set 2016 incentive targets in consideration of anticipated performance, in line with guidance provided to the market in early 2016 and in line with pipeline expectations. Later in the year, after the Committee set the targets, we met, or exceeded financial and operational goals in certain key areas, including significant growth of both revenues and earnings as a result of better-than-expected sales results, particularly in *Eliquis* and the Hepatitis C portfolio, important business development activities, and the evolution of our operating model.

Further detail on annual target setting considerations for each of our NEOs is included beginning on page 42, under "Financial and Pipeline Metric Target Setting Considerations".

Year over Year Comparison of Financial and Pipeline Achievements for Company Performance Factor

Performance Measure	2015			2016		
	Target	Actual	% of Target	Target	Actual	% of Target
Non-GAAP Diluted Earnings Per Share(1)(2)	\$ 1.57	\$ 1.95	124.2%	\$ 2.35	\$ 2.83	120.4%
Total Revenues, Net of Foreign Exchange (\$=MM)(1)	\$ 15,638	\$ 17,808	113.9%	\$ 17,596	\$ 19,494	110.8%
Pipeline Score	3	4.8	160.0%	3	2	66.7%

(1)

2015 total revenues, net of foreign exchange, and non-GAAP diluted earnings per share were negatively adjusted by \$121 million and \$0.05, respectively, to neutralize the less than expected adverse impact from additional launches of generic entecavir (Baraclude). Using unadjusted total revenues, net of foreign exchange, and non-GAAP diluted earnings per share, resulted in year-over-year increases of 8.7% and 40.8%, respectively.

(2)

In 2015 with respect to the CEO, the other NEOs and other executive officers, the achievement of 2015 non-GAAP EPS was reduced by \$0.01 to reflect the financial impact of the company's civil settlement with

the SEC of alleged Foreign Corrupt Practices Act violations.

The Individual Performance Factors applied to our NEOs for 2016 ranged between 85% and 105%. This range is significantly lower than the Individual Performance Factors for our current NEOs in 2015, which were between 125% and 130%.

Disclosure of our NEOs individual performance goals and achievements are detailed below beginning on page 44, under "2016 Individual Performance Assessment". Further detail on annual incentive awards for each of our NEOs is included on page 46, under "2016 Annual Incentive Awards".

Table of Contents

Our Compensation Governance Reflects Market Best Practices

We maintain a number of compensation governance best practices which support our overarching compensation philosophy and are fully aligned with our compensation principles, as discussed in the following section. Our compensation practices also align with input we have received from shareholders.

What We Do:	What We Don't Do:
ii 100% performance-based annual and long-term incentives	Generally no perquisites to our Named Executive Officers
ii Caps on the payouts under our annual and long-term incentive award programs	Prohibition on speculative and hedging transactions
ii Robust share ownership and share retention guidelines	No employment contracts with our Named Executive Officers
ii Robust recoupment and clawback policies	Prohibition on re-pricing or backdating of equity awards
ii Proactive shareholder engagement	No guaranteed incentives with our Named Executive Officers
ii "Double-trigger" change-in-control agreements	No tax gross-ups

Table of Contents

Executive Compensation Philosophy and Principles

Our executive compensation philosophy focuses on two core elements:

Based on this philosophy, our compensation program is designed with the following principles in mind:

- ü to pay our employees equitably based on the work they do, the capabilities and experience they possess, and the performance and behaviors they demonstrate;
- ü to promote a non-discriminatory and inclusive work environment that enables us to benefit from the diversity of thought that comes with a diverse and inclusive workforce;
- ü to motivate our executives and all our employees to deliver high performance with the highest integrity; and
- ü to implement best practices in compensation governance, including risk management and promotion of effective corporate policies.

Benchmarking Analysis and Peer Group

Benchmarking Approach

In general, our executive compensation program seeks to provide total direct compensation at the median of our primary peer group (as defined below) when targeted levels of performance are achieved. In any given year, however, we may target total direct compensation for a particular executive above or below the median of our primary peer group due to multiple factors, including competencies, qualifications, experience, responsibilities, contribution, individual performance, role criticality and/or potential. We may also target total direct compensation above the median of our primary peer group to attract and retain talent within the competitive biopharmaceutical industry marketplace. We define total direct compensation as base salary plus target annual incentive award plus the fair value of annual long-term incentive awards on the date of grant.

Paying at competitive levels when targeted levels of performance are achieved allows us to attract and retain the talent we need to continue driving performance, while enabling us to maintain a competitive cost base with respect to compensation expense.

Table of Contents

Benchmarking Process

The Committee's independent compensation consultant annually conducts a review of the compensation for our Named Executive Officers, including compensation information compiled from publicly filed disclosures of our primary and extended peer groups. Pay levels of our peers are used as a reference point, among other factors, when determining individual pay decisions (*i.e.*, base salary levels, the size of salary adjustments, if any, target annual incentive levels and long-term incentive award size).

2016 Peer Groups

We regularly monitor the composition of our peer groups and make changes when appropriate. Our peer groups in 2016 remained unchanged and consisted of the following companies:

	Primary Peer Group	Extended Peer Group(1)
AbbVie Inc.	Gilead Sciences Inc.	AstraZeneca PLC
Amgen Inc.	Johnson & Johnson	GlaxoSmithKline PLC
Biogen Inc.	Merck & Co.	Roche Holding AG
Celgene Corporation	Pfizer, Inc.	Novartis AG
Eli Lilly and Company		Sanofi

(1) Our extended peer group includes the primary peer group plus these five companies based outside the U.S.

Primary Peer Group: The Committee believes the companies included in our 2016 primary peer group are appropriate given the unique nature of the biopharmaceutical industry. These companies represent our primary competitors for executive talent and operate in a similarly complex regulatory and research-driven environment.

In determining our primary peer group, we believe emphasis should be placed on whether a company competes directly with us for the specialized talent necessary to further drive our success as a specialty biopharmaceutical company. We also consider company size in determining our peer group. The companies in our primary peer group all had annual revenues of at least \$9 billion. BMS was slightly below the 25th percentile in revenue and between the median and the 75th percentile in market capitalization amongst our primary peer group.

Extended Peer Group: We also review an extended peer group, which is comprised of the nine companies in our primary peer group plus five companies based outside the U.S. This extended peer group serves as an additional reference point for compensation practices, including understanding of the competitive pay environment as it relates to the global nature of both our business and the competition for talent.

2016 Target Compensation Benchmarks

Target compensation for Dr. Caforio was at approximately the median of Chief Executive Officers within our current proxy peer group. The Committee believes Dr. Caforio's compensation package positions him appropriately among his peers when taking multiple factors into consideration. On average, our other executive officers were also at approximately the median of our current proxy peer group, with variation by position.

Table of Contents

Components of Our 2016 Compensation Program

Core components of our 2016 executive compensation program:

§	Base Salary
§	Annual Incentive Award
§	Long-Term Incentives, comprised of:
	Performance Share Units
	Market Share Units

The Committee believes this structure aligns with a continued commitment to emphasizing variable, or "at risk," compensation for our executives. The following charts provide an overview of the 2016 executive compensation components for the CEO and other NEOs, and highlights the percentage of target compensation that is variable and at risk.

This target mix supports the core elements of our executive compensation philosophy by emphasizing long-term, stock-based incentives while providing competitive annual cash components, aligning our executive compensation program with our business strategy.

The following sections discuss the primary components of our executive compensation program and provide detail on how specific pay decisions were made for each NEO in 2016.

Base Salary

Base salaries are used to help us attract talent in a highly competitive labor market. The salaries of our executives are primarily established on the basis of the pay levels of comparable positions within our primary peer group and the specialized qualifications, experience and criticality of the individual executive and/or his or her role. Salary increases for our executives are determined based on both the performance of an individual and the size of our annual increase budget in a given year, which is based in part on an assessment of market movement related to salary budgets for our peer companies and the general industry. We typically set our annual salary increase budgets based on the median of such forecasts. Salary adjustments may also be granted from time to time during the year, such as when an executive assumes significant increases in responsibility and/or is promoted. Salary adjustments also reflect movement in the market for individual executive roles, as was the case in both 2015 and 2016.

Table of Contents

In 2016, in accordance with our company-wide merit review process, employees, including the Named Executive Officers, were eligible for a merit increase provided their performance fully met or exceeded expectations on both results and behaviors. Employees rated below the fully-performing level typically receive a reduced merit increase or receive no salary increase depending on the extent to which they were rated below the fully-performing level. Effective April 1, 2016, Dr. Caforio received a 10.7% increase, reflecting his first full year as Chief Executive Officer and bringing him closer to the median target pay compared to his peers; Mr. Bancroft received an increase of 4%; Ms. Leung received an increase of 3%; and Dr. Cuss received an increase of 6%. Mr. Gordon received a 10% salary increase effective April 1, 2016 and a subsequent 10% salary increase in June 2016, reflective of his appointment as Chief Commercial Officer to bring him closer to the median target pay compared to his peers and reflective of his increased responsibilities.

Annual Incentive Program

Our annual incentive program is designed to reward performance that supports our business strategy as a specialty biopharmaceutical company and our Mission to help patients prevail over serious diseases. The annual plan aligns with our business strategy and Mission by sharpening management's focus on key financial and pipeline goals, as well as by rewarding individual performance (both results and behaviors), consistent with our pay-for-performance philosophy.

Each NEO's target annual incentive is expressed as a percentage of base salary. Annual incentive awards for each NEO are determined by evaluating both company performance (as measured by the Company Performance Factor) and individual performance (as measured by the Individual Performance Factor). The maximum incentive opportunity for each NEO is 200% of target.

The Company Performance Factor can range from 0% to 152%, based on financial achievements and pipeline results, and the Individual Performance Factor can range from 0% to 165%, based on individual performance (both results and behaviors), subject to a 200% of target maximum. The graphic below illustrates the calculation used to determine annual incentive plan awards.

Annual Incentive Award Calculation for Named Executive Officers

Table of Contents

Performance Metrics Underlying the Company Performance Factor

Our 2016 incentive plan design has the following corporate-wide measures, which apply to all employees eligible to participate in the annual incentive plan, including our Named Executive Officers:

2016 Metric and Weighting	What It Is	Why It's Important
Earnings Per Share (EPS) (50%)	Non-GAAP Diluted EPS (Net Income <i>divided by</i> outstanding shares of common stock)	A critical measure of annual profitability aligning our employees' interests with those of our shareholders
Total Revenues (25%)	Total Revenues, net of foreign exchange (Total revenues minus reserves for returns, discounts, rebates and other adjustments)	A measure of top-line growth that creates a foundation of long-term sustainable growth and competitive superiority
Pipeline (25%)	Near-Term Value (Submissions and approvals) Long-Term Growth Potential	Increases BMS-wide focus on delivery of our late-stage pipeline and continued development of a robust pipeline through both internal efforts and business development

Our pipeline metric highlights the importance of pipeline delivery to the near-term and long-term success of the company. This metric measures the sustainability and output of our R&D pipeline portfolio and is comprised of goals in two categories, Near-Term Value and Long-Term Growth Potential with a Qualitative Overlay:

Metric	What It Is	Why It's Important
Near-Term Value (50%)	Regulatory submissions and approvals for new medicines and new indications and formulations of key marketed products in the U.S., EU, China and Japan	Recognizes delivery of the late-stage pipeline , which drives near-term value
Long-Term Growth Potential (50%)	Development Candidates First in Human Proof of Confidence Registrational Study Starts	Recognizes the progression and successes of the R&D pipeline at various stages of development, including internally and externally-sourced compounds
Qualitative Overlay	Reflects management's holistic evaluation of our pipeline performance, including such considerations as the performance of high value assets and the integration of acquired assets, among other factors.	

Financial and Pipeline Metric Target Setting Considerations

At the beginning of each year, the Committee undertakes an incentive target setting process to establish targets that it believes will motivate our executives appropriately to deliver the high performance that drives shareholder value creation in both the short and longer term.

Financial and strategic performance targets are:

Pre-defined;

Stretch goals that aligned with earnings guidance;

Table of Contents

Tied to the key financial objectives of the company; and

Aligned with industry benchmarks on speed of commercial launch and expected market adoption.

Pipeline performance targets are:

Set in collaboration with the Science and Technology Committee;

Aligned with the company's strategic plan and key value drivers;

Aligned with industry benchmarks on typical clinical study duration and regulatory approval timelines;

Separated into two performance categories, "Near-Term Value" and "Long-Term Growth Potential" subject to a qualitative overlay; and

Reflective of annual milestones that link short-term outcomes to long-term strategic R&D priorities (milestones for higher value assets are emphasized in goal setting to provide a framework that assesses not only quantity, but also quality and impact of milestones.)

The S&T Committee also identifies those highest value assets and the integration of acquired assets, among other factors, the importance of which will inform the application of a qualitative overlay.

In establishing targets and goals each year, the Committee considers budget, operational priorities, long-term strategic plans, historical performance, product pipeline and other external factors, including external expectations, and an assessment of the competitive environment. The incentive targets set for 2016 reflected all of these considerations, as well as the evolution of our business and product portfolio in the context of our transition to a specialty biopharmaceutical company.

The Committee set 2016 incentive targets in consideration of anticipated performance, in line with guidance provided to the market in early 2016 and in line with pipeline expectations. Later in the year, after the Committee set the targets, we met, or exceeded financial and operational goals in certain key areas, including significant growth of both revenues and earnings as a result of better-than-expected sales results, particularly in *Eliquis* and the Hepatitis C portfolio, important business development activities, and the evolution of our operating model.

2016 Company Performance Factor Achievements

The table below shows the performance and resulting payout percentage of the performance measures used for our 2016 annual incentive plan:

Performance Measure	Target	Actual	% of Target	Resulting Payout Percentage
Non-GAAP Diluted Earnings Per Share	\$ 2.35	\$ 2.83	120.4%	152.17%
Total Revenues, Net of Foreign Exchange (\$=MM)	\$ 17,596	\$ 19,494	110.8%	152.17%
Pipeline Score	3	2	66.7%	46.51%
Total			104.6%	125.76%

Table of Contents

For the pipeline metric, after the performance period is complete, the Science and Technology Committee reviews our performance in the categories identified above, including a qualitative assessment of results, and determines a performance score using a scale of one to five, with three being target. For 2016, the Science and Technology Committee recommended, and the CMDC approved, a pipeline score of 2 based on the following results:

Individual Performance Factor

Our executive compensation program is designed to reward executives for financial, operational, strategic, share price and individual performance while demonstrating high ethical standards. We believe this structure appropriately incentivizes our executives to focus on our long-term business strategy, to achieve our Mission to help patients prevail over serious diseases, and to attain sustained long-term value creation for our shareholders.

When determining individual award levels, the Committee considers (i) individual performance against strategic, financial and operational objectives that support our long-term business strategy and shareholder value creation ("Results") and (ii) an executive's demonstration of the behaviors defined in the Bristol-Myers Squibb Commitment and our BMS Behaviors ("Behaviors") identified in the box to the right. In 2016, the behaviors were refreshed to reflect the evolution of our culture and company transformation.

2016 Individual Performance Assessment

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When determining the individual component of the annual incentive awards, the Committee considered each executive's contributions to our company's strategic achievements and financial and operational performance as well as his or her demonstration of company behaviors. The Committee evaluated our NEO's performance against clear and pre-defined objectives established at the beginning of the year tied to the company's key strategic objectives.

Table of Contents

As noted on page 34, while our annual incentive program is primarily focused on driving outstanding financial and operational performance, it also takes into account the advancement of our pipeline (through the pipeline metric) and the Committee's assessment of the individual performance of our NEOs. Accordingly, in ensuring that individual compensation reflects the holistic assessment of BMS' 2016 performance, the Committee determined to negatively affect the Individual Performance Factor applied to each of our NEOs to varying degrees to hold the leadership team accountable for the CheckMate-026 results and the associated impact on our market capitalization.

For the CEO, the Committee evaluated the following in determining his individual performance modifier:

2016 CEO PERFORMANCE EVALUATION

STRATEGIC OBJECTIVE

Drive performance of the business: Achieve budgeted financial targets established at the beginning of the year, including revenues, non-GAAP EPS, gross margin and operating margin, and increase competitiveness as a Specialty BioPharma company, including achieving predefined customer service metrics for all products and streamlining the operating model.

Enhance the value of the portfolio and diversify for long-term growth: Maximize portfolio value of new franchises/assets, accelerate key inline growth drivers and maximize near-term value and long-term growth potential goals, including achieving budgeted revenues targets for core products, launch performance metrics for *Opdivo*, key product approvals, regulatory submissions, and other key pipeline milestones.

EVALUATION

Significantly exceeded targets for revenues, and non-GAAP EPS and exceeded operating margin target as a result of strong launch preparedness and execution, among other things.

Met or exceeded all customer service metrics with 99% customer service satisfaction for all products.

Designed and began executing innovative and bold evolution of company operating model.

Exceeded targets for revenues of core products, including *Opdivo*, *Yervoy*, *Empliciti*, *Eliquis*, *Orencia*, *Sprycel* and the Hepatitis C portfolio.

Exceeded launch metrics for *Opdivo* in second-line squamous and non-squamous non-small cell lung cancer.

Additional indications approved for *Opdivo*, including for classical Hodgkin lymphoma and head & neck cancer in the U.S. and for classical Hodgkin lymphoma in the EU, bringing total U.S. indications to a record ten in under two years.

Empliciti approved in the EU for relapsed / refractory multiple myeloma.

Daklinza approved for use in three new patient populations in the U.S. and the EU.

13 registrational studies were initiated and other key pipeline milestones met or exceeded.

CheckMate-026, studying *Opdivo* in first-line lung cancer, failed to meet its primary endpoint.

Evolve our culture and execute our People Strategy: Embed our strategy to engage, empower and enrich employees (the "People Strategy") and accelerate the evolution of our culture, including continuing to deepen employee engagement as measured in surveys and business performance, championing the new BMS behaviors, delivering measureable improvements in key areas of focus, including, among others, diversity and inclusion, and continuing to set a firm "tone at the top" on a culture of business integrity, ethics and compliance, among others.

Very strong 2016 employee survey results with positive trends internally and against external benchmarks in key areas of focus and employee engagement.

Continued to reinforce integrity and ethics across employee communications and events and received Ethisphere Compliance Leader Verification for 2016 and 2017 with high marks for culture of compliance and tone at the top.

Increased focus on the company's diversity and inclusion initiatives.

Robust management development plans in place and being executed in support of succession planning for critical positions.

Individual Performance Modifier Based on CMDC Evaluation: 105%

In addition, the Committee noted that with respect to each of our other NEOs:

For Mr. Bancroft, the Committee considered: (i) his significant leadership in the achievement of strong operational results (both top-line and bottom-line growth compared to 2015 GAAP and non-GAAP earnings per share increasing by 185% and 41%, respectively, and Total Revenue by 17% on a GAAP basis) and maintaining a strong balance sheet; (ii) his leadership in driving the evolution of our operating model, and (iii) his oversight and

Table of Contents

leadership in executing business development, including as discussed on page 33 our acquisitions of Cormorant Pharmaceuticals, Padlock Therapeutics, our exclusive worldwide license agreements with PsiOxus Therapeutics' NG-348 and our immuno-oncology collaboration with Enterome.

For Dr. Cuss, the Committee considered (i) the significant advancement of the pipeline, including both clinical and regulatory achievements, notably 35 regulatory submissions and approvals, 39 pipeline projects meeting transition milestones, the achievement of FDA approvals for *Opdivo* for the treatment of classical Hodgkin lymphoma and head & neck cancer, and an accelerated EU approval for classical Hodgkin lymphoma, as well as breakthrough designation of *Opdivo* for bladder cancer, (ii) his response and management following the CheckMate-026 results and associated impact on market capitalization, (iii) his leadership in driving the evolution of our operating model within the R&D organization, and (iv) his continued strong partnership with our commercial and global manufacturing organizations, which has resulted in more seamless transitions and faster time-to-market for our products.

For Ms. Leung, the Committee considered: (i) her role in providing consistently sound legal advice to senior management and the Board of Directors, (ii) her successful management of multiple, significant legal issues across all teams and functions with particular focus on delivering a robust intellectual property and patent strategy, (iii) her role in supporting multiple business development transactions, including innovative partnerships and worldwide licensing agreements, (iv) her continued leadership in building a very strong and high-functioning legal leadership team that is recognized externally as a benchmark, (v) her contributions and performance as a trusted and respected senior leader who provides valuable strategic advice and whose impact spans across all teams and functions, and (vi) her strong advocacy and sponsorship of diversity and inclusion both internally and externally.

For Mr. Gordon, the Committee considered: (i) his exemplary leadership role in our strong commercial execution, specifically revenue growth in *Opdivo* of over 300% to \$3.8 billion, *Eliquis*' strong performance growing by 80% in revenues and becoming the leading oral anticoagulant within its approved indications, and significant growth across other key products, including *Orencia* (20% growth) and *Sprycel* (13% growth), (ii) his role in leading the deployment of our new operating model within the Commercial function to become more focused on key brands and markets, and (iii) his acting as a champion for diversity and inclusion and his sponsorship of one of our innovative people and business resource groups specifically focused on the development and advancement of women.

2016 Annual Incentive Awards

The actual annual incentive awards paid to our Named Executive Officers are shown in the table below and can also be found in the Summary Compensation Table under the Non-Equity Incentive Plan Compensation column:

Executive	Target Incentive Award	Applying Company Performance Factor(1)	Actual Payout(2)
Giovanni Caforio, M.D.	\$ 2,268,750	\$ 2,853,180	\$ 2,995,839
Charles Bancroft	\$ 1,159,165	\$ 1,457,766	\$ 1,530,654
Francis Cuss, MB BChir, FRCP	\$ 960,094	\$ 1,207,414	\$ 1,026,302
Sandra Leung	\$ 919,841	\$ 1,156,792	\$ 1,214,632
Murdo Gordon	\$ 684,117	\$ 860,346	\$ 903,363

- (1) Adjusted to reflect Company Performance Factor (financial and pipeline performance) earned at 125.76%.
- (2) Adjusted to reflect individual performance.

As set forth in the table above, the Company Performance Factor of 125.76% was applied to each Named Executive Officer's target incentive award. Then, an individual performance payout factor was applied to determine the actual payout. The Committee can approve an Individual Performance Factor up to 165% of the adjusted incentive, subject to 200% of target maximum. Taking into consideration both the qualitative and quantitative elements of the pipeline performance metric in our annual incentive program, the Committee decided that the pipeline score would be a 2. Without the downward adjustment due to the qualitative overlay related to the CheckMate-026 clinical trial, the quantitative score would have yielded at 3.8 given the significant pipeline

Table of Contents

achievements in 2016. This downward adjustment was based on management's recommendation to the Science and Technology Committee (S&T), and the S&T's concurrence with this assessment.

Accordingly, based on the performance highlighted above and the qualitative overlay applied to the pipeline score, the Committee approved Individual Performance Factors ranging between 85% and 105% for our Named Executive Officers, which is significantly lower compared to Individual Performance Factors for our current Named Executive Officers in 2015, which were between 125% and 130%.

Long-Term Incentive Program

Like our annual incentive plan, our long-term incentive program is designed to reward performance that supports our strategic objectives and creates value for our shareholders. A significant percentage of our executives' compensation is in the form of equity that vests over several years, which is designed to closely tie the interests of our executives to the interests of our shareholders. Our long-term incentive program also is designed to promote retention through multi-year vesting.

In 2016, we continued to offer two long-term award vehicles, each of which served a different purpose:

Performance Share Unit Awards: reward the achievement of key financial goals and the value created for shareholders as measured by relative TSR over a three-year period ending in the first quarter of the applicable year.

Market Share Unit Awards: reward the creation of incremental shareholder value over a long-term period.

We believe our long-term incentive program serves the best interests of our shareholders by focusing the efforts of our executives on key drivers of both short- and long-term success and on shareholder value. Key aspects of the long-term incentive program include:

100% of executives' long-term incentive awards are performance-based;

The design of our long-term incentive program applies to all our executives, thus promoting organizational alignment with our recruitment and business strategy; and

Our long-term incentive program serves as a retention lever, through vesting and payout over several years.

2016 Equity Incentive Program Summary

Proportion of Annual Grant	60%	40%
Metrics & Weighting	Non-GAAP Operating Margin: 33% Total Revenues (ex-fx): 33% 3-Year Relative TSR: 34%	Share Price Performance
Min / Max Payout (% of Target Units)	0% / 200%	0% / 200%*
Vesting	3-year, cliff vesting	4-year, ratable vesting

* The number of shares earned from Market Share Units (MSUs) can increase or decrease, in proportion to the change in our share price over the one-, two-, three- and four-year performance periods. The minimum share price achievement required to earn any shares from MSUs is 60% of the grant date stock price. Accordingly, if 60% is not achieved, zero shares will vest. Both vehicles are designed to be performance-based within the meaning of Section 162(m) of the Internal Revenue Code.

Table of Contents

As illustrated below, the design of our LTI program generally magnifies the impact of changes in our stock price and relative TSR performance. When our stock price declines, the value of MSU awards decreases in two ways: (i) the number of shares earned goes down in proportion to the change in stock price and (ii) the value of those shares is less due to the lower stock price. Similarly, the value of PSU awards decreases in two ways: (i) the TSR metric reduces the number of shares earned (assuming our stock price declined more than our peers' did) and (ii) the value of those shares is also less. The illustration below shows how the decline in our stock price from March 2016 through the end of the year is magnified in the value of our 2016 LTI awards. For purposes of this illustration, we assume that the year-end closing price is the stock price at the end of each performance period and we assume target performance for the financial metrics.

Notes:

Current value of PSU and MSU awards reflects actual relative TSR / share price experience from grant date on 3/10/16 of \$64.96 through 12/30/16 of \$58.44. PSU value assumes target performance with respect to financial measures and reflects no payout on the portion of the PSU award that is tied to relative TSR. MSU value assumes a payout of 91% of target based on the decline in the 10-day average share price between the grant date and 12/30/16. Note that this is an illustration as of 12/30/16. The number of shares that actually vest may be more or less than described above at the end of the applicable performance periods.

2016 Performance Share Unit Awards

Following extensive engagement with shareholders in 2015 and an in-depth review of our compensation program in the context of our strategic goals and current product portfolio, the Committee decided to make a number of changes to the PSU program that became effective in 2016. These changes include:

Lengthening of the performance period of financial measures from one year to three years;

Incorporating the three-year relative TSR as a core performance measure rather than a modifier; and

Introducing a new mix of financial performance measures that create stronger alignment with our strategic goals and reduce the overlap of performance metrics in our annual and

long-term incentive programs. Specifically, the performance measures for 2016 PSU awards are cumulative total revenues (ex-fx), cumulative non-GAAP operating margin, and relative TSR expressed as a percentile rank relative to our peer group. TSR performance must be at median for target shares to be earned.

Table of Contents

The structure of our 2016 financial metrics and three-year relative TSR modifier in our PSU program are detailed below.

	2016-2018 Cumulative Operating Margin (33%)		2016-2018 Cumulative Total Revenues (ex-fx) (33%)		3-Year Relative TSR (34%)	
	Achievement	Payout	Achievement	Payout	TSR Percentile	Payout
Maximum	115%	200%	110%	200%	80%ile	200%
Target	100%	100%	100%	100%	50%ile	100%
Threshold	85%	50%	90%	50%	35%ile	50%
Below Threshold	<85%	0%	<90%	0%	<35%ile	0%

Market Share Unit Awards

MSUs comprise 40% of our executives' target long-term incentives. Each grant of MSUs vests 25% on each of the first four anniversaries of the grant date and the number of shares received by an executive upon payout is increased or decreased depending on the performance of our stock price during the one-, two-, three- and four-year performance periods.

Upon vesting, a payout factor is applied to the target number of MSUs vesting on a given date to determine the total number of units paid out. If our stock price increases during the performance period, both the number of units and value of shares that vest increases. If our stock price declines during the performance period, both the number of units and value of shares that are eligible to vest will be reduced. The payout factor is a ratio of the ten-day average closing price on the measurement date divided by the ten-day average closing price on the grant date. Beginning with our 2013 annual MSU award grant, the measurement date is the February 28 immediately preceding the vesting date. The minimum payout performance factor that must be achieved to earn any payout is 60% and the maximum payout factor is 200%. If our stock price performance is below 60%, then the portion of the award scheduled to vest will be forfeited. The following chart shows the performance periods for the MSU awards granted to our executives in March 2016:

Table of Contents*Performance Results*

The following table summarizes the payout factors relating to the tranches that vested in the first half of 2016 for MSU awards outstanding at that time:

Grant Date	Vesting Date	# of Years in Performance Period	Payout Factor
March 6, 2012	March 6, 2016	4	195.14%
March 10, 2013	March 10, 2016	3	168.83%
March 10, 2014	March 10, 2016	2	114.15%
March 10, 2015	March 10, 2016	1	98.44%
May 5, 2015	May 5, 2016	1	108.12%

Restricted Stock Units and Stock Options

In 2016, we did not grant any service-based restricted stock units to executives as part of our annual long-term incentive program. Restricted stock units may be granted selectively to executives at other times of the year generally as inducement grants as part of an offer in attracting candidates to BMS, for retaining employees, or for providing special recognition, such as when an employee assumes significant increases in responsibility. During 2016, no special restricted stock unit awards were granted to any of our Named Executive Officers. We have not granted any stock options to our executives since 2009.

Process for Annual Equity Award Grants

Annual equity awards are typically approved on the date the Committee and full Board meet during the first week of March with a grant effective date of March 10. We believe that consistent timing of equity award grants is a good corporate governance practice that reduces the risk of selecting a grant date with a preferential stock price.

Beginning with the equity awards granted in March 2014, the Committee established annual equity award guidelines for all executives at the company, including our Named Executive Officers other than the CEO, as a percentage of salary rather than a fixed dollar amount. The CEO's long-term incentive award level is assessed by the Committee annually. In addition, in 2014 we eliminated dividend equivalents under all of our annual equity awards, including our PSUs and MSUs.

Based upon individual performance, an executive other than the CEO may receive a long-term incentive award ranging from 0% to 150% of the target award. Once the grant value is established for each executive, 60% of the value is converted into PSUs and 40% into MSUs.

In determining the size of the individual long-term incentive awards granted to our Named Executive Officers in March 2016, the Committee considered the prior year's performance of each executive as well as ways to motivate our Named Executive Officers to focus on the company's long-term performance over the next three years and beyond. Each Named Executive Officer, other than the CEO, had a target value for their long-term incentive award granted in March 2016. The Committee approved individual awards ranging between 130% and 140% of the target value for these Named Executive Officers based on strong individual performance during 2015. The CEO's long-term incentive award is not based on a target value and is determined annually by the Committee based on competitive benchmarks and individual performance and contributions. Dr. Caforio's award took into account his strong performance as CEO during 2015 and, as discussed above, a long-term incentive opportunity that was commensurate with his role as CEO and the competitive market pay for that position.

Table of Contents

Other Elements of 2016 Compensation

In addition to the components set forth above, our senior executives, including all of our Named Executive Officers, were entitled to participate in the following plans or arrangements in 2016:

Other Elements of 2016 NEO Compensation

§

Post-Employment Benefits

Change-in-Control Arrangements

Severance Plan

Qualified and Non-Qualified Pension Plans (Frozen)

Qualified and Non-Qualified Savings Plans

Annual Incentive Deferral Plan

§

Other Compensation

Post-Employment Benefits

We offer certain plans which provide compensation and benefits to employees who have terminated their employment. These plans are periodically reviewed by the Committee to ensure that they are consistent with competitive practice. The plans offered are common within our primary peer group and enhance our ability to attract and retain key talent.

Change-in-Control Arrangements

We have entered into change-in-control agreements with certain executives including the CEO and other Named Executive Officers. These agreements enable management to evaluate and support potential transactions that might be beneficial to shareholders even though the result would be a change-in-control of BMS. Additionally, the agreements provide for continuity of management in the event of a change-in-control. Our agreements require a "double-trigger" before any payments are made to an executive. This means that payments are only made in the event of a change-in-control and subsequent involuntary termination or termination for good reason of the employee within 36 months after a change-in-control for executives who became eligible for change-in-control benefits prior to September 1, 2010, or within 24 months after a change-in-control for executives who became eligible for change-in-control benefits after September 1, 2010.

As of September 1, 2010, we no longer gross up compensation on excess parachute payments for newly eligible executives. In December 2014, the Committee determined that it would eliminate the remaining excise tax gross-up provisions in change-in-control agreements for grandfathered executives, including all of our Named Executive Officers. This change became effective as of January 1, 2016.

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If a change-in-control occurs during the term of the agreement, the agreement will continue in effect for either 36 months or 24 months beyond the month in which such change-in-control occurred depending on whether the executive became eligible for change-in-control benefits before or after September 1, 2010. The value of this benefit for our Named Executive Officers is provided in the "Post-Termination Benefits" section.

Severance Plan

The Bristol-Myers Squibb Senior Executive Severance Plan provides a competitive level of severance protection for certain senior executives (including the Named Executive Officers) to help us attract and retain key talent necessary to run our Company. The value of this benefit for our Named Executive Officers is shown in the "Post-Termination Benefits" section beginning on page 64.

Table of Contents

Defined Benefit Pension Plans

Our frozen defined benefit pension plans provide retirement income for U.S. employees who joined the company prior to December 31, 2009 following their retirement. The Retirement Income Plan is a tax-qualified plan, as defined under IRS regulations, and the Benefit Equalization Plan relating to the Retirement Income Plan is a non-qualified plan that provides pension benefits above those allowed under the contribution limits for tax-qualified plans. The Summary Compensation Table reflects the annual increase in the actuarial value of these benefits. Current accrued benefits for each of the participating Named Executive Officers are provided in the Pension Benefit Table. As of December 31, 2009, we discontinued service accruals under our qualified and non-qualified pension plans in the U.S. and Puerto Rico for active plan participants, including all of our Named Executive Officers, and closed the plans to new participants. For active plan participants at year-end 2009, we allowed five additional years of pay growth in our pension plans. Accordingly, 2014 was the last year of pay growth under our pension plans. These actions were taken to align our retirement program with our new biopharmaceutical business strategy and culture, to mitigate volatility risk to the company, to respond to the competitiveness of a changing industry, and to meet the mobility and career expectations of an evolving workforce.

Savings Plans

Our savings plans allow U.S. employees to defer a portion of their total eligible cash compensation and to receive matching contributions from BMS to supplement their savings and retirement income. The Savings and Investment Program is a tax-qualified 401(k) plan, as defined under IRS regulations, and the Benefit Equalization Plan for the Savings and Investment Program is a non-qualified deferred compensation plan that allows employees to defer a portion of their total eligible cash compensation and to receive matching contributions from BMS in excess of the contributions allowed under the Savings and Investment Program. The savings plans are designed to allow employees to accumulate savings for retirement on a tax-advantaged basis. The company matching contribution under our savings plans equals 100% of the employee's contribution on the first 6% of eligible compensation that an employee elects to contribute. Employees are eligible for an additional automatic company contribution that is based on a point system of an employee's age plus service as follows: below 40 points, the automatic contribution is an additional 3% of total cash; between 40 and 59 points, the contribution is 4.5%; and at 60 points and above, the contribution is 6%. For those employees with 60 or more points who had 10 or more years of service at year-end 2009, we provided an additional automatic contribution of 2% for a five-year period. Accordingly, 2014 was the last year for this additional 2% automatic contribution for this group. As of December 31, 2009, each Named Executive Officer other than Drs. Cuss and Caforio had earned over 60 points and had more than ten years of service. All U.S. employees are eligible to participate in both savings plans. The Summary Compensation Table reflects company contributions to these plans during 2016 in the All Other Compensation column. The Non-Qualified Deferred Compensation Table provides more detail on the Benefit Equalization Plan for the Savings and Investment Program.

Annual Incentive Deferral Plan

We maintain a non-qualified deferred compensation plan for our executives, including our Named Executive Officers. Until we discontinued new deferrals under the plan, effective January 1, 2010, the plan permitted executives to defer up to 100% of their annual cash incentive awards into a choice of two funds: a Bristol-Myers Squibb common stock unit fund and a U.S. Treasury Bill fund. Although we no longer permit new deferrals under the plan, we maintain the plan for executives who made deferrals prior to 2010. We do not pay above-market interest rates on these investments. Upon retirement or termination, plan participants are eligible to receive their deferred amounts based on a previously-selected payout schedule. The Non-Qualified Deferred Compensation Table provides more detail on this plan for those Named Executive Officers who participated in previous years.

Other Compensation

We generally do not provide perquisites or other personal benefits to our Named Executive Officers that are not otherwise available to all salaried employees. However, in 2016, our Named Executive Officers were provided benefits intended for business purposes that were in addition to the benefits offered to all salaried employees. In certain exigent circumstances, these benefits may be used for personal use, which would then be considered part of the Named Executive Officer's total compensation and would be treated as taxable income under the applicable tax laws. We do not reimburse the Named Executive Officers for any taxes paid on such income.

Table of Contents

Additionally, all perquisites for each of our Named Executive Officers during 2016 did not exceed \$10,000; therefore, "All Other Compensation" for 2016 does not include disclosure of any perquisite amounts as permitted under SEC rules.

Our Compensation Program Design Process

Compensation and Management Development Committee

The Committee is responsible for providing oversight of our executive compensation program for the Named Executive Officers as well as other members of senior management. The Committee is responsible for setting the compensation of the Chief Executive Officer and approving the compensation of all of the other Named Executive Officers and certain other members of senior management.

The Committee annually reviews and evaluates the executive compensation program to ensure that the program is aligned with our compensation philosophy and with our performance. See page 22 for a discussion of the duties and responsibilities of the Committee in more detail.

Independent Compensation Consultant

The Committee has retained Compensation Advisory Partners, LLC (CAP) on an annual basis as its independent compensation consultant to provide executive compensation services to the Committee. CAP reports directly to the Committee, and the Committee directly oversees the fees paid for services provided by CAP. The Committee instructs CAP to give advice to the Committee independent of management and to provide such advice for the benefit of our Company and shareholders. CAP does not provide any consulting services to BMS beyond its role as consultant to the Committee.

In 2016, CAP provided the following services:

reviewed and advised on the composition of the peer group used for competitive benchmarking;

participated in the design and development of our executive compensation program;

provided an assessment of BMS senior executive pay levels and practices relative to peers and other competitive market data;

provided an annual analysis of industry trends among the peers and best practices related to pay program design and other program elements;

reviewed and advised on all materials provided to the Committee for discussion and approval; and

attended all of the Committee's regularly-scheduled meetings in 2016 at the request of the Committee.

The Committee reviews the independence of CAP annually in accordance with its charter, applicable SEC rules and NYSE listing requirements. After review and consultation with CAP, the Committee has determined that CAP is independent, and there is no conflict of interest resulting from retaining CAP currently or during the year ended December 31, 2016.

Role of Company Management

The CEO makes recommendations to the Committee concerning the compensation of Named Executive Officers other than the CEO, as well as other members of senior management. In addition, the CEO, CFO and, in the case of our pipeline performance metric, the Chief Scientific Officer, are involved in recommending for the Committee's approval the performance goals for the annual and long-term incentive plans, as applicable. The Chief Human Resources Officer works closely with the Committee, its independent compensation consultant and

management to (i) ensure that the Committee is provided with the appropriate information to make its decisions,

Table of Contents

(ii) propose recommendations for Committee consideration, and (iii) communicate those decisions to management for implementation.

Executive Compensation Governance Practices*Share Ownership and Retention Policy*

In order to preserve the link between the interests of our Named Executive Officers and those of shareholders, executives are expected to use the shares acquired upon the vesting of (i) restricted stock unit awards, if any, (ii) market share unit awards and (iii) performance share unit awards, after satisfying the applicable taxes, to establish and maintain a significant level of direct ownership. This same expectation applies to shares acquired upon the exercise of their previously granted stock options. We continue to maintain longstanding share ownership expectations for our senior executives. Our current Named Executive Officers must comply with the following ownership and retention requirements:

Executive	Stock Ownership	Share Retention Policy applied to all shares acquired, net of taxes		2016 Compliance with Share Ownership and Retention Policy
		Guideline as a Multiple of Salary	Prior to Achieving Guideline	
Giovanni Caforio, M.D.	6 x	100%	75% for 1 year	Yes
Charles Bancroft	3 x	100%	75% for 1 year	Yes
Francis Cuss, MB				
BChir, FRCP	3 x	100%	75% for 1 year	Yes
Sandra Leung	3 x	100%	75% for 1 year	Yes
Murdo Gordon	3 x	100%	75% for 1 year	Yes

Recoupment of Compensation

We maintain clawback provisions relating to stock options, restricted stock units, performance share units and market share units. Under these clawback provisions, executives that violate non-competition or non-solicitation agreements, or otherwise act in a manner detrimental to our interests, forfeit any outstanding awards, and any accrued and unpaid dividend equivalents underlying these awards, as of the date such violation is discovered and have to return any gains realized in the twelve months prior to the violation. These provisions serve to protect our intellectual property and human capital, and help ensure that executives act in the best interest of BMS and our shareholders.

In 2005, the Board adopted a policy wherein the Board will seek reimbursement of annual incentive awards paid to an executive if such executive engaged in misconduct that caused or partially caused a restatement of financial results. In such an event, we will seek to claw back the executive's entire annual incentive for the relevant period, plus a reasonable rate of interest. This policy may be viewed on our website at www.bms.com.

In December 2012, the Board adopted a policy that BMS will seek recoupment of any incentive and/or other compensation paid to executives and certain other employees after December 4, 2012 where:

the executive or other employee engaged in misconduct, or failed to appropriately supervise an employee who engaged in misconduct, that resulted in a material violation of a BMS policy relating to the research, development, manufacturing, sales or marketing of pharmaceutical products; and

the Committee determines that this material violation of a BMS policy resulted in a significant negative impact on our results of operations or market capitalization.

In any instance where the employee misconduct occurred in a prior year, the Committee may elect to reduce a current or future incentive and/or other compensation award in lieu of requiring reimbursement of past compensation previously paid to such executive or other employee. This policy may be viewed on our website at www.bms.com.

Table of Contents

Once the SEC has implemented Dodd-Frank legislation on clawback provisions, we will review and revise our policies, as appropriate, based on such rules.

Equity Grant Policy

The Committee's policy covering equity grants for the Named Executive Officers is as follows:

Approval of Awards

Awards granted to the CEO must be approved by the Committee and recommended by the Committee to, and approved by at least 75% of, the independent directors of the Board.

The Committee must approve awards to all Named Executive Officers.

Grant Effective Date

Annual Awards

Our regularly scheduled annual equity awards are approved on the date the Committee and full Board meet during the first week of March with a grant effective date of March 10.

All Other Awards

For awards granted to current employees at any other time during the year, the grant effective date is the first business day of the month following the approval date, except that if the approval date falls on the first business day of a given month, the grant effective date is the approval date.

For awards granted to new hires, the grant effective date is the first business day of the month following the employee's hire date, except that if the employee's hire date falls on the first business day of a given month, the grant effective date is the employee's hire date.

In no case whatsoever will the grant effective date precede the approval date of a given award.

Grant Price

The grant price of awards is a ten-day average closing price (*i.e.*, an average of the closing price on the grant date plus the nine prior trading days). For stock options that may be granted under special circumstances (none have been granted since 2009), the grant price will be the closing price on the date of grant.

Policy Against the Repricing of Stock Options

We have always maintained a consistent policy against the repricing of stock options. We believe this is a critical element in maintaining the integrity of the equity compensation program and ensuring alignment of senior executives' interests with the interests of shareholders. The Board of Directors has adopted a formal policy prohibiting the repricing of stock options without shareholder approval. This policy may be viewed on our website at www.bms.com.

Policy Regarding Shareholder Approval of Severance

The Board has approved a policy that requires shareholder approval of any future agreements that provide for cash severance payments in excess of 2.99 times the sum of an executive's base salary plus annual incentive award. "Cash severance payments" exclude accrued incentive

payments, the value of equity acceleration, benefits continuation or the increase in retirement benefits triggered by severance provisions or tax gross-up payments. This policy may be viewed on our website at www.bms.com.

Risk Assessment of Executive Compensation

The Committee annually reviews the compensation programs from a risk perspective. Based on that review of our executive compensation arrangements as detailed beginning on page 19, the Committee believes that our

Table of Contents

compensation program does not encourage executives to take inappropriate risks that may harm shareholder value. Our compensation program achieves this by striking an appropriate balance between short-term and long-term incentives, using a diversity of metrics to assess performance under our incentive programs, using different forms of long-term incentives, placing caps on our incentive award payout opportunities, following equity grant practices that limit potential for timing awards and having stock ownership and retention requirements.

Tax Implications of Executive Compensation Program

Section 162(m) of the Internal Revenue Code includes potential limitations on the deductibility of compensation in excess of \$1 million paid to certain Named Executive Officers. A significant portion of the compensation we pay to our Named Executive Officers qualifies as "performance-based compensation" for purposes of Section 162(m) and is, therefore, eligible to be fully deducted by BMS for federal income tax purposes. We view preserving tax deductibility as an important objective, but not the sole objective, in establishing executive compensation. Accordingly, we may authorize compensation arrangements that are not tax deductible. To the extent that compensation paid in 2016 to certain Named Executive Officers, such as salary and distributions pursuant to the vesting of restricted stock units awarded without performance-based vesting conditions, does not qualify for an exception under Section 162(m) and exceeds \$1 million in the aggregate, we will not be able to deduct such excess for federal income tax purposes.

Compensation and Management Development Committee Report

The Compensation and Management Development Committee of Bristol-Myers Squibb Company has reviewed and discussed with management the "Compensation Discussion and Analysis" on pages 29 to 56 of this Proxy Statement as required under Item 402(b) of Regulation S-K. Based on its review and discussions with management, the Committee recommended to the full Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

Compensation and Management Development Committee

Michael Grobstein, Chair
Gerald L. Storch
Vicki L. Sato, Ph.D.
Togo D. West, Jr.

Table of Contents**Summary Compensation Table**

The following tables and notes present the compensation provided to Giovanni Caforio, M.D., Chief Executive Officer and Chairman-Designate, Charles A. Bancroft, Chief Financial Officer and Executive Vice President, Head of Global Business Operations and the three other most highly compensated Executive Officers.

*Summary Compensation Table
For Fiscal Years Ended December 31, 2016, 2015 and 2014*

Name and Principal Position	Year	Salary	Stock Awards	Compensation	Change in Pension Value and Non-Equity Qualified Incentive Plan Compensation	Earnings	All Other Compensation	Total
Giovanni Caforio, M.D.(7) Chief Executive Officer and Chairman-Designate	2016	\$ 1,513,077	\$ 11,823,808	\$ 2,995,839	\$ 0	\$ 601,134	\$ 16,933,858	
	2015	\$ 1,290,323	\$ 10,443,900	\$ 3,496,370	\$ 0	\$ 409,844	\$ 15,640,437	
	2014	\$ 915,962	\$ 3,999,630	\$ 2,125,043	\$ 0	\$ 204,543	\$ 7,245,178	
Charles Bancroft Chief Financial Officer & EVP, Head of Global Business Operations	2016	\$ 966,115	\$ 4,013,210	\$ 1,530,654	\$ 110,329	\$ 351,385	\$ 6,971,693	
	2015	\$ 966,342	\$ 4,714,600	\$ 1,962,093	\$ 763,316	\$ 303,893	\$ 8,710,244	
	2014	\$ 910,520	\$ 5,287,786	\$ 1,566,095	\$ 4,004,475	\$ 285,408	\$ 12,054,284	
Francis Cuss, MB BChir, FRCP EVP and Chief Scientific Officer	2016	\$ 960,306	\$ 3,753,561	\$ 1,026,302	\$ 0	\$ 328,897	\$ 6,069,066	
	2015	\$ 941,971	\$ 3,637,026	\$ 1,780,502	\$ 31,751	\$ 315,284	\$ 6,706,534	
	2014	\$ 875,000	\$ 3,541,409	\$ 1,685,600	\$ 782,167	\$ 194,805	\$ 7,078,981	
Sandra Leung EVP and General Counsel	2016	\$ 919,945	\$ 2,883,253	\$ 1,214,632	\$ 103,886	\$ 320,085	\$ 5,441,801	
	2015	\$ 925,146	\$ 3,596,111	\$ 1,747,429	\$ 396,080	\$ 265,992	\$ 6,930,758	
	2014	\$ 849,750	\$ 3,981,588	\$ 1,291,456	\$ 1,694,853	\$ 237,158	\$ 8,054,805	
Murdo Gordon EVP and Chief Commercial Officer	2016	\$ 737,225	\$ 1,998,249	\$ 903,363	\$ 147,030	\$ 204,480	\$ 3,990,347	
	2015	\$ 669,519	\$ 1,816,126	\$ 1,019,881	\$ 0	\$ 148,677	\$ 3,654,203	

(1) For Mr. Gordon, compensation is not shown for fiscal year 2014 because Mr. Gordon was not a Named Executive Officer that year.

(2) Reflects actual salary earned.

(3) Represents aggregate grant date fair value under FASB ASC Topic 718 of market share unit and performance share unit awards granted during a specified year. See Note 17, "Employee Stock Benefit Plans," in the Company's Consolidated Financial Statements, as set forth in the Company's Form 10-K for the year ended December 31, 2016 for the assumptions made in determining these values. Further information regarding these awards is disclosed in the Grants of Plan-Based Awards Table in the Proxy Statements for the specified years. For performance share unit awards, the following represents the aggregate value based on the maximum number of shares that can be earned for the awards granted in the specified years.

Maximum Performance Share Units

Name	2014	2015	2016
Giovanni Caforio, M.D.	\$ 4,581,476	\$ 10,869,950	\$ 11,433,139
Charles Bancroft	\$ 6,320,423	\$ 5,246,562	\$ 3,880,596
Francis Cuss, MB BChir, FRCP	\$ 3,970,800	\$ 3,849,699	\$ 3,629,505
Sandra Leung	\$ 4,767,532	\$ 4,000,898	\$ 2,787,993
Murdo Gordon(1)	n.a.	\$ 1,936,940	\$ 1,932,229

(4) Represents incentive award earned under our annual incentive plan. For 2016, the payment was made on March 10, 2017. For 2015 and 2014, the payments were made on March 11, 2016 and March 13, 2015, respectively.

(5) Includes increase in estimated value of accrued pension benefits during the year. The company does not pay above-market interest rates on deferred compensation. 2014 was the last year of pay growth under our U.S. defined benefit pension plans.

The present value of the accrued pension benefits for Mr. Bancroft, Mr. Gordon and Ms. Leung increased over the previous year because of a decrease in discount rates. Additionally, the increase reflects the fact that these Named Executive Officers are one year closer to age 60, the earliest age at which participants are eligible for an unreduced benefit. For Mr. Gordon, the increase was additionally due to an increase in exchange rates from CAD to USD.

Mr. Gordon commenced his participation in the U.S. pension plan effective July 1, 2003.

Additionally, Mr. Gordon was a participant in our KIP Supplemental Plan, payable in USD, and Canada RIP, payable in CAD, from August 1, 1989 through June 30, 2003. The change in value relating to the KIP Supplemental Plan and Canada RIP also reflects the difference in exchange rates used to convert the 2014, 2015 and 2016 amounts from CAD into USD. These exchange rates were 0.8696 for 2014, 0.7335 for 2015, and 0.7389 for 2016.

For all three Named Executive Officers, the increase was partially offset by updated annuity and lump sum mortality projection scales.

For 2016, the change in the pension value was negative for Dr. Cuss (\$160,965). For Dr. Cuss, the decrease reflects updated annuity and lump sum mortality projection scales and one less year of payments, as he is over 60, partially offset by a decrease in discount rates. Dr. Caforio is not a participant in any of the company's defined benefit pension plans.

Table of Contents

(6) The amounts indicated for 2016 represent company contributions to the qualified and non-qualified savings plans. All perquisites for each of our Named Executive Officers during 2016 did not exceed \$10,000; therefore, the amounts indicated for 2016 do not include disclosure of any perquisite amounts as permitted under SEC rules. On occasion, a family member accompanied Dr. Caforio when traveling on the company's HeliFlite account on business. Dr. Caforio paid the taxes on the imputed income as calculated using the Standard Industry Fare Level (SIFL) rate. We did not reimburse Dr. Caforio for taxes he paid.

(7) On December 21, 2016, Dr. Caforio was also appointed Chairman of the Board with the effective date of May 2, 2017, the date of the company's annual meeting of shareholders.

*Grants of Plan-Based Awards
2016 Fiscal Year*

Award Type	Grant Date(1)	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts Under Equity Incentive Plan Awards (shares)			Grant Date Fair Value of Stock Award	Option Award
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
AIP			\$ 263,856	\$ 2,268,750	\$ 4,537,500					
PSU	03/10/16	03/03/16				18,001	109,099	218,198(3)	\$ 7,077,200	
MSU	03/10/16	03/03/16				43,640	72,733	145,466(4)	\$ 4,746,500	
AIP			\$ 134,811	\$ 1,159,165	\$ 2,318,330					
PSU	03/10/16	03/03/16				6,110	37,030	74,060(3)	\$ 2,402,100	
MSU	03/10/16	03/03/16				14,812	24,687	49,374(4)	\$ 1,611,000	
AIP			\$ 111,659	\$ 960,094	\$ 1,920,188					
PSU	03/10/16	03/03/16				5,715	34,634	69,268(3)	\$ 2,246,700	
MSU	03/10/16	03/03/16				13,854	23,090	46,180(4)	\$ 1,506,800	
AIP			\$ 106,978	\$ 919,841	\$ 1,839,682					
PSU	03/10/16	03/03/16				4,390	26,604	53,208(3)	\$ 1,725,800	
MSU	03/10/16	03/03/16				10,642	17,736	35,472(4)	\$ 1,157,400	
AIP			\$ 79,563	\$ 684,117	\$ 1,368,234					
PSU	03/10/16	03/03/16				3,042	18,438	36,876(3)	\$ 1,196,000	
MSU	03/10/16	03/03/16				7,375	12,292	24,584(4)	\$ 802,100	

(1) These equity awards were granted under our 2012 Stock Award and Incentive Plan.

(2) Target payouts under our 2016 annual incentive plan (AIP) are based on a targeted percentage of base salary earned during the year. The Committee reviews company and individual performance in determining the actual

incentive award as reported in the Summary Compensation Table. The company performance for 2016 was based 50% on non-GAAP diluted earnings per share, 25% on total revenues (net of foreign exchange), and 25% on pipeline performance. Maximum represents the maximum individual incentive award allowable under our 2016 annual incentive plan and for the Named Executive Officers equals 200% of target. For 2016, threshold payout for all three measures was 46.50% of target. The threshold column above reflects the lowest possible combined payout of 11.63% of target based on the threshold payout on the least weighted metric only. The performance targets were the same for all employees participating in the plan. For Named Executive Officers, the Committee may use its discretion to award less than the threshold award even if threshold performance goals are met.

(3) Reflects performance share unit awards which cliff vest on the third anniversary of the grant date. Performance targets under this performance share unit award are based 33% on 3-year cumulative total revenues (net of foreign exchange), 33% on 3-year cumulative operating margin, and 34% on 3-year relative TSR expressed as a percentile rank versus our peer group. Threshold payout for all three measures was 50% of target. The threshold column above reflects the lowest possible combined payout of 16.50% of target based on the threshold payout on one of the least weighted metrics only. The maximum performance will result in a payout of 200% of target. These performance share unit awards do not accrue dividend equivalents.

(4) Reflects market share unit awards which vest in equal annual installments on the first, second, third and fourth anniversaries of the grant date. Each market share unit converts into the number of shares of common stock determined by applying a payout factor to the target number of shares vesting on a given date. The payout factor is a ratio of the average of the closing price on the measurement date of February 28 immediately preceding the vesting date plus the nine prior trading days divided by the average stock price on the grant date (also a 10-day average). The minimum payout factor that must be achieved to earn a payout is 60% and the maximum payout factor is 200%. These market share units do not accrue dividend equivalents.

(5) Fair value for the portion of these performance share unit awards related to the relative TSR measure (34% weighting) is estimated as of the date of grant on March 10, 2016 using a Monte Carlo simulation. Fair value for the remaining portion of these performance share unit awards, related to company financial measures (66% weighting), is calculated based on the grant date closing price of \$64.94 on March 10, 2016 and a probable outcome of a 100% payout, discounted for the lack of dividends. Assumptions used in these calculations are included in Note 17, "Employee Stock Benefit Plans," of the Company's Form 10-K for the year ended December 31, 2016.

(6) Fair value of these market share unit awards is estimated as of the date of grant on March 10, 2016 using a Monte Carlo simulation. Assumptions used in these calculations are included in Note 17, "Employee Stock Benefit Plans," of the Company's Form 10-K for the year ended December 31, 2016.

Table of Contents*Outstanding Equity Awards at Fiscal Year-End
2016 Fiscal Year*

Option Awards					Stock Awards		
Grant Date/ Performance Award	Number of Securities Underlying Unexercised Options (#)		Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (2)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(2)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested
	Exercisable (1)	Unexercisable					(#)
1/1/2014-2/28/2017							41,431 (5)\$
1/1/2015-2/28/2018							121,333 (6)\$
1/1/2016-2/28/2019							54,550 (7)\$
3/10/2013							9,758 (8)\$
3/10/2014							22,808 (8)\$
3/10/2015							12,692 (9)\$
5/5/2015							48,240 (8)\$
3/10/2016							43,640 (9)\$
3/6/2007	22,598	0	\$ 27.01	3/5/2017			
3/4/2008	37,460	0	\$ 22.14	3/3/2018			
3/3/2009	52,884	0	\$ 17.51	3/2/2019			
12/2/2013					12,802 (10)\$	748,149	
1/1/2014-2/28/2017							49,620 (5)\$
1/1/2015-2/28/2018							47,349 (6)\$
1/1/2016-2/28/2019							18,515 (7)\$
3/10/2013							12,820 (8)\$
3/10/2014							27,316 (8)\$
3/10/2015							10,601 (9)\$
3/10/2016							14,812 (9)\$
7/1/2013					7,308 (10)\$	427,080	
1/1/2014-2/28/2017							38,362 (5)\$

1/1/2015-2/28/2018					40,059 (6)\$
1/1/2016-2/28/2019					17,317 (7)\$
3/10/2013					5,480 (8)\$
3/10/2014					21,118 (8)\$
3/10/2015					8,969 (9)\$
3/10/2016					13,854 (9)\$
3/6/2007	116,100	0 (4)\$	27.01	3/5/2017	
3/4/2008	156,582	0 (4)\$	22.14	3/3/2018	
3/3/2009	169,893	0 (4)\$	17.51	3/2/2019	
1/1/2014-2/28/2017					37,198 (5)\$
1/1/2015-2/28/2018					36,133 (6)\$
1/1/2016-2/28/2019					13,302 (7)\$
3/10/2013					9,758 (8)\$
3/10/2014					20,478 (8)\$
3/10/2015					8,090 (9)\$
3/10/2016					10,642 (9)\$
8/1/2013				3,020 (10)\$	176,489
1/1/2014-2/28/2017					13,357 (5)\$
1/1/2015-2/28/2018					19,744 (6)\$
1/1/2016-2/28/2019					9,219 (7)\$
3/10/2013					3,060 (8)\$
3/10/2014					7,352 (8)\$
3/10/2015					4,420 (9)\$
3/10/2016					7,375 (9)\$

(1) These stock option awards vested in four equal installments of 25% on each of the first four anniversaries of the grant date. The company has not granted stock options since 2009.

Table of Contents

- (2) Represents restricted stock units as of December 31, 2016.
- (3) Values based on closing stock price on December 30, 2016 of \$58.44.
- (4) These stock option awards were not exercisable until the closing share price of common stock achieved a price of at least 15% above the option grant price and remained at that price for at least seven consecutive trading days. The thresholds have been attained for all of these awards.
- (5) Represents the number of performance share units granted under the 2014-2016 award based on the actual payout achieved with regard to the one-year financial performance measures in 2014 and a threshold 3-year relative TSR multiplier of 80%. The actual number of units earned was based on the BMS's actual three-year Total Shareholder Return (TSR) relative to our extended peer group. The award vested and was paid on March 10, 2017.
- (6) Represents the number of performance share units granted under the 2015-2017 award based on the actual payout achieved with regard to the one-year financial performance measures in 2015 and a threshold 3-year relative TSR multiplier of 80%. The number of units to be earned will be determined based on the BMS's actual three-year Total Shareholder Return (TSR) relative to our extended peer group. The award vests and is payable in March 2018.
- (7) Represents target number of performance share units granted under the 2016-2018 award at threshold payout of 50%.
- (8) Represents market share unit awards at maximum payout of 200%. These market share unit awards vest in four equal installments of 25% on each of the first four anniversaries of the grant date, subject to a payout factor.
- (9) Represents market share unit awards at threshold payout of 60%. These market share unit awards vest in four equal installments of 25% on each of the first four anniversaries of the grant date, subject to a payout factor.
- (10) These restricted stock unit awards vest in three equal installments on each of the third, fourth, and fifth anniversaries of the grant date.

*Option Exercises and Stock Vesting
2016 Fiscal Year*

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized On Exercise (1) (\$)	Number of Shares Acquired on Vesting (#)	Value Realized On Vesting (2) (\$)
Giovanni Caforio, M.D.	70,580	\$ 3,168,363	0	\$ 0 (3)
			36,016	\$ 2,388,344 (4)
			42,992	\$ 2,791,874 (5)
Charles Bancroft	0	\$ 0	9,503	\$ 515,792 (3)
			38,706	\$ 2,510,280 (4)
			56,490	\$ 3,668,483 (5)
Francis Cuss, MB BChir, FRCP	0	\$ 0	3,655	\$ 269,666 (3)
			21,429	\$ 1,390,248 (4)
			24,142	\$ 1,567,792 (5)
Sandra Leung	114,560	\$ 5,169,266	0	\$ 0 (3)
			29,381	\$ 1,905,500 (4)
			42,992	\$ 2,791,874 (5)
Murdo Gordon	0	\$ 0	3,846	\$ 287,399 (3)
			9,600	\$ 622,849 (4)
			13,486	\$ 875,755 (5)

- (1) The value realized for each option award was determined by multiplying the number of options that were exercised by the difference between the market price of our common stock at the time of exercise and the exercise price of the stock option award.
- (2) The value realized for each restricted stock unit and market share unit award was determined by multiplying the number of units that vested by the closing share price of our common stock on the respective vesting date. The value realized for each performance share unit award was determined by multiplying the number of units that vested by the market price of our common stock on March 10, 2016, the vesting date.
- (3) Reflects restricted stock units that vested during 2016.
- (4) Reflects market share units that vested during 2016.
- (5) Reflects payouts of the vested 2013-2015 performance share units based on the closing share price of \$64.94 on March 10, 2016, the vesting date.

Retirement Plan

As of December 31, 2009, we discontinued service accruals under the Retirement Income Plan and Benefit Equalization Plan (BEP) Retirement Plan in the U.S. and Puerto Rico for active plan participants and we closed the plans to new entrants. For active plan participants at year-end 2009, we provided five additional years of pay growth in the pension plans. Accordingly, 2014 was the last year of pay growth under our pension plans.

The Retirement Income Plan is a tax-qualified defined benefit pension plan under Section 401(a) of the Internal Revenue Code that provides income for employees after retirement. The benefit is calculated based on the employee's final average compensation and years of service. All U.S. employees hired before January 1, 2010 who were not participants in a pension plan through a collective bargaining agreement were eligible to participate if they worked at least 1,000 hours per year. Employees whose pay or benefits exceeded the IRS qualified plan limits were eligible for the BEP Retirement Plan.

Table of Contents

The key plan provisions of the Retirement Income Plan are as follows:

The retirement benefit equals:

- $2\% \times \text{Final Average Compensation} \times \text{Years of Service through December 31, 2009, up to 40, minus}$
- $1/70^{\text{th}} \text{ of the Primary Social Security Benefit} \times \text{Years of Service through December 31, 2009, up to 40.}$

Final Average Compensation equals the average of the five consecutive years out of the last ten years, ending December 31, 2014, in which the employee's compensation was the highest. Compensation equals the base salary rate plus annual incentive awards paid during the year. Compensation is subject to the limits defined under Section 401(a)(17) of the Internal Revenue Code.

Normal retirement age is 65. Employees are eligible for early retirement at age 55 with 10 or more years of service.

Employees eligible for early retirement may receive their pension without any reduction at age 60. The pension is reduced by 4% for each year that the retirement age precedes age 60.

Employees are 100% vested after attaining five years of service.

The pension is generally payable as a monthly life annuity, with or without survivor benefits, or a lump sum.

The BEP Retirement Plan is a non-qualified plan that provides income for employees after retirement in excess of the benefits payable under the Retirement Income Plan. The benefit is calculated using the same formula as the Retirement Income Plan, but without the limits on compensation and benefits imposed under Section 401(a)(17) and Section 415(b) of the Internal Revenue Code. Employees whose pay or benefits exceeded the IRS qualified plan limits were eligible for the BEP Retirement Plan.

The provisions are the same as those above for the Retirement Income Plan, except for the following:

Compensation is not subject to the limits under Section 401(a)(17) of the Internal Revenue Code.

Compensation includes the higher of annual incentive award earned or paid during the year.

The pension is paid as a cash lump sum or, if an election is made at least 12 months prior to retirement, the lump sum may be credited to the Benefit Equalization Plan Savings Plan. A distribution for an executive classified as a "Specified Employee" of the company, as defined under Section 409A of the Internal Revenue Code, is subject to 409A regulations and is therefore subject to a six-month delay following the executive's separation from service.

Key International Supplemental Program

The Key International Supplemental Program (KIP Supplemental Plan) is provided to supplement an employee's frozen retirement benefit under his or her Home Country Plan by providing an additional benefit that applies final average salary increases to the benefit formula used to determine his or her retirement benefit under his or her Home Country Plan for the period the employee is employed by a participant employer.

Specifically, the retirement income each KIP Supplemental Plan participant would be entitled to receive under the KIP Supplemental Plan is determined as follows:

The benefit that the participant would be entitled to receive under the benefit formula of his Home Country Plan, based on actual service credited under such Home Country Plan and his Final Average Salary, reduced by the actual benefit, if any, that the participant is entitled to receive from such Home Country Plan, based on actual service and earnings credited under such Home Country Plan (without any salary increases provided while employed by any participating employer).

Final Average Salary equals the average annual rate of compensation for the five consecutive years out of the last ten years, ending December 31, 2014, in which the employee's compensation was the highest.

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Table of Contents

Under the KIP Supplemental Plan, a Section 409A Participant means a U.S. Participant who accrued benefits under the Plan after December 31, 2004, that are subject to the requirements of Code section 409A.

A Section 409A Participant will be paid his Retirement Income in a cash lump sum on or about the first day of the month following the month in which his separation from service occurs; except, however, that if his separation of service occurs prior to his earliest retirement date, payment will be made on or about the first day of the month following such earliest retirement date.

A distribution for an executive classified as a "Section 409A Specified Employee" of the company, as defined under Section 409A of the Code, is subject to a six-month delay following separation from service, to comply with Section 409A requirements.

The Pension Plan for Employees of Bristol-Myers Squibb Canada

The Pension Plan for Employees of Bristol-Myers Squibb Canada (Canada Retirement Income Plan) is a defined benefit plan. The plan was amended effective July 1, 2010 to close the defined benefit component of the plan for future benefit accruals and to create a defined contributions component for future benefit accruals.

Normal retirement age is 65. Early retirement age is 55.

Employees eligible for early retirement with 10 or more years of service may receive their pension without any reduction at age 62. The pension is reduced by 4% for each year that the retirement age precedes age 62.

Employees eligible for early retirement with fewer than 10 years of service may receive their pension at any time between the Early Retirement Date and the Normal Retirement Date (each as defined in Article 12 of the plan document) the normal retirement pension shall be actuarially reduced if the date precedes the Normal Retirement Date.

The pension is payable in an annuity form of payment.

The retirement benefit equals:

For credited service prior to January 1, 2002, if the member was covered under a predecessor plan, the member's pension benefit under the applicable predecessor pension plan, if any; and

For credited service from January 1, 2002 until June 30, 2010, inclusively:

- 1.2% of the member's final average compensation to the average Years' Maximum Pensionable Earnings ("YMPE"), plus
- 1.6% of the member's final average compensation that is in excess of such average YMPE, multiplied by the member's credited service accrued from January 1, 2002 to June 30, 2010, inclusively.

Present Value of Accumulated Pension Benefits 2016 Fiscal Year

Name	Plan Name	# of Years	Present Value	Payments
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		of Credited Service (1)	of Accumulated Benefits (2)	During Last Fiscal Year
Giovanni Caforio, M.D. (3)	Retirement Income Plan	0.0	\$ 0.00	\$ 0
	Benefit Equalization Plan	0.0	\$ 0.00	\$ 0
Charles Bancroft (4)	Retirement Income Plan	25.6	\$ 1,635,545	\$ 0
	Benefit Equalization Plan	25.6	\$ 13,996,329	\$ 0
Francis Cuss, MB BChir, FRCP (4)	Retirement Income Plan	6.5	\$ 453,778	\$ 0
	Benefit Equalization Plan	6.5	\$ 2,546,742	\$ 0
Sandra Leung (4)	Retirement Income Plan	17.8	\$ 1,166,924	\$ 0
	Benefit Equalization Plan	17.8	\$ 7,888,265	\$ 0
Murdo Gordon (5)	Retirement Income Plan	6.5	\$ 341,353	\$ 0
	Benefit Equalization Plan	6.5	\$ 877,225	\$ 0
	KIP Supplemental Plan	13.9	\$ 959,891	\$ 0
	Canada Retirement Income Plan	13.9	\$ 267,385	\$ 0

(1) For the Retirement Income and Benefit Equalization Plans only, reflects the years of credited service through December 31, 2009 at which time we discontinued service accruals under the plans.

Table of Contents

(2) The present value of accumulated benefits was calculated based on the following assumptions which were used in the December 31, 2016 disclosure for the Retirement Income Plan, the Benefit Equalization Plan, the KIP Supplemental Plan, and the Canada Retirement Income Plan:

65% lump-sum utilization for the Retirement Income Plan and 100% lump-sum utilization for the Benefit Equalization Plan

100% lump-sum utilization for the KIP Supplemental Plan and 0% lump-sum utilization for the Canada Retirement Income Plan

4.03% discount rate for annuities and 4.03% discount rate for lump sums for the Retirement Income Plan

3.55% discount rate for annuities and 3.55% discount rate for lump sums for the Benefit Equalization Plan

3.76% discount rate for annuities and 3.76% discount rate for lump sums for the KIP Supplemental Plan

3.83% discount rate for annuities for the Canada Retirement Income Plan

lump sum rate(s): Citigroup Regular yield curve and implied forward rates as of the measurement date

the RP-2014 mortality table with white collar adjustment regressed to base year 2006 projected generationally from 2006 with Scale MP-2016 for annuities under the Retirement Income Plan, the Benefit Equalization Plan, and the KIP Supplemental Plan

the 2014 Private Sector Canadian Pensioners mortality table 100% for males and 95% for females projected generationally using CPM Improvement Scale B for the Canada Retirement Income Plan

the lump-sum mortality table under IRC Section 417(e)(3) (RP-2014 mortality table projected generationally with Scale MP-2016 with a 50/50 Male/Female Blend) in effect at assumed retirement age for lump sums.

These assumptions are the same as those disclosed in conformity with generally accepted accounting principles. For active executives, payments are assumed to begin at age 60 for the Retirement Income and Benefit Equalization Plans and at age 62 for KIP Supplemental Plan and Canada Retirement Income Plan, the earliest age that employees are eligible for an unreduced pension, or current age if over age 60 or 62, respectively. The actual benefit received will vary based on age and interest rates at the time of retirement.

(3) For Dr. Caforio, does not include the value of participation in the Italian government pension system. Dr. Caforio is not a participant in any of the company's defined benefit pension plans.

(4) Mr. Bancroft, Ms. Leung, and Dr. Cuss have met the requirements for early retirement under the Retirement Income and Benefit Equalization Plans.

(5) Mr. Gordon commenced his participation in the U.S. pension plan effective July 1, 2003. He was a participant in our KIP Supplemental Plan, payable in USD, and Canada Retirement Income Plan, payable in CAD, from August 1, 1989 through June 30, 2003. The present value of accumulated benefits under the KIP Supplemental and Canada Retirement Income Plans listed in the table above was converted from CAD to USD using the exchange rate as of the end of December 2016 of 0.7389.

Non-Qualified Deferred Compensation Plan

The Benefit Equalization Plan (BEP) Savings Plan is a non-qualified deferred compensation plan that allows employees to defer a portion of their total eligible cash compensation and to receive company matching contributions in excess of contributions allowed under the Savings and Investment Program. The Savings and Investment Program is a tax-qualified plan, as defined under Section 401(a) and Section 401(k) of the Internal Revenue Code. Employees who are eligible to participate in the Savings and Investment Program, and whose pay or benefits exceed the IRS qualified plan limits, are eligible for the BEP Savings Plan. The key provisions of the BEP Savings Plan are as follows:

Employee deferrals to the BEP Savings Plan begin once the employee's total eligible compensation paid for the year exceeds the limit under Section 401(a)(17) of the Internal Revenue Code, or total contributions to the Savings and Investment Program exceed the limits under Section 415(c) of the Internal Revenue Code.

Employees may defer up to 25% of their eligible compensation.

The company matching contribution equals 100% of the employee's contribution on the first 6% of eligible compensation that an employee elects to contribute.

An additional automatic company contribution, which is based on a point system of a participant's age plus service, equals: below 40 points 3% of total eligible cash compensation; between 40 and 59 points 4.5%; and at 60 points and above 6%.

The plan is not funded. Benefits are paid from general assets of the company.

Employees may allocate their contributions among 12 different notional investment options that provide different combinations of risk and return potential and employees can generally elect to change their investment elections each business day.

The employee's full balance under the BEP Savings Plan is paid following termination of employment, or, if eligible, an election can be made at least 12 months prior to separation from service to defer payments until a later date, no sooner than five years following the date of separation from service. A distribution for an executive classified as a "Specified Employee" of the company, as

Table of Contents

defined under Section 409A of the Internal Revenue Code, is subject to 409A regulations and is therefore subject to a six-month delay following the executive's separation from service.

*Non-Qualified Deferred Compensation Plan
2016 Fiscal Year*

Name	Executive Contributions in 2016 (1)	Registrant Contributions in 2016 (2)	Aggregate Earnings in 2016 (3)	Aggregate Withdrawals/ Distributions in 2016	Aggregate Balance at December 31, 2016 (2)(4)
Giovanni Caforio, M.D. (5)	\$ 284,667	\$ 569,334	\$ 124,464	\$ 0	\$ 2,484,034
Charles Bancroft (5)	\$ 159,793	\$ 319,585	\$ 281,817	\$ 0	\$ 3,587,869
Francis Cuss, MB BChir, FRCP (5)	\$ 148,548	\$ 297,097	\$ 39,083	\$ 0	\$ 2,208,345
Francis Cuss, MB BChir, FRCP (6)	\$ 0	\$ 0	\$ 9,755	\$ 0	\$ 2,210,836
Sandra Leung (5)	\$ 374,461	\$ 309,827	\$ 312,429	\$ 0	\$ 4,603,844
Murdo Gordon (5)	\$ 117,349	\$ 172,680	\$ 73,533	\$ 0	\$ 869,476

(1) The contribution amounts in this column reflect the deferral of a portion of 2016 base salary and the 2015 annual incentive award that was paid in March 2016. The base salary deferral amount is also included as 2016 Salary in the Summary Compensation Table. The 2015 annual incentive award deferral amount was also included as 2015 Non-Equity Incentive Plan Compensation in the previous year's summary compensation table, as applicable.

(2) The contribution amounts in this column are included as All Other Compensation in the Summary Compensation Table. Includes the additional annual registrant contributions earned in 2016 but paid in February 2017.

(3) Aggregate earnings are not reflected in the Summary Compensation Table and were not reflected in prior years' summary compensation tables. The company does not pay above-market interest rates on non-qualified deferred compensation.

(4) Portions of the aggregate balances in this column reflect amounts reported in the summary compensation tables in prior years as follows: Dr. Caforio, \$260,015 for 2014 and for \$567,066 for 2015; Dr. Cuss, \$245,407 for 2014 and \$425,213 for 2015; Mr. Bancroft, \$360,926 for 2014 and \$408,139 for 2015; Ms. Leung, \$456,031 for 2014 and \$562,579 for 2015; Mr. Gordon, \$193,264 for 2015.

(5) Reflects 2016 activity and aggregate balances in the non-qualified BEP-Savings Plan.

(6) Reflects earnings and aggregate balances related to prior voluntary deferral of annual incentive award under the Annual Incentive Deferral Plan. The company ceased offering participation in the Annual Incentive Deferral Plan effective January 1, 2010.

Post-Termination Benefits

Following is a description of payments and benefits available under different termination scenarios:

Voluntary Termination

The company does not offer any payments or benefits to salaried employees, including the Named Executive Officers, upon a voluntary termination other than those that are vested at the time of termination unless the applicable plan or award agreement provides otherwise.

Voluntary Termination for Good Reason

Under the Bristol-Myers Squibb Senior Executive Severance Plan, certain senior executives (including the Named Executive Officers) are eligible to receive severance payments and benefits if they voluntarily terminate their employment for "good reason," where "good reason" is defined as:

The executive's monthly base salary is materially reduced;

The executive's grade level is reduced resulting in a material diminution of the executive's authority, duties, or responsibilities; or

The location of the executive's job or office is changed, so that it will be based at a location which is more than 50 miles further (determined in accordance with the company's relocation policy) from their primary residence than their work location immediately prior to the proposed change in their job or office.

Table of Contents

A terminated executive who signs a general release will be eligible for the following:

Severance payments in the amount of 2 times base salary for our senior-most executives, including the Named Executive Officers, and 1.5 times base salary for other senior executives;

Continuation of medical, dental and life insurance benefits; and

Outplacement services.

Retirement and Death

The following benefits are generally available to all salaried employees including the Named Executive Officers:

Annual Incentive Employees are eligible for a pro-rata award based on the number of months worked in the performance period.

Stock Options Employees have the full term to exercise vested stock options. All outstanding options held by our employees vested as of December 31, 2013.

Restricted Stock Units Employees are eligible to vest in a pro-rata portion of restricted stock unit awards held at least one year from the grant date; provided that if an employee turns 65 on or prior to their retirement or death, then any unvested Restricted Stock Units held for at least one year will vest in full prior to their retirement or death.

Market Share Units Employees are eligible to vest in a pro-rata portion of market share unit awards held at least one year from the grant date, subject to performance provisions; provided that if an employee turns 65 on or prior to their retirement or death, then any unvested Market Share Units held for at least one year will vest in full upon their retirement or death, subject to performance provisions.

Performance Share Units

For awards granted in 2014 and 2015, if at least one year from the start of the first performance year of a performance share unit award has passed and upon signing a general release, employees are eligible to vest in a proportionate amount of the performance share units, subject to performance provisions (in the case of death, only performance provisions exclude the 3-year TSR Modifier).

For the award granted in 2016, if at least one year from the grant date has passed and upon signing a general release, employees are eligible to vest in a proportionate amount of the performance share units, subject to performance provisions.

Defined Benefit Pension Plans Employees are eligible for benefits accrued under the Retirement Income Plan and the BEP Retirement Plan.

Savings Plans Employees are eligible for benefits accumulated under the Savings and Investment Program and the BEP Savings Plan, as well as a pro-rata annual contribution (if applicable) on eligible compensation paid in the year of separation from service or death.

Post-Retirement Medical and Life Insurance Employees age 55 or older with ten years of service or age 65 or over at the time of retirement are eligible for post-retirement medical and life insurance benefits. Employees retiring with less than 10 years of service are not eligible to receive a company subsidy for their post-retirement medical coverage.

Involuntary Termination Not for Cause

The following benefits are generally available to all salaried employees including the Named Executive Officers:

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Annual Incentive Employees are eligible for a pro-rata award based on the number of months worked in the performance period if the termination occurs on or after September 30th of the plan year. If an employee is eligible to retire, or the employee's age plus years of service equal or exceed 70, and the employee has at least 10 years of service, the employee is eligible for a pro-rata award based on the number of months worked in the performance period.

Stock Options Upon signing a general release, an employee has three months to exercise. If an employee is eligible to retire, or the employee's age plus years of service equal or exceed 70 and the

Table of Contents

employee has at least 10 years of service, the employee will have the full term to exercise. All outstanding options held by our employees vested as of December 31, 2013.

Restricted Stock Units Upon signing a general release, employees are eligible to vest in a pro-rata portion of restricted stock unit awards held at least one year from the grant date; provided that if an employee turns 65 on or prior to their involuntary termination not for cause, then any unvested Restricted Stock Units held for at least one year will have vested in full prior to their involuntary termination not for cause.

Market Share Units Upon signing a general release, employees are eligible to vest in a pro-rata portion of unvested market share unit awards held at least one year from the grant date, subject to performance provisions; provided that if an employee turns 65 on or prior to their involuntary termination not for cause, then any unvested Market Share Units held for at least one year will vest in full upon their involuntary termination not for cause, subject to performance provisions.

Performance Share Units

For awards granted in 2014 and 2015, if at least one year from the start of the first performance year of a performance share unit award has passed and upon signing a general release, employees are eligible to vest in a proportionate amount of the performance share units, subject to performance provisions.

For the award granted in 2016, if at least one year from the grant date has passed and upon signing a general release, employees are eligible to vest in a proportionate amount of the performance share units, subject to performance provisions.

Defined Benefit Pension Plans Employees are eligible for benefits accrued under the Retirement Income Plan and the BEP Retirement Plan. If the employee's age plus years of service equal or exceed 70 and the employee has at least 10 years of service, the employee is not eligible for early retirement, and the employee signs a general release, the retirement benefits are payable following termination of employment based upon enhanced adjustment factors similar to those applied to employees eligible for early retirement.

Savings Plans Employees are eligible for benefits accumulated under the Savings and Investment Program and the BEP Savings Plan. If the employee is involuntarily terminated not for cause on or after September 30 and the employee is receiving severance and signs a general release, or the employee qualifies for Rule of 70 Benefits, age plus years of service equal or exceed 70 and the employee has at least 10 years of service the employee is not eligible for early retirement, employee is receiving severance, and the employee signs a general release, the employee is eligible for a pro-rata annual contribution (if applicable) based on eligible compensation paid in the year of separation from service.

Post-Retirement Medical Insurance If the employee's age plus years of service equal or exceed 70 and the employee has at least 10 years of service, the employee is not eligible for early retirement, and the employee signs a general release, the employee is eligible for continued medical coverage beyond the severance and COBRA period, as long as no other group medical coverage is available, without company subsidy until age 55. At age 55, they become eligible for company-subsidized, post-retirement medical benefits.

Under the Bristol-Myers Squibb Senior Executive Severance Plan, certain senior executives (including the Named Executive Officers) are eligible to receive severance payments and benefits if they are involuntarily terminated not for "cause," where "cause" is defined as:

failure or refusal by the executive to substantially perform his or her duties (except where the failure results from incapacity due to disability); or

severe misconduct or engaging in an activity, which may include a failure to take action, deemed detrimental to the interests of the company including, but not limited to, acts involving dishonesty, violation of company policies, violation of safety rules, disorderly conduct, discriminatory harassment, unauthorized disclosure of confidential information, or the entry of a plea of nolo contendere to, or the conviction of, a crime.

A terminated executive who signs a general release will be eligible for the following:

Severance payments in the amount of 2 times base salary for our senior-most executives, including the Named Executive Officers, and 1.5 times base salary for other senior executives;

Table of Contents

Continuation of medical, dental and life insurance benefits; and

Outplacement services.

Change-in-Control

As disclosed in the CD&A, the company has entered into change-in-control agreements with certain senior executives, including all of the Named Executive Officers. The current agreements will expire on December 31, 2017, and may be extended with revisions, as appropriate, beginning on January 1, 2018, in one-year increments unless either the company or the executive gives prior notice of termination of the agreement or a change-in-control shall have occurred prior to January 1 of such year.

To trigger benefits, there must be both a change-in-control of the company and either (i) a subsequent involuntary termination without cause by the company or (ii) a good reason termination by the employee. Good reason includes a reduction in job responsibilities or changes in pay and benefits as well as relocation beyond 50 miles. The executive has 120 days to assert a claim for payments under this provision. This protection extends for 36 months following a change-in-control for our senior most executives, including all our Named Executive Officers, or 24 months following a change-in-control for other executives who became eligible for change-in-control benefits after September 1, 2010.

"Change-in-Control" means the earliest to occur of any one of the following dates:

- (i) The date any Person (as defined in Section 13(d)(3) of the Securities Exchange Act) shall have become the direct or indirect beneficial owner of thirty percent (30%) or more of the then outstanding common shares of the company;
- (ii) The date of consummation of a merger or consolidation of the company with any other corporation other than (A) a merger or consolidation which would result in the voting securities of the company outstanding immediately prior thereto continuing to represent at least fifty one percent (51%) of the combined voting power of the voting securities of the company or the surviving entity outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the company in which no Person acquires more than fifty percent (50%) of the combined voting power of the company's then outstanding securities;
- (iii) The date the stockholders of the company approve a plan of complete liquidation of the company or an agreement for the sale or disposition by the company of all or substantially all the company's assets; or
- (iv) The date there shall have been a change in the composition of the Board of Directors of the company within a two-year period such that a majority of the Board does not consist of directors who were serving at the beginning of such period together with directors whose initial nomination for election by the company's stockholders or, if earlier, initial appointment to the Board, was approved by the vote of two-thirds of the directors then still in office who were in office at the beginning of the two-year period together with the directors who were previously so approved.

Each of our Named Executive Officers is eligible to receive the following benefits if he or she is terminated in connection with a change-in-control:

A cash payment equal to 2.99 years of base salary plus target annual incentive award.

Payout of annual incentive award on a pro-rata basis at target.

Vesting of unvested stock options, including options held less than one year. Waiver of exercise thresholds placed on awards, where applicable.

Vesting of unvested restricted stock units, including units held less than one year.

Vesting of unvested market share units, subject to performance provisions, including units held less than one year.

Performance share units:

For awards granted in 2014 and 2015, payout of a proportionate amount of the banked performance share units, further adjusted by the TSR Modifier which is determined by substituting for the TSR Measurement Date the date of the change-in-control.

Table of Contents

For the award granted in 2016, payout of a proportionate amount of the performance share units at target.

Three additional years of service and age for pension purposes and eligibility for the plan's early retirement subsidy if the executive's age and service fall below the normal eligibility threshold (*i.e.*, 55 years old with at least 10 years of service). As of September 1, 2010, we no longer provide any pension subsidy or enhancement for newly eligible executives. In lieu of such subsidy or enhancement, we provide under the non-qualified savings plan a continuation of company matching contributions and automatic year-end contributions equal to the length of the severance period.

Eligibility for retiree medical benefits based on three years additional age and service.

Continuation of health benefits for three years.

Vesting of unvested match in the company's savings plans.

As of September 1, 2010, we no longer gross up compensation on excess parachute payments for newly eligible executives. In December 2014, the Committee determined that it would eliminate the remaining excise tax gross-up provisions in change-in-control agreements for grandfathered executives, including all of our Named Executive Officers. This change became effective as of January 1, 2016.

Payment of any reasonable legal fees incurred to enforce the agreement.

The following illustrates the potential payments and benefits under the company's plans and programs to the Named Executive Officers upon a termination of employment assuming an effective date of December 31, 2016. To the extent payments and benefits are generally available to salaried employees on a non-discriminatory basis, they are excluded from the table.

**Termination of Employment Obligations (Excluding Vested Benefits)
2016 Fiscal Year**

Name	Cash Severance (1)	Restricted Stock Units (2)(5)	Market Share Units (3)(5)	Performance Share Units (4)(5)	Retirement (6)	Health (7)	Retiree Medical (8)	Total
Voluntary Termination for Good Reason								
Giovanni Caforio, M.D. (10)	\$ 3,100,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,715	\$ 96,560	\$ 3,223,275
Charles Bancroft (9)	\$ 1,950,698	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,040	\$ 0	\$ 1,976,738
Francis Cuss, MB BChir, FRCP (9)	\$ 1,947,750	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,913	\$ 0	\$ 1,975,663
Sandra Leung (9)	\$ 1,853,176	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,778	\$ 0	\$ 1,876,954
Murdo Gordon	\$ 1,573,000	\$ 0	\$ 0	\$ 0	\$ 458,115	\$ 23,866	\$ 142,866	\$ 2,197,847

Involuntary Termination Not for Cause

Giovanni Caforio, M.D. (10)	\$ 3,100,000	\$ 0	\$ 1,250,967	\$ 9,246,254	\$ 0	\$ 26,715	\$ 96,560	\$ 13,720,496
Charles Bancroft (9)	\$ 1,950,698	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,040	\$ 0	\$ 1,976,738
Francis Cuss, MB BChir, FRCP (9)	\$ 1,947,750	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,913	\$ 0	\$ 1,975,663
Sandra Leung (9)	\$ 1,853,176	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,778	\$ 0	\$ 1,876,954
Murdo Gordon	\$ 1,573,000	\$ 36,993	\$ 317,505	\$ 2,036,143	\$ 458,115	\$ 23,866	\$ 142,866	\$ 4,588,487

Qualifying Termination Within 3 Years Following**a Change-in-Control**

Giovanni Caforio, M.D. (10)	\$ 11,586,250	\$ 0	\$ 7,467,171	\$ 10,966,202	\$ 0	\$ 80,485	\$ 100,930	\$ 30,201,038
Charles Bancroft (11)	\$ 6,415,846	\$ 717,409						