

BRISTOL MYERS SQUIBB CO

FORM 10-K (Annual Report)

Filed 02/13/15 for the Period Ending 12/31/14

Address	345 PARK AVE NEW YORK, NY 10154
Telephone	2125464000
CIK	0000014272
Symbol	BMY
SIC Code	2834 - Pharmaceutical Preparations
Industry	Biotechnology & Drugs
Sector	Healthcare
Fiscal Year	12/31

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

Commission File Number 1-1136

BRISTOL-MYERS SQUIBB COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-0790350
(IRS Employer
Identification No.)

345 Park Avenue, New York, N.Y. 10154
(Address of principal executive offices)

Telephone: (212) 546-4000

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.10 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Title of each class
\$2 Convertible Preferred Stock, \$1 Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark if the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the 1,655,998,321 shares of voting common equity held by non-affiliates of the registrant, computed by reference to the closing price as reported on the New York Stock Exchange, as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2014) was approximately \$80,332,478,552. Bristol-Myers Squibb has no non-voting common equity. At February 2, 2015, there were 1,662,118,446 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: Portions of the Proxy Statement for the registrant's Annual Meeting of Stockholders to be held May 5, 2015 are incorporated by reference into Part III of this Annual Report on Form 10-K.



PART I

Item 1. BUSINESS.

General

Bristol-Myers Squibb Company (which may be referred to as Bristol-Myers Squibb, BMS, the Company, we, our or us) was incorporated under the laws of the State of Delaware in August 1933 under the name Bristol-Myers Company, as successor to a New York business started in 1887. In 1989, Bristol-Myers Company changed its name to Bristol-Myers Squibb Company as a result of a merger. We are engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of biopharmaceutical products on a global basis.

We operate in one segment—BioPharmaceuticals. For additional information about business segments, see “Item 8. Financial Statements—Note 2 . Business Segment Information.”

We compete with other worldwide research-based drug companies, smaller research companies and generic drug manufacturers. Our products are sold worldwide, primarily to wholesalers, retail pharmacies, hospitals, government entities and the medical profession. We manufacture products in the United States (U.S.), Puerto Rico and in six foreign countries.

The percentage of revenues by significant region/country were as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
United States	49%	51%	59%
Europe	23%	24%	21%
Japan	6%	5%	4%
China	4%	4%	3%
Total Revenues	\$ 15,879	\$ 16,385	\$ 17,621

Acquisitions and Divestitures

We continue to transform BMS into a leading-edge biopharmaceutical company focused exclusively on discovering, developing, and delivering innovative medicines that address serious unmet medical needs. This transformation has encompassed all areas of our business and operations. As part of this strategy, we have divested our diabetes and non-pharmaceutical businesses, implemented our acquisition and licensing strategy, and executed our productivity transformation initiative (PTI). Our divestitures included our diabetes business in February 2014, Mead Johnson in December 2009, ConvaTec in August 2008 and Medical Imaging in January 2008. As part of our acquisition and licensing strategy, we acquired iPierian, Inc. (iPierian) in April 2014, Amylin Pharmaceuticals, Inc. (Amylin) in August 2012, Inhibitex, Inc. (Inhibitex) in February 2012, Amira Pharmaceuticals, Inc. (Amira) in September 2011, ZymoGenetics, Inc. (ZymoGenetics) in October 2010 and Medarex, Inc. (Medarex) in September 2009 and entered into several license and other collaboration arrangements. These transactions have allowed and continue to allow us to focus our resources behind our growth opportunities that drive the greatest long-term value. From a disease standpoint, we are focused on the following core therapeutic areas: oncology, virology, immunology, specialty cardiovascular disease, fibrosis and genetically defined diseases.

Products

Our pharmaceutical products include chemically-synthesized drugs, or small molecules, and an increasing portion of products produced from biological processes (typically involving recombinant DNA technology), called “biologics.” Small molecule drugs are typically administered orally, e.g., in the form of a pill or tablet, although other drug delivery mechanisms are used as well. Biologics are typically administered to patients through injections or by infusion. Most of our revenues come from products in the following therapeutic classes: virology, including human immunodeficiency virus (HIV) infection; oncology; neuroscience; immunoscience; and cardiovascular.

In the pharmaceutical industry, the majority of an innovative product’s commercial value is usually realized during the period in which the product has market exclusivity. Our business is focused on innovative biopharmaceutical products, and we rely on patent rights and various forms of regulatory protection to maintain the market exclusivity of our products. In the U.S., the European Union (EU) and some other countries, when these patent rights and other forms of exclusivity expire and generic versions of a medicine are approved and marketed, there are often substantial and rapid declines in the sales of the original innovative product. For further discussion of patent rights and regulatory forms of exclusivity, see “—Intellectual Property and Product Exclusivity” below. For further discussion of the impact of generic competition on our business, see “—Generic Competition” below.

The following chart shows our key products together with the year in which the earliest basic exclusivity loss (patent rights or data exclusivity) occurred or is currently estimated to occur in the U.S., the EU, Japan and China. We also sell our pharmaceutical products in other countries; however, data is not provided on a country-by-country basis because individual country revenues are not significant outside the U.S., the EU, Japan and China. In many instances, the basic exclusivity loss date listed below is the expiration date of the patent that claims the active ingredient of the drug or the method of using the drug for the approved indication, if there is only one approved indication. In some instances, the basic exclusivity loss date listed in the chart is the expiration date of the data exclusivity period. In situations where there is only data exclusivity without patent protection, a competitor could seek regulatory approval by submitting its own clinical trial data to obtain marketing approval prior to the expiration of data exclusivity.

We estimate the market exclusivity period for each of our products for the purpose of business planning only. The length of market exclusivity for any of our products is impossible to predict with certainty because of the complex interaction between patent and regulatory forms of exclusivity and the inherent uncertainties regarding patent litigation. There can be no assurance that a particular product will enjoy market exclusivity for the full period of time that appears in the estimate or that the exclusivity will be limited to the estimate.

The following schedule presents revenues of our key products and estimated basic exclusivity loss in the U.S., EU, Japan and China:

Dollars in Millions	Total Revenues by Product			Past or Currently Estimated Year of Basic Exclusivity Loss			
	2014	2013	2012	U.S.	EU ^(a)	Japan	China
Virology							
<i>Baraclude</i>	\$ 1,441	\$ 1,527	1,388	2014 ^(c)	2011-2016	2016	--
Hepatitis C Franchise ^(b)	256	—	—	++	2027	2027	++
<i>Reyataz</i>	1,362	1,551	1,521	2017	2017-2019 ^(d)	2019	2017
<i>Sustiva Franchise</i>	1,444	1,614	1,527	2017 ^(e)	2013 ^(f)	++	++
Oncology							
<i>Erbix[*]</i>	723	696	702	2016 ^(g)	++	2016 ^(h)	++
<i>Opdivo</i>	6	—	—	2027	++	2026	++
<i>Sprycel</i>	1,493	1,280	1,019	2020	2020	2021	2020
<i>Yervoy</i>	1,308	960	706	2023 ^(h)	2021 ^(h)	++	++
Neuroscience							
<i>Abilify[*]</i>	2,020	2,289	2,827	2015 ⁽ⁱ⁾	2014 ⁽ⁱ⁾	++	++
Immunoscience							
<i>Orencia</i>	1,652	1,444	1,176	2019	2017 ^(h)	2018 ^(h)	++
Cardiovascular							
<i>Eliquis</i>	774	146	2	2023	2022	2022	^

Note: The currently estimated earliest year of basic exclusivity loss includes any statutory extensions of exclusivity that have been granted. In some instances, we may be able to obtain an additional six months exclusivity for a product based on the pediatric extension. In certain other instances, there may be later-expiring patents that cover particular forms or compositions of the drug, as well as methods of manufacturing or methods of using the drug. Such patents may sometimes result in a favorable market position for our products, but product exclusivity cannot be predicted or assured. Under the U.S. healthcare law enacted in 2010, qualifying biologic products will receive 12 years of data exclusivity before a biosimilar can enter the market, as described in more detail in “—Intellectual Property and Product Exclusivity” below.

* Indicates brand names of products which are trademarks not owned by BMS. Specific trademark ownership information is included in the Exhibit Index.

++ We do not currently market the product in the country or region indicated.

-- There is uncertainty about China's exclusivity laws which has resulted in generic competition in the China market.

^ There is uncertainty about China's exclusivity laws.

(a) References to the EU throughout this Form 10-K include all member states of the European Union during the year ended December 31, 2014. Basic patent applications have not been filed in all current member states for all of the listed products. In some instances, the date of basic exclusivity loss will be different in various EU member states. For those EU countries where the basic patent was not obtained, there may be data protection available.

(b) Exclusivity period relates to the *Daklinza* (daclatasvir) brand.

(c) In September 2014, Teva Pharmaceuticals launched a generic version of *Baraclude* (entecavir). These actions follow a decision in June 2014 by the U.S. Court of Appeals for the Federal Circuit to uphold a lower court decision invalidating *Baraclude*'s patent in February 2013. A petition for a rehearing en banc was also denied in October 2014. The Company filed a petition for writ of certiorari with the U.S. Supreme Court in January 2015.

(d) Data exclusivity in the EU expired in 2014 and market exclusivity expires between 2017 and 2019.

(e) Exclusivity period relates to the *Sustiva* (efavirenz) brand and does not include exclusivity related to any combination therapy. The composition of matter patent for efavirenz in the U.S. expired in 2013 and the method of use patent for the treatment of HIV infection expired in September 2014. Pediatric exclusivity has been granted, which provides an additional six month period of exclusivity added to the term of the patents listed in the Orange Book. In October 2014, the Company announced that it has successfully resolved all outstanding U.S. patent litigation relating to efavirenz and that loss of exclusivity in the U.S. for efavirenz is not expected to occur until December 2017.

(f) Exclusivity period relates to the *Sustiva* brand and does not include exclusivity related to any combination therapy. Market exclusivity for *Sustiva* expired in November 2013 in countries in the EU. Data exclusivity for *Sustiva* expired in the EU in 2009.

(g) Biologic product approved under a Biologics License Application (BLA). Data exclusivity in the U.S. expires in 2016. There is no patent that specifically claims the composition of matter of cetuximab, the active ingredient in *Erbix^{*}*. Our rights to commercialize cetuximab terminate in 2018.

(h) Exclusivity period is based on regulatory data protection.

(i) In addition to anticipated loss of exclusivity, our U.S. commercialization rights of *Abilify^{*}* (aripiprazole) terminate on April 20, 2015.

(j) Our EU commercialization rights of *Abilify** in the EU terminated in June 2014.

Below is a summary of the indication, intellectual property position, product partner, if any, and third-party manufacturing arrangements, if any, for each of the above products in the U.S. and, where applicable, the EU and Japan.

Baraclude *Baraclude* (entecavir) is a potent and selective inhibitor of hepatitis B virus that was approved by the U.S. Food and Drug Administration (FDA) for the treatment of chronic hepatitis B virus infection. *Baraclude* was discovered and developed internally.

In September 2014, Teva Pharmaceuticals launched a generic version of *Baraclude* (entecavir) and we have experienced a rapid and significant negative impact on U.S. net product sales of *Baraclude* beginning in the fourth quarter of 2014. These actions follow a decision in June by the U.S. Court of Appeals for the Federal Circuit to uphold a lower court decision invalidating *Baraclude*'s patent in February 2013. A petition for rehearing en banc was also denied in October 2014. The Company filed a petition for writ of certiorari requesting U.S. Supreme Court review in January 2015. For more information about this patent litigation matter, see "Item 8. Financial Statements—Note 22. Legal Proceedings and Contingencies."

The composition of matter patent expires in the EU between 2011 and 2016 and in Japan in 2016. There is uncertainty about China's exclusivity laws which has resulted in generic competition in the China market.

Bulk active entecavir is manufactured by both the company and a third party. The product is then finished in our facilities.

Hepatitis C Franchise *Daklinza* (Daclatasvir (DCV)) is an oral small molecule NS5A replication complex inhibitor for the treatment of hepatitis C virus infection (HCV) and was approved in combination with other medicinal products in the EU across multiple genotypes in August 2014. The dual regimen with *Sunvepra* was also approved in Japan in July 2014. It is currently in the registrational process in the U.S. We own a patent covering daclatasvir as a composition of matter that expires in 2028 in the U.S.

Sunvepra (Asunaprevir (ASV)) is an oral small molecule NS3 protease inhibitor for the treatment of HCV, and was approved as a dual regimen of DCV+ASV in Japan in July 2014. In October 2014, we announced that we would not pursue FDA approval of the dual regimen and we have withdrawn our New Drug Application (NDA) for asunaprevir.

We manufacture our bulk requirements of daclatasvir and finish the product in our facilities. We obtain bulk requirements for asunaprevir from a third-party manufacturer and finish the product at a third-party facility.

Reyataz Franchise *Reyataz* (atazanavir sulfate) is a protease inhibitor for the treatment of HIV. The *Reyataz Franchise* includes *Reyataz* and combination therapy *Evotaz* (atazanavir 300 mg and cobicistat 150 mg) , a once-daily single tablet two drug regimen combining *Reyataz* and Gilead Sciences, Inc.'s (Gilead) *Tybost** (cobicistat) for the treatment of HIV-1 infection in adults.

We developed atazanavir under a worldwide license from Novartis Pharmaceutical Corporation (Novartis) for which a royalty is paid based on a percentage of net product sales. We are entitled to promote *Reyataz* for use in combination with *Norvir** (ritonavir) under a non-exclusive license agreement with AbbVie Inc. (AbbVie), as amended, for which a royalty is paid based on a percentage of net product sales. We have a licensing agreement with Gilead for *Evotaz* , which was approved in January 2015.

Market exclusivity for *Reyataz* is expected to expire in 2017 in the U.S. and China and 2019 in the major EU member countries and Japan. Data exclusivity in the EU expired in 2014.

We manufacture our bulk requirements for atazanavir and finish the product in our facilities.

Sustiva Franchise *Sustiva* (efavirenz) is a non-nucleoside reverse transcriptase inhibitor for the treatment of HIV. The *Sustiva Franchise* includes *Sustiva* , an antiretroviral drug used in the treatment of HIV, as well as bulk efavirenz which is included in the combination therapy *Atripla** (efavirenz 600 mg/ emtricitabine 200 mg/ tenofovir disoproxil fumarate 300 mg), a once-daily single tablet three-drug regimen combining our *Sustiva* and Gilead's *Truvada** (emtricitabine and tenofovir disoproxil fumarate). For more information about our arrangement with Gilead, see "—Alliances" below and "Item 8. Financial Statements—Note 3 . Alliances."

Rights to market efavirenz in the U.S., Canada, the UK, France, Germany, Ireland, Italy and Spain are licensed from Merck & Co., Inc. (Merck) for a royalty based on a percentage of revenues. Efavirenz is marketed by another company in Japan.

The composition of matter patent for efavirenz in the U.S. expired in 2013 and a method of use patent for the treatment of HIV infection expired in September 2014, with an additional six month period of pediatric exclusivity added to the term of these patents. In October 2014, the Company announced that it has successfully resolved all outstanding U.S. patent litigation relating to efavirenz and that loss of exclusivity in the U.S. for efavirenz is not expected to occur until December 2017.

Market exclusivity for *Sustiva* expired in November 2013 in countries in the EU. Data exclusivity for *Sustiva* expired in the EU in 2009.

We obtain our bulk requirements for efavirenz from third parties and produce finished goods in our facilities. We supply our third parties' bulk efavirenz to Gilead, who is responsible for producing the finished *Atripla** product.

*Erbix**

*Erbix** (cetuximab) is an IgG1 monoclonal antibody designed to exclusively target and block the Epidermal Growth Factor Receptor (EGFR), which is expressed on the surface of certain cancer cells in multiple tumor types as well as some normal cells. *Erbix**, a biological product, is approved in combination with irinotecan for the treatment of patients with EGFR-expressing metastatic colorectal cancer (mCRC) who have failed an irinotecan-based regimen and as monotherapy for patients who are intolerant of irinotecan. The FDA approved *Erbix** for use in combination with radiation therapy, for the treatment of locally or regionally advanced squamous cell carcinoma of the head and neck and, as a single agent, for the treatment of patients with recurrent or metastatic squamous cell carcinoma of the head and neck for whom prior platinum-based therapy has failed. The FDA also approved *Erbix** for first-line recurrent locoregional or metastatic head and neck cancer in combination with platinum-based chemotherapy with 5-Fluorouracil.

Exclusive distribution rights in North America for cetuximab were granted to the Company by ImClone Systems Incorporated (ImClone), the predecessor company of ImClone LLC, a wholly-owned subsidiary of Eli Lilly and Company (Lilly) and is part of our alliance with Lilly. For more information about our alliance with Lilly, see “—Alliances” below and “Item 8. Financial Statements—Note 3 . Alliances”

Data exclusivity for *Erbix** in the U.S. expires in 2016. There is no patent that specifically claims the composition of matter of cetuximab, the active molecule in *Erbix**. *Erbix** has been approved by the FDA and other health authorities for monotherapy, for which there is no use patent. The use of *Erbix** in combination with 5-Fluorouracil (an anti-neoplastic agent) is approved by the FDA. Such combination use is claimed in a granted U.S. patent that expires in 2018 (including the granted patent term extension). This use patent was challenged by Yeda Research and Development Company Ltd. (Yeda). Pursuant to a December 2007 worldwide settlement agreement, Sanofi and Yeda granted ImClone a non-exclusive worldwide license under the use patent. Data exclusivity in Japan expires in 2016.

Yeda has the right to license the use patent to third parties and has granted Amgen, Inc. (Amgen) a license. Amgen received FDA approval to market an EGFR-product that competes with *Erbix**. Yeda's license of the patent to third parties could result in product competition for *Erbix** that might not otherwise occur and we are unable to assess the potential impact of such competition.

We obtain our finished goods requirements for cetuximab for use in North America from Lilly. Lilly manufactures bulk requirements for cetuximab in its own facilities and filling and finishing is performed by a third party for which BMS has oversight responsibility. For a description of our supply agreement with Lilly, see “—Manufacturing and Quality Assurance” below.

Opdivo

Opdivo (nivolumab) is a fully human monoclonal antibody that binds to the programmed death receptor-1 (PD-1) on T and NKT cells. It is being investigated as an anticancer treatment. It is in Phase III trials (which commenced in 2012) in non-small cell lung cancer, renal cell cancer and melanoma. We jointly own a patent with Ono Pharmaceutical Co., LTD. (Ono) covering *Opdivo* as a composition of matter that expires in 2027 in the U.S. (excluding potential patent term extension). In December 2014, the FDA approved *Opdivo* for unresectable (inoperable) or metastatic melanoma, and disease progression following *Yervoy* and, if BRAF V600 mutation positive, a BRAF inhibitor. *Opdivo* was also approved in Japan in July 2014 for the same indication. The FDA has granted Fast Track designation for *Opdivo* in three tumor types: non-small cell lung cancer, renal cell carcinoma and metastatic melanoma, and it is in the registrational process for melanoma and non-small cell lung cancer in the U.S. and Europe. The FDA granted Breakthrough Therapy designation for Hodgkin Lymphoma in 2014.

We obtain our bulk requirements for *Opdivo* from a third party and finish the product in our facilities.

Sprycel

Sprycel (dasatinib) is a multi-targeted tyrosine kinase inhibitor approved for the first-line treatment of adults with Philadelphia chromosome-positive chronic myeloid leukemia in chronic phase and the treatment of adults with chronic, accelerated, or myeloid or lymphoid blast phase chronic myeloid leukemia with resistance or intolerance to prior therapy, including *Gleevec** (imatinib mesylate). *Gleevec** is a trademark of Novartis.

Sprycel was internally discovered and is part of our alliance with Otsuka. For more information about our alliance with Otsuka Pharmaceutical Co., Ltd. (Otsuka), see “—Alliances” below and “Item 8. Financial Statements—Note 3 . Alliances”

A patent term extension has been granted in the U.S. extending the term on the basic composition of matter patent covering dasatinib until June 2020. In 2013, the Company entered into a settlement agreement with Apotex regarding a patent infringement suit covering the monohydrate form of dasatinib whereby Apotex can launch its generic dasatinib monohydrate abbreviated New Drug Application (aNDA) product in September 2024, or earlier in certain circumstances. In the U.S., orphan drug exclusivity expired in 2013, which protected the product from generic applications for the currently approved orphan indications only.

In the majority of the EU countries, we have a composition of matter patent covering dasatinib that expires in April 2020 (excluding potential term extensions). The composition of matter patent expires in 2021 in Japan and in 2020 in China.

We manufacture our bulk requirements for dasatinib and finish the product in our facilities.

Yervoy

Yervoy (ipilimumab), a biological product, is a monoclonal antibody for the treatment of patients with unresectable or metastatic melanoma. *Yervoy* was approved in the U.S. in March 2011 and in the EU in July 2011. It is currently also being studied for other indications including lung cancer as well as adjuvant melanoma and hormone-refractory prostate cancer. For more information, about research and development of *Yervoy* , see “—Research and Development” below.

Yervoy was discovered by Medarex and co-developed by the Company and Medarex, which is now our subsidiary. We own a patent covering ipilimumab as a composition of matter that currently expires in 2022 in the U.S. and 2020 in the EU (excluding potential patent term extensions). Data exclusivity expires in 2023 in the U.S. and 2021 in the EU.

Bulk ipilimumab is manufactured by both the Company and a third party. The product is finished both in our facilities and at a third-party facility.

*Abilify**

*Abilify** (aripiprazole) is an atypical antipsychotic agent for adult patients with schizophrenia, bipolar mania disorder and major depressive disorder. *Abilify** also has pediatric uses in schizophrenia and bipolar disorder, among others.

We have a global commercialization agreement with Otsuka, excluding Japan, China and certain other Asian countries. For more information about our arrangement with Otsuka, see “—Alliances” below and “Item 8. Financial Statements—Note 3 . Alliances.”

The basic U.S. composition of matter patent covering aripiprazole and the term of the current *Abilify** agreement expires on April 20, 2015 (including the granted patent term extension and six month pediatric extension).

A composition of matter patent is in force in major EU countries. The original expiration date of 2009 had been extended to 2014 by grant of a supplementary protection certificate in most EU countries. Data exclusivity and the rights to commercialize in the EU expired in June 2014.

We obtain our bulk requirements for aripiprazole from Otsuka. Both the Company and Otsuka finish the product in their own facilities.

Orencia

Orencia (abatacept), a biological product, is a fusion protein with novel immunosuppressive activity targeted initially at adult patients with moderately to severely active rheumatoid arthritis who have had an inadequate response to certain currently available treatments. *Orencia* is available in both an intravenous and subcutaneous formulation in the U.S., Europe and Japan.

We have a series of patents covering abatacept and its method of use. In the U.S., a patent term extension has been granted for one of the composition of matter patents, extending the term of the U.S. patent to 2019. In the EU, the composition of matter patent covering abatacept expired in 2012. In the majority of the EU countries, we have applied for supplementary protection certificates and also pediatric extension of the supplementary protection certificates for protection until 2017. Most of these protection certificates have been granted. Data exclusivity expires in 2017 in the U.S. and the EU and 2018 in Japan.

Bulk abatacept is manufactured by both the Company and a third party. We finish both formulations of the product in our own facilities.

See “—Alliances” below for further discussion of our collaborations with Ono for *Orencia* in Japan.

Eliquis

Eliquis (apixaban) is an oral Factor Xa inhibitor targeted at stroke prevention in atrial fibrillation and the prevention and treatment of venous thromboembolic (VTE) disorders. Apixaban was discovered internally and is part of our alliance with Pfizer, Inc. (Pfizer). For more information about our alliance with Pfizer, see “Item 8. Financial Statements—Note 3 . Alliances.”

The composition of matter patent covering apixaban in the U.S. expires in February 2023 (excluding potential patent term extensions) and in the EU expires in 2022. We have applied for supplementary protection certificates. Some of these supplementary protection certificates have been granted and expire in 2026. Data exclusivity in the EU expires in 2021.

Apixaban is manufactured by both the Company and a third party. The product is then finished in our facilities.

Research and Development

We invest heavily in research and development (R&D) because we believe it is critical to our long-term competitiveness. We have major R&D facilities in New Jersey and Connecticut. Research and development is also carried out at various other facilities throughout the world, including in Belgium, the UK, India and other sites in the U.S. We supplement our internal drug discovery and development programs with alliances and collaborative agreements which help us bring new products into the pipeline. In drug development, we engage the services of physicians, hospitals, medical schools and other research organizations worldwide to conduct clinical trials to establish the safety and effectiveness of new products. Management continues to emphasize leadership, innovation, productivity and quality as strategies for success in our research and development activities.

We concentrate our research and development efforts in the following disease areas with significant unmet medical needs: immuno-oncology, oncology, immunoscience, cardiovascular, virology, fibrotic diseases and genetically defined diseases. We also continue to analyze and may selectively pursue promising leads in other areas. In addition to discovering and developing new molecular entities, we look for ways to expand the value of existing products through new indications and formulations that can provide additional benefits to patients.

In order for a new drug to reach the market, industry practice and government regulations in the U.S., the EU and most foreign countries provide for the determination of a drug’s effectiveness and safety through preclinical tests and controlled clinical evaluation. The clinical development of a potential new drug includes Phase I, Phase II and Phase III clinical trials that have been designed specifically to support a new drug application for a particular indication, assuming the trials are successful.

Phase I clinical trials involve a small number of healthy volunteers or patients suffering from the indicated disease to test for safety and proper dosing. Phase II clinical trials involve a larger patient population to investigate side effects, efficacy, and optimal dosage of the drug candidate. Phase III clinical trials are conducted to confirm Phase II results in a significantly larger patient population over a longer term and to provide reliable and conclusive data regarding the safety and efficacy of a drug candidate.

The R&D process typically takes fourteen years or longer, with approximately three years often spent in Phase III, or late-stage, development. We consider our R&D programs in Phase III to be our significant R&D programs. These programs include both investigational compounds in Phase III development for initial indications and marketed products that are in Phase III development for additional indications or formulations.

Drug development is time consuming, expensive and risky. On average, only about one in 10,000 chemical compounds discovered by pharmaceutical industry researchers proves to be both medically effective and safe enough to become an approved medicine. Drug candidates can fail at any stage of the process, and even late-stage product candidates sometimes fail to receive regulatory approval. According to the KMR Group, based on industry success rates from 2009-2013, approximately 95% of the compounds that enter Phase I development fail to achieve regulatory approval. The failure rate for compounds that enter Phase II development is approximately 87% and for compounds that enter Phase III development, it is approximately 46%.

Total research and development expenses include the costs of discovery research, preclinical development, early- and late-stage clinical development and drug formulation, as well as post-commercialization and medical support of marketed products, proportionate allocations of enterprise-wide costs, and other appropriate costs. Research and development spending was \$4.5 billion in 2014 , \$3.7 billion in 2013 and \$3.9 billion in 2012 and includes payments under third-party collaborations and contracts. At the end of 2014 , we employed approximately 8,500 people in R&D activities, including a substantial number of physicians, scientists holding graduate or postgraduate degrees and higher-skilled technical personnel.

We manage our R&D programs on a portfolio basis, investing resources in each stage of research and development from early discovery through late-stage development. We continually evaluate our portfolio of R&D assets to ensure that there is an appropriate balance of early-stage and late-stage programs to support the future growth of the Company. Spending on our late-stage development programs represented approximately 30-45% of our annual R&D expenses in the last three years, no individual investigational compound or marketed product represented 10% or more of our R&D expenses in any of the last three years.

Listed below are late-stage investigational compounds that we have in Phase III clinical trials or under regulatory review for at least one potential indication. Whether or not any of these or our other investigational compounds ultimately becomes one of our marketed products depends on the results of clinical studies, the competitive landscape of the potential product's market and the manufacturing processes necessary to produce the potential product on a commercial scale, among other factors. However, as noted above, there can be no assurance that we will seek regulatory approval of any of these compounds or that, if such approval is sought, it will be obtained. There is also no assurance that a compound that is approved will be commercially successful. At this stage of development, we cannot determine all intellectual property issues or all the patent protection that may, or may not, be available for these investigational compounds. The patent coverage highlighted below includes patent terms and patent term extensions that have been granted.

Beclabuvir	Beclabuvir is an oral small molecule non-nucleoside NS5B inhibitor in Phase III development (which commenced in 2013) for the treatment of HCV. We own a patent covering Beclabuvir as a composition of matter that expires in 2027 in the U.S.
Elotuzumab	Elotuzumab is a humanized monoclonal antibody being investigated as an anticancer treatment, which was discovered by PDL BioPharma and is part of our alliance with AbbVie. It is in Phase III trials (which commenced in 2011) in multiple myeloma. FDA granted Breakthrough Therapy designation for elotuzumab for use in combination with lenalidomide and dexamethasone for the treatment of multiple myeloma in patients who have received one or more prior therapies. AbbVie owns a patent covering elotuzumab as a composition of matter that expires in 2026 in the U.S.
BMS-663068	BMS-663068 is an investigational compound being studied in HIV-1 which has shown antiviral activity in HIV-1 infected individuals. Attachment inhibitors have a distinct mode of action from other entry inhibitors, which prevent entry of HIV-1 into the host cell following attachment. BMS-663068 is a prodrug which is metabolized to the active basic compound. We hold a patent covering BMS-663068 as a composition of matter that expires in November 2027 in the U.S.

During 2014, we terminated our Phase III development for peginterferon lambda for the treatment of hepatitis C virus.

The following table lists potential additional indications and/or formulations of key marketed products that are in potentially registrational trials or currently under regulatory review:

Key marketed product	Potential indication and/or formulation
Hepatitis C Franchise	Combination with other antivirals for the treatment of HCV
<i>Reyataz</i>	Pediatric extension
<i>Opdivo</i>	Additional indications in melanoma, non-small cell lung cancer, hematology, renal cell carcinoma and head and neck cancer Additional indications in melanoma, renal cell carcinoma and glioblastoma in combination with <i>Yervoy</i>
<i>Yervoy</i>	Additional indications in adjuvant melanoma, prostate cancer, non-small-cell lung cancer and small cell lung cancer Additional indications in melanoma, renal cell carcinoma and glioblastoma in combination with <i>Opdivo</i>
<i>Orencia</i>	Additional indications in lupus nephritis and psoriatic arthritis, auto-injector device

The following key developments are currently expected to occur during 2015 with respect to our significant pipeline programs. The outcome and timing of these expected developments are dependent upon a number of factors including, among other things, the availability of data, the outcome of certain clinical trials, acceptance of presentations at certain medical meetings and/or actions by health authorities. We do not undertake any obligation to publicly update this information, whether as a result of new information, future events, or otherwise.

Hepatitis C Franchise Data available from clinical trials
Potential approval in the U.S. for daclatasvir

Opdivo Potential approval in lung cancer in the US and EU and potential approval in melanoma in the EU.
Data available from clinical trials, including data from the 017 Phase III study in lung cancer.
Potential submissions in various tumors based on registrational trials.

Yervoy Potential approval in adjuvant melanoma
Data available from Phase III studies in prostate and lung cancer
Potential submissions in various tumors based on registrational trials.

Elotuzumab Data available from Phase III study in multiple myeloma

Alliances

We enter into alliances with third parties that transfer rights to develop, manufacture, market and/or sell pharmaceutical products that are owned by other parties. These alliances include licensing arrangements, co-development and co-marketing agreements, co-promotion arrangements and joint ventures. When such alliances involve sharing research and development costs, the risk of incurring all research and development expenses for compounds that do not lead to revenue-generating products is reduced. However, profitability on alliance products is generally lower because profits from alliance products are shared with our alliance partners. We actively pursue such arrangements and view alliances as an important complement to our own discovery, development and commercialization activities.

Each of our alliances with third parties who own the rights to manufacture, market and/or sell pharmaceutical products contain customary early termination provisions typically found in agreements of this kind and are generally based on the other party's material breach or bankruptcy (voluntary or involuntary) and product safety concerns. The amount of notice required for early termination generally ranges from immediately upon notice to 180 days after receipt of notice. Termination immediately upon notice is generally available where the other party files a voluntary bankruptcy petition or if a material safety issue arises with a product such that the medical risk/benefit is incompatible with the welfare of patients to continue to develop or commercialize this product. Termination upon 30 to 90 days notice is generally available where an involuntary bankruptcy petition has been filed (and has not been dismissed) or a material breach by the other party has occurred (and not been cured). A number of alliance agreements also permit the alliance partner or us to terminate without cause, typically exercisable with substantial advance written notice and often exercisable only after a specified period of time has elapsed after the alliance agreement is signed. Our alliances typically do not otherwise contain provisions that provide the other party the right to terminate the alliance on short notice.

In general, we do not retain any rights to a product brought to an alliance by another party or to the other party's intellectual property after an alliance terminates. The loss of rights to one or more products that are marketed and sold by us pursuant to an alliance could be material to our results of operations and cash flows could be material to our financial condition and liquidity. As is customary in the pharmaceutical industry, the terms of our alliances generally are co-extensive with the exclusivity period and may vary on a country-by-country basis.

Our most significant current alliances for both currently marketed products and investigational compounds are described below.

Current Marketed Products—In-Licensed

Otsuka

We maintain a worldwide commercialization agreement with Otsuka to co-develop and co-promote *Abilify** (the *Abilify** Agreement), excluding certain Asian countries. The U.S. portion of the agreement was amended in 2009 and 2012 and expires upon the expected loss of product exclusivity on April 20, 2015. The agreement expired in all European Union (EU) countries in June 2014, and in each other non-U.S. country where we have the exclusive right to sell *Abilify**, the agreement expires on the later of April 20, 2015 or loss of exclusivity in any such country. For a detailed description of our share of the revenues and expenses for *Abilify**, see "Item 8- Financial Statements — Note 3. Alliances."

The U.S. portion of the *Abilify** Agreement and the Oncology Agreement described below include a change-of-control provision if we are acquired. If the acquiring company does not have a competing product to *Abilify**, then the new company will assume the *Abilify** Agreement

(as amended) and the Oncology Agreement as it currently exists. If the acquiring company has a product that competes with

*Abilify**, Otsuka can elect to request the acquiring company to choose whether to divest *Abilify** or the competing product. In the scenario where *Abilify** is divested, Otsuka would be obligated to acquire our rights under the *Abilify** Agreement (as amended) at a price according to a predetermined schedule. The agreements also provide that in the event of a generic competitor to *Abilify**, we have the option of terminating the *Abilify** April 2009 amendment (with the agreement as previously amended remaining in force). If we were to exercise such option then either (i) we would receive a payment from Otsuka according to a pre-determined schedule and the Oncology Agreement would terminate at the same time or (ii) the Oncology Agreement would continue for a truncated period according to a pre-determined schedule.

Early termination of the *Abilify** Agreement is immediate upon notice in the case of (i) voluntary bankruptcy, (ii) where minimum payments are not made to Otsuka, or (iii) first commercial sale has not occurred within three months after receipt of all necessary approvals, 30 days where a material breach has occurred (and not been cured or commencement of cure has not occurred within 90 days after notice of such material breach) and 90 days in the case where an involuntary bankruptcy petition has been filed (and has not been dismissed). In addition, termination is available to Otsuka upon 30 days notice in the event that we were to challenge Otsuka's patent rights or, on a market-by-market basis, in the event that we were to market a product in direct competition with *Abilify**. Upon termination or expiration of the *Abilify** Agreement, we do not retain any rights to *Abilify**.

For a discussion of our Oncology Agreement with Otsuka, see “—Current Marketed Products—Internally Discovered” below. For further discussion of our alliance with Otsuka, see “Item 8. Financial Statements—Note 3 . Alliances.”

Gilead

We have joint ventures with Gilead to develop and commercialize *Atripla** in the U.S., Canada and in Europe. The Company and Gilead share responsibility for certain activities related to the commercialization of *Atripla** in the U.S., Canada, throughout the EU and certain other European countries. Gilead recognizes 100% of *Atripla** revenues in the U.S., Canada and most countries in Europe. Alliance and other revenues recognized for *Atripla** include only the bulk efavirenz component of *Atripla** which is calculated differently in the EU and the U.S. following the loss of exclusivity of *Sustiva* in the EU in 2013. The alliance and other revenues are deferred and the related alliance receivable is not recognized until *Atripla** is sold to third-party customers.

The collaboration agreement governing the commercialization of *Atripla** in the U.S. and Canada will continue until terminated by mutual agreement of the parties or otherwise as described below. In the event of a material breach by one party of the collaboration agreement, the non-breaching party may terminate the agreement only if the breaching party does not cure the material breach and both parties agree that it is both desirable and practicable to withdraw the combination product from the markets where it is commercialized. At such time as one or more generic versions of a party's component product(s) are launched in the U.S., the other party will have the right to terminate the collaboration agreement and be in control of the joint venture and the commercialization of the combination product, both in the U.S. and Canada; however, for three years the terminated party will continue to receive a percentage of the net product sales based on the contribution of bulk components to *Atripla**, and otherwise retains all rights to its own products.

In Europe, following the 2013 loss of exclusivity of *Sustiva* and effective January 1, 2014, the percentage of *Atripla** net sales in Europe recognized by BMS is equal to the difference between the average net selling prices of *Atripla** and *Truvada**. This alliance will continue in Europe until either party terminates the arrangement or the last patent expiration occurs for *Atripla**, *Truvada**, or *Sustiva*.

In 2011, we entered into a licensing agreement with Gilead to develop and commercialize a fixed-dose combination containing *Reyataz* and Gilead's cobicistat, a pharmacoenhancing or “boosting” agent that increases blood levels of certain HIV medicines to potentially allow for one pill once daily dosing. In April 2014, the Company filed a New Drug Application (NDA) with the FDA for this combination treatment. *Evotaz* (atazanavir 300 mg and cobicistat 150 mg) was approved by the FDA in January 2015.

For further discussion of our alliance with Gilead, see “Item 8. Financial Statements—Note 3 . Alliances.”

Lilly

We have an EGFR commercialization agreement with Lilly through Lilly's subsidiary ImClone for the co-development and co-promotion of *Erbix** in the U.S., Canada and Japan. Under the EGFR agreement, with respect to *Erbix** net product sales in North America, Lilly receives a distribution fee based on a flat rate of 39% of net product sales in North America, plus reimbursement of certain royalties paid by Lilly, and the Company and Lilly share one half of the profits and losses evenly in Japan with Merck KgaA receiving the other half of the profits and losses in Japan. The parties share royalties payable to third parties pursuant to a formula set forth in the commercialization agreement. We purchase all of our North American commercial requirements for bulk *Erbix** from Lilly. The agreement expires as to *Erbix** in North America in September 2018.

Early termination is available based on material breach and is effective 60 days after notice of the material breach (and such material breach has not been cured or commencement of cure has not occurred), or upon six months notice from us if there exists a significant

concern regarding a regulatory or patient safety issue that would seriously impact the long-term viability of the product. Upon termination or expiration of the alliance, we do not retain any rights to *Erbix*® in North America.

We shared co-development and co-promotion rights to *Erbix*® with Merck KGaA in Japan under an agreement signed in October 2007, with Lilly, Merck KGaA and Merck Japan. *Erbix*® received marketing approval in Japan in July 2008 for the use of *Erbix*® in treating patients with advanced or recurrent colorectal cancer and head and neck cancer in December 2012. In December 2014, BMS agreed to transfer its commercialization rights in Japan to Merck KGaA in May 2015 in exchange for future royalties through 2032 which will be included in other income when earned.

For further discussion of our alliance with Lilly, see “Item 8. Financial Statements—Note 3 . Alliances.”

Current Marketed Products—Internally Discovered

Otsuka

Simultaneously with the extension of the *Abilify*® Agreement, in April 2009, the Company and Otsuka entered into an Oncology Agreement for *Sprycel* and *Ixempra* (ixabepilone), which includes the U.S., Japan and the EU markets (the Oncology Territory). Beginning in 2010 through 2020, a fee is paid to Otsuka annually based on percentages of the annual net product sales of *Sprycel* and *Ixempra*.

The Oncology Agreement expires with respect to *Sprycel* and *Ixempra* in 2020 and includes the same change-of-control provision if we were acquired as the *Abilify*® Agreement described above.

For a discussion of our *Abilify*® Agreement with Otsuka, see “— *Current Marketed Products—In-Licensed*” above. For further discussion of our alliance with Otsuka, see “Item 8. Financial Statements—Note 3 . Alliances.”

In addition, in January 2007, we granted Otsuka exclusive rights in Japan to develop and commercialize *Onglyza*® . Under that agreement, we are entitled to receive milestone payments based on certain regulatory events, as well as sales-based payments following regulatory approval of *Onglyza*® in Japan, and we retained rights to co-promote *Onglyza*® with Otsuka in Japan. Otsuka is responsible for all development costs in Japan. In June 2012, Otsuka assigned all rights to *Onglyza*® , with the exception of specific transition services, to Kyowa Hakko Kirin (KHK). As part of its consent to this assignment, BMS waived its rights to co-promote *Onglyza*® in Japan.

In February 2014, we sold to AstraZeneca our diabetes business that was comprised of the global alliance with them, including all rights and ownership to *Onglyza*® . See “Item 8. Financial Statements—Note 3. Alliances” for further discussion.

AstraZeneca

In January 2007, we entered into a worldwide (except for Japan) co-development and co-commercialization agreement with AstraZeneca for *Onglyza*® (the Saxagliptin Agreement) and *Farxiga*® (the SGLT2 Agreement). In 2012, BMS and AstraZeneca Pharmaceuticals LP, a wholly-owned subsidiary of AstraZeneca, entered into an alliance regarding the worldwide development and commercialization of Amylin’s portfolio of products, including *Bydureon*® , *Byetta*® , *Symlin*® and *Kombiglyze*® was co-developed with AstraZeneca under the Saxagliptin Agreement. The exclusive rights to develop and sell *Onglyza*® in Japan were licensed to Otsuka in December 2006 and in June 2012 were assigned by Otsuka to KHK, which is described above.

In February 2014, we sold to AstraZeneca our diabetes business that was comprised of the global alliance with them, including all rights and ownership to *Onglyza*® , *Farxiga*® , *Bydureon*® , *Byetta*® , *Symlin*® and *Myalept*® . We and AstraZeneca terminated our existing alliance agreements in connection with the sale and entered into several new agreements, including a transitional services agreement, a supply agreement and a development agreement. Under the supply agreement, we will continue to manufacture *Onglyza*® , *Kombiglyze*® and *Farxiga*® .

For further discussion of our alliance with AstraZeneca, see “Item 8. Financial Statements—Note 3 . Alliances” and “Investigational Compounds Under Development – Internally Discovered.”

Pfizer

The Company and Pfizer are parties to a worldwide co-development and co-commercialization agreement for *Eliquis* , an anticoagulant discovered by us for the prevention and treatment of atrial fibrillation and VTE disorders. Pfizer funds between 50% and 60% of all development costs depending on the study. The companies share commercialization expenses and profits and losses equally on a global basis.

For further discussion of our alliance with Pfizer, see “Item 8. Financial Statements—Note 3 . Alliances.”

Ono

BMS and Ono have an alliance agreement to develop and commercialize *Opdivo*, an anti-PD-1 human monoclonal antibody being investigated as an anti-cancer treatment. BMS has the exclusive right to develop, manufacture and commercialize *Opdivo* in all territories worldwide except Japan, South Korea and Taiwan (where Ono was responsible for all development and commercialization prior to the amendment discussed below). Ono is entitled to receive royalties following regulatory approvals in all territories excluding the three countries listed above. The royalty rates are 4% in North America and 15% in all other applicable territories.

The alliance agreement was amended in July 2014 to provide for additional collaboration activities in Japan, South Korea and Taiwan pertaining to *Opdivo* and several other BMS compounds including ipilimumab, lirilumab, urelumab and BMS-986016 (anti-LAG3). Both parties have the right and obligation to jointly develop and commercialize the compounds. BMS is responsible for supply of the product. Profits, losses and development costs are shared equally for all combination therapies involving compounds of both parties. Otherwise, sharing is 80% and 20% for activities involving only one of the party's compounds.

BMS and Ono also co-develop and co-commercialize *Orencia* in Japan. BMS is responsible for the order fulfillment and distribution of the intravenous formulation and Ono is responsible for the subcutaneous formulation. Both formulations are jointly promoted by both parties with assigned customer accounts and BMS is responsible for the product supply. A co-promotion fee of 60% is paid to the other party when a sale is made to that other party's assigned customer.

Other Alliances

In May 2013, BMS and Reckitt Benckiser Group plc (Reckitt) entered into a three year alliance regarding several over-the-counter-products sold primarily in Mexico and Brazil. Reckitt received the right to sell, distribute and market the products through May 2016 and will have certain responsibilities related to regulatory matters in the covered territory. BMS receives royalties on net product sales and exclusively supplies certain of the products to Reckitt pursuant to a supply agreement at cost plus a markup. Certain limited assets, including the market authorizations and certain employees directly attributed to the business, were transferred to Reckitt at the start of the alliance period. BMS retained ownership of all other assets related to the business including the trademarks covering the products.

BMS also granted Reckitt an option to acquire the trademarks, inventory and certain other assets exclusively related to the products at the end of the alliance period at a price determined based on a multiple of sales (plus the cost of any remaining inventory held by BMS at the time). In April 2014, the alliance was modified to provide an option to Reckitt to purchase a BMS manufacturing facility located in Mexico primarily dedicated to the products included in the alliance. The options can only be exercised together. Substantially all employees at the facility are expected to be transferred to Reckitt if the option is exercised. If the option is not exercised, all assets previously transferred to Reckitt will revert back to BMS. The option may be exercised by Reckitt between May and November 2015, in which case closing would be expected to occur in May 2016.

In February 2013, BMS and The Medicines Company entered into a two year alliance regarding *Recothrom*, a recombinant thrombin for use as a topical hemostat to control non-arterial bleeding during surgical procedures (previously acquired by BMS in connection with its acquisition of ZymoGenetics, Inc. in 2010). The Medicines Company received the right to sell, distribute and market *Recothrom* on a global basis for two years, and had certain responsibilities related to regulatory matters in the covered territory. BMS exclusively supplied *Recothrom* to The Medicines Company pursuant to a supply agreement at cost plus a markup and received royalties on net product sales of *Recothrom*. Certain employees directly attributed to the business and certain assets were transferred to The Medicines Company at the start of the alliance period, including the *Recothrom* BLA and related regulatory assets. BMS retained all other assets related to *Recothrom* including the patents, trademarks and inventory.

BMS also granted The Medicines Company an option to acquire the patents, trademarks, inventory and certain other assets exclusively related to *Recothrom* at a price determined based on a multiple of sales (plus the cost of any remaining inventory held by BMS at that time). The Medicines Company exercised the option and acquired the business for \$132 million in February 2015. Please see "Item 8. Financial Statements—Note 3. Alliances" for more information regarding the alliance.

Investigational Compounds Under Development—In-Licensed

AbbVie

In August 2008, we were granted exclusive rights from PDL BioPharma, Inc (now AbbVie) for elotuzumab, a humanized monoclonal antibody being investigated as treatment for multiple myeloma. Under the terms of the collaboration, we fund 80% of the development costs for elotuzumab. Upon commercialization, AbbVie will share 30% of all profits and losses in the U.S., and will be paid tiered royalties outside of the U.S. We will be solely responsible for commercialization of elotuzumab. In addition, AbbVie may receive milestone payments from us based on certain regulatory events and sales thresholds, if achieved.

Other Licensing Arrangements

In addition to the alliances described above, we have other in-licensing and out-licensing arrangements. With respect to in-licenses, we have agreements with Novartis for *Reyataz* and with Merck for efavirenz, among others. We also own certain compounds out-licensed to third parties for development and commercialization, including those obtained from our acquisitions. We are entitled to receive milestone payments as these compounds move through the regulatory process and royalties based on net product sales, if and when the products are commercialized.

Intellectual Property and Product Exclusivity

We own or license a number of patents in the U.S. and foreign countries primarily covering our products. We have also developed many brand names and trademarks for our products. We consider the overall protection of our patents, trademarks, licenses and other intellectual property rights to be of material value and act to protect these rights from infringement.

In the pharmaceutical industry, the majority of an innovative product's commercial value is usually realized during the period in which the product has market exclusivity. A product's market exclusivity is generally determined by two forms of intellectual property: patent rights held by the innovator company and any regulatory forms of exclusivity to which the innovative drug is entitled.

Patents are a key determinant of market exclusivity for most branded pharmaceuticals. Patents provide the innovator with the right to exclude others from practicing an invention related to the medicine. Patents may cover, among other things, the active ingredient(s), various uses of a drug product, pharmaceutical formulations, drug delivery mechanisms and processes for (or intermediates useful in) the manufacture of products. Protection for individual products extends for varying periods in accordance with the expiration dates of patents in the various countries. The protection afforded, which may also vary from country to country, depends upon the type of patent, its scope of coverage and the availability of meaningful legal remedies in the country.

Market exclusivity is also sometimes influenced by regulatory intellectual property rights. Many developed countries provide certain non-patent incentives for the development of medicines. For example, in the U.S., the EU, Japan, and certain other countries, regulatory intellectual property rights are offered as incentives for research on medicines for rare diseases, or orphan drugs, and on medicines useful in treating pediatric patients. These incentives can extend the market exclusivity period on a product beyond the patent term.

The U.S., EU, Japan and China also each provide for a minimum period of time after the approval of a new drug during which the regulatory agency may not rely upon the innovator's data to approve a competitor's generic copy, or data protection. In some regions such as China, however, it is questionable whether such data protection laws are enforceable. In certain markets where patent protection and other forms of market exclusivity may have expired, data protection can be of particular importance. However, most regulatory forms of exclusivity do not prevent a competitor from gaining regulatory approval prior to the expiration of regulatory data exclusivity on the basis of the competitor's own safety and efficacy data on its drug, even when that drug is identical to that marketed by the innovator.

Specific aspects of the law governing market exclusivity and data protection for pharmaceuticals vary from country to country. The following summarizes key exclusivity rules in markets representing significant sales:

United States

In the U.S., most of our key products are protected by patents with varying terms depending on the type of patent and the filing date. A significant portion of a product's patent life, however, is lost during the time it takes an innovative company to develop and obtain regulatory approval of a new drug. As compensation at least in part for the lost patent term, the innovator may, depending on a number of factors, extend the expiration date of one patent up to a maximum term of five years, provided that the extension cannot cause the patent to be in effect for more than 14 years from the date of drug approval.

A company seeking to market an innovative pharmaceutical in the U.S. must submit a complete set of safety and efficacy data to the FDA. If the innovative pharmaceutical is a chemical, the company files an NDA. If the medicine is a biological product, a Biologics License Application (BLA) is filed. The type of application filed affects regulatory exclusivity rights.

Chemical products

A competitor seeking to launch a generic substitute of a chemical innovative drug in the U.S. must file an aNDA with the FDA. In the aNDA, the generic manufacturer needs to demonstrate only "bioequivalence" between the generic substitute and the approved NDA drug. The aNDA relies upon the safety and efficacy data previously filed by the innovator in its NDA.

An innovator company is required to list certain of its patents covering the medicine with the FDA in what is commonly known as the Orange Book. Absent a successful patent challenge, the FDA cannot approve an aNDA until after the innovator's listed patents expire. However, after the innovator has marketed its product for four years, a generic manufacturer may file an aNDA and allege that one or more of the patents listed in the Orange Book under an innovator's NDA is either invalid or not infringed. This allegation is commonly known as a Paragraph IV certification. The innovator then must decide whether to file a patent infringement suit against the generic manufacturer. From time to time, aNDAs, including Paragraph IV certifications, are filed with respect to certain of our products. We evaluate these aNDAs on a case-by-case basis and, where warranted, file suit against the generic manufacturer to protect our patent rights.

In addition to benefiting from patent protection, certain innovative pharmaceutical products can receive periods of regulatory exclusivity. A NDA that is designated as an orphan drug can receive seven years of exclusivity for the orphan indication. During this time period, neither NDAs nor aNDAs for the same drug product can be approved for the same orphan use. A company may also earn six months of additional exclusivity for a drug where specific clinical trials are conducted at the written request of the FDA to study the use of the medicine to treat pediatric patients, and submission to the FDA is made prior to the loss of basic exclusivity.

Medicines approved under an NDA can also receive several types of regulatory data protection. An innovative chemical pharmaceutical is entitled to five years of regulatory data protection in the U.S., during which competitors cannot file with the FDA for approval of generic substitutes. If an innovator's patent is challenged, as described above, a generic manufacturer may file its aNDA after the fourth year of the five-year data protection period. A pharmaceutical drug product that contains an active ingredient that has been previously approved in an NDA, but is approved in a new formulation, but not for the drug itself, or for a new indication on the basis of new clinical trials, receives three years of data protection for that formulation or indication.

Biologic products

The U.S. healthcare legislation enacted in 2010 created an approval pathway for biosimilar versions of innovative biological products that did not previously exist. Prior to that time, innovative biologics had essentially unlimited regulatory exclusivity. Under the new regulatory mechanism, the FDA can approve products that are similar to (but not generic copies of) innovative biologics on the basis of less extensive data than is required by a full BLA. After an innovator has marketed its product for four years, any manufacturer may file an application for approval of a "biosimilar" version of the innovator product. However, although an application for approval of a biosimilar may be filed four years after approval of the innovator product, qualified innovative biological products will receive 12 years of regulatory exclusivity, meaning that the FDA may not approve a biosimilar version until 12 years after the innovative biological product was first approved by the FDA. The law also provides a mechanism for innovators to enforce the patents that protect innovative biological products and for biosimilar applicants to challenge the patents. Such patent litigation may begin as early as four years after the innovative biological product is first approved by the FDA.

In the U.S., the increased likelihood of generic and biosimilar challenges to innovators' intellectual property has increased the risk of loss of innovators' market exclusivity. First, generic companies have increasingly sought to challenge innovators' basic patents covering major pharmaceutical products. Second, statutory and regulatory provisions in the U.S. limit the ability of an innovator company to prevent generic and biosimilar drugs from being approved and launched while patent litigation is ongoing. As a result of all of these developments, it is not possible to predict the length of market exclusivity for a particular product with certainty based solely on the expiration of the relevant patent(s) or the current forms of regulatory exclusivity.

European Union

Patents on pharmaceutical products are generally enforceable in the EU and, as in the U.S., may be extended to compensate for the patent term lost during the regulatory review process. Such extensions are granted on a country-by-country basis.

The primary route we use to obtain marketing authorization of pharmaceutical products in the EU is through the "centralized procedure." This procedure is compulsory for certain pharmaceutical products, in particular those using biotechnological processes, and is also available for certain new chemical compounds and products. A company seeking to market an innovative pharmaceutical product through the centralized procedure must file a complete set of safety data and efficacy data as part of a Marketing Authorization Application (MAA) with the European Medicines Agency (EMA). After the EMA evaluates the MAA, it provides a recommendation to the European Commission (EC) and the EC then approves or denies the MAA. It is also possible for new chemical products to obtain marketing authorization in the EU through a "mutual recognition procedure," in which an application is made to a single member state, and if the member state approves the pharmaceutical product under a national procedure, then the applicant may submit that approval to the mutual recognition procedure of some or all other member states.

After obtaining marketing authorization approval, a company must obtain pricing and reimbursement for the pharmaceutical product, which is typically subject to member state law. In certain EU countries, this process can take place simultaneously while the product is marketed but in other EU countries, this process must be completed before the company can market the new product. The pricing and reimbursement procedure can take months and sometimes years to complete.

Throughout the EU, all products for which marketing authorizations have been filed after October/November 2005 are subject to an “8+2+1” regime. Eight years after the innovator has received its first community authorization for a medicinal product, a generic company may file a marketing authorization application for that product with the health authorities. If the marketing authorization application is approved, the generic company may not commercialize the product until after either 10 or 11 years have elapsed from the initial marketing authorization granted to the innovator. The possible extension to 11 years is available if the innovator, during the first eight years of the marketing authorization, obtains an additional indication that is of significant clinical benefit in comparison with existing treatments. For products that were filed prior to October/November 2005, there is a 10-year period of data protection under the centralized procedures and a period of either six or 10 years under the mutual recognition procedure (depending on the member state).

In contrast to the U.S., patents in the EU are not listed with regulatory authorities. Generic versions of pharmaceutical products can be approved after data protection expires, regardless of whether the innovator holds patents covering its drug. Thus, it is possible that an innovator may be seeking to enforce its patents against a generic competitor that is already marketing its product. Also, the European patent system has an opposition procedure in which generic manufacturers may challenge the validity of patents covering innovator products within nine months of grant.

In general, EU law treats chemically-synthesized drugs and biologically-derived drugs the same with respect to intellectual property and data protection. In addition to the relevant legislation and annexes related to biologic medicinal products, the EMA has issued guidelines that outline the additional information to be provided for biosimilar products, also known as generic biologics, in order to review an application for marketing approval.

Japan

In Japan, medicines of new chemical entities are generally afforded eight years of data exclusivity for approved indications and dosage. Patents on pharmaceutical products are enforceable. Generic copies can receive regulatory approval after data exclusivity and patent expirations. As in the U.S., patents in Japan may be extended to compensate for the patent term lost during the regulatory review process.

In general, Japanese law treats chemically-synthesized and biologically-derived drugs the same with respect to intellectual property and market exclusivity.

China

In China, medicines of new chemical entities are generally afforded six years of data exclusivity for approved indications and dosage. There is uncertainty about China’s exclusivity laws which has resulted in generic competition in the China market. Generic copies can receive regulatory approval after data exclusivity and patent expirations. Currently, unlike the U.S., China has no patent term restoration to compensate for the patent term lost during the regulatory process.

In general, Chinese law treats chemically-synthesized and biologically-derived drugs the same with respect to intellectual property and market exclusivity.

Rest of the World

In countries outside of the U.S., the EU, Japan and China, there is a wide variety of legal systems with respect to intellectual property and market exclusivity of pharmaceuticals. Most other developed countries utilize systems similar to either the U.S. or the EU. Among developing countries, some have adopted patent laws and/or regulatory exclusivity laws, while others have not. Some developing countries have formally adopted laws in order to comply with World Trade Organization (WTO) commitments, but have not taken steps to implement these laws in a meaningful way. Enforcement of WTO actions is a long process between governments, and there is no assurance of the outcome. Thus, in assessing the likely future market exclusivity of our innovative drugs in developing countries, we take into account not only formal legal rights but political and other factors as well.

Marketing, Distribution and Customers

We promote the appropriate use of our products directly to healthcare professionals and providers such as doctors, nurse practitioners, physician assistants, pharmacists, technologists, hospitals, Pharmacy Benefit Managers (PBMs) and Managed Care Organizations (MCOs). We also provide information about the appropriate use of our products to consumers in the U.S. through direct-to-consumer print, radio, television, and digital advertising and promotion. In addition, we sponsor general advertising to educate the public about our innovative medical research and corporate mission. For a discussion of the regulation of promotion and marketing of pharmaceuticals, see “—Government Regulation and Price Constraints” below.

Through our field sales and medical organizations, we explain the risks and benefits of the approved uses of our products to medical professionals. We work to gain access for our products on formularies and reimbursement plans (lists of recommended or approved medicines and other products), including Medicare Part D plans, by providing information about the clinical profiles of our products. Our marketing and sales of prescription pharmaceuticals is limited to the approved uses of the particular product, but we continue to develop scientific data and other information about our products and provide such information in response to unsolicited inquiries from doctors, other medical professionals and managed care organizations.

Our operations include several marketing and sales organizations. Each product marketing organization is supported by a sales force, which may be responsible for selling one or more products. We also have marketing organizations that focus on certain classes of customers such as managed care entities or certain types of marketing tools, such as digital or consumer communications. Our sales forces focus on communicating information about new products or new uses, as well as established products, and promotion to physicians is increasingly targeted at physician specialists who treat the patients in need of our medicines.

Our products are sold principally to wholesalers, and to a lesser extent, directly to distributors, retailers, hospitals, clinics, government agencies and pharmacies. Gross revenues to the three largest pharmaceutical wholesalers in the U.S. as a percentage of our global gross revenues were as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
McKesson Corporation	20%	19%	23%
Cardinal Health, Inc.	12%	14%	19%
AmerisourceBergen Corporation	17%	15%	14%

Our U.S. business has Inventory Management Agreements (IMAs) with substantially all of our direct wholesaler and distributor customers that allow us to monitor U.S. wholesaler inventory levels and requires those wholesalers and distributors to maintain inventory levels that are no more than one month of their demand. The IMAs, including those with our three largest wholesalers, expired in December 2014. The Company has negotiated extensions to its IMAs with its three largest wholesalers through March 2015 and is in continuing discussions with certain of its U.S. wholesaler customers about extending and renewing its agreements for periods beyond their current expiration.

In a number of defined countries outside of the U.S., we have established a full scale distributor model to make medically necessary drugs available to patients. We continue to own the marketing authorization and trademarks for these products, but have contracted the services of a full-service distributor to provide distribution and logistics; regulatory and pharmacovigilance; and sales, advertising and promotion for certain products. These contracts clearly define terms and conditions, along with the services we will provide (such as supply through a firm order period). We monitor in-country sales and forecasts to ensure that reasonable inventory levels for all products for sale are maintained to fully and continuously meet the demand for the products within the distributor's territory or responsibility. Sales in these distributor-based countries represented approximately 1% of the Company's total revenues in 2014 .

Competition

The markets in which we compete are generally broad based and highly competitive. We compete with other worldwide research-based drug companies, many smaller research companies with more limited therapeutic focus and generic drug manufacturers. Important competitive factors include product efficacy, safety and ease of use, price and demonstrated cost-effectiveness, marketing effectiveness, product labeling, customer service and research and development of new products and processes. Sales of our products can be impacted by new studies that indicate a competitor's product is safer or more effective for treating a disease or particular form of disease than one of our products. Our revenues also can be impacted by additional labeling requirements relating to safety or convenience that may be imposed on products by the FDA or by similar regulatory agencies in different countries. If competitors introduce new products and processes with therapeutic or cost advantages, our products can be subject to progressive price reductions or decreased volume of sales, or both.

Generic Competition

One of the biggest competitive challenges that we face is from generic pharmaceutical manufacturers. In the U.S. and the EU, the regulatory approval process exempts generics from costly and time-consuming clinical trials to demonstrate their safety and efficacy, allowing generic manufacturers to rely on the safety and efficacy of the innovator product. As a result, generic pharmaceutical manufacturers typically invest far less in research and development than research-based pharmaceutical companies and therefore can price their products significantly lower than branded products. Accordingly, when a branded product loses its market exclusivity, it normally faces intense price competition from generic forms of the product. Upon the expiration or loss of market exclusivity on a product, we can lose the major portion of revenues of that product in a very short period of time.

The rate of revenues decline of a product after the expiration of exclusivity varies by country. In general, the decline in the U.S. market is more rapid than in most other developed countries, though we have observed rapid declines in a number of EU countries as well. Also, the declines in developed countries tend to be more rapid than in developing countries. The rate of revenues decline after the expiration of exclusivity has also historically been influenced by product characteristics. For example, drugs that are used in a large patient population (e.g., those prescribed by key primary care physicians) tend to experience more rapid declines than drugs in specialized areas of medicine (e.g., oncology). Drugs that are more complex to manufacture (e.g., sterile injectable products) usually experience a slower decline than those that are simpler to manufacture.

In certain countries outside the U.S., patent protection is weak or nonexistent and we must compete with generic versions shortly after we launch our innovative products. In addition, generic pharmaceutical companies may introduce a generic product before exclusivity has expired, and before the resolution of any related patent litigation. For more information about market exclusivity, see “—Intellectual Property and Product Exclusivity” above.

We believe our long-term competitive position depends upon our success in discovering and developing innovative, cost-effective products that serve unmet medical needs, together with our ability to manufacture products efficiently and to market them effectively in a highly competitive environment.

Managed Care Organizations

The growth of MCOs in the U.S. is also a major factor in the healthcare marketplace. Over half of the U.S. population now participates in some version of managed care. MCOs can include medical insurance companies, medical plan administrators, health-maintenance organizations, Medicare Part D prescription drug plans, alliances of hospitals and physicians and other physician organizations. Those organizations have been consolidating into fewer, larger entities, thus enhancing their purchasing strength and importance to us.

To successfully compete for business with MCOs, we must often demonstrate that our products offer not only medical benefits but also cost advantages as compared with other forms of care. Most new products that we introduce compete with other products already on the market or products that are later developed by competitors. As noted above, generic drugs are exempt from costly and time-consuming clinical trials to demonstrate their safety and efficacy and, as such, often have lower costs than brand-name drugs. MCOs that focus primarily on the immediate cost of drugs often favor generics for this reason. Many governments also encourage the use of generics as alternatives to brand-name drugs in their healthcare programs. Laws in the U.S. generally allow, and in many cases require, pharmacists to substitute generic drugs that have been rated under government procedures to be essentially equivalent to a brand-name drug. The substitution must be made unless the prescribing physician expressly forbids it.

Exclusion of a product from a formulary can lead to its sharply reduced usage in the MCO patient population. Consequently, pharmaceutical companies compete aggressively to have their products included. Where possible, companies compete for inclusion based upon unique features of their products, such as greater efficacy, better patient ease of use or fewer side effects. A lower overall cost of therapy is also an important factor. Products that demonstrate fewer therapeutic advantages must compete for inclusion based primarily on price. We have been generally, although not universally, successful in having our major products included on MCO formularies.

Government Regulation and Price Constraints

The pharmaceutical industry is subject to extensive global regulation by regional, country, state and local agencies. The Federal Food, Drug, and Cosmetic Act (FDCA), other Federal statutes and regulations, various state statutes and regulations, and laws and regulations of foreign governments govern to varying degrees the testing, approval, production, labeling, distribution, post-market surveillance, advertising, dissemination of information, and promotion of our products. The lengthy process of laboratory and clinical testing, data analysis, manufacturing, development, and regulatory review necessary for required governmental approvals is extremely costly and can significantly delay product introductions in a given market. Promotion, marketing, manufacturing and distribution of pharmaceutical products are extensively regulated in all major world markets. In addition, our operations are subject to complex Federal, state, local, and foreign environmental and occupational safety laws and regulations. We anticipate that the laws and regulations affecting the manufacture and sale of current products and the introduction of new products will continue to require substantial scientific and technical effort, time and expense as well as significant capital investments.

Of particular importance is the FDA in the U.S. It has jurisdiction over virtually all of our activities and imposes requirements covering the testing, safety, effectiveness, manufacturing, labeling, marketing, advertising and post-marketing surveillance of our products. In many cases, the FDA requirements have increased the amount of time and money necessary to develop new products and bring them to market in the U.S.

The FDA mandates that drugs be manufactured, packaged and labeled in conformity with current Good Manufacturing Practices (cGMP) established by the FDA. In complying with cGMP regulations, manufacturers must continue to expend time, money and effort in production, recordkeeping and quality control to ensure that products meet applicable specifications and other requirements to ensure product safety and efficacy. The FDA periodically inspects our drug manufacturing facilities to ensure compliance with applicable cGMP requirements. Failure to comply with the statutory and regulatory requirements subjects us to possible legal or regulatory action, such as suspension of manufacturing, seizure of product or voluntary recall of a product. Adverse experiences with the use of products must be reported to the FDA and could result in the imposition of market restrictions through labeling changes or product removal. Product approvals may be withdrawn if compliance with regulatory requirements is not maintained or if problems concerning safety or efficacy occur following approval.

The Federal government has extensive enforcement powers over the activities of pharmaceutical manufacturers, including authority to withdraw or delay product approvals, commence actions to seize and prohibit the sale of unapproved or non-complying products, to halt manufacturing operations that are not in compliance with cGMPs, and to impose or seek injunctions, voluntary recalls, civil, monetary and criminal penalties. Such a restriction or prohibition on sales or withdrawal of approval of products marketed by us could materially adversely affect our business, financial condition and results of operations and cash flows.

Marketing authorization for our products is subject to revocation by the applicable governmental agencies. In addition, modifications or enhancements of approved products or changes in manufacturing locations are in many circumstances subject to additional FDA approvals, which may or may not be received and which may be subject to a lengthy application process.

The distribution of pharmaceutical products is subject to the Prescription Drug Marketing Act (PDMA) as part of the FDC Act, which regulates such activities at both the Federal and state level. Under the PDMA and its implementing regulations, states are permitted to require registration of manufacturers and distributors who provide pharmaceuticals even if such manufacturers or distributors have no place of business within the state. States are also permitted to adopt regulations limiting the distribution of product samples to licensed practitioners. The PDMA also imposes extensive licensing, personnel recordkeeping, packaging, quantity, labeling, product handling and facility storage and security requirements intended to prevent the sale of pharmaceutical product samples or other product diversions.

The FDA Amendments Act of 2007 imposed additional obligations on pharmaceutical companies and delegated more enforcement authority to the FDA in the area of drug safety. Key elements of this legislation give the FDA authority to (1) require that companies conduct post-marketing safety studies of drugs, (2) impose certain drug labeling changes relating to safety, (3) mandate risk mitigation measures such as the education of healthcare providers and the restricted distribution of medicines, (4) require companies to publicly disclose data from clinical trials and (5) pre-review television advertisements.

The marketing practices of all U.S. pharmaceutical manufacturers are subject to Federal and state healthcare laws that are used to protect the integrity of government healthcare programs. The Office of Inspector General of the U.S. Department of Health and Human Services (OIG) oversees compliance with applicable Federal laws, in connection with the payment for products by government funded programs (primarily Medicaid and Medicare). These laws include the Federal anti-kickback statute, which criminalizes the offering of something of value to induce the recommendation, order or purchase of products or services reimbursed under a government healthcare program. The OIG has issued a series of Guidances to segments of the healthcare industry, including the 2003 Compliance Program Guidance for Pharmaceutical Manufacturers (the OIG Guidance), which includes a recommendation that pharmaceutical manufacturers, at a minimum, adhere to the PhRMA Code, a voluntary industry code of marketing practices. We subscribe to the PhRMA Code, and have implemented a compliance program to address the requirements set forth in the OIG Guidance and our compliance with the healthcare laws. Failure to comply with these healthcare laws could subject us to administrative and legal proceedings, including actions by Federal and state government agencies. Such actions could result in the imposition of civil and criminal sanctions, which may include fines, penalties and injunctive remedies, the impact of which could materially adversely affect our business, financial condition and results of operations and cash flows.

We are also subject to the jurisdiction of various other Federal and state regulatory and enforcement departments and agencies, such as the Federal Trade Commission, the Department of Justice and the Department of Health and Human Services in the U.S. We are also licensed by the U.S. Drug Enforcement Agency to procure and produce controlled substances. We are, therefore, subject to possible administrative and legal proceedings and actions by these organizations. Such actions may result in the imposition of civil and criminal sanctions, which may include fines, penalties and injunctive or administrative remedies.

Our activities outside the U.S. are also subject to regulatory requirements governing the testing, approval, safety, effectiveness, manufacturing, labeling and marketing of our products. These regulatory requirements vary from country to country. Whether or not FDA approval or approval of the EC has been obtained for a product, approval of the product by comparable regulatory authorities of countries outside of the U.S. or the EU, as the case may be, must be obtained prior to marketing the product in those countries. The approval process may be more or less rigorous from country to country, and the time required for approval may be longer or shorter than that required in the U.S. Approval in one country does not assure that a product will be approved in another country.

In many markets outside the U.S., we operate in an environment of government-mandated, cost-containment programs. Several governments have placed restrictions on physician prescription levels and patient reimbursements, emphasized greater use of generic drugs and/or enacted across-the-board price cuts as methods of cost control. In most EU countries, for example, the government regulates pricing of a new product at launch often through direct price controls, international price comparisons, controlling profits and/or reference pricing. In other markets, such as the UK and Germany, the government does not set pricing restrictions at launch, but pricing freedom is subsequently limited, such as by the operation of a profit and price control plan in the UK and by the operation of a reference price system in Germany. Companies also face significant delays in market access for new products, mainly in France, Spain, Italy and Belgium, and more than two years can elapse before new medicines become available on some national markets. Additionally, member states of the EU have regularly imposed new or additional cost containment measures for pharmaceuticals. In recent years, Italy, for example, has imposed mandatory price decreases. The existence of price differentials within the EU due to the different national pricing and reimbursement laws leads to significant parallel trade flows.

In the U.S. the healthcare industry is subject to various government-imposed regulations authorizing prices or price controls that have and will continue to have an impact on our total revenues. We participate in state government Medicaid programs, as well as certain other qualifying Federal and state government programs whereby discounts and rebates are provided to participating state and local government entities. We also participate in government programs that specify discounts to certain government entities, the most significant of which are the U.S. Department of Defense and the U.S. Department of Veterans Affairs. These entities receive minimum discounts based off a defined “non-federal average manufacturer price” for purchases. In March 2010, the U.S. government enacted healthcare reform legislation, signing into law the Patient Protection and Affordable Care Act (HR 3590) and a reconciliation bill containing a package of changes to the healthcare bill. The legislation makes extensive changes to the current system of healthcare insurance and benefits intended to broaden coverage and reduce costs. These bills significantly change how Americans receive healthcare coverage and how they pay for it. They also have a significant impact on companies, in particular those companies in the pharmaceutical industry and other healthcare related industries, including BMS. We have experienced and will continue to experience additional financial costs and certain other changes to our business as the new healthcare law is implemented. For example, minimum rebates on our Medicaid drug sales have increased from 15.1 percent to 23.1 percent and Medicaid rebates have also been extended to drugs used in risk-based Medicaid managed care plans. In addition, we extend discounts to certain critical access hospitals, cancer hospitals and other covered entities as required by the expansion of the 340B Drug Pricing Program under the Public Health Service Act.

Beginning in 2011, we were also required to provide a 50 percent discount on our brand-name drugs to patients who fall within the Medicare Part D coverage gap, also referred to as the “donut hole” and we were also required to pay an annual non-tax-deductible fee to the federal government based on an allocation of our market share of branded prior year sales to certain government programs including Medicare, Medicaid, Department of Veterans Affairs, Department of Defense and TRICARE.

For further discussion of these rebates and programs, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Total Revenues” and “—Critical Accounting Policies.”

Sources and Availability of Raw Materials

In general, we purchase our raw materials and supplies required for the production of our products in the open market. For some products, we purchase our raw materials and supplies from one source (the only source available to us) or a single source (the only approved source among many available to us), thereby requiring us to obtain such raw materials and supplies from that particular source. We attempt, if possible, to mitigate our raw material supply risks, through inventory management and alternative sourcing strategies. For further discussion of sourcing, see “—Manufacturing and Quality Assurance” below and discussions of particular products.

Manufacturing and Quality Assurance

To meet all expected product demand, we operate and manage our manufacturing network, including our third-party contract manufacturers, and the inventory related thereto, in a manner that permits us to improve efficiency while maintaining flexibility to reallocate manufacturing capacity. Pharmaceutical production processes are complex, highly regulated and vary widely from product to product. Given that shifting or adding manufacturing capacity can be a lengthy process requiring significant capital and other expenditures as well as regulatory approvals, we maintain and operate our flexible manufacturing network, consisting of internal and external resources that minimize unnecessary product transfers and inefficient uses of manufacturing capacity. For further discussion of the regulatory impact on our manufacturing, see “—Government Regulation and Price Constraints” above.

Our pharmaceutical manufacturing facilities are located in the U.S., Puerto Rico, France, Italy, Ireland, Japan, Mexico and China and require significant ongoing capital investment for both maintenance and compliance with increasing regulatory requirements. In addition, as our product line changes over the next several years, we expect to continue modification of our existing manufacturing network to meet complex processing standards that may be required for newly introduced products, including biologics. Biologics manufacturing involves more complex processes than those of traditional pharmaceutical operations. The FDA approved our large scale multi-product

bulk biologics manufacturing facility in Devens, Massachusetts in May 2012 and we continue to make capital investments in this facility. We have also announced plans to build a new large-scale biologics manufacturing facility in Cruiserath, Ireland.

We rely on third parties to manufacture or supply us with all or a portion of the active ingredients necessary for us to manufacture various products, including *Baraclude*, the *Sustiva* Franchise, *Erbix**, *Yervoy*, *Reyataz*, *Abilify**, *Orencia*, *Eliquis*. Beginning February 1, 2014, following the sale of our diabetes business to AstraZeneca, AstraZeneca assumed manufacturing responsibilities for *Bydureon** and *Byetta**. To maintain a stable supply of these products, we take a variety of actions including inventory management and maintenance of additional quantities of materials, when possible, designed to provide for a reasonable level of these ingredients to be held by the third-party supplier, us or both, so that our manufacturing operations are not interrupted. As an additional protection, in some cases, we take steps to maintain an approved back-up source where available. For example, we will rely on the capacity of our Devens, Massachusetts facility and the capacity available at our third-party contract manufacturers to manufacture *Orencia*.

If we or any third-party manufacturer that we rely on for existing or future products is unable to maintain a stable supply of products, operate at sufficient capacity to meet our order requirements, comply with government regulations for manufacturing pharmaceuticals or meet the complex processing requirements for biologics, our business performance and prospects could be negatively impacted. Additionally, if we or any of our third-party suppliers were to experience extended plant shutdowns or substantial unplanned increases in demand or suspension of manufacturing for regulatory reasons, we could experience an interruption in supply of certain products or product shortages until production could be resumed or expanded.

In connection with divestitures, licensing arrangements or distribution agreements of certain of our products, or in certain other circumstances, we have entered into agreements under which we have agreed to supply such products to third parties. In addition to liabilities that could arise from our failure to supply such products under the agreements, these arrangements could require us to invest in facilities for the production of non-strategic products, result in additional regulatory filings and obligations or cause an interruption in the manufacturing of our own products.

Our success depends in great measure upon customer confidence in the quality of our products and in the integrity of the data that support their safety and effectiveness. Product quality arises from a total commitment to quality in all parts of our operations, including research and development, purchasing, facilities planning, manufacturing, and distribution. We maintain quality-assurance procedures relating to the quality and integrity of technical information and production processes.

Control of production processes involves detailed specifications for ingredients, equipment and facilities, manufacturing methods, processes, packaging materials and labeling. We perform tests at various stages of production processes and on the final product to ensure that the product meets regulatory requirements and our standards. These tests may involve chemical and physical chemical analyses, microbiological testing, or a combination of these along with other analyses. Quality control is provided by business unit/site quality assurance groups that monitor existing manufacturing procedures and systems used by us, our subsidiaries and third-party suppliers.

Environmental Regulation

Our facilities and operations are subject to extensive U.S. and foreign laws and regulations relating to environmental protection and human health and safety, including those governing discharges of pollutants into the air and water; the use, management and disposal of hazardous, radioactive and biological materials and wastes; and the cleanup of contamination. Pollution controls and permits are required for many of our operations, and these permits are subject to modification, renewal or revocation by the issuing authorities.

Our environment, health and safety group monitors our operations around the world, providing us with an overview of regulatory requirements and overseeing the implementation of our standards for compliance. We also incur operating and capital costs for such matters on an ongoing basis. We expended approximately \$18 million in 2014, \$19 million in 2013 and \$21 million in 2012 on capital projects undertaken specifically to meet environmental requirements. In addition, we invested in projects that reduce resource use of energy and water. Although we believe that we are in substantial compliance with applicable environmental, health and safety requirements and the permits required for our operations, we nevertheless could incur additional costs, including civil or criminal fines or penalties, clean-up costs, or third-party claims for property damage or personal injury, for violations or liabilities under these laws.

Many of our current and former facilities have been in operation for many years, and over time, we and other operators of those facilities have generated, used, stored or disposed of substances or wastes that are considered hazardous under Federal, state and/or foreign environmental laws, including the U.S. Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). As a result, the soil and groundwater at or under certain of these facilities is or may be contaminated, and we may be required to make significant expenditures to investigate, control and remediate such contamination, and in some cases to provide compensation and/or restoration for damages to natural resources. Currently, we are involved in investigation and remediation at 17 current or former facilities. We have also been identified as a “potentially responsible party” (PRP) under applicable laws for environmental conditions at approximately 21 former waste disposal or reprocessing facilities operated by third parties at which investigation and/or remediation activities are ongoing.

We may face liability under CERCLA and other Federal, state and foreign laws for the entire cost of investigation or remediation of contaminated sites, or for natural resource damages, regardless of fault or ownership at the time of the disposal or release. In addition, at certain sites we bear remediation responsibility pursuant to contractual obligations. Generally, at third-party operator sites involving multiple PRPs, liability has been or is expected to be apportioned based on the nature and amount of hazardous substances disposed of by each party at the site and the number of financially viable PRPs. For additional information about these matters, see “Item 8. Financial Statements—Note 22 . Legal Proceedings and Contingencies.”

Employees

As of December 31, 2014 , we employed approximately 25,000 people.

Foreign Operations

We have significant operations outside the U.S. They are conducted both through our subsidiaries and through distributors.

For a geographic breakdown of total revenues, see the table captioned Geographic Areas in “Item 8. Financial Statements—Note 2 . Business Segment Information” and for further discussion of our total revenues by geographic area see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Total Revenues.”

International operations are subject to certain risks, which are inherent in conducting business abroad, including, but not limited to, currency fluctuations, possible nationalization or expropriation, price and exchange controls, counterfeit products, limitations on foreign participation in local enterprises and other restrictive governmental actions. Our international businesses are also subject to government-imposed constraints, including laws on pricing or reimbursement for use of products.

Depending on the direction of change relative to the U.S. dollar, foreign currency values can increase or decrease the reported dollar value of our net assets and results of operations. The change in foreign exchange rates had a net unfavorable impact on the growth rate of revenues in 2014 . While we cannot predict with certainty future changes in foreign exchange rates or the effect they will have on the growth rate of revenues, we attempt to mitigate their impact through operational means and by using various financial instruments. See the discussions under “Item 7A. Quantitative and Qualitative Disclosures About Market Risk” and “Item 8. Financial Statements—Note 10 . Financial Instruments and Fair Value Measurements.”

Bristol-Myers Squibb Website

Our internet website address is www.bms.com . On our website, we make available, free of charge, our annual, quarterly and current reports, including amendments to such reports, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the U.S. Securities and Exchange Commission (SEC).

Information relating to corporate governance at Bristol-Myers Squibb, including our Standards of Business Conduct and Ethics, Code of Ethics for Senior Financial Officers, Code of Business Conduct and Ethics for Directors, (collectively, the “Codes”), Corporate Governance Guidelines, and information concerning our Executive Committee, Board of Directors, including Board Committees and Committee charters, and transactions in Bristol-Myers Squibb securities by directors and executive officers, is available on our website under the “Investors—Corporate Governance” caption and in print to any stockholder upon request. Any waivers to the Codes by directors or executive officers and any material amendment to the Code of Business Conduct and Ethics for Directors and Code of Ethics for Senior Financial Officers will be posted promptly on our website. Information relating to stockholder services, including our Dividend Reinvestment Plan and direct deposit of dividends, is available on our website under the “Investors—Stockholder Services” caption. In addition, information about our Sustainability programs is available on our website under the "Responsibility" caption.

We incorporate by reference certain information from parts of our proxy statement for the 2014 Annual Meeting of Stockholders. The SEC allows us to disclose important information by referring to it in that manner. Please refer to such information. Our proxy statement for the 2015 Annual Meeting of Stockholders and 2014 Annual Report will be available on our website under the “Investors—SEC Filings” caption on or about March 23, 2015 .

Item 1A. RISK FACTORS.

Any of the factors described below could significantly and negatively affect our business, prospects, financial condition, operating results, or credit ratings, which could cause the trading price of our common stock to decline. Additional risks and uncertainties not presently known to us, or risks that we currently consider immaterial, could also impair our operations or financial condition.

We face intense competition from other manufacturers, including for both innovative medicines and lower-priced generic products.

BMS is dependent on the uptake and market expansion for marketed brands, new product introductions, new indications, product extensions and co-promotional activities with alliance partners, to deliver future growth. Competition is a major global challenge and includes (i) lower-priced generics and increasingly aggressive generic commercialization tactics, (ii) lower prices from other companies' products, real or perceived superior efficacy (benefit) or safety (risk) profiles, or other differentiating factors, (iii) technological advances and patents attained by our competitors, (iv) clinical study results from our products or a competitor's products that affect the value proposition for our products, (v) business combinations among our competitors and major customers, and (vi) competing interests for external partnerships to develop and bring new products to markets. We could also experience limited or blocked market access due to real or perceived differences in value propositions for our products compared with competitors.

We could lose market exclusivity of a product earlier than expected.

In the pharmaceutical and biotechnology industries, the majority of an innovative product's commercial value is realized during its market exclusivity period. In the U.S. and in some other countries, when market exclusivity expires and generic versions are approved and marketed or when biosimilars are introduced (even if only for a competing product), there are usually very substantial and rapid declines in a product's revenues.

Market exclusivity for our products is based upon patent rights and certain regulatory forms of exclusivity. The scope of our patent rights varies from country to country and may also be dependent on the availability of meaningful legal remedies in a country. The failure to obtain patent and other intellectual property rights, or limitations on the use or loss of such rights, could be material to us. In some countries, including certain EU member states, basic patent protections for our products may not exist because certain countries did not historically offer the right to obtain specific types of patents and/or we (or our licensors) did not file in those markets. In addition, the patent environment can be unpredictable and the validity and enforceability of patents cannot be predicted with certainty. Absent relevant patent protection for a product, once the data exclusivity period expires, generic versions can be approved and marketed.

Generic and biosimilar product manufacturers are also increasingly seeking to challenge patents before they expire, and we could face earlier-than-expected competition for any products at any time. Patents covering our key products have been and are likely to continue to be subject to patent litigation. In some cases, manufacturers may seek regulatory approval by submitting its own clinical trial data to obtain marketing approval or choose to launch a generic product "at risk" before the expiration of the applicable patent(s) and/or before the final resolution of related patent litigation. For example, we experienced a rapid and significant negative impact on U.S. Baraclude net product sales in the fourth quarter of 2014 due to the launch of generic entecavir following a federal court's decision to invalidate the composition of matter patent in February 2013. There is no assurance that a particular product will enjoy market exclusivity for the full time period that appears in the estimates disclosed in this Form 10-K. In addition, some countries, such as India, are allowing competitors to manufacture and sell competing generic products, known as compulsory licensing, which negatively impacts the protections afforded the Company. Lower-priced biosimilars for BMS biologic products or competing biologics could introduce new competition for key products, potentially impacting our volumes and prices.

Increased pricing pressure and other restrictions in the U.S. and abroad from managed care organizations, institutional purchasers, and government agencies and programs, among others, could negatively affect our revenues and profit margins.

Our products continue to be subject to increasing pressures across the portfolio from market access, pricing and rebates and other restrictions in the U.S., the EU and other regions around the world, including from (i) rules and practices of managed care organizations and institutional and governmental purchasers; (ii) judicial decisions and governmental laws and regulations for Medicare, Medicaid and U.S. healthcare reform, including the 2010 Patient Protection and Affordable Care Act; (iii) the potential impact of pharmaceutical reimbursement, Medicare Part D Formularies and product pricing in general; (iv) delays in gaining reimbursement; (v) government price erosion mechanisms across Europe and in other countries, resulting in deflation for pharmaceutical product pricing; (vi) collection delays in government-funded public hospitals outside the U.S. (vii) the impact on pricing from parallel trade across borders; (viii) other developments in technology and/or industry practices that could impact the reimbursement policies and practices of third-party payers; and (ix) limited or blocked market access due to real or perceived differences in value propositions for our products compared to competing products.

We may experience difficulties or delays in the development and commercialization of new products.

Compounds or products may appear promising in development but fail to reach market within the expected or optimal timeframe, or at all. In addition, product extensions or additional indications may not be approved. Developing and commercializing new compounds and products include inherent risks and uncertainties, including (i) due to efficacy and safety concerns, delayed or denied regulatory approvals, delays or challenges with producing products on a commercial scale or excessive costs to manufacture them; (ii) failure to enter into or implement optimal alliances for the development and/or commercialization of new products; (iii) failure to maintain a consistent scope and variety of promising late-stage products; (iv) failure of one or more of our products to achieve or maintain commercial viability, (v) changes in regulatory approval processes may cause delays or denials of new product approvals.

Regulatory approval delays are especially common when a product is expected to have a Risk Evaluation and Mitigation Strategy, as required by the FDA to address significant risk/benefit issues. The inability to bring a product to market or a significant delay in the expected approval and related launch date of a new product could negatively impact our revenues and earnings. In addition, if certain acquired pipeline programs (including in-process research and development (IPR&D)) are cancelled or we believe their commercial prospects have been reduced, we may recognize material non-cash impairment charges for those programs. Finally, losing key molecules and intermediaries or our compound library through a natural or man-made disaster or act of sabotage could negatively impact the product development cycle.

Third-party royalties represent a significant percentage of our pretax income and operating cash flow.

We have entered into several arrangements which entitle us to potential royalties from third parties for out-licensed intellectual property, commercialization rights and sales-based contingent proceeds related to the divestiture of businesses. In many of these arrangements we have minimal, if any, continuing involvement that contribute to the financial success of those activities. Royalties have continued to represent an increasing percentage of our pretax income, including royalties related to our Sanofi alliance, out-licensed intellectual property and contingent proceeds resulting from the divestiture of the diabetes business. Pretax income generated from royalties were approximately \$850 million in 2014. Our pretax income could be adversely affected if the royalty streams decline in future periods.

Failure to execute our business strategy could adversely impact our growth and profitability.

We may not be able to consistently maintain a rich pipeline, through internal R&D programs or transactions with third parties, to support future revenue growth. Competition among pharmaceutical companies for acquisition and product licensing opportunities is intense, and we may not be able to locate suitable acquisition targets or licensing partners at reasonable prices, or successfully execute such transactions. We also may not be able to successfully realize the expected efficiencies and effectiveness from changes in our structure and operations to further our diversified specialty biopharmaceuticals strategy. If we are unable to support and grow our marketed products, successfully execute the launches of newly approved products, advance our late-stage pipeline, manage change and transformational issues, and manage our costs effectively, our operating results and financial condition could be negatively impacted.

Failure to attract and retain highly qualified personnel could affect our ability to successfully develop and commercialize products.

Our success is largely dependent on our continued ability to attract and retain highly qualified scientific, technical and management personnel, as well as personnel with expertise in clinical testing, governmental regulation and commercialization. Competition for qualified personnel in the biopharmaceutical field is intense. We cannot be sure that we will be able to attract and retain quality personnel or that the costs of doing so will not materially increase.

The public announcement of data from clinical studies or news of any developments related to our late-stage immuno-oncology compounds is likely to cause significant volatility in our stock price. If the development of any of our key immuno-oncology compounds, whether alone or as part of a combination therapy, is delayed or discontinued, our stock price could decline significantly.

We are focusing our efforts and resources in certain disease areas. With our more focused portfolio, investors are placing heightened scrutiny on some of our late-stage compounds. In particular, Opdivo is an important asset in our immuno-oncology portfolio. During 2014, we announced multiple regulatory milestones for Opdivo, a fully human monoclonal antibody being investigated as an anticancer treatment in non-small-lung cancer, renal cell cancer and melanoma, along with other tumor types, alone or in combination with other approved cancer products such as Yervoy. In 2015, we expect to receive further news from ongoing clinical trials and health authorities.

The announcement of data from our clinical studies or news of any developments related to our late-stage immuno-oncology compounds, such as nivolumab, is likely to cause significant volatility in our stock price. Furthermore, the announcement of any negative or unexpected data or the discontinuation of development of any of our key immuno-oncology compounds, whether alone or as part of a combination therapy, or any delay in our anticipated timelines for filing for regulatory approval will likely cause our stock price to decline significantly. There is no assurance that data from our clinical studies will support a filing for regulatory approval or even if approved, that any of our key immuno-oncology compounds will become commercially successful.

Any businesses we acquire in the future may underperform, and we may not be able to successfully integrate them into our existing business. We may continue to support our pipeline with compounds or products obtained through licensing and acquisitions. Future revenues, profits and cash flows of an acquired company's products, technologies and pipeline candidates, may not materialize due to lower product uptake, delayed or missed pipeline opportunities, the inability to capture expected synergies, increased competition, safety concerns, regulatory issues, supply chain problems or other factors beyond our control. Substantial difficulties, costs and delays could result from integrating our acquisitions, including for (i) R&D, manufacturing, distribution, sales, marketing, promotion and information technology activities; (ii) policies, procedures, processes, controls and compliance; (iii) company cultures; (iv) compensation structures and other human resource activities; and (v) tax considerations.

We depend on several key products for most of our revenues, cash flows and earnings.

We have historically derived a majority of our revenue and earnings from several key products and while we are not as heavily dependent on one or two products as in past years, our dependence on the profitability of our products is likely to continue. For instance, in 2014, Abilify* revenues of \$2.0 billion represented 13% of revenues. Orenzia and Sprycel revenues totaled \$1.7 billion and \$1.5 billion and represented 10% and 9% of revenues, respectively. While we will lose our rights to Abilify* in the U.S. and most international markets on April 20, 2015. We expect that growth products such as Yervoy, Eliquis and Opdivo will become an increasing important part of our revenue base. A reduction in revenues from one or more of these products could significantly negatively impact our revenues, cash flows and earnings.

Changes in U.S. or foreign laws and regulations may negatively affect our revenues and profit margins.

We could become subject to new government laws and regulations, which could negatively affect our business, our operating results and the financial condition of our Company, such as (i) additional healthcare reform initiatives in the U.S. or in other countries, including additional mandatory discounts or fees; (ii) increasing tax revenues in the U.S. or other countries as a means to reduce debt by changing tax rates; limiting, phasing-out or eliminating deductions or tax credits; modifying tax collection processes; taxing certain tax havens; taxing certain excess income from intellectual property; changing rules for earnings repatriations; and changing other tax laws; (iii) new laws, regulations and judicial or other governmental decisions affecting pricing, drug reimbursement, receivable payments, and access or marketing within or across jurisdictions; (iv) changes in intellectual property law; (v) changes in accounting standards; (vi) increasing data privacy regulations and enforcement; (vii) emerging and new global regulatory requirements for reporting payments and other value transfers to healthcare professionals, and (viii) the potential impact of importation restrictions, legislative and/or other regulatory changes.

Product labeling changes for our marketed products could result in a negative impact on revenues.

We or regulatory authorities may need to change the labeling for any pharmaceutical product, including after a product has been marketed for several years. These changes are often the result of additional data from post-marketing studies, head-to-head trials, adverse events reports, studies that identify biomarkers (objective characteristics that can indicate a particular response to a product or therapy) or other studies or post-marketing experience that produce important additional information about a product. New information added to a product's label can affect its risk-benefit profile, leading to potential recalls, withdrawals, or declining revenue, as well as product liability claims. Sometimes additional information from these studies identifies a portion of the patient population that may be non-responsive to a medicine or would be at higher risk of adverse reactions and labeling changes based on such studies may limit the patient population. The studies providing such additional information may be sponsored by us, but they could also be sponsored by competitors, insurance companies, government institutions, managed care organizations, scientists, investigators, or other interested parties. While additional safety and efficacy information from such studies assist us and healthcare providers in identifying the best patient population for each product, it can also negatively impact our revenues due to inventory returns and a more limited patient population going forward. Additionally, certain study results, especially from head-to-head trials, could affect a product's formulary listing, which could also adversely affect revenues.

We could experience difficulties and delays in the manufacturing, distribution and sale of our products.

Our product supply and related patient access could be negatively impacted by, among other things: (i) product seizures or recalls or forced closings of manufacturing plants; (ii) disruption in supply chain continuity including from natural or man-made disasters at one of our facilities or at a critical supplier, as well as our failure or the failure of any of our suppliers to comply with Current Good Manufacturing Practices and other applicable regulations or quality assurance guidelines that could lead to manufacturing shutdowns, product shortages or delays in product manufacturing; (iii) manufacturing, quality assurance/quality control, supply problems or governmental approval delays; (iv) the failure of a sole source or single source supplier to provide us with the necessary raw materials, supplies or finished goods within a reasonable timeframe; (v) the failure of a third-party manufacturer to supply us with bulk active or finished product on time; (vi) construction or regulatory approval delays for new facilities or the expansion of existing facilities, including those intended to support future demand for our biologics products; (vii) the failure to meet new and emerging regulations requiring products to be tracked throughout the distribution channels using unique identifiers to verify their authenticity in the supply chain; and (viii) other manufacturing or distribution issues, including limits to manufacturing capacity due to regulatory requirements, and changes in the types of products produced, such as biologics, physical limitations or other business interruptions.

Adverse outcomes in legal matters could negatively affect our business.

Current or future lawsuits, claims, proceedings and government investigations could preclude or delay the commercialization of our products or could adversely affect our operations, profitability, liquidity or financial condition, after any possible insurance recoveries, where available. Such legal matters include (i) intellectual property disputes; (ii) adverse decisions in litigation, including product liability and commercial cases; (iii) anti-bribery regulations, such as the U.S. Foreign Corrupt Practice Act or UK Anti-Bribery Act, (iv) recalls or withdrawals of pharmaceutical products or forced closings of manufacturing plants; (v) the failure to fulfill obligations under supply contracts with the government and other customers; (vi) product pricing and promotional matters; (vii) lawsuits and claims asserting, or investigations into, violations of securities, antitrust, Federal and state pricing, consumer protection, data privacy and other laws; (viii) environmental, health, safety and sustainability matters; and (iv) tax liabilities.

We depend on third parties to meet their contractual, regulatory, and other obligations.

We rely on suppliers, vendors, outsourcing partners, alliance partners and other third parties to research, develop, manufacture, commercialize, co-promote and sell our products, manage certain marketing, selling, human resource, finance, information technology and other business unit and functional services, and meet their contractual, regulatory, and other obligations. Some third parties are located in markets subject to political and social risk, corruption, infrastructure problems and natural disasters, in addition to country specific privacy and data security risk given current legal and regulatory environments. The failure of any critical third party to meet its obligations, including for future royalty and milestone payments; adequately deploy business continuity plans in the event of a crisis; and/or satisfactorily resolve significant disagreements with us or address other factors, could have a material adverse impact on the Company's operations and results. In addition, if these third parties violate or are alleged to have violated any laws or regulations, including the local pharmaceutical code, U.S. Foreign Corrupt Practice Act, U.K. Bribery Act and other similar laws and regulations, during the performance of their obligations for us, it is possible that we could suffer financial and reputational harm or other negative outcomes, including possible legal consequences.

We are increasingly dependent on information technology and our systems and infrastructure face certain risks, including from cyber security and data leakage.

A significant breakdown, invasion, corruption, destruction or interruption of critical information technology systems or infrastructure, by our workforce, others with authorized access to our systems, or unauthorized persons could negatively impact operations. The ever-increasing use and evolution of technology, including cloud-based computing, creates opportunities for the unintentional dissemination or intentional destruction of confidential information stored in our systems, in non-encrypted portable media or storage devices. We could also experience a business interruption, information theft of confidential information, or reputational damage from industrial espionage attacks, malware or other cyber attacks, which may compromise our system infrastructure or lead to data leakage, either internally or at our third-party providers. Although the aggregate impact on our operations and financial condition has not been material to date, we have been the target of events of this nature and expect them to continue. We have invested in industry appropriate protections and monitoring practices of our data and information technology to reduce these risks and continue to monitor our systems on an ongoing basis for any current or potential threats. There can be no assurance, however, that our efforts will prevent breakdowns or breaches to our or our third-party providers' databases or systems that could adversely affect our business.

Social media platforms present risks and challenges.

The inappropriate and/or unauthorized use of certain media vehicles could cause brand damage or information leakage or could lead to legal implications, including from the improper collection and/or dissemination of personally identifiable information from employees, patients, healthcare professionals or other stakeholders. In addition, negative or inaccurate posts or comments about us on any social networking website could damage our reputation, brand image and goodwill. Further, the disclosure of non-public Company-sensitive information by our workforce or others through external media channels could lead to information loss, as there might not be structured processes in place to secure and protect information. Identifying new points of entry as social media continues to expand presents new challenges.

Adverse changes in U.S., global, regional or local economic conditions could adversely affect our profitability.

Global economic risks pose significant challenges to a company's growth and profitability and are difficult to mitigate. The world's major economies hold historically-high debt levels and many are experiencing slow growth and high unemployment rates. Several risks lie ahead, including the management of the U.S. debt and the European sovereign debt. We have significant operations in Europe, including for manufacturing. We have exposure to customer credit risks in Europe, including from government-guaranteed hospital receivables in markets where payments are not received on time. In addition, future pension plan funding requirements continue to be sensitive to global economic conditions and the related impact on equity markets. We are also exposed to other commercial risks and economic factors over which we do not have any control, which could pose significant challenges to our underlying profitability.

Changes in foreign currency exchange, interest and tax rates could have a material adverse effect on our operating results and liquidity.

We have significant operations outside of the U.S. generating approximately 51% of our revenues in 2014. As such, our revenues, earnings and cash flow are exposed to risk from a strengthening U.S. dollar against the euro, Japanese yen, Chinese renminbi, Canadian dollar and South Korean won, among others, which can be difficult to mitigate. For example, as of February 2, 2015, the U.S. dollar strengthened against the euro by approximately 15% and against the Japanese yen by approximately 11% compared to average rates for 2014. Derivative financial instruments are used to hedge certain, but not all, underlying economic exposures. All of the financial instruments used, including derivatives, are subject to counterparty credit risk. In addition, the results of our operations could be negatively impacted by any member country exiting the EU. We are also exposed to changes in interest rates. Our ability to access money markets and/or capital markets could be impeded if adverse liquidity market conditions occur. Debt ratings would be pressured if financial and clinical expectations are not met.

The illegal distribution and sale by third parties of counterfeit versions of our products or stolen products could have a negative impact on our reputation and business.

Third parties may illegally distribute and sell counterfeit versions of our products, which do not meet our rigorous manufacturing and testing standards. A patient who receives a counterfeit drug may be at risk for a number of dangerous health consequences. Our reputation and business could suffer harm as a result of counterfeit drugs sold under our brand name. In addition, thefts of inventory at warehouses, plants or while in-transit, which are then not properly stored and are later sold through unauthorized channels, could adversely impact patient safety, our reputation and our business.

Item 1B. UNRESOLVED STAFF COMMENTS.

None.

Item 2. PROPERTIES.

Our world headquarters are located at 345 Park Avenue, New York, NY, where we lease approximately 81,000 square feet of floor space. We own or lease approximately 184 properties in 50 countries.

We manufacture products at 11 worldwide locations, all of which are owned by us. Our manufacturing locations and aggregate square feet of floor space by geographic area were as follows at December 31, 2014 :

	<u>Number of Locations</u>	<u>Square Feet</u>
United States	4	2,127,000
Europe	4	1,557,000
Rest of the World	3	514,000
Total	<u>11</u>	<u>4,198,000</u>

Portions of these manufacturing locations and the other properties owned or leased by us in the U.S. and elsewhere are used for research and development, administration, storage and distribution. For further information about our properties, see “Item 1. Business—Manufacturing and Quality Assurance.”

Item 3. LEGAL PROCEEDINGS.

Information pertaining to legal proceedings can be found in “Item 8. Financial Statements—Note 22 . Legal Proceedings and Contingencies” and is incorporated by reference herein.

Item 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART IA

Executive Officers of the Registrant

Listed below is information on our executive officers as of February 13, 2015. Executive officers are elected by the Board of Directors for an initial term, which continues until the first Board meeting following the next Annual Meeting of Stockholders, and thereafter, are elected for a one-year term or until their successors have been elected. All executive officers serve at the pleasure of the Board of Directors.

<u>Name and Current Position</u>	<u>Age</u>	<u>Employment History for the Past 5 Years</u>
Lamberto Andreotti <i>Chief Executive Officer and Director</i> <i>Member of the Senior Management Team</i>	64	2009 to 2010 – President and Chief Operating Officer and Director of the Company. 2010 to present – Chief Executive Officer and Director of the Company.
Charles Bancroft <i>Executive Vice President and Chief Financial Officer</i> <i>Member of the Senior Management Team</i>	55	2010 to 2011 – Chief Financial Officer of the Company. 2011 to present – Executive Vice President and Chief Financial Officer of the Company.
Giovanni Caforio, M.D. <i>Chief Operating Officer and Director</i> <i>Member of the Senior Management Team</i>	50	2009 to 2010 – Senior Vice President, Oncology, U.S. and Global Commercialization. 2010 to 2011 – Senior Vice President, Oncology and Immunology, Global Commercialization. 2011 to 2013 – President, U.S. Pharmaceuticals. 2013 to 2014 – Executive Vice President and Chief Commercial Officer. 2014 to present – Chief Operating Officer and Director of the Company.
Joseph C. Caldarella <i>Senior Vice President and Corporate Contoller</i>	59	2005 to 2010 – Vice President and Corporate Contoller. 2010 to present – Senior Vice President and Corporate Contoller.
Francis Cuss, MB BChir, FRCP <i>Executive Vice President and Chief Scientific Officer</i> <i>Member of the Senior Management Team</i>	60	2006 to 2010 – Senior Vice President, Discovery and Exploratory Clinical Research. 2010 to 2013 – Senior Vice President, Research. 2013 to present – Executive Vice President and Chief Scientific Officer.
John E. Elicker <i>Senior Vice President, Public Affairs and Investor Relations</i> <i>Member of the Senior Management Team</i>	55	2002 to 2010 – Vice President, Investor Relations. 2010 to 2012 – Senior Vice President, Investor Relations. 2012 to present – Senior Vice President, Public Affairs and Investor Relations.
Ann Powell Judge <i>Senior Vice President, Global Human Resources</i> <i>Member of the Senior Management Team</i>	49	2009 to 2013 – Chief Human Resources Officer, Shire Pharmaceuticals. 2013 to present – Senior Vice President, Global Human Resources.
Sandra Leung <i>Executive Vice President, General Counsel and Corporate Secretary</i> <i>Member of the Senior Management Team</i>	54	2007 to 2014 – General Counsel and Corporate Secretary. 2014 to present – Executive Vice President, General Counsel and Corporate Secretary.
Samuel J. Moed <i>Senior Vice President, Strategic Planning and Analysis</i> <i>Member of the Senior Management Team</i>	52	2005 to 2010 – Senior Vice President, Worldwide Strategy and Operations. 2010 to 2012 – Senior Vice President, Strategy. 2012 to present – Senior Vice President, Strategic Planning and Analysis.
Anne Nielsen <i>Senior Vice President and Chief Compliance and Ethics Officer</i> <i>Member of the Senior Management Team</i>	54	2009 to 2013 – Vice President and Associate General Counsel. 2013 to 2013 – Senior Vice President and Deputy General Counsel. 2013 to present – Senior Vice President and Chief Compliance and Ethics Officer.
Louis S. Schmukler <i>President, Global Manufacturing and Supply</i> <i>Member of the Senior Management Team</i>	59	2009 to 2011 – Senior Vice President, Specialty/Biotechnology Operating Unit, Pfizer. 2011 to present – President, Global Manufacturing and Supply.
Paul von Autenried <i>Senior Vice President, Enterprise Services and Chief Information Officer</i> <i>Member of the Senior Management Team</i>	53	2007 to 2011 – Vice President and Chief Information Officer. 2011 to 2012 – Senior Vice President and Chief Information Officer. 2012 to present – Senior Vice President, Enterprise Services and Chief Information Officer.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND OTHER STOCKHOLDER MATTERS.

Market Prices

Bristol-Myers Squibb common stock is traded on the New York Stock Exchange (NYSE) (Symbol: BMY). A quarterly summary of the high and low market prices is presented below:

	2014		2013	
	High	Low	High	Low
Common:				
First Quarter	\$ 56.61	\$ 48.54	\$ 41.19	\$ 32.71
Second Quarter	52.19	46.59	47.68	39.68
Third Quarter	51.96	47.86	47.53	41.32
Fourth Quarter	61.30	48.92	53.84	46.41

Holder of Common Stock

The number of record holders of common stock at December 31, 2014 was 48,342.

The number of record holders is based upon the actual number of holders registered on our books at such date and does not include holders of shares in "street names" or persons, partnerships, associations, corporations or other entities identified in security position listings maintained by depository trust companies.

Dividends

Our Board of Directors declared the following quarterly dividends per share, which were paid in the periods indicated below:

	Common		Preferred	
	2014	2013	2014	2013
First Quarter	\$ 0.36	\$ 0.35	\$ 0.50	\$ 0.50
Second Quarter	0.36	0.35	0.50	0.50
Third Quarter	0.36	0.35	0.50	0.50
Fourth Quarter	0.36	0.35	0.50	0.50
	\$ 1.44	\$ 1.40	\$ 2.00	\$ 2.00

In December 2014, our Board of Directors declared a quarterly dividend of \$0.37 per share on our common stock which was paid on February 2, 2015 to shareholders of record as of January 2, 2015. The Board of Directors also declared a quarterly dividend of \$0.50 per share on our preferred stock, payable on March 2, 2015 to shareholders of record as of February 6, 2015.

UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table summarizes the surrenders of our equity securities during the 12 month period ended December 31, 2014 :

Period	Total Number of Shares Purchased ^(a)	Average Price Paid per Share ^(a)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^(b)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ^(b)
Dollars in Millions, Except Per Share Data				
January 1 to 31, 2014	47,745	\$ 53.20	—	\$ 1,368
February 1 to 28, 2014	17,787	\$ 51.66	—	\$ 1,368
March 1 to 31, 2014	2,541,287	\$ 54.12	—	\$ 1,368
Three months ended March 31, 2014	2,606,819		—	
April 1 to 30, 2014	10,190	\$ 51.63	—	\$ 1,368
May 1 to 31, 2014	35,296	\$ 49.81	—	\$ 1,368
June 1 to 30, 2014	12,703	\$ 49.15	—	\$ 1,368
Three months ended June 30, 2014	58,189		—	
July 1 to 31, 2014	15,505	\$ 48.41	—	\$ 1,368
August 1 to 31, 2014	5,111	\$ 49.56	—	\$ 1,368
September 1 to 30, 2014	6,826	\$ 51.16	—	\$ 1,368
Three months ended September 30, 2014	27,442		—	
October 1 to 31, 2014	16,771	\$ 51.21	—	\$ 1,368
November 1 to 30, 2014	22,600	\$ 57.98	—	\$ 1,368
December 1 to 31, 2014	20,151	\$ 59.24	—	\$ 1,368
Three months ended December 31, 2014	59,522		—	
Twelve months ended December 31, 2014	2,751,972		—	

(a) Reflects the shares of common stock surrendered to the Company to satisfy tax withholding obligations in connection with the vesting of awards under our long-term incentive program.

(b) In May 2010, the Board of Directors authorized the repurchase of up to \$3.0 billion of common stock. In June 2012, the Board of Directors increased its authorization for the repurchase of common stock by an additional \$3.0 billion. The repurchase program does not have an expiration date and we may consider future repurchases.

Item 6. SELECTED FINANCIAL DATA.

Five Year Financial Summary

Amounts in Millions, except per share data

	2014	2013	2012	2011	2010
Income Statement Data: ^(a)					
Total Revenues	\$ 15,879	\$ 16,385	\$ 17,621	\$ 21,244	\$ 19,484
<i>Continuing Operations:</i>					
Net Earnings	2,029	2,580	2,501	5,260	4,513
Net Earnings Attributable to:					
Noncontrolling Interest	25	17	541	1,551	1,411
BMS	2,004	2,563	1,960	3,709	3,102
Net Earnings per Common Share Attributable to BMS:					
Basic	\$ 1.21	\$ 1.56	\$ 1.17	\$ 2.18	\$ 1.80
Diluted	\$ 1.20	\$ 1.54	\$ 1.16	\$ 2.16	\$ 1.79
Average common shares outstanding:					
Basic	1,657	1,644	1,670	1,700	1,713
Diluted	1,670	1,662	1,688	1,717	1,727
Cash dividends paid on BMS common and preferred stock	\$ 2,398	\$ 2,309	\$ 2,286	\$ 2,254	\$ 2,202
Cash dividends declared per common share	\$ 1.45	\$ 1.41	\$ 1.37	\$ 1.33	\$ 1.29
Financial Position Data at December 31:					
Cash and cash equivalents	\$ 5,571	\$ 3,586	\$ 1,656	\$ 5,776	\$ 5,033
Marketable securities ^(b)	6,272	4,686	4,696	5,866	4,949
Total Assets	33,749	38,592	35,897	32,970	31,076
Long-term debt ^(c)	7,242	7,981	7,232	5,376	5,328
Equity	14,983	15,236	13,638	15,867	15,638

(a) For a discussion of items that affected the comparability of results for the years 2014 , 2013 and 2012 , see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”

(b) Includes current and non-current marketable securities.

(c) Includes the current portion of long-term debt.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

EXECUTIVE SUMMARY

Bristol-Myers Squibb Company (which may be referred to as Bristol-Myers Squibb, BMS, the Company, we, our or us) is a global specialty biopharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases.

We continue to evolve our business to a leading diversified specialty biopharma company. The evolution was accelerated as a result of the diabetes business divestiture and continued focus on certain therapeutic areas, including immuno-oncology. The following provides a brief summary of certain key events in 2014, as discussed in more detail throughout this report.

Opdivo was approved in the U.S. and Japan for unresectable or metastatic melanoma, and we announced positive results from certain other studies in melanoma, lung, Hodgkin Lymphoma and renal cell carcinoma. Several clinical collaborations were also entered into by us to seek opportunities to strategically combine *Opdivo* with other targeted agents in more than a dozen tumor types. *Eliquis* obtained an important label extension in 2014. We received regulatory approvals for our Hepatitis C Franchise, including *Daklinza* in the EU and our dual regimen of *Daklinza* and *Sunvepra* in Japan. Several business development transactions were completed in 2014, to advance our pipeline in other therapeutic areas, including fibrosis and genetically defined diseases. We are also expanding our biologics manufacturing capacity at Devens, Massachusetts and announced plans to build a new facility in Ireland.

Our revenues decreased by 3% in 2014 as a result of the diabetes business divestiture, exclusivity losses and expiration of rights partially offset by higher sales of key products, including recently launched products in certain markets. Our focus to optimize global brands and key markets accelerated growth of several key products. *Eliquis* sales increased in 2014 by \$628 million following its global launch in 2013. *Yervoy* sales increased by 36%, or \$348 million, from continued penetration in the U.S. community-based setting and first line indication and improved access internationally. Hepatitis C Franchise sales were \$256 million following launches in Japan and certain EU countries. We expect these products will continue to grow in 2015 along with *Orencia*, *Sprycel* and recently launched *Opdivo* which will partially offset revenue reductions resulting from the expiration of certain rights pertaining to *Abilify** in the U.S., royalty and alliance agreements, exclusivity losses for *Baraclude* in the U.S. and changes in foreign currency rates.

Higher pension and research and development related charges contributed to the reduction of GAAP EPS from \$1.54 in 2013 to \$1.20 in 2014. Non-GAAP EPS increased from \$1.82 to \$1.85. Proceeds from the diabetes divestiture increased cash and marketable securities by \$3.5 billion.

Highlights

The following table summarizes our financial information:

Dollars in Millions, except per share data	Year Ended December 31,		
	2014	2013	2012
Total Revenues	\$ 15,879	\$ 16,385	\$ 17,621
Total Expenses	13,498	13,494	15,281
Earnings before Income Taxes	2,381	2,891	2,340
Provision for/(Benefit from) Income Taxes	352	311	(161)
<i>Effective tax/(benefit) rate</i>	<i>14.8 %</i>	<i>10.8 %</i>	<i>(6.9)%</i>
Net Earnings Attributable to BMS			
GAAP	2,004	2,563	1,960
Non-GAAP	3,085	3,019	3,364
Diluted Earnings Per Share			
GAAP	1.20	1.54	1.16
Non-GAAP	1.85	1.82	1.99
Cash, Cash Equivalents and Marketable Securities	11,843	8,272	6,352

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 and reconciliations of non-GAAP financial measures see "—Non-GAAP Financial Measures."

Strategy

We continue to transform BMS into a leading diversified specialty biopharma company focused exclusively on discovering, developing, and delivering innovative medicines that address serious unmet medical needs. We continue to evolve driven by this fundamental objective as we grow our marketed products and progress our pipeline.

We are developing new medicines in the following core therapeutic areas: oncology, virology, immuno-oncology, specialty cardiovascular disease, fibrosis and genetically defined diseases. We are pioneering innovative medicines in the area of immuno-oncology which unlock the body's own immune system to battle cancer. *Yervoy* (ipilimumab), our first immuno-oncology agent, was introduced in 2011 for the treatment of metastatic melanoma. During 2014, we announced multiple regulatory milestones in the U.S. and European Union (EU) for *Opdivo* (nivolumab), an investigational PD-1 immune checkpoint inhibitor. We continue to invest significantly in our deep pipeline of innovative medicines covering a broad array of cancers and have entered into several collaboration agreements to research and develop *Opdivo* and other approved or investigational oncology agents in combination regimens.

We are evolving our commercial model and growing our marketed product portfolio in a manner consistent with our overall strategy. In oncology, we are building on the success of *Yervoy*, which yielded 2014 revenues of approximately \$1.3 billion, and other products such as *Sprycel* (dasatinib) and *Erbitux** (cetuximab). Beyond oncology, we remain strongly committed to *Eliquis* (apixaban) which launched globally in 2013 via our alliance with Pfizer, Inc (Pfizer). *Eliquis* received regulatory approval in the U.S. and EU for the treatment of deep vein thrombosis (DVT) and pulmonary embolism (PE) in adults, among other related indications. We also continue to support key brands in our virology franchise such as *Reyataz* (atazanavir sulfate) and *Baraclude* (entecavir). In 2014, we achieved several regulatory milestones for our hepatitis C portfolio and launched the *Daklinza* (daclatasvir) and *Sunvepra* (asunaprevir) dual regimen in Japan and launched *Daklinza* in the EU. In addition, we continue to invest in *Orencia* (abatacept) which accounted for approximately \$1.7 billion in revenues in 2014.

Looking ahead, we will continue to implement our biopharma strategy by driving the growth of key brands, executing new product launches, investing in our pipeline, focusing on prioritized markets, increasing investments in our biologics manufacturing capabilities, maintaining a culture of continuous improvement and pursuing disciplined capital allocation, including through business development.

Product and Pipeline Developments

Our R&D programs are managed on a portfolio basis from early discovery through late-stage development. We continually evaluate our portfolio to ensure that there is an appropriate balance of early-stage and late-stage programs to support future growth. Our R&D programs in Phase III development are considered significant, as these programs constitute our late-stage development pipeline. These development programs include both investigational compounds in Phase III development for initial indications and marketed products in Phase III development for additional indications or formulations. Spending on these programs represents approximately 30-45% of our annual R&D expenses. No individual investigational compound or marketed product represented 10% or more of our R&D expenses in any of the last three years. Our late-stage development programs could potentially have an impact on our revenue and earnings within the next few years, although we do not expect all of our late-stage development programs to make it to market. The following are the recent significant developments in our marketed products and our late-stage pipeline:

Opdivo (nivolumab) - a fully human monoclonal antibody that binds to the programmed death receptor-1 (PD-1) on T and NKT cells that is being investigated as an anti-cancer treatment. *Opdivo* is part of our alliance with Ono.

Unresectable (inoperable) or metastatic (advanced) melanoma

- In December 2014, the Company announced that the U.S. Food and Drug Administration (FDA) approved *Opdivo* for the treatment of unresectable or metastatic melanoma and disease progression following *Yervoy* (ipilimumab) and, if BRAF V600 mutation positive, a BRAF inhibitor. This indication is approved under accelerated approval based on tumor response rate and durability of response. Continued approval for this indication may be contingent upon verification and description of clinical benefit in the confirmatory trials.
- In November 2014, the Company announced results from CheckMate-066, a Phase III randomized double blind study, comparing *Opdivo* to the chemotherapy dacarbazine (DTIC) in patients with treatment naïve BRAF wild-type advanced melanoma (n=418). The study met the primary endpoint of overall survival (OS) with the median OS not reached for *Opdivo* versus 10.8 months for DTIC. The one-year survival rate was 73% for *Opdivo* versus 42% for DTIC and there was a 58% decrease in the risk of death for patients treated with *Opdivo* (Hazard Ratio for death [HR]: 0.42, P<0.0001). This survival advantage was also observed in *Opdivo*-treated patients in both PD-L1 positive and PD-L1 negative patients.
- In September 2014, the Company announced results from CheckMate-037, a Phase III randomized, controlled open-label study of *Opdivo* versus investigator's choice chemotherapy (ICC) in patients with advanced melanoma who were previously treated with *Yervoy*. Based on a planned interim analysis of the co-primary endpoint, the objective response rate was 32% (95% CI = 24, 41) in the *Opdivo* arm (n=120) and 11% (95% CI = 4, 23) in the ICC reference arm (n=47) in patients with at least six months of follow up.

- In September 2014, the European Medicines Agency (EMA) validated for review the Marketing Authorization Application (MAA) for *Opdivo* in advanced melanoma. The application has also been granted accelerated assessment by the EMA's Committee for Medicinal Products for Human Use (CHMP).
- In June 2014, the Company announced that a randomized blinded comparative Phase III study evaluating *Opdivo* versus dacarbazine in patients with previously untreated BRAF wild-type advanced melanoma (CheckMate-066) was stopped early because an analysis conducted by the independent Data Monitoring Committee (DMC) showed evidence of superior OS in patients receiving *Opdivo* compared to the control arm. Patients in the trial will be unblinded and allowed to cross over to *Opdivo*.
- In June 2014, the Company announced follow up results from a Phase Ib dose-ranging trial evaluating the safety and activity of the combination regimen of *Opdivo* and *Yervoy* given either concurrently or sequentially in patients with advanced melanoma (Study-004, n=127). After an additional year of follow up of the cohort that received the concurrent combination regimen of *Opdivo* 1 mg/kg plus *Yervoy* 3 mg/kg (n=17), the one-year OS rate was 94% and the two-year OS rate was 88%. These are the doses used in the ongoing Phase II and Phase III melanoma trials, CheckMate-069 and -067. No new safety signals were reported in the concurrent combination cohorts with additional follow up (n=53).
- In May 2014, the Company announced updated survival data from the advanced melanoma cohort (n=107) of the expanded Phase Ib dose-ranging study of *Opdivo*, administered as a single agent (Study-003). Results showed sustained activity in this heavily pre-treated patient population as defined by two- and three-year survival rates of 48% and 41%, respectively, across dose cohorts.

Non-small cell lung cancer

- In January 2015, the Company announced that an open-label, randomized Phase III study evaluating *Opdivo* versus docetaxel in previously treated patients with advanced squamous cell non-small cell lung cancer (NSCLC) was stopped early because an assessment conducted by the independent DMC concluded that the study met its endpoint, demonstrating superior OS in patients receiving *Opdivo* compared to the control arm. The Company will share this data – which for the first time indicate a survival advantage with an anti-PD1 immune checkpoint inhibitor in lung cancer – with health authorities.
- In October 2014, the Company announced results from CheckMate-063, a Phase II single-arm, open-label study of *Opdivo*, administered as a single agent in patients with advanced squamous cell NSCLC who have progressed after at least two prior systemic treatments with 65% receiving three or more prior therapies (n=117). With approximately 11 months of minimum follow up, the objective response rate (the study's primary endpoint) was 15% (95% CI = 8.7, 22.2), as assessed by an independent review committee (IRC) using RECIST 1.1 criteria and the median duration of response was not reached. The estimated one-year survival rate was 41% (95% CI = 31.6, 49.7) and the median overall survival (mOS) was 8.2 months (95% CI = 6.05, 10.91).
- In September 2014, the EMA validated for review the MAA for *Opdivo* in advanced squamous cell NSCLC, the first completed regulatory submission for a PD-1 immune checkpoint inhibitor in this tumor type.
- In May 2014, the Company announced results from a Phase Ib study evaluating the safety and efficacy of *Opdivo* as a single agent in patients with advanced squamous cell NSCLC who were previously treated (Study-003) and a Phase Ib study evaluating *Opdivo* as a single agent in chemotherapy-naïve patients (CheckMate-012). In Study-003, the two-year survival rate was 24% across doses (n=129) for previously-treated patients who received *Opdivo* as a single agent and highest at 45% in patients who received the 3 mg/kg dose (n=37). In CheckMate-012, the overall response rate was 50% in PD-L1 positive tumors and 0% in PD-L1 negative tumors for chemotherapy-naïve patients who received *Opdivo* as a single agent (n=20). The types of treatment-related serious adverse events (SAEs) in CheckMate-012 were consistent with those in other *Opdivo* trials with 15% of patients experiencing grade 3-4 treatment-related SAEs. CheckMate-012 is a multi-arm study evaluating *Opdivo* as both monotherapy and in combination with other agents.
- In April 2014, the Company met with the FDA regarding the results of Study 063, which evaluated *Opdivo* in third-line squamous cell NSCLC, and initiated a rolling submission for this indication based on Study-063. The Company completed the rolling submission in December 2014.

Other indications

- In December 2014, the Company announced results from a cohort of patients in its ongoing Phase Ib trial (CheckMate-039) which evaluated *Opdivo* in patients with relapsed or refractory hematological malignancies (n=23). Results showed high levels of response in patients with relapsed or refractory classical Hodgkin Lymphoma (HL), with an overall response rate of 87% (n=20) and stable disease in 13% (n=3).
- In May 2014, the Company announced that the FDA has granted *Opdivo* Breakthrough Therapy Designation for the treatment of patients with HL after failure of autologous stem cell transplant and brentuximab.
- In May 2014, the Company announced results from a Phase II and a Phase Ib study of *Opdivo* in patients with advanced or metastatic renal cell carcinoma. In the Phase II CheckMate-010 dose-ranging trial (n=168), the overall response rates for *Opdivo* as a single agent ranged from 20-22% with a one-year survival rate that ranged from 63-72% in patients who received prior anti-angiogenic treatment. In the Phase Ib CheckMate-016 trial, overall response rate for the investigational combination regimen of

Opdivo and *Yervoy* (n=44) ranged from 43-48% with a 24-week progression free survival rate that ranged from 64-65% in previously treated and treatment-naïve patients.

Hepatitis C Portfolio - *Daklinza* (Daclatasvir (DCV)) - an NS5A replication complex inhibitor; *Sunvepra* (Asunaprevir (ASV)) - an NS3 protease inhibitor; Beclabuvir (BCV) - an NS5B non-nucleoside polymerase inhibitor in development

- In February 2015, the FDA notified the Company of its intention to rescind the Breakthrough Therapy Designation for certain genotype 1 Hepatitis C regimens related to daclatasvir and other investigational BMS therapies. This will not impact our current submission/resubmission timetable of the new drug application for daclatasvir in combination with other antiviral agents for the treatment of Hepatitis C.
- In November 2014, the Company announced that the FDA has issued a Complete Response Letter (CRL) regarding the New Drug Application (NDA) for DCV in combination with other agents for the treatment of hepatitis C virus (HCV). The initial DCV NDA submitted to the FDA focused on its use in combination with ASV. Given the withdrawal of ASV by BMS in October, the FDA is requesting additional data for DCV in combination with other antiviral agents for the treatment of HCV. BMS is in discussions with the FDA about the scope of these data.
- In November 2014, the Company announced results from the UNITY Trial program investigating a 12-week regimen of its all-oral DCV-TRIO regimen – a fixed-dose combination of DCV with ASV and BCV (DCV-TRIO) – in a broad range of patients with genotype 1 HCV. The primary endpoint for both studies was the percentage of patients who achieved a cure, defined as HCV RNA < LLOQ TD/TND at post-treatment week 12 for treatment-naïve and treatment-experienced patients. The UNITY-2 study, which evaluated cirrhotic patients in a 12-week regimen of the DCV-TRIO, showed sustained virologic response at 12 weeks after treatment (SVR12) among 98% of treatment-naïve and 93% of treatment-experienced cirrhotic patients with ribavirin (RBV) and 93% of treatment-naïve and 87% of treatment-experienced cirrhotic patients without RBV.
- In November 2014, the Company announced results from the landmark ALLY Trial investigating a ribavirin-free 12-week regimen of DCV in combination with sofosbuvir (SOF) in genotype 3 HCV patients, a population that has emerged as one of the most difficult to treat. The results of the study showed sustained virologic response 12 weeks after treatment (SVR12) in 90% of treatment-naïve and 86% of treatment-experienced patients. SOF is a product of Gilead Sciences, Inc. (Gilead).
- In October 2014, the Company announced that it will not pursue the FDA approval of the dual regimen of DCV and ASV for the treatment of HCV genotype 1b patients in the U.S. and has therefore withdrawn its NDA for asunaprevir. The Company will continue to pursue the FDA approval of DCV, which is currently being investigated globally in multiple treatment regimens for HCV patients with high unmet needs.
- In August 2014, the European Commission (EC) approved *Daklinza* for use in combination with other medicinal products across genotypes 1, 2, 3 and 4 for the treatment of chronic HCV infection in adults. *Daklinza*, when used in combination with SOF, is an all-oral, interferon-free regimen that provided cure rates of up to 100% in clinical trials, including patients with advanced liver disease, genotype 3 and those who have previously failed treatment with protease inhibitors. *Daklinza* is the first NS5A complex inhibitor approved in the EU and is available for use in combination with other medicinal products, providing a shorter treatment duration (12 or 24 weeks) compared to 48 weeks of treatment with interferon- and ribavirin-based regimens.
- In July 2014, the Company announced that the Japanese Ministry of Health, Labor and Welfare approved *Daklinza* and *Sunvepra* as a new HCV treatment that can lead to a cure for many patients in Japan who currently have no treatment options. The *Daklinza* + *Sunvepra* dual regimen is Japan's first all-oral, interferon- and ribavirin-free treatment regimen for patients with genotype 1 chronic HCV infection, including those with compensated cirrhosis. The indications for *Daklinza* and *Sunvepra* in Japan are for: (1) patients who are ineligible or intolerant to interferon-based therapy, and (2) patients who have failed to respond to interferon-based therapy.

Elotuzumab - a humanized monoclonal antibody being investigated as an anticancer treatment. Elotuzumab is part of our alliance with AbbVie Inc. (AbbVie)

- In May 2014, the Company and AbbVie announced the FDA granted elotuzumab Breakthrough Therapy Designation for use in combination with lenalidomide and dexamethasone for the treatment of multiple myeloma in patients who have received one or more prior therapies. The designation is based on findings from a randomized Phase II, open-label study that evaluated two dose levels of elotuzumab in combination with lenalidomide and low-dose dexamethasone in previously-treated patients, including the 10 mg/kg dose that is being studied in the Phase III trials.

Reyataz (atazanavir sulfate) *Franchise* - a protease inhibitor for the treatment of the human immunodeficiency virus (HIV), which includes *Reyataz* and is also included in the combination therapy, *Evotaz* (atazanavir 300 mg and cobicistat 150 mg). *Evotaz* is part of our alliance with Gilead.

- In January 2015, the Company announced the FDA approved *Evotaz* tablets for the treatment of HIV-1 infection in adults, a once-daily single tablet two drug regimen combining *Reyataz* and *Tybost**.

Sustiva (efavirenz) *Franchise* - a non-nucleoside reverse transcriptase inhibitor for the treatment of HIV, which includes *Sustiva*, an antiretroviral drug, and bulk efavirenz, which is also included in the combination therapy, *Atripla** (efavirenz 600 mg/emtricitabine 200 mg/tenofovir disoproxil fumarate 300 mg), a product sold through our joint venture with Gilead

- In October 2014, the Company announced it has successfully resolved all outstanding U.S. patent litigation relating to efavirenz, an active ingredient contained in *Sustiva* and *Atripla**, and that loss of exclusivity in the U.S. for efavirenz is not expected to occur until December 2017.

Yervoy (ipilimumab) - a monoclonal antibody for the treatment of patients with unresectable or metastatic melanoma

- In June 2014, the Company announced results from a Phase III randomized, double blind study demonstrating that *Yervoy* 10 mg/kg significantly improved recurrence-free survival (RFS, the length of time before recurrence or death) versus placebo for patients with stage 3 melanoma who are at high risk of recurrence following complete surgical resection, an adjuvant setting. A 25% reduction in the risk of recurrence or death was observed. At three years, an estimated 46.5% of patients treated with *Yervoy* were free of disease recurrence compared to an estimated 34.8% of patients on placebo. The median RFS was 26.1 months for *Yervoy* versus 17.1 months for placebo, with a median follow-up of 2.7 years.

Orencia (abatacept) - a fusion protein indicated for adult patients with moderate to severe active rheumatoid arthritis (RA) and is also indicated for reducing signs and symptoms in certain pediatric patients with moderately to severely active polyarticular juvenile idiopathic arthritis.

- In November 2014, the Company announced results of several new sub-analyses of the Phase IIIb AVERT (Assessing Very Early Rheumatoid arthritis Treatment) trial that investigated the use of *Orencia* plus methotrexate (MTX) in biologic and MTX-naïve citrullinated protein (CCP)-positive early moderate to severe RA patients. First-line therapy with *Orencia* in combination with MTX resulted in patients with early RA achieving significantly higher rates of stringent measures of remission, including 37 percent of patients achieving Boolean-defined remission and 42 percent of patients achieving CDAI- and SDAI-defined remission at 12 months versus patients on MTX alone (22.4 percent, 27.6 percent, and 25.0 percent, respectively; P<0.05 for all three measures).
- In June 2014, the Company announced its first release of new data from a Phase IIIb AVERT trial showing that *Orencia* in combination with MTX achieved significantly higher rates of DAS-defined remission at 12 months than treatment with standard of care agent MTX in biologic and MTX-naïve patients with early active RA.

Eliquis (apixaban) - an oral Factor Xa inhibitor, targeted at stroke prevention in nonvalvular atrial fibrillation (NVAf) and the prevention and treatment of venous thromboembolic (VTE) disorders. *Eliquis* is part of our alliance with Pfizer.

- In November 2014, the Company, Pfizer and Portola Pharmaceuticals announced results from the first part of the Phase 3 ANNEXA™-A (Andexanet Alfa a Novel Antidote to the Anticoagulant Effects of fXA Inhibitors – Apixaban) studies. Andexanet alfa produced rapid and nearly complete reversal (by approximately 94 percent, p value <0.0001) of the anticoagulant effect of *Eliquis* in healthy volunteers ages 50 to 75.
- In August 2014, the Company and Pfizer announced results of a pre-specified secondary analysis of the *Eliquis* Phase 3 AMPLIFY-EXT trial (Apixaban after the initial Management of PuLmonary embollism and deep vein thrombosis with First-line therapY-EXTended Treatment). The analysis evaluated clinical and demographic predictors of all-cause hospitalization in patients with VTE, which includes the treatment of deep vein thrombosis (DVT) and pulmonary embolism (PE). Results from this analysis demonstrated that during the 12-month extended treatment of VTE, *Eliquis* significantly reduced the risk of hospitalization versus placebo.
- In August 2014, the Company and Pfizer announced the FDA approved a Supplemental New Drug Application (sNDA) for *Eliquis* for the treatment of DVT and PE, and for the reduction in the risk of recurrent DVT and PE following initial therapy.
- In July 2014, the Company and Pfizer announced the EC approved *Eliquis* for the treatment of DVT and PE in adults.
- In July 2014, the Company and Pfizer announced the first patient has been enrolled into a Phase IV clinical trial called EMANATE assessing the effectiveness and safety of *Eliquis* in patients with NVAf undergoing cardioversion.

- In March 2014, the Company and Pfizer announced the results of a pre-specified subanalysis of the Phase III ARISTOTLE trial assessing the effect of blood pressure control on outcomes. The study showed the results for stroke risk reduction for *Eliquis* versus warfarin were consistent with the overall ARISTOTLE study results, demonstrating that *Eliquis* reduced stroke or systemic embolism, caused fewer major bleeding events and reduced all-cause mortality, as compared to warfarin, regardless of blood pressure control. The results also showed that poor blood pressure control was associated with a substantially higher risk of stroke or systemic embolism, independent of *Eliquis* or warfarin treatment.
- In March 2014, the Company and Pfizer announced the FDA approved a sNDA for *Eliquis* for the prophylaxis of deep vein thrombosis, which may lead to PE in patients who have undergone hip or knee replacement surgery.
- In February 2014, the Company and Pfizer announced results of a pre-specified subanalysis of the Phase III ARISTOTLE trial in relation to patient age. ARISTOTLE was designed to evaluate the efficacy and safety of *Eliquis* compared to warfarin for reducing the risk of stroke or systemic embolism in patients with NVAF. This subanalysis found consistent results across age groups for reducing the risk of stroke and systemic embolism and reducing the risk of all-cause death with fewer bleeding events for *Eliquis* versus warfarin. Owing to the higher risk at older age (age 75 and older), the absolute benefit to patients with NVAF was greater with *Eliquis* in the older population.

RESULTS OF OPERATIONS

Total Revenues

The composition of the changes in revenues was as follows:

Dollars in Millions	Year Ended December 31,			2014 vs. 2013				2013 vs. 2012			
	Total Revenues			Analysis of % Change				Analysis of % Change			
	2014	2013	2012	Total Change	Volume	Price	Foreign Exchange	Total Change	Volume	Price	Foreign Exchange
United States	\$ 7,716	\$ 8,318	\$ 10,384	(7)%	(10)%	3 %	—	(20)%	(19)%	(1)%	—
Europe	3,592	3,930	3,706	(9)%	(2)%	(7)%	—	6 %	7 %	(3)%	2 %
Rest of the World	3,459	3,295	3,204	5 %	11 %	(1)%	(5)%	3 %	11 %	(2)%	(6)%
Other ^(a)	1,112	842	327	32 %	N/A	N/A	N/A	**	N/A	N/A	N/A
Total	\$ 15,879	\$ 16,385	\$ 17,621	(3)%	(2)%	—	(1)%	(7)%	(5)%	(1)%	(1)%

(a) Other revenues include royalties and other alliance-related revenues for products not sold by our regional commercial organizations.

** Change in excess of 100%.

No single country outside the U.S. contributed more than 10% of total revenues in any period presented. In general, our business is not seasonal.

The change in U.S. revenues in 2014 attributed to volume resulted from the diabetes business divestiture in February 2014, partially offset by increased demand for *Eliquis*, *Yervoy* and *Sprycel*. The change in U.S. revenues in 2013 attributed to volume resulted from the exclusivity loss of *Plavix** in May 2012 and *Avapro** / *Avalide** in March 2012, partially offset by increased demand for *Sprycel* and *Yervoy* and Amylin-related diabetes product revenues following the completion of our acquisition in August 2012.

The change in U.S. revenues in 2014 attributed to price resulted from higher average net selling prices for *Abilify** (aripiprazole) and other key products. The change in U.S. revenues in 2013 attributed to price resulted from the reduction in our share of *Abilify** revenues from 51.5% in 2012 to 34.0% in 2013 (8% impact) mostly offset by higher average net selling prices of *Abilify** and other key products. See “—Key Products” for further discussion of total revenues by key product.

The change in Europe revenues in 2014 attributed to volume resulted from the expiration of EU commercialization rights to *Abilify** in June 2014, the diabetes business divestiture in February 2014 and loss of exclusivity of *Sustiva* in November 2013, partially offset by increased demand for *Eliquis*, *Yervoy* and *Orencia* and the launch of *Daklinza* in certain EU countries. The change in Europe revenues in 2013 attributed to volume resulted from increased demand for most key products, particularly *Yervoy*, *Sprycel* and *Orencia* and Amylin-related product revenues following the transition of non-U.S. operations in the second quarter of 2013 partially offset by the restructured Sanofi agreement. See "Item 8. Financial Statements—Note 3 . Alliances" for further discussion. Revenues in both periods continued to be negatively impacted by fiscal challenges in many European countries as healthcare payers, including government agencies, have reduced and are expected to continue to reduce healthcare costs through actions that directly or indirectly impose additional price reductions. These measures include mandatory discounts, rebates, and other restrictive measures. The change in Europe revenues in 2014 attributed to price also resulted from a reduction in *Atrippla** revenue sharing and average net selling prices.

The change in Rest of the World revenues in 2014 attributed to volume resulted from increased demand for key products, particularly *Eliquis*, *Yervoy*, *Sprycel* and the launch of *Daklinza* and *Sunvepra* in Japan partially offset by the diabetes business divestiture. The change in Rest of the World revenues in 2013 attributed to volume resulted from growth in most key products partially offset by the restructured Sanofi agreement and generic competition for mature brands. Both periods were impacted by unfavorable foreign exchange (primarily in Japan).

Other revenues increased in both periods due to higher royalties, mature brand and over-the-counter product alliances and diabetes product supply sales in 2014. Certain alliance and other revenues are expected to decline by approximately \$400 million in 2015 and continue to decline in 2016 upon the expiration of the related royalty and alliance agreements. "Item 8. Financial Statements—Note 3 . Alliances" for further discussion of the alliances.

We recognize revenue net of gross-to-net adjustments that are further described in "—Critical Accounting Policies". Our share of certain *Abilify** and *Atripa** revenues is reflected net of all gross-to-net adjustments in alliance and other revenues. Although not presented as a gross-to-net adjustment in the below tables, our share of *Abilify** and *Atripa** gross-to-net adjustments were approximately \$1.6 billion in 2014, \$1.3 billion in 2013 and \$1.5 billion in 2012. Changes in these gross-to-net adjustments were impacted by additional rebates and discounts required under U.S. healthcare reform and a reduction in our share of *Abilify** revenues.

The activities and ending reserve balances for each significant category of gross-to-net adjustments were as follows:

Dollars in Millions	Charge-Backs Related to Government Programs	Cash Discounts	Managed Healthcare Rebates and Other Contract Discounts	Medicaid Rebates	Sales Returns	Other Adjustments	Total
Balance at January 1, 2013	\$ 41	\$ 13	\$ 175	\$ 351	\$ 345	\$ 183	\$ 1,108
Provision related to sale made in:							
Current period	563	154	504	360	114	540	2,235
Prior period	—	—	(5)	(85)	(52)	(6)	(148)
Returns and payments	(565)	(153)	(477)	(388)	(107)	(479)	(2,169)
Assets/related liabilities held-for-sale	(2)	(2)	(48)	(11)	(20)	(1)	(84)
Impact of foreign currency translation	—	—	(2)	—	(1)	(1)	(4)
Balance at December 31, 2013	\$ 37	\$ 12	\$ 147	\$ 227	\$ 279	\$ 236	\$ 938
Provision related to sale made in:							
Current period	614	141	398	394	94	558	2,199
Prior period	—	—	1	(24)	(33)	(10)	(66)
Returns and payments	(610)	(138)	(394)	(400)	(105)	(483)	(2,130)
Impact of foreign currency translation	—	—	(4)	(4)	(3)	(23)	(34)
Balance at December 31, 2014	\$ 41	\$ 15	\$ 148	\$ 193	\$ 232	\$ 278	\$ 907

The reconciliation of gross product sales to net product sales by each significant category of gross-to-net adjustments was as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Gross product sales	\$ 13,793	\$ 14,391	\$ 15,849
Gross-to-Net Adjustments			
Charge-Backs Related to Government Programs	(614)	(563)	(651)
Cash Discounts	(141)	(154)	(192)
Managed Healthcare Rebates and Other Contract Discounts	(399)	(499)	(284)
Medicaid Rebates	(370)	(275)	(386)
Sales Returns	(61)	(62)	(248)
Other Adjustments	(548)	(534)	(434)
Total Gross-to-Net Adjustments	(2,133)	(2,087)	(2,195)
Net product sales	\$ 11,660	\$ 12,304	\$ 13,654

Gross-to-net adjustment rates are primarily a function of changes in revenue mix and contractual and legislative discounts and rebates. Gross-to-net adjustments increased in 2014 and decreased in 2013 due to:

- Chargebacks related to government programs and cash discounts in 2013 decreased as a result of lower *Plavix** sales following its loss of exclusivity in 2012.
- Managed healthcare rebates and other contract discounts decreased in 2014 following the diabetes business divestiture in February

2014, partially offset by higher *Eliquis* sales. Managed healthcare rebates and other contract discounts increased in 2013 primarily due to higher Amylin-related sales.

- Medicaid rebates increased in 2014 due to incremental discounts from price increases taken in excess of inflation; higher program participation rates and higher provision reversals related to sales made in prior periods in 2013. Medicaid rebates decreased in 2013 due to lower *Plavix** sales and higher provision reversals related to sales made in prior periods in 2013.
- Sales returns decreased in 2013 due to additional reserves established in 2012 following *Plavix** and *Avapro** / *Avalide** loss of exclusivity. The U.S. sales return reserves for *Plavix** and *Avapro**/*Avalide** were \$86 million and \$147 million at December 31, 2014 and 2013, respectively, and were determined after considering several factors including estimated inventory levels in the distribution channels. In accordance with Company policy, these products are eligible to be returned between six months prior and twelve months after product expiration. Adjustments might be required in the future resulting from actual returns expected to occur in 2015.
- Other adjustments increased in 2013 primarily due to higher government rebates in non-U.S. markets.

Product Revenues

Dollars in Millions	Year Ended December 31,			% Change		% Change Attributable to Foreign Exchange	
	2014	2013	2012	2014 vs. 2013	2013 vs. 2012	2014 vs. 2013	2013 vs. 2012
Virology							
<i>Baraclude (entecavir)</i>	\$ 1,441	\$ 1,527	\$ 1,388	(6)%	10 %	(2)%	(3)%
U.S.	215	289	241	(26)%	20 %	—	—
Non-U.S.	1,226	1,238	1,147	(1)%	8 %	(2)%	(3)%
<i>Hepatitis C Franchise (daclatasvir and asunaprevir)</i>							
Non-U.S.	256	—	—	N/A	N/A	N/A	N/A
<i>Reyataz (atazanavir sulfate)</i>	1,362	1,551	1,521	(12)%	2 %	(1)%	(1)%
U.S.	689	769	783	(10)%	(2)%	—	—
Non-U.S.	673	782	738	(14)%	6 %	(3)%	(2)%
<i>Sustiva (efavirenz) Franchise</i>							
U.S.	1,118	1,092	1,016	2 %	7 %	—	—
Non-U.S.	326	522	511	(38)%	2 %	—	1 %
Oncology							
<i>Erbix* (cetuximab)</i>	723	696	702	4 %	(1)%	N/A	—
U.S.	682	682	688	—	(1)%	—	—
Non-U.S.	41	14	14	**	—	N/A	—
<i>Opdivo (nivolumab)</i>							
U.S.	1	—	—	N/A	N/A	—	—
Non-U.S.	5	—	—	N/A	N/A	N/A	N/A
<i>Sprycel (dasatinib)</i>							
U.S.	671	541	404	24 %	34 %	—	—
Non-U.S.	822	739	615	11 %	20 %	(5)%	(7)%
<i>Yervoy (ipilimumab)</i>							
U.S.	709	577	503	23 %	15 %	—	—
Non-U.S.	599	383	203	56 %	89 %	(4)%	—
Neuroscience							
<i>Abilify* (aripiprazole)</i>	2,020	2,289	2,827	(12)%	(19)%	—	—
U.S.	1,572	1,519	2,102	3 %	(28)%	—	—
Non-U.S.	448	770	725	(42)%	6 %	—	1 %
Immunoscience							
<i>Orencia (abatacept)</i>	1,652	1,444	1,176	14 %	23 %	(2)%	(2)%
U.S.	1,064	954	797	12 %	20 %	—	—
Non-U.S.	588	490	379	20 %	29 %	(6)%	(8)%
Cardiovascular							
<i>Eliquis (apixaban)</i>	774	146	2	**	**	N/A	N/A
U.S.	404	97	—	**	N/A	—	—
Non-U.S.	370	49	2	**	**	N/A	N/A

Diabetes Alliance	295	1,683	972	(82)%	73 %	—	—
U.S.	110	1,242	774	(91)%	60 %	—	—
Non-U.S.	185	441	198	(58)%	**	—	(1)%
Mature Products and All Other	3,105	3,195	5,781	(3)%	(45)%	(1)%	—
U.S.	481	556	3,076	(13)%	(82)%	—	—
Non-U.S.	2,624	2,639	2,705	(1)%	(2)%	(2)%	(1)%

** Change in excess of 100%

Baraclude — an oral antiviral agent for the treatment of chronic hepatitis B

- U.S. revenues decreased in 2014 due to the launch of generic entecavir by Teva Pharmaceutical Industries Ltd. in September 2014. U.S. revenues increased in 2013 due to higher average net selling prices and demand.
- International revenues increased in 2013 due to higher demand.

Hepatitis C Franchise — *Daklinza* - an NS5A replication complex inhibitor; *Sunvepra* - an NS3 protease inhibitor

- *Daklinza* was launched in Germany in August 2014 and certain other EU countries in September 2014. *Daklinza* and *Sunvepra* dual regimen was launched in Japan in September 2014.

Reyataz — a protease inhibitor for the treatment of the HIV

- U.S. revenues decreased in both periods due to lower demand resulting from competitors' products.
- International revenues decreased in 2014 due to the timing of government purchases in certain countries and lower demand resulting from competitors' products. International revenues increased in 2013 due to higher demand and the timing of government purchases in certain countries. Both periods were impacted by unfavorable foreign exchange.

Sustiva Franchise — a non-nucleoside reverse transcriptase inhibitor for the treatment of HIV, which includes *Sustiva*, an antiretroviral drug, and bulk efavirenz, which is also included in the combination therapy, *Atripla**, a product sold through our alliance with Gilead

- U.S. revenues increased in both periods due to higher average net selling prices partially offset by lower demand.
- International revenues decreased in 2014 due to *Sustiva's* loss of exclusivity in Europe in November 2013, which negatively impacted demand, average net selling prices and *Atripla** revenue sharing.

*Erbitux** — a monoclonal antibody designed to exclusively target and block the Epidermal Growth Factor Receptor, which is expressed on the surface of certain cancer cells in multiple tumor types as well as normal cells and is currently indicated for use in the treatment of patients with certain types of metastatic colorectal cancer and squamous cell carcinoma of the head and neck. *Erbitux** is part of our alliance with Lilly.

- U.S. revenues remained flat in both periods.

Opdivo — a fully human monoclonal antibody that binds to the PD-1 on T and NKT cells that is being investigated as an anti-cancer treatment. *Opdivo* is part of our alliance with Ono.

- *Opdivo* was launched in the U.S. in December 2014 and Japan in September 2014 for the treatment of unresectable or metastatic melanoma.

Sprycel — an oral inhibitor of multiple tyrosine kinases indicated for the first-line treatment of adults with Philadelphia chromosome-positive chronic myeloid leukemia in chronic phase and the treatment of adults with chronic, accelerated, or myeloid or lymphoid blast phase chronic myeloid leukemia with resistance or intolerance to prior therapy, including *Gleevec** (imatinib mesylate). *Sprycel* is part of our alliance with Otsuka Pharmaceutical Co., Ltd (Otsuka).

- U.S. revenues increased in both periods primarily due to higher demand.
- International revenues increased in both periods primarily due to higher demand partially offset by unfavorable foreign exchange.

Yervoy — a monoclonal antibody for the treatment of patients with unresectable or metastatic melanoma

- U.S. revenues increased in both periods due to higher demand. U.S. revenues in 2013 were also favorably impacted by the recognition of \$27 million of revenues that were previously deferred.
- International revenues increased in both periods due to higher demand.

*Abilify** — an antipsychotic agent for the treatment of schizophrenia, bipolar mania disorder and major depressive disorder and is part of our alliance with Otsuka

- U.S. revenues increased in 2014 primarily due to higher average net selling prices partially offset by the reduction in our share of *Abilify** revenues from 34% in 2013 to 33%. U.S. revenues decreased in 2013 due to a reduction in our contractual share of revenues from 51.5% in 2012 to 34.0% in 2013, which was partially offset by higher average net selling prices. Our U.S. commercialization rights to *Abilify** expire on April 20, 2015 upon the expected loss of product exclusivity which will result in a significant decline in *Abilify** revenues.
- International revenues decreased in 2014 primarily due to the expiration of our EU commercialization rights in June 2014 and Otsuka becoming the principal for the end customer sales in certain markets. International revenues in 2013 increased primarily due to higher demand.

Orencia — a fusion protein indicated for adult patients with moderate to severe active RA and is also indicated for reducing signs and symptoms in certain pediatric patients with moderately to severely active polyarticular juvenile idiopathic arthritis.

- U.S. revenues increased in both periods primarily due to higher average net selling prices and higher demand for the subcutaneous formulation.
- International revenues increased in both periods primarily due to higher demand for the subcutaneous formulation, partially offset by unfavorable foreign exchange.

Eliquis — an oral Factor Xa inhibitor, targeted at stroke prevention in non-valvular atrial fibrillation and the prevention and treatment of VTE disorders. *Eliquis* is part of our alliance with Pfizer.

- U.S. and international revenues continued to increase following the 2013 launches in most major markets for the reduction of the risk of stroke and systemic embolism for patients with NVAf and the treatment of VTE in 2014 in the U.S.

Diabetes Alliance — includes *Bydureon**, *Byetta**, *Farxiga**, *Onglyza*/Kombiglyze**, *Myalept** and *Symlin**, which were part of our alliance with AstraZeneca.

- Revenues decreased in 2014 due to the diabetes business divestiture in February 2014. Revenues increased in 2013 due to the Amylin acquisition in August 2012 and higher demand and average net selling prices for *Onglyza*/Kombiglyze**. See "Item 8. Financial Statements—Note 3 . Alliances" for further discussion.

Mature Products and All Other — includes all other products, including those which have lost exclusivity in major markets, over-the-counter brands and royalty-related revenue

- U.S. revenues decreased in both periods due to the continued generic erosion of certain products, including *Plavix** and *Avapro*/Avalide** which lost exclusivity in 2012 resulting in lower revenue of \$2.4 billion in 2013.
- International revenues remained relatively flat in 2014 due to the continued generic erosion of other products offset by higher revenues attributed to certain alliances. International revenues in 2013 were impacted by changes attributed to the restructured Sanofi agreement for *Avapro*/Avalide** and *Plavix**. See "Item 8. Financial Statements—Note 3 . Alliances" for further discussion.
- Revenues are expected to significantly decline in 2015 due to a reduction of approximately \$400 million related to the expiration of certain royalty and alliance agreements, as well as the continued decline of mature products.

Estimated End-User Demand

Pursuant to the U.S. Securities and Exchange Commission (SEC) Consent Order described below under "—SEC Consent Order", we monitor the level of inventory on hand in the U.S. wholesaler distribution channel and outside of the U.S. in the direct customer distribution channel. We are obligated to disclose products with levels of inventory in excess of one month on hand or expected demand, subject to a de minimis exception. Estimated levels of inventory in the distribution channel in excess of one month on hand for the following products were not material to our results of operations as of the dates indicated.

Reyataz had 1.3 months of inventory on hand internationally at September 30, 2014, compared to 1.1 months of inventory on hand at June 30, 2014. The level of inventory exceeds one month on hand primarily due to government purchasing patterns in Brazil.

Effergalgen, an analgesic product sold principally in Europe, had 1.1 months of inventory on hand internationally at September 30, 2014 and at June 30, 2014. The level of inventory on hand was primarily due to the ordering patterns of pharmacists in France.

In the U.S., we generally determine our months on hand estimates using inventory levels of product on hand and the amount of out-movement provided by our three largest wholesalers, which account for approximately 90% of total gross sales of U.S. products. Factors that may influence our estimates include generic competition, seasonality of products, wholesaler purchases in light of increases in wholesaler list prices, new product launches, new warehouse openings by wholesalers and new customer stockings by wholesalers. In addition, these estimates are calculated using third-party data, which may be impacted by their recordkeeping processes.

For our businesses outside of the U.S., we have significantly more direct customers. Limited information on direct customer product level inventory and corresponding out-movement information and the reliability of third-party demand information, where available, varies widely. When direct customer product level inventory, ultimate patient/consumer demand or out-movement data does not exist or is otherwise not available, we have developed a variety of other methodologies to estimate such data, including using such factors as historical sales made to direct customers and third-party market research data related to prescription trends and end-user demand. Accordingly, we rely on a variety of methods to estimate direct customer product level inventory and to calculate months on hand. Factors that may affect our estimates include generic competition, seasonality of products, direct customer purchases in light of price increases, new product launches, new warehouse openings by direct customers, new customer stockings by direct customers and expected direct customer purchases for governmental bidding situations. As such, all of the information required to estimate months on hand in the direct customer distribution channel for non-U.S. business for the year ended December 31, 2014 is not available prior to the filing of this annual report on Form 10-K. We will disclose any product with levels of inventory in excess of one month on hand or expected demand, subject to a de minimis exception, in the next quarterly report on Form 10-Q.

Expenses

Dollar in Millions	2014	2013	2012	% Change	
				2014 vs. 2013	2013 vs. 2012
Cost of products sold	\$ 3,932	\$ 4,619	\$ 4,610	(15)%	—
Marketing, selling and administrative	4,088	4,084	4,220	—	(3)%
Advertising and product promotion	734	855	797	(14)%	7 %
Research and development	4,534	3,731	3,904	22 %	(4)%
Impairment charge for BMS-986094 intangible asset	—	—	1,830	—	(100)%
Other (income)/expense	210	205	(80)	2 %	**
Total Expenses	\$ 13,498	\$ 13,494	\$ 15,281	—	(12)%

** Change in excess of 100%

Cost of products sold

Cost of products sold include material costs, internal labor and overhead from our owned manufacturing sites, third-party processing costs, other supply chain costs and the settlement of foreign currency forward contracts used to hedge forecasted intercompany inventory purchase transactions. Essentially all of these costs are managed by our global manufacturing and supply organization. Cost of products also includes royalties and profit sharing attributed to licensed products and alliances, amortization of acquired developed technology costs from business combinations and milestone payments that occur on or after regulatory approval.

Cost of products sold can vary between periods as a result of product mix (particularly resulting from royalties and profit sharing expenses in connection with our alliances), price, inflation and costs attributed to the rationalization of manufacturing sites resulting in accelerated depreciation, impairment charges and other stranded costs. In addition, changes in foreign currency may also provide volatility as certain costs are denominated in foreign currencies. Cost of products sold as a percentage of total revenues was 24.8% in 2014 , 28.2% in 2013 , and 26.2% in 2012 .

- Cost of products sold decreased in 2014 primarily due to the diabetes business divestiture (\$1.1 billion), partially offset by higher *Eliquis* profit sharing with Pfizer and accelerated depreciation for certain manufacturing facilities.
- Cost of products sold remained relatively flat in 2013 as higher profit sharing expenses and higher net amortization costs following the Amylin acquisition were offset by lower royalties following the loss of exclusivity of *Plavix** and *Avapro**/*Avalide** and lower impairment charges in 2013.
- Impairment charges of \$147 million were recognized in 2012, including \$120 million related to continued competitive pricing pressures and a reduction in the undiscounted projected cash flows to an amount less than the carrying value of a developed technology intangible asset. The remaining \$27 million impairment charge related to the abandonment of a manufacturing facility resulting from the outsourcing of a manufacturing process.

Marketing, selling and administrative

Marketing, selling and administrative expenses include salary and benefit costs, third-party professional and marketing fees, outsourcing fees, shipping and handling costs and other expenses that are not attributed to product manufacturing costs or research and development expenses. Expenses are managed through regional commercialization organizations or global corporate organizations such as finance, legal, information technology and human resources. Certain expenses are shared with alliance partners based upon contractual agreements.

- Marketing, selling and administrative expenses remained relatively flat in 2014 as increased sales-related activities supporting *Eliquis* , *Yervoy* , *Opdivo* and the Hepatitis C Franchise, higher variable employee compensation and an additional Branded Prescription Drug Fee in 2014 were offset by lower expenses following the diabetes business divestiture (\$500 million).
- On July 28, 2014, the IRS issued final rules and regulations for the Branded Prescription Drug Fee, an annual non-tax-deductible fee payable to the federal government under the Affordable Care Act based on an allocation of a company's market share for branded prescription drugs sold to certain government programs in the prior year. The final rules accelerated BMS's and other industry participants' expense recognition criteria for the fee obligation from the year in which the fee is paid, to the year in which the market share used to allocate the fee is determined. As a result, an additional year of expense was recognized in the third quarter of 2014, including \$96 million in marketing, selling and administrative expenses and \$16 million in other expense. The final rules and regulations did not change the amount or timing of annual fees to be paid.
- Marketing, selling and administrative expenses decreased in 2013 due to the accelerated vesting of Amylin stock options and restricted stock units (\$67 million) in 2012, a lower Branded Prescription Drug Fee, and a reduction in sales related activities for certain products to coincide with their respective lifecycles partially offset by higher spending to support the launch of new key products and additional

spending following the Amylin acquisition.

Advertising and product promotion

Advertising and product promotion expenses include media, sample and direct to consumer programs.

- Advertising and product promotion expenses decreased in 2014 following the diabetes business divestiture.
- Advertising and product promotion expenses increased in 2013 due to newly launched products.

Research and development

Research and development expenses include salary and benefit costs, third-party grants and fees paid to clinical research organizations, supplies and facility costs. Research and development expenses also include the costs of discovery research, preclinical development, early- and late-clinical development and drug formulation, as well as clinical trials and medical support of marketed products, proportionate allocations of enterprise-wide costs, facilities, information technology, and employee stock compensation costs, and other appropriate costs. Upfront licensing fees and other related payments upon the achievement of regulatory or other contractual milestones are also included. Certain expenses are shared with alliance partners based upon contractual agreements.

Expenses attributed to development activities managed by our global research and development organization were approximately \$2.3 billion in 2014, \$2.2 billion in 2013 and \$1.9 billion in 2012, with the remainder attributed to preclinical and research activities. Expenses can vary between periods for a number of reasons, including the timing of upfront, milestone and other licensing payments.

- Research and development expenses increased in 2014 due to \$343 million IPRD impairment charges (including \$310 million for peginterferon lambda), higher variable employee compensation and clinical development costs, a \$148 million charge for the acquisition of iPierian, and upfront and contingent milestone payments of \$130 million in 2014. See "Item 8. Financial Statements —Note 4 . Acquisitions and Note 14 . Goodwill and other intangible assets" for further information.
- Research and development expenses decreased in 2013 due to prior year charges including \$142 million IPRD impairment charges, \$27 million from accelerated vesting of Amylin stock options and restricted stock units and \$47 million of upfront, milestone and other licensing payments partially offset by additional costs following the Amylin acquisition and higher clinical grant spending.

Impairment charge for BMS-986094 intangible asset

A \$1.8 billion impairment charge was recognized in 2012 when the development of BMS-986094 (formerly INX-189), a compound which we acquired as part of our acquisition of Inhibitex to treat HCV, was discontinued in the interest of patient safety. See "Item 8. Financial Statements —Note 14 . Goodwill and Other Intangible Assets" for further information.

Intangible assets are highly vulnerable to impairment charges, particularly newly acquired assets for recently launched products or IPRD. These assets are initially measured at fair value and therefore a reduction in expectations used in the valuations could potentially lead to an impairment. See "—Critical Accounting Policies" for further discussion.

Other (income)/expense

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Interest expense	\$ 203	\$ 199	\$ 182
Investment income	(101)	(104)	(106)
Provision for restructuring	163	226	174
Litigation charges/(recoveries)	23	20	(45)
Equity in net income of affiliates	(107)	(166)	(183)
Out-licensed intangible asset impairment	29	—	38
Gain on sale of product lines, businesses and assets	(564)	(2)	(53)
Other alliance and licensing income	(404)	(148)	(312)
Pension curtailments, settlements and special termination benefits	877	165	158
Other	91	15	67
Other (income)/expense	\$ 210	\$ 205	\$ (80)

- Provision for restructuring was primarily attributable to employee termination benefits resulting from workforce reductions of manufacturing, selling, administrative, and research and development personnel across all geographic regions. Additional charges of approximately \$100 million related to specialty care transformation initiatives are expected in 2015. See "Item 8. Financial Statements—Note 7 . Restructuring" for further discussion.

- Litigation charges/(recoveries) in 2012 included \$172 million for our share of an Apotex damages award concerning *Plavix**

- Equity in net income of affiliates is primarily related to our international partnership with Sanofi in Europe and Asia which decreased in both periods as a result of our restructuring of the Sanofi agreement and continues to be negatively impacted by generic competition for *Plavix** in Europe and Asia.
- Out-licensed intangible asset impairment charges in 2014 and 2012 are related to certain assets acquired in the Medarex and ZymoGenetics, Inc. acquisitions and resulted from unfavorable clinical trial results and/or abandonment of these programs.
- Gain on sale of product lines, businesses and assets resulted primarily from the diabetes business divestiture in 2014. See “Item 8. Financial Statements—Note 3 . Alliances” for further details.
- Alliance and licensing income in 2014 includes royalties, transitional service fees and amortization of deferred income attributed to a development agreement resulting from the diabetes business divestiture. The decrease in U.S. *Plavix** sales resulted in lower development royalties owed to Sanofi in 2013. Royalties received from Sanofi (except in Europe and Asia) are presented in revenues beginning in 2013 as a result of the restructured Sanofi agreement. See "Item 8. Financial Statements—Note 3 . Alliances" for further discussion.
- A pension settlement charge of \$713 million was recognized in 2014 following the purchase of a group annuity contract from Prudential in December 2014. Additional pension settlement charges were also recognized after determining the annual lump sum payments would exceed the annual interest and service costs for certain pension plans, including the primary U.S. pension plan in 2014, 2013 and 2012. The charges include the acceleration of a portion of unrecognized actuarial losses. Similar charges may occur in the future. See “Item 8. Financial Statements—Note 19 . Pension, Postretirement and Postemployment Liabilities” for further details.

Income Taxes

Dollars in Millions	2014	2013	2012
Earnings Before Income Taxes	\$ 2,381	\$ 2,891	\$ 2,340
Provision for/(benefit from) income taxes	352	311	(161)
Effective tax/(benefit) rate	14.8%	10.8%	(6.9)%

Historically, the effective income tax rate is lower than the U.S. statutory rate of 35% due to our decision to indefinitely reinvest the earnings for certain of our manufacturing operations in Ireland and Puerto Rico. We have favorable tax rates in Ireland and Puerto Rico under grants not scheduled to expire prior to 2023.

The increase in the effective tax rate in 2014 resulted from an unfavorable earnings mix between high and low tax jurisdictions, the retroactive reinstatement of the 2012 R&D credit legislation in 2013 and additional tax reserves for transfer pricing matters, partially offset by higher tax benefits attributed to specified items. Minimal income taxes were attributed to the diabetes business divestiture gain because of the capital loss deduction on the sale of the Amylin shares and tax basis differences resulting primarily from allocated goodwill and Amylin deferred taxes. No tax benefits were attributed to the research and development charge resulting from the acquisition of iPierian.

The change in the effective tax rate in 2013 resulted from a \$392 million tax benefit in 2012 attributed to a capital loss deduction resulting from the tax insolvency of Inhibitex. The impact of this deduction reduced the effective tax rate by 16.7 percentage points in 2012. Other changes resulting from lower discrete tax benefits attributed to intangible asset impairment charges in 2012 (\$1,830 million impairment charge for BMS-986094 in 2012) and higher charges from contingent tax matters in 2013 were offset by favorable earnings mix in 2013 (higher U.S. *Plavix* sales in 2012) and the retroactive reinstatement of the 2012 R&D credit legislation in 2013. See “Item 8. Financial Statements—Note 8. Income Taxes” for further details.

Noncontrolling Interest

See “Item 8. Financial Statements—Note 3 . Alliances” for a discussion of our *Plavix** and *Avapro** / *Avalide** partnerships with Sanofi for the territory covering the Americas. The decrease in noncontrolling interest in 2013 resulted from the exclusivity loss in the U.S. of *Plavix** in May 2012 and *Avapro** / *Avalide** in March 2012. A summary of noncontrolling interest is as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Sanofi partnerships	\$ 38	\$ 36	\$ 844
Other	9	1	14
Noncontrolling interest-pre-tax	47	37	858
Income taxes	(22)	(20)	(317)
Net earnings attributable to noncontrolling interest	\$ 25	\$ 17	\$ 541

Non-GAAP Financial Measures

Our non-GAAP financial measures, including non-GAAP earnings and related EPS information, are adjusted to exclude certain costs, expenses, gains and losses and other specified items that due to their significant and/or unusual nature are evaluated on an individual basis. Similar charges or gains for some of these items have been recognized in prior periods and it is reasonably possible that they could reoccur in future periods. Non-GAAP information is intended to portray the results of our baseline performance which include the discovery, development, licensing, manufacturing, marketing, distribution and sale of pharmaceutical products on a global basis and to enhance an investor's overall understanding of our past financial performance and prospects for the future. For example, non-GAAP earnings and EPS information is an indication of our baseline performance before items that are considered by us to not be reflective of our ongoing results. In addition, this information is among the primary indicators we use as a basis for evaluating performance, allocating resources, setting incentive compensation targets, and planning and forecasting for future periods. This information is not intended to be considered in isolation or as a substitute for net earnings or diluted EPS prepared in accordance with GAAP.

Specified items were as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Accelerated depreciation, asset impairment and other shutdown costs	\$ 151	\$ 36	\$ 147
Amortization of acquired Amylin intangible assets	—	549	229
Amortization of Amylin alliance proceeds	—	(273)	(114)
Amortization of Amylin inventory adjustment	—	14	23
Cost of products sold	151	326	285
Stock compensation from accelerated vesting of Amylin awards	—	—	67
Additional year of Branded Prescription Drug Fee	96	—	—
Process standardization implementation costs	9	16	18
Marketing, selling and administrative	105	16	85
Stock compensation from accelerated vesting of Amylin awards	—	—	27
Upfront, milestone and other licensing payments	278	16	47
IPRD impairment	343	—	142
Research and development	621	16	216
Impairment charge for BMS-986094 intangible asset	—	—	1,830
Provision for restructuring	163	226	174
Gain on sale of product lines, businesses and assets	(559)	—	(51)
Pension curtailments, settlements and special termination benefits	877	161	151
Acquisition and alliance related items ^(a)	72	(10)	43
Litigation charges/(recoveries)	27	(23)	(45)
Loss on debt redemption	45	—	27
Out-licensed intangible asset impairment	11	—	38
Upfront, milestone and other licensing receipts	(10)	(14)	(10)
Other (income)/expense	626	340	327
Increase to pretax income	1,503	698	2,743
Income tax on items above	(545)	(242)	(947)
Specified tax charge/(benefit) ^{(b)(c)}	123	—	(392)
Income taxes	(422)	(242)	(1,339)
Increase to net earnings	\$ 1,081	\$ 456	\$ 1,404

(a) Includes \$16 million of additional year of Branded Prescription Drug Fee in the third quarter of 2014.

(b) The 2014 specified tax charge relates to transfer pricing matters.

(c) The 2012 specified tax benefit relates to a capital loss deduction.

The reconciliations from GAAP to Non-GAAP were as follows:

Dollars in Millions, except per share data	Year Ended December 31,		
	2014	2013	2012
Net Earnings Attributable to BMS — GAAP	\$ 2,004	\$ 2,563	\$ 1,960
Earnings attributable to unvested restricted shares	—	—	(1)
Net Earnings Attributable to BMS used for Diluted EPS Calculation — GAAP	\$ 2,004	\$ 2,563	\$ 1,959
Net Earnings Attributable to BMS — GAAP	\$ 2,004	\$ 2,563	\$ 1,960
Less Specified Items	1,081	456	1,404
Net Earnings Attributable to BMS — Non-GAAP	3,085	3,019	3,364
Earnings attributable to unvested restricted shares	—	—	(1)
Net Earnings Attributable to BMS used for Diluted EPS Calculation — Non-GAAP	\$ 3,085	\$ 3,019	\$ 3,363
Average Common Shares Outstanding — Diluted	1,670	1,662	1,688
Diluted EPS Attributable to BMS — GAAP	\$ 1.20	\$ 1.54	\$ 1.16
Diluted EPS Attributable to Specified Items	0.65	0.28	0.83
Diluted EPS Attributable to BMS — Non-GAAP	\$ 1.85	\$ 1.82	\$ 1.99

Financial Position, Liquidity and Capital Resources

Our net cash/(debt) position was as follows:

Dollars in Millions	2014	2013
Cash and cash equivalents	\$ 5,571	\$ 3,586
Marketable securities — current	1,864	939
Marketable securities — non-current	4,408	3,747
Total cash, cash equivalents and marketable securities	11,843	8,272
Short-term borrowings	(590)	(359)
Long-term debt	(7,242)	(7,981)
Net cash/(debt) position	\$ 4,011	\$ (68)

Cash, cash equivalents and marketable securities held in the U.S. were approximately \$2.5 billion at December 31, 2014. Most of the remaining \$9.3 billion is held primarily in low-tax jurisdictions and is attributable to earnings that are expected to be indefinitely reinvested offshore. Cash repatriations are subject to restrictions in certain jurisdictions and may be subject to withholding and additional U.S. income taxes. We believe that our existing cash, cash equivalents and marketable securities together with cash generated from operations will be sufficient to satisfy our normal cash requirements for at least the next few years, including dividends, capital expenditures, milestone payments and working capital.

Dividends were \$2.4 billion in 2014 and \$2.3 billion in 2013 and 2012. Dividend decisions are made on a quarterly basis by our Board of Directors. Capital expenditures were approximately \$500 million during each of the past three years and are expected to increase to approximately \$1.0 billion during 2015 and 2016. The higher spending is expected as a result of expanding our biologics manufacturing capabilities and other facility-related activities. For example, we are planning to construct a new large-scale biologics manufacturing facility in Ireland that will produce multiple therapies for our growing biologics portfolio when completed in 2019.

In February 2014, we sold to AstraZeneca substantially all of the diabetes business comprising our alliance with them, resulting in \$3.8 billion of cash flow in 2014 (including royalties). See “Item 8. Financial Statements—Note 3. Alliances” for further discussion. We also redeemed our 5.45% Notes due 2018 in their entirety. The outstanding principal amount of the notes was \$582 million. Management periodically evaluates potential opportunities to repurchase certain debt securities and terminate certain interest rate swap contracts prior to their maturity. No commercial paper borrowings were outstanding as of December 31, 2014.

Our marketable securities portfolio is subject to changes in fair value as a result of interest rate fluctuations and other market factors, which may impact our results of operations. Our investment policy places limits on these investments and the amount and time to maturity of investments with any institution. The policy also requires that investments are only entered into with corporate and financial institutions that meet high credit

Two separate \$1.5 billion five-year revolving credit facilities are maintained from a syndicate of lenders. The facilities provide for customary terms and conditions with no financial covenants and are extendable on any anniversary date with the consent of the lenders. No borrowings were outstanding under either revolving credit facility at December 31, 2014 or 2013 .

Additional regulations in the U.S. could be passed in the future which could further reduce our results of operations, operating cash flow, liquidity and financial flexibility. We also continue to monitor the potential impact of the economic conditions in certain European countries and the related impact on prescription trends, pricing discounts, creditworthiness of our customers, and our ability to collect outstanding receivables from our direct customers. Currently, we believe these economic conditions in the EU will not have a material impact on our liquidity, cash flow or financial flexibility.

Our exposure with certain European government-backed entities have a higher risk of default. These government-backed entities are monitored through economic factors including credit ratings, credit-default swap rates and debt-to-gross domestic product ratios in addition to entity specific factors. Our exposure was reduced by factoring certain receivables, including receivables in Italy, Portugal and Spain of \$454 million in 2014 , \$509 million in 2013 and \$322 million in 2012 . Factoring of receivables in Japan were \$358 million in 2014 , \$522 million in 2013 and \$634 million in 2012 . Our factoring agreements do not allow for recourse in the event of uncollectibility and we do not retain interest to the underlying assets once sold.

We continue to manage our operating cash flows by focusing on working capital items that are most directly affected by changes in sales volume, such as receivables, inventories, and accounts payable.

Dollars in Millions	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Net trade receivables	\$ 2,100	\$ 1,690
Inventories	1,560	1,498
Accounts payable	(2,487)	(2,559)
Total	<u>\$ 1,173</u>	<u>\$ 629</u>

Credit Ratings

Moody's Investors Service long-term and short-term credit ratings are A2 and Prime-1, respectively, and their long-term credit outlook is negative. Standard & Poor's long-term and short-term credit ratings are A+ and A-1+, respectively, and their long-term credit outlook is stable. Fitch's long-term and short-term credit ratings are A- and F2, respectively, and revised our long-term credit outlook from negative to stable in December 2014. Our credit ratings are considered investment grade. Our long-term ratings reflect the agencies' opinion that we have a low default risk but are somewhat susceptible to adverse effects of changes in circumstances and economic conditions. Our short-term ratings reflect the agencies' opinion that we have good to extremely strong capacity for timely repayment.

Cash Flows

The following is a discussion of cash flow activities:

Dollars in Millions	<u>2014</u>	<u>2013</u>	<u>2012</u>
Cash flow provided by/(used in):			
Operating activities	\$ 3,148	\$ 3,545	\$ 6,941
Investing activities	1,216	(572)	(6,727)
Financing activities	(2,437)	(1,068)	(4,333)

Operating Activities

Cash flow from operating activities represents the cash receipts and cash disbursements from all of our activities other than investing activities and financing activities. Operating cash flow is derived by adjusting net earnings for noncontrolling interest, non-cash operating items, gains and losses attributed to investing and financing activities and changes in operating assets and liabilities resulting from timing differences between the receipts and payments of cash and when the transactions are recognized in our results of operations. As a result, changes in cash from operating activities reflect the timing of cash collections from customers and alliance partners; payments to suppliers, alliance partners and employees; pension contributions; and tax payments in the ordinary course of business.

The \$397 million decrease in cash provided by operating activities in 2014 was primarily attributable to:

- Lower upfront and contingent alliance proceeds of approximately \$600 million (Reckitt alliance proceeds of \$485 million in 2013); and
- Additional net working capital requirements of \$400 million.

Partially offset by:

- The timing of other cash collections and payments in the ordinary course of business including among other items, lower pension contributions, restructuring and annual bonus payments.

The \$3.4 billion decrease in cash provided by operating activities in 2013 was primarily attributable to:

- Lower upfront and contingent alliance proceeds of approximately \$2.7 billion (Amylin alliance proceeds of \$3.6 billion in 2012); and
- Lower operating cash flows attributed to *Plavix** and *Avapro**/*Avalide** revenue reductions following the loss of exclusivity of approximately \$700 million.

Investing Activities

Cash requirements from investing activities include cash used for business acquisitions, manufacturing and facility-related capital expenditures and purchase of marketable securities with maturities greater than 90 days reduced by proceeds from business divestitures and the sale and maturity of marketable securities.

The \$1.8 billion decrease in cash used in investing activities in 2014 was primarily attributable to:

- Proceeds of \$3.5 billion allocated to the diabetes business divestiture in 2014.

Partially offset by:

- Higher net purchases of marketable securities (approximately \$1.6 billion); and
- Cash used to acquire iPierian (\$175 million) in 2014.

The \$6.2 billion decrease in cash used in investing activities in 2013 was primarily attributable to:

- Cash used to acquire Amylin (\$5.0 billion) and Inhibitex (\$2.5 billion) in 2012.

Partially offset by:

- Higher net proceeds from sales, purchases, and maturities of marketable securities (approximately \$1.3 billion).

Financing Activities

Cash requirements from financing activities include cash used to pay dividends, repurchase common stock and repay long-term debt and other borrowings reduced by proceeds from the exercise of stock options and issuance of long-term debt and other borrowings.

The \$1.4 billion increase in cash used in financing activities in 2014 was primarily attributable to:

- Lower net borrowings from long-term debt transactions of \$1.6 billion (\$676 million of repayments in 2014 and \$892 million of net borrowings in 2013); and
- Lower proceeds from stock option exercises (\$288 million in 2014 and \$564 million in 2013, including excess tax benefits).

Partially offset by:

- Lower cash used to repurchase common stock (none in 2014 and \$433 million in 2013).

The \$3.3 billion decrease in cash used in financing activities in 2013 was primarily attributable to:

- Lower cash used to repurchase common stock of \$2.0 billion (\$433 million in 2013 and \$2.4 billion in 2012);
- Higher net borrowings from long-term debt transactions of \$1.1 billion (\$892 million of net borrowings in 2013 and \$158 million of net repayments in 2012 including debt assumed in the Amylin acquisition); and
- Higher proceeds from stock option exercises (\$564 million in 2013 and \$463 million in 2012, including excess tax benefits).

Contractual Obligations

Payments due by period for our contractual obligations at December 31, 2014 were as follows:

Dollars in Millions	Obligations Expiring by Period						
	Total	2015	2016	2017	2018	2019	Later Years
Short-term borrowings	\$ 590	\$ 590	\$ —	\$ —	\$ —	\$ —	\$ —
Long-term debt	6,804	—	611	750	—	500	4,943
Interest on long-term debt ^(a)	5,100	243	258	241	236	232	3,890
Operating leases	572	136	121	94	83	57	81
Purchase obligations	2,296	632	391	323	312	226	412
Uncertain tax positions ^(b)	142	142	—	—	—	—	—
Other long-term liabilities	618	—	211	45	30	33	299
Total	\$ 16,122	\$ 1,743	\$ 1,592	\$ 1,453	\$ 661	\$ 1,048	\$ 9,625

(a) Includes estimated future interest payments and periodic cash settlements of derivatives.

(b) Includes only short-term uncertain tax benefits because of uncertainties regarding the timing of resolution.

In addition to the above, we are committed to an aggregated \$3.8 billion of potential future research and development milestone payments to third parties for in-licensing and development programs including early-stage milestones of \$900 million (milestones achieved through Phase III clinical trials) and late-stage milestones of \$2.9 billion (milestones achieved post Phase III clinical trials). Payments generally are due and payable only upon achievement of certain developmental and regulatory milestones for which the specific timing cannot be predicted. Some of these agreements also provide for sales-based milestones aggregating \$1.2 billion that we would be obligated to pay to alliance partners upon achievement of certain sales levels in addition to royalties. We also have certain manufacturing, development, and commercialization obligations in connection with alliance arrangements. It is not practicable to estimate the amount of these obligations. See “Item 8. Financial Statements—Note 3 . Alliances” for further information regarding our alliances.

For a discussion of contractual obligations, see “Item 8. Financial Statements—Note 8. Income Taxes,” “—Note 10 . Financial Instruments and Fair Value Measurements,” “—Note 19 . Pension, Postretirement and Postemployment Liabilities” and “—Note 21 . Leases.”

SEC Consent Order

As previously disclosed, on August 4, 2004, we entered into a final settlement with the SEC, concluding an investigation concerning certain wholesaler inventory and accounting matters. The settlement was reached through a Consent, a copy of which was attached as Exhibit 10 to our quarterly report on Form 10-Q for the period ended September 30, 2004.

Under the terms of the Consent, we agreed, subject to certain defined exceptions, to limit sales of all products sold to our direct customers (including wholesalers, distributors, hospitals, retail outlets, pharmacies and government purchasers) based on expected demand or on amounts that do not exceed approximately one month of inventory on hand, without making a timely public disclosure of any change in practice. We also agreed in the Consent to certain measures that we have implemented including: (a) establishing a formal review and certification process of our annual and quarterly reports filed with the SEC; (b) establishing a business risk and disclosure group; (c) retaining an outside consultant to comprehensively study and help re-engineer our accounting and financial reporting processes; (d) publicly disclosing any sales incentives offered to direct customers for the purpose of inducing them to purchase products in excess of expected demand; and (e) ensuring that our budget process gives appropriate weight to inputs that come from the bottom to the top, and not just from the top to the bottom, and adequately documenting that process.

We have established a company-wide policy to limit our sales to direct customers for the purpose of complying with the Consent. This policy includes the adoption of various procedures to monitor and limit sales to direct customers in accordance with the terms of the Consent. These procedures include a governance process to escalate to appropriate management levels potential questions or concerns regarding compliance with the policy and timely resolution of such questions or concerns. In addition, compliance with the policy is monitored on a regular basis.

We maintain inventory management agreements (IMAs) with our U.S. pharmaceutical wholesalers, which account for nearly 100% of our gross U.S. revenues. Under the current terms of the IMAs, our wholesaler customers provide us with weekly information with respect to months on hand product-level inventories and the amount of out-movement of products. The three largest wholesalers currently account for approximately 90% of our gross U.S. revenues. The inventory information received from our wholesalers, together with our internal information, is used to estimate months on hand product level inventories at these wholesalers. We estimate months on hand product inventory levels for our U.S. business’s wholesaler customers other than the three largest wholesalers by extrapolating from the months on hand calculated for the three largest wholesalers. In contrast, our non-U.S. business has significantly more direct customers, limited information on direct customer product level inventory and corresponding out-movement information and the reliability of third-party

demand information, where available, varies widely. Accordingly, we rely on a variety of methods to estimate months on hand product level inventories for these business units.

We believe the above-described procedures provide a reasonable basis to ensure compliance with the Consent.

Recently Issued Accounting Standards

For recently issued accounting standards, see “Item 8. Financial Statements—Note 1 . Accounting Policies—Recently Issued Accounting Standards.”

Critical Accounting Policies

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. Our critical accounting policies are those that significantly impact our financial condition and results of operations and require the most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Because of this uncertainty, actual results may vary from these estimates. These accounting policies were discussed with the Audit Committee of the Board of Directors.

Revenue Recognition

Our accounting policy for revenue recognition has a substantial impact on reported results and relies on certain estimates. Revenue is recognized when persuasive evidence of an arrangement exists, the sales price is fixed and determinable, collectability is reasonably assured and title and substantially all of the risks and rewards of ownership have transferred (generally upon shipment except in certain EU markets which does not occur until delivery of the products to the customer). In 2014, we deferred approximately \$300 million for products sold under an early access program in the EU. A portion of this amount will be recognized as revenue, subject to final price negotiations with the local government which are expected to be concluded in 2015. Revenue is also reduced for gross-to-net sales adjustments discussed below, all of which involve significant estimates and judgment after considering legal interpretations of applicable laws and regulations, historical experience, payer channel mix (e.g. Medicare or Medicaid), current contract prices under applicable programs, unbilled claims and processing time lags and inventory levels in the distribution channel. Estimates are assessed each period and adjusted as required to revised information or actual experience. In addition, See “—Total Revenues” above for further discussion and analysis of each significant category of gross-to-net sales adjustments.

In alliance arrangements involving the delivery of more than one element, each undelivered element is evaluated whether it qualifies as a separate unit of accounting. The consideration that is fixed or determinable is then allocated to each undelivered element and is recognized as the related goods or services are delivered, limited to the consideration that is not contingent upon future deliverables. Consideration associated with contingent milestones and royalties are allocated among the underlying elements if and when the amounts are determined to be payable to BMS.

Gross-to-Net Adjustments

The following categories of gross-to-net adjustments involve significant estimates, judgments and information obtained from external sources.

Charge-backs related to government programs

Our U.S. business participates in programs with government entities, the most significant of which are the U.S. Department of Defense and the U.S. Department of Veterans Affairs, and other parties, including covered entities under the 340B Drug Pricing Program, whereby pricing on products is extended below wholesaler list price to participating entities. These entities purchase products through wholesalers at the lower program price and the wholesalers then charge us the difference between their acquisition cost and the lower program price. Accounts receivable is reduced for the estimated amount of unprocessed charge-back claims attributable to a sale (typically within a two to four week time lag).

Cash discounts

In the U.S. and certain other countries, cash discounts are offered as an incentive for prompt payment, generally approximating 2% of the sales price. Accounts receivable is reduced for the estimated amount of unprocessed cash discounts (typically within a one month time lag).

Managed healthcare rebates and other contract discounts

Rebates and discounts are offered to managed healthcare organizations in the U.S. managing prescription drug programs and Medicare Advantage prescription drug plans covering the Medicare Part D drug benefit in addition to their commercial plans, as well as other contract counterparties such as hospitals and group purchasing organizations globally. Rebates are also required under the U.S. Department of Defense TRICARE Retail Pharmacy Refund Program. The estimated amount of unpaid or unbilled rebates and discounts is presented as a liability. A \$67 million reversal for the estimated amount of 2011 Medicare Part D coverage gap discounts occurred in 2012 after receipt of the actual invoices.

Medicaid rebates

Our U.S. business participates in state government Medicaid programs and other qualifying Federal and state government programs requiring discounts and rebates to participating state and local government entities. All discounts and rebates provided through these programs are included in our Medicaid rebate accrual. Medicaid rebates have also been extended to drugs used in managed Medicaid plans. The estimated amount of unpaid or unbilled rebates is presented as a liability. The estimated Medicaid rebates attributable to prior period revenues were reduced by \$24 million in 2014, \$85 million in 2013 and \$37 million in 2012.

Sales returns

Products are typically eligible to be returned between six months prior to and twelve months after product expiration, in accordance with our policy. Estimated returns for established products are determined after considering historical experience and other factors including levels of inventory in the distribution channel, estimated shelf life, product recalls, product discontinuances, price changes of competitive products, introductions of generic products, introductions of competitive new products and lower demand following the loss of exclusivity. The estimated amount for product returns is presented as a liability. Reserves were established in 2012 for *Plavix** and *Avapro** / *Avalide** following their loss of exclusivity. Remaining reserves were \$86 million and \$147 million at December 31, 2014 and 2013, respectively, after considering the relevant factors as well as estimated future retail and wholesale inventory work down that would occur after the loss of exclusivity.

Estimated returns for new products are determined after considering historical sales return experience of similar products, such as those within the same product line or similar therapeutic category. We defer recognition of revenue until the right of return expires or until sufficient historical experience to estimate sales returns is developed in limited circumstances. This typically occurs when the new product is not an extension of an existing line of product or when historical experience with products in a similar therapeutic category is lacking. Estimated levels of inventory in the distribution channel and projected demand are also considered in estimating sales returns for new products.

Use of information from external sources

Information from external sources is used to estimate gross-to-net adjustments. Our estimate of inventory at the wholesalers are based on the projected prescription demand-based sales for our products and historical inventory experience, as well as our analysis of third-party information, including written and oral information obtained from certain wholesalers with respect to their inventory levels and sell-through to customers and third-party market research data, and our internal information. The inventory information received from wholesalers is a product of their recordkeeping process and excludes inventory held by intermediaries to whom they sell, such as retailers and hospitals.

We have also continued the practice of combining retail and mail prescription volume on a retail-equivalent basis. We use this methodology for internal demand forecasts. We also use information from external sources to identify prescription trends, patient demand and average selling prices. Our estimates are subject to inherent limitations of estimates that rely on third-party information, as certain third-party information was itself in the form of estimates, and reflect other limitations including lags between the date as of which third-party information is generated and the date on which we receive third-party information.

Retirement Benefits

Accounting for pension and postretirement benefit plans requires actuarial valuations based on significant assumptions for discount rates and expected long-term rates of return on plan assets. In consultation with our actuaries, these significant assumptions and others such as salary growth, retirement, turnover, healthcare trends and mortality rates are evaluated and selected based on expectations or actual experience during each remeasurement date. Pension expense could vary within a range of outcomes and have a material effect on reported earnings, projected benefit obligations and future cash funding. Actual results in any given year may differ from those estimated because of economic and other factors.

The yield on high quality corporate bonds that coincides with the cash flows of the plans' estimated payouts is used in determining the discount rate. The Citigroup Pension Discount curve is used for the U.S. plans. The U.S. plans' pension expense for 2014 was determined using a 4.3% weighted-average discount rate. The present value of benefit obligations at December 31, 2014 for the U.S. pension plans was determined using a 3.8% discount rate. If the discount rate used in determining the U.S. plans' pension expense for 2014 was reduced by an additional 1%, such expense would increase by approximately \$9 million. If the assumed discount rate used in determining the U.S. pension plans' projected benefit obligation at December 31, 2014 was reduced by an additional 1%, the projected benefit obligation would increase by approximately \$1.1 billion.

New mortality tables (RP-2014) and mortality improvement scales (MP-2014) were issued by the Society of Actuaries in 2014 reflecting longer life expectancies than the previous tables. The new tables were used to measure the U.S. pension and post-retirement obligations beginning at September 30, 2014, resulting in an increase in the obligations of approximately \$600 million. The revised mortality rates are not expected to materially impact pension expense in future periods.

The expected long-term rate of return on plan assets is estimated considering expected returns for individual asset classes with input from external advisors. We also consider long-term historical returns including actual performance compared to benchmarks for similar investments. The U.S. plans' pension expense for 2014 was determined using an 8.1% expected long-term rate of return on plan assets. If the expected long-term rate of return on plan assets used in determining the U.S. plans' pension expense for 2014 was reduced by 1%, such expense would increase by \$49 million.

For a more detailed discussion on retirement benefits, see "Item 8. Financial Statements—Note 19 . Pension, Postretirement and Postemployment Liabilities."

Business Combinations and Divestitures

Goodwill and other intangible assets acquired in business combinations, licensing and other transactions were \$8.8 billion (representing 26% of total assets) at December 31, 2014 .

Accounting for transactions as business combinations and divestitures is significantly different than asset acquisitions and divestitures. For example, acquired IPRD is capitalized for business combinations and expensed for asset acquisitions and the fair value of contingent consideration and goodwill are only recognized in business combination transactions. Likewise, when a portion of a reporting unit that constitutes a business is divested, goodwill associated with that business is included in the carrying value of the business in determining the gain or loss. Derecognition of goodwill does not occur in asset dispositions. As a result, it is important to determine whether a business or an asset or group of assets is acquired or divested. A business is defined in ASC 805 - Business Combinations as an integrated set of inputs and processes that are capable of generating outputs that have the ability to provide a return to its investors or owners. Typical inputs include long-lived assets (including intangible assets or rights to use long-lived assets), intellectual property and the ability to obtain access to required resources. Typical processes include strategic, operational and resource management processes that are typically documented or evident through an organized workforce.

We consider all of the above factors in determining whether a business was acquired (or divested) as well as the stage of development if no commercial products are involved. For example, in evaluating our acquisition of iPierian, we concluded that no significant processes were transferred to us, thus the transaction was accounted for as an asset acquisition. As a result, \$148 million allocated to the lead investigational compound was expensed and not capitalized. In addition, contingent consideration from potential regulatory and approval milestones of \$550 million and sales-based royalties were not included in the purchase price. Similarly, in evaluating our divestiture of our diabetes franchise to AstraZeneca, we concluded that all necessary inputs and processes were transferred, and consequently the transaction was accounted for as the sale of a business, which resulted in the allocation of \$600 million of goodwill to the carrying value of the business in determining the gain on sale.

For business combination transactions, assets acquired and liabilities assumed are recognized at the date of acquisition at their respective fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recognized as goodwill. The fair value of intangible assets, including IPRD, is typically determined using the "income method." This method starts with a forecast of net cash flows, risk adjusted for estimated probabilities of technical and regulatory success (for IPRD) and adjusted to present value using an appropriate discount rate that reflects the risk associated with the cash flow streams. All assets are valued from a market participant view which might be different than specific BMS views. The valuation process is very complex and requires significant input and judgment using internal and external sources. Although the valuations are required to be finalized within a one-year period, it must consider all and only those facts and evidence available at the acquisition date. The most complex and judgmental matters applicable to the valuation process are summarized below:

- *Unit of accounting* – Most intangible assets are valued as single global assets rather than multiple assets for each jurisdiction or indication after considering the development stage, expected levels of incremental costs to obtain additional approvals, risks associated with further development, amount and timing of benefits expected to be derived in the future, expected patent lives in various jurisdictions and the intention to promote the asset as a global brand.
- *Estimated useful life* – The asset life expected to contribute meaningful cash flows is determined after considering all pertinent matters associated with the asset, including expected regulatory approval dates (if unapproved), exclusivity periods and other legal, regulatory or contractual provisions as well as the effects of any obsolescence, demand, competition, and other economic factors, including barriers to entry.
- *Probability of Technical and Regulatory Success (PTRS) Rate* – PTRS rates are determined based upon industry averages considering the respective programs development stage and disease indication and adjusted for specific information or data known at the acquisition date. Subsequent clinical results or other internal or external data obtained could alter the PTRS rate and materially impact the estimated fair value of the intangible asset in subsequent periods leading to impairment charges.
- *Projections* – Future revenues are estimated after considering many factors such as initial market opportunity, pricing, sales trajectories to peak sales levels, competitive environment and product evolution. Future costs and expenses are estimated after considering historical market trends, market participant synergies and the timing and level of additional development costs to obtain the initial or additional regulatory approvals, maintain or further enhance the product. We generally assume initial positive cash flows to commence shortly after the receipt of expected regulatory approvals which typically may not occur for a number of years. Actual cash flows attributed to the project are likely to be different than those assumed since projections are subjected to multiple factors including trial results and regulatory matters which could materially change the ultimate commercial success of the asset as well as significantly alter the costs to develop the respective asset into commercially viable products.
- *Tax rates* – The expected future income is tax effected using a market participant tax rate. Our recent valuations typically use a U.S. tax rate (and applicable state taxes) after considering the jurisdiction in which the intellectual property is held and location of research and manufacturing infrastructure. We also considered that any earnings repatriation would likely have U.S. tax consequences.
- *Discount rate* – Discount rates are selected after considering the risks inherent in the future cash flows; the assessment of the asset’s life cycle and the competitive trends impacting the asset, including consideration of any technical, legal, regulatory, or economic barriers to entry, as well as expected changes in standards of practice for indications addressed by the asset.

See “Item 8. Financial Statements—Note 4 . Acquisitions” for specific details and values assigned to assets acquired and liabilities assumed in our acquisitions of iPierian in 2014 and Amylin and Inhibitex in 2012. Significant estimates utilized at the time of the valuations to support the fair values of the lead compounds within the acquisitions include:

Dollars in Millions	Fair value	Discount rate utilized	Estimated useful life (in years)	Phase of Development as of acquisition date	PTRS Rate utilized	Year of first projected positive cash flow
Commercialized products:						
<i>Bydureon</i> *	\$ 5,260	11.1%	13	N/A	N/A	N/A
<i>Byetta</i> *	770	10.0%	7	N/A	N/A	N/A
<i>Symlin</i> *	310	10.0%	9	N/A	N/A	N/A
IPRD:						
BMS-986094 (formerly INX-189)	1,830	12.0%	N/A	Phase II	38.0%	2017
<i>Myalept</i> *	120	12.0%	N/A	Phase III	75.0%	2017

Valuation processes are also required for certain multiple element arrangements and include determination of judgmental and complex matters, discussed above. For example, the divestiture of the diabetes business to AstraZeneca in 2014 required the determination of the best estimated selling price of several elements including the business, supply and development agreements (including the appropriate mark-ups) and the estimated fair value of the manufacturing facility. See "Item 8. Financial Statements—Note 3. Alliances" for further discussion.

Impairment

Goodwill

Goodwill was \$ 7.0 billion at December 31, 2014 . Goodwill is tested at least annually for impairment on an enterprise level by assessing qualitative factors or performing a quantitative analysis in determining whether it is more likely than not that its fair value exceeds the carrying value. Examples of qualitative factors assessed in the current year included our share price, our financial performance compared to budgets, long-term financial plans, macroeconomic, industry and market conditions as well as the substantial excess of fair value over the carrying value of net assets from the annual impairment test performed in the prior year. Positive and negative influences of each relevant factor were assessed both individually and in the aggregate and as a result it was concluded that no additional quantitative testing was required.

For discussion on goodwill, acquired in-process research and development and other intangible assets, see “Item 8. Financial Statements—Note 1 . Accounting Policies—Goodwill, Acquired In-Process Research and Development and Other Intangible Assets.”

Other Intangible Assets, including IPRD

Other intangible assets were \$ 1.8 billion at December 31, 2014 , including licenses (\$382 million), developed technology rights (\$849 million), capitalized software (\$242 million) and IPRD (\$280 million). Intangible assets are assessed for impairment whenever current facts or circumstances warrant a review, although IPRD is assessed at least annually. Intangible assets are highly vulnerable to impairment charges, particularly newly acquired assets for recently launched products or IPRD. These assets are initially measured at fair value and therefore any reduction in expectations used in the valuations could potentially lead to impairment. Some of the more common potential risks leading to impairment include competition, earlier than expected loss of exclusivity, pricing pressures, adverse regulatory changes or clinical trial results, delay or failure to obtain regulatory approval and additional development costs, inability to achieve expected synergies, higher operating costs, changes in tax laws and other macro-economic changes. The complexity in estimating the fair value of intangible assets in connection with an impairment test is similar to the initial valuation.

Considering the high risk nature of research and development and the industry’s success rate of bringing developmental compounds to market, IPRD impairment charges are likely to occur in future periods. We recognized charges of \$343 million in 2014, including a \$310 million charge for peginterferon lambda which was in Phase III development for treatment of HCV. We also recognized charges of \$2.1 billion in 2012 including a \$1.8 billion charge resulting from the discontinued development of BMS-986094 and for other projects previously acquired in the Medarex, Inc. and Inhibitex acquisitions resulting from unfavorable clinical trial results, additional development costs, extended development periods and decisions to cease further development. IPRD is closely monitored and assessed each period for impairment. For discussion on IPRD impairments, see “Item 8. Financial Statements—Note 14 . Goodwill and other intangible assets”.

In addition to IPRD, commercial assets are also subject to impairment. For example, an impairment charge of \$120 million was recognized in 2012 related to a non-key product from a prior acquisition after continuing competitive pricing pressures. We operate in a very dynamic market and regulatory environment in which events can occur causing our expectations to change quickly and thus leading to potential impairment charges.

Property, Plant and Equipment

Property, plant and equipment is tested for impairment whenever current facts or circumstances warrant a review. Additionally, these long-lived assets are periodically reviewed to determine if any change in facts or circumstances would result in a change to the estimated useful life of the asset, possibly resulting in the acceleration of depreciation. If such circumstances exist, an estimate of undiscounted future cash flows generated by the asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether an impairment exists at its lowest level of identifiable cash flows. If an asset is determined to be impaired, the loss is measured based on the difference between the asset’s fair value and its carrying value. Expectations of future cash flows are subject to change based upon the near and long-term production volumes and margins generated by the asset as well as any potential alternative future use. Accelerated depreciation and other related charges for certain manufacturing facilities were \$151 million in 2014, \$36 million in 2013 and \$147 million in 2012.

Contingencies

In the normal course of business, we are subject to contingencies, such as legal proceedings and claims arising out of our business, that cover a wide range of matters, including, among others, government investigations, shareholder lawsuits, product and environmental liability, contractual claims and tax matters. We recognize accruals for such contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. These estimates are subject to uncertainties that are difficult to predict and, as such, actual results could vary from these estimates.

For discussions on contingencies, see “Item 8. Financial Statements—Note 1 . Accounting Policies—Contingencies,” “—Note 8 . Income Taxes” and “—Note 22 . Legal Proceedings and Contingencies.”

Income Taxes

Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. The assessment of whether or not a valuation allowance is required often requires significant judgment including long-range forecasts of future taxable income and evaluation of tax planning initiatives. Adjustments to the deferred tax valuation allowances are made to earnings in the period when such assessments are made. Our deferred tax assets were \$3.8 billion at December 31, 2014 (net of valuation allowances of \$4.3 billion) and \$4.8 billion at December 31, 2013 (net of valuation allowances of \$4.6 billion).

Deferred tax assets related to a U.S. Federal net operating loss carryforward of \$135 million and a U.S. Federal tax credit carryforward of \$26 million were recognized at December 31, 2014 . The net operating loss carryforward expires in varying amounts beginning in 2022. The U.S. Federal tax credit carryforward expires in varying amounts beginning in 2017. The realization of these carryforwards is dependent on generating sufficient domestic-sourced taxable income prior to their expiration. Although not assured, we believe it is more likely than not that these deferred tax assets will be realized.

In addition, a deferred tax asset related to a U.S. Federal and state capital loss of \$562 million was recognized at December 31, 2014 which can be carried back three years and carried forward five years. The realization of this carryforward is dependent upon generating sufficient capital gains prior to its expiration. A \$436 million valuation allowance was established for this item at December 31, 2014 .

Taxes are not provided on undistributed earnings of foreign subsidiaries expected to be reinvested indefinitely offshore.

Prior to the Mead Johnson Nutrition Company (Mead Johnson) split-off in 2009, the following transactions occurred: (i) an internal spin-off of Mead Johnson shares while still owned by us; (ii) conversion of Mead Johnson Class B shares to Class A shares; and; (iii) conversion of Mead Johnson & Company to a limited liability company. These transactions as well as the split-off of Mead Johnson through the exchange offer should qualify as tax-exempt transactions under the Internal Revenue Code based upon a private letter ruling received from the Internal Revenue Service related to the conversion of Mead Johnson Class B shares to Class A shares, and outside legal opinions.

Certain assumptions, representations and covenants by Mead Johnson were relied upon regarding the future conduct of its business and other matters which could affect the tax treatment of the exchange. For example, the current tax law generally creates a presumption that the exchange would be taxable to us, if Mead Johnson or its shareholders were to engage in transactions that result in a 50% or greater change in its stock ownership during a four year period beginning two years before the exchange offer, unless it is established that the exchange offer were not part of a plan or series of related transactions to effect such a change in ownership. If the internal spin-off or exchange offer were determined not to qualify as a tax exempt transaction, the transaction could be subject to tax as if the exchange was a taxable sale by us at market value.

In addition, a negative basis or excess loss account (ELA) existed in our investment in stock of Mead Johnson prior to these transactions. We received an opinion from outside legal counsel to the effect that it is more likely than not that we eliminated the ELA as part of these transactions and do not have taxable income with respect to the ELA. The tax law in this area is complex and it is possible that even if the internal spin-off and the exchange offer is tax exempt under the Internal Revenue Code, the IRS could assert that we have additional taxable income for the period with respect to the ELA. We could be exposed to additional taxes if this were to occur. Based upon our understanding of the Internal Revenue Code and opinion from outside legal counsel, a tax reserve of \$244 million was established reducing the gain on disposal of Mead Johnson included in discontinued operations in 2009.

We agreed to certain tax related indemnities with Mead Johnson as set forth in the tax sharing agreement, including certain taxes related to its business prior to the completion of the IPO and created as part of the restructuring to facilitate the IPO. Mead Johnson has also agreed to indemnify us for potential tax effects resulting from the breach of certain representations discussed above as well as certain transactions related to the acquisition of Mead Johnson's stock or assets.

Liabilities are established for possible assessments by tax authorities resulting from known tax exposures including, but not limited to, transfer pricing matters, tax credits and deductibility of certain expenses. Such liabilities represent a reasonable provision for taxes ultimately expected to be paid and may need to be adjusted over time as more information becomes known. For example, additional reserves of \$123 million were established in 2014 for certain transfer pricing matters related to periods from 2008 through 2014.

For discussions on income taxes, see "Item 8. Financial Statements—Note 1 . Accounting Policies—Income Taxes" and "—Note 8 . Income Taxes."

Special Note Regarding Forward-Looking Statements

This annual report on Form 10-K (including documents incorporated by reference) and other written and oral statements we make from time to time contain certain “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify these forward-looking statements by the fact they use words such as “should”, “expect”, “anticipate”, “estimate”, “target”, “may”, “project”, “guidance”, “intend”, “plan”, “believe” and other words and terms of similar meaning and expression in connection with any discussion of future operating or financial performance. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes to differ materially from current expectations. These statements are likely to relate to, among other things, our goals, plans and projections regarding our financial position, results of operations, cash flows, market position, product development, product approvals, sales efforts, expenses, performance or results of current and anticipated products and the outcome of contingencies such as legal proceedings and financial results, which are based on current expectations that involve inherent risks and uncertainties, including internal or external factors that could delay, divert or change any of them in the next several years. We have included important factors in the cautionary statements included in this Annual Report on Form 10-K, particularly under “Item 1A. Risk Factors,” that we believe could cause actual results to differ materially from any forward-looking statement.

Although we believe we have been prudent in our plans and assumptions, no assurance can be given that any goal or plan set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events or otherwise.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to market risk resulting from changes in currency exchange rates and interest rates. Certain derivative financial instruments are used when available on a cost-effective basis to hedge our underlying economic exposure. All of our financial instruments, including derivatives, are subject to counterparty credit risk considered as part of the overall fair value measurement. Derivative financial instruments are not used for trading purposes.

Foreign Exchange Risk

Significant amounts of our revenues, earnings and cash flow are exposed to changes in foreign currency rates. Our primary net foreign currency translation exposures are the euro, Japanese yen, Chinese renminbi, Canadian dollar and South Korean won. Foreign currency forward contracts used to manage risk which primarily arises from certain intercompany purchase transactions are designated as foreign currency cash flow hedges when appropriate. In addition, we are exposed to foreign exchange transaction risk arising from non-functional currency denominated assets and liabilities and earnings denominated in non-U.S. dollar currencies. Foreign currency forward contracts used to offset these exposures are not designated as hedges.

We estimate that a 10% appreciation in the underlying currencies being hedged from their levels against the U.S. dollar (with all other variables held constant) would decrease the fair value of foreign exchange forward contracts by \$130 million at December 31, 2014, reducing earnings over the remaining life of the contracts.

We are also exposed to translation risk on non-U.S. dollar-denominated net assets. Non-U.S. dollar borrowings used to hedge the foreign currency exposures of our net investment in certain foreign affiliates and are designated as hedges of net investments. The effective portion of foreign exchange gains or losses on these hedges is included in the foreign currency translation component of accumulated other comprehensive income/(loss). If our net investment decreases below the equivalent value of the non-U.S. debt borrowings, the change in the remeasurement basis of the debt would be subject to recognition in income as changes occur. For additional information, see “Item 8. Financial Statements—Note 10. Financial Instruments and Fair Value Measurements.”

Interest Rate Risk

Fixed-to-floating interest rate swap contracts are used and designated as fair-value hedges as part of our interest rate risk management strategy. These contracts are intended to provide us with an appropriate balance of fixed and floating rate debt. We estimate that an increase of 100 basis points in short-term or long-term interest rates would decrease the fair value of our interest rate swap contracts by \$85 million (excluding the effects of our counterparty and our own credit risk), reducing earnings over the remaining life of the contracts.

We estimate that an increase of 100 basis points in long-term interest rates would decrease the fair value of long-term debt by \$634 million. Our marketable securities are subject to changes in fair value as a result of interest rate fluctuations and other market factors. Our policy is to invest only in institutions that meet high credit quality standards. We estimate that an increase of 100 basis points in interest rates in general would decrease the fair value of our debt security portfolio by approximately \$123 million.

Credit Risk

Although not material, certain European government-backed entities with a higher risk of default are monitored through economic factors, including credit ratings, credit-default swap rates, debt-to-gross domestic product ratios and other entity specific factors. Historically, our exposure was limited by factoring receivables. Our credit exposures in Europe may increase in the future due to reductions in our factoring arrangements and the ongoing sovereign debt crisis. Our credit exposure to trade receivables in Greece, Portugal, Italy and Spain was approximately \$130 million at December 31, 2014, of which approximately 80% was from government-backed entities.

We monitor our investments with counterparties with the objective of minimizing concentrations of credit risk. Our investment policy establishes limits on the amount and time to maturity of investments with any individual counterparty. The policy also requires that investments are only entered into with corporate and financial institutions that meet high credit quality standards.

The use of derivative instruments exposes us to credit risk. When the fair value of a derivative instrument contract is positive, we are exposed to credit risk if the counterparty fails to perform. When the fair value of a derivative instrument contract is negative, the counterparty is exposed to credit risk if we fail to perform our obligation. Collateral is not required by any party whether derivatives are in an asset or liability position. We have a policy of diversifying derivatives with counterparties to mitigate the overall risk of counterparty defaults. For additional information, see “Item 8. Financial Statements—Note 10. Financial Instruments and Fair Value Measurements.”

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

BRISTOL-MYERS SQUIBB COMPANY
CONSOLIDATED STATEMENTS OF EARNINGS
Dollars and Shares in Millions, Except Per Share Data

	Year Ended December 31,		
	2014	2013	2012
EARNINGS			
Net product sales	\$ 11,660	\$ 12,304	\$ 13,654
Alliance and other revenues	4,219	4,081	3,967
Total Revenues	15,879	16,385	17,621
Cost of products sold	3,932	4,619	4,610
Marketing, selling and administrative	4,088	4,084	4,220
Advertising and product promotion	734	855	797
Research and development	4,534	3,731	3,904
Impairment charge for BMS-986094 intangible asset	—	—	1,830
Other (income)/expense	210	205	(80)
Total Expenses	13,498	13,494	15,281
Earnings Before Income Taxes	2,381	2,891	2,340
Provision for/(Benefit from) Income Taxes	352	311	(161)
Net Earnings	2,029	2,580	2,501
Net Earnings Attributable to Noncontrolling Interest	25	17	541
Net Earnings Attributable to BMS	\$ 2,004	\$ 2,563	\$ 1,960
Earnings per Common Share			
Basic	\$ 1.21	\$ 1.56	\$ 1.17
Diluted	\$ 1.20	\$ 1.54	\$ 1.16
Cash dividends declared per common share	\$ 1.45	\$ 1.41	\$ 1.37

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Dollars in Millions

	Year Ended December 31,		
	2014	2013	2012
COMPREHENSIVE INCOME			
Net Earnings	\$ 2,029	\$ 2,580	\$ 2,501
Other Comprehensive Income/(Loss), net of taxes and reclassifications to earnings:			
Derivatives qualifying as cash flow hedges	69	7	(27)
Pension and postretirement benefits	(324)	1,166	(118)
Available-for-sale securities	3	(37)	3
Foreign currency translation	(32)	(75)	(15)
Total Other Comprehensive Income/(Loss)	(284)	1,061	(157)
Comprehensive Income	1,745	3,641	2,344
Comprehensive Income Attributable to Noncontrolling Interest	25	17	535
Comprehensive Income Attributable to BMS	\$ 1,720	\$ 3,624	\$ 1,809

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL-MYERS SQUIBB COMPANY
CONSOLIDATED BALANCE SHEETS
Dollars in Millions, Except Share and Per Share Data

	December 31,	
	2014	2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 5,571	\$ 3,586
Marketable securities	1,864	939
Receivables	3,390	3,360
Inventories	1,560	1,498
Deferred income taxes	1,644	1,701
Prepaid expenses and other	470	412
Assets held-for-sale	109	7,420
Total Current Assets	<u>14,608</u>	<u>18,916</u>
Property, plant and equipment	4,417	4,579
Goodwill	7,027	7,096
Other intangible assets	1,753	2,318
Deferred income taxes	915	508
Marketable securities	4,408	3,747
Other assets	621	1,428
Total Assets	<u>\$ 33,749</u>	<u>\$ 38,592</u>
LIABILITIES		
Current Liabilities:		
Short-term borrowings	\$ 590	\$ 359
Accounts payable	2,487	2,559
Accrued expenses	2,459	2,152
Deferred income	1,167	756
Accrued rebates and returns	851	889
Income taxes payable	262	160
Dividends payable	645	634
Liabilities related to assets held-for-sale	—	4,931
Total Current Liabilities	<u>8,461</u>	<u>12,440</u>
Pension, postretirement and postemployment liabilities	1,115	718
Deferred income	770	769
Income taxes payable	560	823
Other liabilities	618	625
Long-term debt	7,242	7,981
Total Liabilities	<u>18,766</u>	<u>23,356</u>
Commitments and contingencies (Note 22)		
EQUITY		
Bristol-Myers Squibb Company Shareholders' Equity:		
Preferred stock, \$2 convertible series, par value \$1 per share: Authorized 10 million shares; issued and outstanding 4,212 in 2014 and 4,369 in 2013, liquidation value of \$50 per share	—	—
Common stock, par value of \$0.10 per share: Authorized 4.5 billion shares; 2.2 billion issued in both 2014 and 2013	221	221
Capital in excess of par value of stock	1,507	1,922
Accumulated other comprehensive loss	(2,425)	(2,141)
Retained earnings	32,541	32,952

Less cost of treasury stock — 547 million common shares in 2014 and 559 million in 2013	(16,992)	(17,800)
Total Bristol-Myers Squibb Company Shareholders' Equity	14,852	15,154
Noncontrolling interest	131	82
Total Equity	14,983	15,236
Total Liabilities and Equity	\$ 33,749	\$ 38,592

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL-MYERS SQUIBB COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
Dollars in Millions

	Year Ended December 31,		
	2014	2013	2012
Cash Flows From Operating Activities:			
Net earnings	\$ 2,029	\$ 2,580	\$ 2,501
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Net earnings attributable to noncontrolling interest	(25)	(17)	(541)
Depreciation and amortization, net	467	763	681
Deferred income taxes	(542)	(491)	(1,230)
Stock-based compensation	213	191	154
Impairment charges	401	40	2,180
Pension settlements and amortization	971	294	292
Proceeds from Amylin diabetes alliance	—	—	3,570
Gain on sale of businesses and other	(567)	(9)	(35)
Changes in operating assets and liabilities:			
Receivables	(252)	(504)	648
Inventories	(254)	(45)	(103)
Accounts payable	(44)	412	(232)
Deferred income	613	965	295
Income taxes payable	171	126	(50)
Other	(33)	(760)	(1,189)
Net Cash Provided by Operating Activities	3,148	3,545	6,941
Cash Flows From Investing Activities:			
Proceeds from sale and maturities of marketable securities	4,095	1,815	4,890
Purchases of marketable securities	(5,719)	(1,859)	(3,607)
Additions to property, plant and equipment and capitalized software	(526)	(537)	(548)
Business divestitures and other proceeds	3,585	9	68
Business acquisitions and other payments	(219)	—	(7,530)
Net Cash Provided by/(Used in) Investing Activities	1,216	(572)	(6,727)
Cash Flows From Financing Activities:			
Short-term debt borrowings, net	244	198	49
Proceeds from issuance of long-term debt	—	1,489	1,950
Repayments of long-term debt	(676)	(597)	(2,108)
Interest rate swap contract terminations	105	20	2
Issuances of common stock	288	564	463
Repurchases of common stock	—	(433)	(2,403)
Dividends	(2,398)	(2,309)	(2,286)
Net Cash Used in Financing Activities	(2,437)	(1,068)	(4,333)
Effect of Exchange Rates on Cash and Cash Equivalents	58	25	(1)
Increase/(Decrease) in Cash and Cash Equivalents	1,985	1,930	(4,120)
Cash and Cash Equivalents at Beginning of Year	3,586	1,656	5,776
Cash and Cash Equivalents at End of Year	\$ 5,571	\$ 3,586	\$ 1,656

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 . ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements are prepared in conformity with United States (U.S.) generally accepted accounting principles (GAAP), including the accounts of Bristol-Myers Squibb Company and all of its controlled majority-owned subsidiaries and certain variable interest entities (which may be referred to as Bristol-Myers Squibb, BMS, or the Company). All intercompany balances and transactions are eliminated. Material subsequent events are evaluated and disclosed through the report issuance date.

Alliance and license arrangements are assessed to determine whether the terms provide economic or other control over the entity requiring consolidation of an entity. Entities controlled by means other than a majority voting interest are referred to as variable interest entities and are consolidated when BMS has both the power to direct the activities of the variable interest entity that most significantly impacts its economic performance and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity.

Use of Estimates

The preparation of financial statements requires the use of management estimates and assumptions. The most significant assumptions are estimates in determining the fair value and potential impairment of intangible assets; sales rebate and return accruals; legal contingencies; income taxes; estimated selling prices used in multiple element arrangements; and pension and postretirement benefits. Actual results may differ from estimated results.

Reclassifications

Certain prior period amounts were reclassified to conform to the current period presentation.

Revenue Recognition

Revenue is recognized when persuasive evidence of an arrangement exists, the sales price is fixed and determinable, collectability is reasonably assured and title and substantially all risks and rewards of ownership is transferred, generally at time of shipment (including the supply of commercial products to alliance partners when they are the principal in the end customer sale). However, certain revenue of non-U.S. businesses is recognized on the date of receipt by the customer and alliance and other revenue related to *Abilify** and *Atrippla** is not recognized until the products are sold to the end customer by the alliance partner. Royalties based on third-party sales are recognized as earned in accordance with the contract terms when the third-party sales are reliably measurable and collectability is reasonably assured. Refer to “—Note 3 . Alliances” for further detail regarding alliances.

Provisions are made at the time of revenue recognition for expected sales returns, discounts, rebates and estimated sales allowances based on historical experience updated for changes in facts and circumstances including the impact of applicable healthcare legislation. Such provisions are recognized as a reduction of revenue. When a new product is not an extension of an existing line of product or there is no historical experience with products in a similar therapeutic category, revenue is deferred until the right of return no longer exists or sufficient historical experience to estimate sales returns is developed.

Income Taxes

The provision for income taxes includes income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax basis of assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted. Valuation allowances are recognized to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. The assessment of whether or not a valuation allowance is required often requires significant judgment including the long-range forecast of future taxable income and the evaluation of tax planning initiatives. Adjustments to the deferred tax valuation allowances are made to earnings in the period when such assessments are made.

Tax benefits are recognized from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefit recognized in the financial statements for a particular tax position is based on the largest benefit that is more likely than not to be realized upon settlement.

Cash and Cash Equivalents

Cash and cash equivalents include U.S. Treasury securities, government agency securities, bank deposits, time deposits and money market funds. Cash equivalents consist of highly liquid investments with original maturities of three months or less at the time of purchase and are recognized at cost, which approximates fair value.

Marketable Securities and Investments in Other Companies

Marketable securities are classified as “available-for-sale” on the date of purchase and reported at fair value. Fair value is determined based on observable market quotes or valuation models using assessments of counterparty credit worthiness, credit default risk or underlying security and overall capital market liquidity.

Investments in 50% or less owned companies are accounted for using the equity method of accounting when the ability to exercise significant influence is maintained. The share of net income or losses of equity investments is included in equity in net income of affiliates in other (income)/expense. Equity investments are reviewed for impairment by assessing if the decline in market value of the investment below the carrying value is other than temporary, which considers the intent and ability to retain the investment, the length of time and extent that the market value has been less than cost, and the financial condition of the investee.

Inventory Valuation

Inventories are stated at the lower of average cost or market.

Property, Plant and Equipment and Depreciation

Expenditures for additions, renewals and improvements are capitalized at cost. Depreciation is computed on a straight-line method based on the estimated useful lives of the related assets ranging from 20 to 50 years for buildings and 3 to 20 years for machinery, equipment, and fixtures.

Impairment of Long-Lived Assets

Current facts or circumstances are periodically evaluated to determine if the carrying value of depreciable assets to be held and used may not be recoverable. If such circumstances exist, an estimate of undiscounted future cash flows generated by the long-lived asset, or the appropriate grouping of assets, is compared to the carrying value to determine whether an impairment exists at its lowest level of identifiable cash flows. If an asset is determined to be impaired, the loss is measured based on the difference between the asset’s fair value and its carrying value. An estimate of the asset’s fair value is based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques using Level 3 fair value inputs, including a discounted value of estimated future cash flows.

Capitalized Software

Eligible costs to obtain internal use software for significant systems projects are capitalized and amortized over the estimated useful life of the software. Insignificant costs to obtain software for projects are expensed as incurred.

Business Combinations

Businesses acquired are consolidated upon obtaining control of the acquiree. The fair value of assets acquired and liabilities assumed are recognized at the date of acquisition. Any excess of the purchase price over the estimated fair values of the net assets acquired is recognized as goodwill. Legal, audit, business valuation, and all other business acquisition costs are expensed when incurred.

Goodwill, Acquired In-Process Research and Development and Other Intangible Assets

The fair value of intangible assets is typically determined using the “income method” utilizing Level 3 fair value inputs. The market participant valuations assume a global view considering all potential jurisdictions and indications based on discounted after-tax cash flow projections, risk adjusted for estimated probability of technical and regulatory success (for IPRD).

Finite-lived intangible assets, including licenses, developed technology rights and IPRD projects that reach commercialization are amortized on a straight-line basis over their estimated useful life. Estimated useful lives are determined considering the period the assets are expected to contribute to future cash flows.

Goodwill is tested at least annually for impairment by assessing qualitative factors or performing a quantitative analysis in determining whether it is more likely than not that the fair value of net assets are below their carrying amounts. Examples of qualitative factors assessed in 2014 include our share price, financial performance compared to budgets, long-term financial plans, macroeconomic, industry and market conditions as well as the substantial excess of fair value over the carrying value of net assets from the annual impairment test performed in the prior year. Each relevant factor is assessed both individually and in the aggregate.

IPRD is tested for impairment on an annual basis and more frequently if events occur or circumstances change that would indicate a potential reduction in the fair values of the assets below their carrying value. If the carrying value of IPRD is determined to exceed the fair value, an impairment loss is recognized for the difference.

Finite-lived intangible assets are tested for impairment when facts or circumstances suggest that the carrying value of the asset may not be recoverable. If the carrying value exceeds the projected undiscounted pre-tax cash flows of the intangible asset, an impairment loss equal to the excess of the carrying value over the estimated fair value (discounted after-tax cash flows) is recognized.

Restructuring

Restructuring charges are recognized as a result of actions to streamline operations and rationalize manufacturing facilities. Estimating the impact of restructuring plans, including future termination benefits and other exit costs requires judgment. Actual results could vary from these estimates.

Contingencies

Loss contingencies from legal proceedings and claims may occur from a wide range of matters, including government investigations, shareholder lawsuits, product and environmental liability, contractual claims and tax matters. Accruals are recognized when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. Gain contingencies (including contingent proceeds related to the divestitures) are not recognized until realized. Legal fees are expensed as incurred.

Derivative Financial Instruments

Derivatives are used principally in the management of interest rate and foreign currency exposures and are not held or used for trading purposes. Derivatives are recognized at fair value with changes in fair value recognized in earnings unless specific hedge criteria are met. If the derivative is designated as a fair value hedge, changes in fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are reported in accumulated other comprehensive income/(loss) (OCI) and subsequently recognized in earnings when the hedged item affects earnings. Cash flows are classified consistent with the underlying hedged item. Derivatives are designated and assigned as hedges of forecasted transactions, specific assets or specific liabilities. When hedged assets or liabilities are sold or extinguished or the forecasted transactions being hedged are no longer probable to occur, a gain or loss is immediately recognized in earnings. Non-derivative instruments, primarily euro denominated long-term debt, are also designated as hedges of net investments in foreign affiliates. The effective portion of the designated non-derivative instrument is recognized in the foreign currency translation section of OCI and the ineffective portion is recognized in earnings.

Shipping and Handling Costs

Shipping and handling costs are included in marketing, selling and administrative expenses and were \$115 million in 2014 , \$119 million in 2013 and \$125 million in 2012 .

Advertising and Product Promotion Costs

Advertising and product promotion costs are expensed as incurred.

Foreign Currency Translation

Foreign subsidiary earnings are translated into U.S. dollars using average exchange rates. The net assets of foreign subsidiaries are translated into U.S. dollars using current exchange rates. The U.S. dollar effects that arise from translating the net assets of these subsidiaries at changing rates are recognized in OCI.

Research and Development

Research and development costs are expensed as incurred. Clinical study costs are accrued over the service periods specified in the contracts and adjusted as necessary based upon an ongoing review of the level of effort and costs actually incurred. Strategic alliances with third parties provide rights to develop, manufacture, market and/or sell pharmaceutical products, the rights to which are owned by the other party. Research and development is recognized net of reimbursements in connection with alliance agreements.

Recently Issued Accounting Standards

In April 2014, the Financial Accounting Standards Board (FASB) issued amended guidance on the use and presentation of discontinued operations in an entity's consolidated financial statements. The new guidance restricts the presentation of discontinued operations to business circumstances when the disposal of business operations represents a strategic shift that has or will have a major effect on an entity's operations and financial results. The guidance becomes effective on January 1, 2015. Adoption is on a prospective basis.

In May 2014, the FASB issued a new standard related to revenue recognition, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The new standard will replace most of the existing revenue recognition standards in U.S. GAAP when it becomes effective on January 1, 2017. Early adoption is not permitted. The new standard can be applied retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the change recognized at the date of the initial application in retained earnings. The Company is assessing the potential impact of the new standard on financial reporting and has not yet selected a transition method.

Note 2 . BUSINESS SEGMENT INFORMATION

BMS operates in a single segment engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of innovative medicines that help patients prevail over serious diseases. A global research and development organization and supply chain organization are responsible for the development and delivery of products to the market. Regional commercial organizations are used to distribute and sell the product. The business is also supported by global corporate staff functions. Segment information is consistent with the financial information regularly reviewed by the chief executive officer for purposes of evaluating performance, allocating resources, setting incentive compensation targets, and planning and forecasting future periods.

Products are sold principally to wholesalers, and to a lesser extent, directly to distributors, retailers, hospitals, clinics, government agencies and pharmacies. Gross revenues to the three largest pharmaceutical wholesalers in the U.S. as a percentage of global gross revenues were as follows:

	2014	2013	2012
McKesson Corporation	20%	19%	23%
Cardinal Health, Inc.	12%	14%	19%
AmerisourceBergen Corporation	17%	15%	14%

Selected geographic area information was as follows:

Dollars in Millions	Total Revenues			Property, Plant and Equipment	
	2014	2013	2012	2014	2013
United States	\$ 7,716	\$ 8,318	\$ 10,384	\$ 3,686	\$ 3,708
Europe	3,592	3,930	3,706	597	729
Rest of the World	3,459	3,295	3,204	134	142
Other ^(a)	1,112	842	327	—	—
Total	\$ 15,879	\$ 16,385	\$ 17,621	\$ 4,417	\$ 4,579

(a) Other total revenues include royalties and other alliance-related revenues for products not sold by our regional commercial organizations.

Total revenues of key products were as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Virology			
<i>Baraclude (entecavir)</i>	\$ 1,441	\$ 1,527	\$ 1,388
Hepatitis C Franchise ^(a)	256	—	—
<i>Reyataz (atazanavir sulfate)</i>	1,362	1,551	1,521
<i>Sustiva (efavirenz) Franchise</i> ^(b)	1,444	1,614	1,527
Oncology			
<i>Erbix* (cetuximab)</i>	723	696	702
<i>Opdivo (nivolumab)</i>	6	—	—
<i>Sprycel (dasatinib)</i>	1,493	1,280	1,019
<i>Yervoy (ipilimumab)</i>	1,308	960	706
Neuroscience			
<i>Abilify* (aripiprazole)</i> ^(c)	2,020	2,289	2,827
Immunoscience			
<i>Orencia (abatacept)</i>	1,652	1,444	1,176
Cardiovascular			
<i>Eliquis (apixaban)</i>	774	146	2
Diabetes Alliance ^(d)			
	295	1,683	972
Mature Products and All Other ^(e)			
	3,105	3,195	5,781
Total Revenues	\$ 15,879	\$ 16,385	\$ 17,621

(a) Includes *Daklinza* (daclatasvir) revenues of \$201 million and *Sunvepra* (asunaprevir) revenues of \$55 million in 2014 .

(b) Includes alliance and other revenues of \$1,255 million in 2014 , \$1,366 million in 2013 and \$1,267 million in 2012 .

(c) Includes alliance and other revenues of \$1,778 million in 2014 , \$1,840 million in 2013 and \$2,340 million in 2012 .

(d) Includes *Bydureon** (exenatide extended-release for injectable suspension), *Byetta** (exenatide), *Farxiga*/Xigduo** (dapagliflozin/dapagliflozin and metformin hydrochloride), *Onglyza*/Kombiglyze** (saxagliptin/saxagliptin and metformin), *Myalept** (metreleptin) and *Symlin** (pramlintide acetate). BMS sold its diabetes business to AstraZeneca on February 1, 2014.

(e) Includes *Plavix** (clopidogrel bisulfate) revenues of \$208 million in 2014 , \$258 million in 2013 and \$2,547 million in 2012 . Additionally, includes *Avapro*/Avalide** (irbesartan/irbesartan-hydrochlorothiazide) revenues of \$211 million in 2014 , \$231 million in 2013 and \$503 million in 2012 .

Note 3 . ALLIANCES

BMS enters into collaboration arrangements with third parties for the development and commercialization of certain products. Although each of these arrangements is unique in nature, both parties are active participants in the operating activities of the collaboration and exposed to significant risks and rewards depending on the commercial success of the activities. BMS may either in-license intellectual property owned by the other party or out-license its intellectual property to the other party. These arrangements also typically include research, development, manufacturing, and/or commercial activities and can cover a single investigational compound or commercial product or multiple compounds and/or products in various life cycle stages. We refer to these collaborations as alliances and our partners as alliance partners. Several key products such as *Abilify** , *Sprycel* , *Sustiva (Atripla*)* , *Eliquis* , *Erbix* and Opdivo* , as well as products comprising the diabetes alliance discussed below and certain mature and other brands are included in alliance arrangements.

Payments between alliance partners are accounted for and presented in the results of operations after considering the specific nature of the payment and the underlying activities to which the payments relate. Multiple alliance activities, including the transfer of rights, are only separated into individual units of accounting if they have standalone value from other activities that occur over the life of the arrangements. In these situations, the arrangement consideration is allocated to the activities or rights on a relative selling price basis. If multiple alliance activities or rights do not have standalone value, they are combined into a single unit of accounting.

The most common activities between BMS and its alliance partners are presented in results of operations as follows:

- When BMS is the principal in the end customer sale, 100% of product sales are included in net product sales. When BMS's alliance partner is the principal in the end customer sale, BMS's contractual share of the third-party sales and/or royalty income are included in alliance and other revenue as the sale of commercial products are considered part of BMS's ongoing major or central operations. Refer to "Revenue Recognition" included in "—Note 1. Accounting Policies" for information regarding recognition criteria.
- Amounts payable to BMS by alliance partners (who are the principal in the end customer sale) for supply of commercial products are included in alliance and other revenue as the sale of commercial products are considered part of BMS's ongoing major or central

- Amounts payable by BMS to alliance partners for profit sharing, royalties and other sales-based fees are included in cost of products sold as incurred.
- Cost reimbursements between the parties are recognized as incurred and included in cost of products sold; marketing, selling and administrative expenses; advertising and product promotion expenses; or research and development expenses, based on the underlying nature of the related activities subject to reimbursement.
- Upfront and contingent development and approval milestones payable to BMS by alliance partners for investigational compounds and commercial products are deferred and amortized over the shorter of the contractual term or the periods in which the related compounds or products are expected to contribute to future cash flows. The amortization is presented consistent with the nature of the payment under the arrangement. For example, amounts received for investigational compounds are presented in other (income)/expense as the activities being performed at that time are not related to the sale of commercial products that are part of BMS's ongoing major or central operations; amounts received for commercial products are presented in alliance and other revenue as the sale of commercial products are considered part of BMS's ongoing major or central operations (except for the AstraZeneca PLC (AstraZeneca) alliance pertaining to the Amylin products – see further discussion under the specific AstraZeneca alliance disclosure herein).
- Upfront and contingent approval milestones payable by BMS to alliance partners for commercial products are capitalized and amortized over the shorter of the contractual term or the periods in which the related products are expected to contribute to future cash flows. The amortization is included in cost of products sold.
- Upfront and contingent milestones payable by BMS to alliance partners prior to regulatory approval are expensed as incurred and included in research and development expenses.
- Equity in net income of affiliates is included in other (income)/expense.
- All payments between BMS and its alliance partners are presented in cash flows from operating activities, except as otherwise described below.

Selected financial information pertaining to our alliances was as follows, including net product sales when BMS is the principal in the third-party customer sale for products subject to the alliance. Expenses summarized below do not include all amounts attributed to the activities for the products in the alliance, but only the payments between the alliance partners or the related amortization if the payments were deferred or capitalized.

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Revenues from alliances:			
Net product sales	\$ 3,531	\$ 4,417	\$ 6,124
Alliance and other revenues	3,828	3,804	3,748
Total Revenues	\$ 7,359	\$ 8,221	\$ 9,872
Payments to/(from) alliance partners:			
Cost of products sold	\$ 1,394	\$ 1,356	\$ 1,706
Marketing, selling and administrative	44	(125)	(80)
Advertising and product promotion	90	(58)	(97)
Research and development	(70)	(140)	4
Other (income)/expense	(1,076)	(313)	(489)
Noncontrolling interest, pre-tax	38	36	844

Selected Alliance Balance Sheet Information:

Dollars in Millions	December 31,	
	2014	2013
Receivables – from alliance partners	\$ 888	\$ 1,122
Accounts payable – to alliance partners	1,479	1,396
Deferred income from alliances ^(a)	1,493	5,089

(a) Includes deferred income classified as liabilities related to assets held-for-sale of \$ 3,671 million at December 31, 2013.

Specific information pertaining to each of our significant alliances is discussed below, including their nature and purpose; the significant rights and obligations of the parties; specific accounting policy elections; and the income statement classification of and amounts attributable to payments between the parties.

Otsuka

BMS has a worldwide commercialization agreement with Otsuka Pharmaceutical Co., Ltd. (Otsuka), to co-develop and co-promote *Abilify**, excluding certain Asian countries. The U.S. portion of the agreement was amended in 2009 and 2012 and expires upon the expected loss of product exclusivity on April 20, 2015. The agreement expired in all European Union (EU) countries in June 2014 and in each other non-U.S. country where we have the exclusive right to sell *Abilify**, the agreement expires on the later of April 20, 2015 or loss of exclusivity in any such country.

Both parties actively participate in joint executive governance and operating committees. Although Otsuka assumed responsibility for providing and funding all sales force efforts effective January 2013 (under the 2012 U.S. amendment), BMS is responsible for funding certain operating expenses up to various annual limits in 2013 through 2015. BMS purchases the active pharmaceutical ingredient (API) from Otsuka and completes the manufacture of the product for subsequent sale to third-party customers in the U.S. and certain other countries. Otsuka assumed responsibility for providing and funding sales force efforts in the EU effective April 2013. BMS also provides certain other services including distribution, customer management and pharmacovigilance. Otsuka is the principal for third-party product sales in the U.S. and was the principal in the EU prior to termination in June 2014. BMS is the principal for third-party product sales where it is the exclusive distributor for or has an exclusive right to sell *Abilify**.

Alliance and other revenue is recognized for only BMS's share of total net sales to third-party customers in these territories. In the U.S., BMS's contractual share was 51.5% in 2012. Beginning January 1, 2013, BMS's contractual share changed to the percentages of total U.S. net sales set forth in the table below. An assessment of BMS's expected annual contractual share is completed each quarterly reporting period and adjusted based upon reported U.S. *Abilify** net sales at year end. BMS's annual contractual share was 33% in 2014 and 34% in 2013. The alliance and other revenue recognized in any interim period or quarter does not exceed the amounts that are due under the contract.

Annual U.S. Net Sales	BMS Share as a % of U.S. Net Sales
\$0 to \$2.7 billion	50%
\$2.7 billion to \$3.2 billion	20%
\$3.2 billion to \$3.7 billion	7%
\$3.7 billion to \$4.0 billion	2%
\$4.0 billion to \$4.2 billion	1%
In excess of \$4.2 billion	20%

In the EU, BMS's contractual share of third-party net sales was 65% . In these countries and the U.S., alliance and other revenue is recognized when *Abilify** is shipped and all risks and rewards of ownership have been transferred to third-party customers.

Under the terms of the 2009 U.S. amendment, BMS paid Otsuka \$400 million in 2009, which is amortized as a reduction of alliance and other revenue through the expected loss of U.S. exclusivity on April 20, 2015. The unamortized balance is included in other assets. Otsuka receives a royalty based on 1.5% of total U.S. net sales, which is included in cost of products sold. Otsuka was responsible for 30% of the U.S. expenses related to the commercialization of *Abilify** from 2010 through 2012.

BMS and Otsuka also have an alliance for *Sprycel* and *Ixempra* (ixabepilone) in the U.S., Japan and the EU. While both parties actively participate in various governance committees, BMS has control over the decision making. Both parties co-promote the product. BMS is responsible for the development and manufacture of the product and is also the principal in the end-customer product sales.

A fee is paid to Otsuka based on the following percentages of annual net sales of *Sprycel* and *Ixempra* :

	% of Net Sales	
	2010 - 2012	2013 - 2020
\$0 to \$400 million	30%	65%
\$400 million to \$600 million	5%	12%
\$600 million to \$800 million	3%	3%
\$800 million to \$1.0 billion	2%	2%
In excess of \$1.0 billion	1%	1%

During these annual periods, Otsuka contributes 20% of the first \$175 million of certain commercial operational expenses relating to the Oncology Products in the Oncology Territory and 1% of such costs in excess of \$175 million .

Summarized financial information related to this alliance was as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Revenues from Otsuka alliances:			
Net product sales	\$ 1,493	\$ 1,543	\$ 1,386
Alliance and other revenues ^(a)	1,778	1,840	2,340
Total Revenues	\$ 3,271	\$ 3,383	\$ 3,726
Payments to/(from) Otsuka:			
Cost of products sold:			
Oncology fee	\$ 297	\$ 295	\$ 138
Royalties	90	86	78
Amortization of intangible assets	—	—	5
Cost of product supply	67	135	153
Cost reimbursements to/(from) Otsuka recognized in:			
Cost of products sold	3	3	2
Marketing, selling and administrative	61	34	7
Advertising and product promotion	32	(42)	(49)
Research and development	3	(5)	(7)
Other (income)/expense	(9)	—	—

Selected Alliance Balance Sheet information:

Dollars in Millions	December 31,	
	2014	2013
Other assets – extension payment	\$ 21	\$ 87

(a) Includes the amortization of the extension payment as a reduction to alliance and other revenue of \$66 million in 2014, 2013 and 2012.

AstraZeneca

Prior to the diabetes business divestiture discussed below, BMS had an alliance with AstraZeneca consisting of three worldwide co-development and commercialization agreements covering (1) *Onglyza** and related combination products sold under various names, (2) *Farxiga** and related combination products and, (3) beginning in August 2012 after BMS's acquisition of Amylin Pharmaceuticals, Inc. (Amylin), Amylin's portfolio of products including *Bydureon**, *Byetta**, *Symlin** and *Myalept**, as well as certain assets owned by Amylin, including a manufacturing facility located in West Chester, Ohio.

Co-exclusive license rights for the product or products underlying each agreement were granted to AstraZeneca in exchange for an upfront payment and potential milestone payments, and both parties assumed certain obligations to actively participate in the alliance. Both parties actively participated in a joint executive committee and various other operating committees and had joint responsibilities for the research, development, distribution, sales and marketing activities of the alliance using resources in their own infrastructures. BMS manufactured the products in all three alliances and was the principal in the end-customer product sales in substantially all countries.

For each alliance agreement, the rights transferred to AstraZeneca did not have standalone value as such rights were not sold separately by BMS or any other party, nor could AstraZeneca have received any benefit for the delivered rights without the fulfillment of other ongoing obligations by BMS under the alliance agreements, including the exclusive supply arrangement. As such, each global alliance was treated as a single unit of accounting. As a result, upfront proceeds and any subsequent contingent milestone proceeds were amortized over the life of the related products.

In 2012, BMS received a \$3.6 billion non-refundable, upfront payment from AstraZeneca in consideration for entering into the Amylin alliance. In 2013, AstraZeneca exercised its option for equal governance rights over certain key strategic and financial decisions regarding the Amylin alliance and paid BMS \$135 million as consideration. These payments were accounted for as deferred income and amortized based on the relative fair value of the predominant elements included in the alliance over their estimated useful lives (intangible assets related to *Bydureon** with an estimated useful life of 13 years, *Byetta** with an estimated useful life of 7 years, *Symlin** with an estimated life of 9 years, *Myalept** with an estimated useful life of 12 years, and the Amylin manufacturing plant with an estimated useful life of 15 years). The amortization was presented as a reduction to cost of products sold because the alliance assets were acquired shortly before the commencement of the alliance and

AstraZeneca was entitled to share in the proceeds from the sale of any of the assets. The amortization

of the acquired Amylin intangible assets and manufacturing plant was also presented in cost of products sold. BMS was entitled to reimbursements for 50% of capital expenditures related to the acquired Amylin manufacturing facility. BMS and AstraZeneca also shared in certain tax attributes related to the Amylin alliance.

Prior to the termination of the alliance, BMS received non-refundable upfront, milestone and other licensing payments of \$300 million related to *Onglyza** and \$250 million related to *Farxiga**. Amortization of the *Onglyza** and *Farxiga** deferred income was included in other income as *Onglyza** and *Farxiga** were not commercial products at the commencement of the alliance. Both parties also shared most commercialization and development expenses equally, as well as profits and losses.

In February 2014, BMS and AstraZeneca terminated their alliance agreements and BMS sold to AstraZeneca substantially all of the diabetes business comprising the alliance. The divestiture included the shares of Amylin and the resulting transfer of its Ohio manufacturing facility; the intellectual property related to *Onglyza** and *Farxiga** (including BMS's interest in the out-licensing agreement for *Onglyza** in Japan); and the future purchase of BMS's manufacturing facility located in Mount Vernon, Indiana in 2015. Substantially all employees dedicated to the diabetes business were transferred to AstraZeneca. The sale of the business has been completed in all jurisdictions.

BMS and AstraZeneca entered into several agreements in connection with the sale, including a supply agreement, a development agreement and a transitional services agreement. Under those agreements, BMS is obligated to supply certain products, including the active product ingredients for *Onglyza** and *Farxiga** through 2020; to perform ongoing development activities for certain clinical trial programs through 2016; and to provide transitional services such as accounting, financial services, customer service, distribution, regulatory, development, information technology and certain other administrative services for various periods in order to facilitate the orderly transfer of the business operations. Annual costs attributed to the development agreement are not expected to exceed approximately \$115 million for both 2015 and 2016.

Consideration for the transaction includes a \$2.7 billion payment at closing; contingent regulatory and sales-based milestone payments of up to \$1.4 billion (including \$800 million related to approval milestones and \$600 million related to sales-based milestones, payable in 2020); royalty payments based on net sales through 2025 and payments up to \$225 million if and when certain assets are transferred to AstraZeneca. AstraZeneca will also pay BMS for any required product supply at a price approximating the product cost as well as negotiated transitional service fees.

Royalty rates on net sales are as follows:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 - 2025</u>
<i>Onglyza</i> * and <i>Farxiga</i> * Worldwide Net Sales up to \$500 million	44%	35%	27%	12%	14-25%
<i>Onglyza</i> * and <i>Farxiga</i> * Worldwide Net Sales over \$500 million	3%	7%	9%	12%	14-25%
Amylin products U.S. Net Sales	—	2%	2%	5%	5-12%

The stock and asset purchase agreement contains multiple elements to be delivered subsequent to the closing of the transaction, including the China diabetes business (transferred during the third quarter of 2014), the Mount Vernon, Indiana manufacturing facility, and the activities under the development and supply agreements. Each of these elements was determined to have a standalone value. As a result, a portion of the consideration received at closing was allocated to the undelivered elements using the relative selling price method after determining the best estimated selling price for each element. The remaining amount of consideration was included in the calculation for the gain on sale of the diabetes business. Contingent milestone and royalty payments are similarly allocated among the underlying elements if and when the amounts are determined to be payable to BMS. Amounts allocated to the sale of the business are immediately recognized in the results of operations. Amounts allocated to the other elements are recognized in the results of operations only to the extent each element has been delivered.

Consideration of \$3.8 billion was accounted for in 2014, substantially all in the first quarter (including royalties and \$700 million of contingent regulatory milestone payments related to the approval of *Farxiga** in both the U.S. and Japan). Approximately \$3.3 billion of the consideration was allocated to the sale of the business and the remaining \$492 million was allocated to the undelivered elements described above. The consideration includes \$235 million of earned royalties, including \$192 million allocated to elements that were delivered. The gain on sale of the diabetes business was \$536 million, including \$292 million during the third quarter of 2014 resulting primarily from the transfer of the China diabetes business to AstraZeneca. The gain was based on the difference between the consideration allocated to the sale of the business excluding royalties (net of transaction fees) and the carrying value of the diabetes business net assets (including a \$600 million allocation of goodwill and the reversal of \$821 million of net deferred tax liabilities attributed to Amylin).

Consideration allocated to the Mount Vernon, Indiana manufacturing facility will continue to be deferred until transferred to AstraZeneca. Consideration allocated to the development and supply agreements will continue to be amortized over the applicable service periods. Amortization of deferred income attributed to the development agreement was included in other income as the sale of these services are not considered part of BMS's ongoing major or central operations. Revenues attributed to the supply agreement were included in alliance and other revenues.

Consideration for the transaction is presented for cash flow purposes based on the allocation process described above, either as an investing activity if attributed to the sale of the business or related assets or as an operating activity if attributed to the transitional services, supply arrangement or development agreement.

Summarized financial information related to the AstraZeneca alliances was as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Revenues from AstraZeneca alliances:			
Net product sales	\$ 160	\$ 1,658	\$ 962
Alliance and other revenues	135	16	10
Total Revenues	<u>\$ 295</u>	<u>\$ 1,674</u>	<u>\$ 972</u>
Payments to/(from) AstraZeneca:			
Cost of products sold:			
Profit sharing	\$ 79	\$ 673	\$ 425
Amortization of deferred income	—	(307)	(126)
Cost reimbursements to/(from) AstraZeneca recognized in:			
Cost of products sold	(9)	(25)	(4)
Marketing, selling and administrative	(6)	(127)	(66)
Advertising and product promotion	(2)	(45)	(43)
Research and development	(16)	(86)	(25)
Other (income)/expense:			
Amortization of deferred income	(80)	(31)	(38)
Provision for restructuring	(2)	(25)	(21)
Royalties	(192)	—	—
Transitional services	(90)	—	—
Gain on sale of business	(536)	—	—
Selected Alliance Cash Flow information:			
Deferred income	315	215	3,547
Business divestitures and other proceeds	3,495	—	—

Selected Alliance Balance Sheet information:

Dollars in Millions	December 31,	
	2014	2013
Deferred income attributed to:		
Non-refundable upfront, milestone and other licensing receipts ^(a)	\$ —	\$ 3,671
Assets not yet transferred to AstraZeneca	176	—
Services not yet performed for AstraZeneca	226	—

(a) Included in liabilities related to assets held-for-sale at December 31, 2013.

Gilead

BMS and Gilead Sciences, Inc. (Gilead) have joint ventures in the U.S. (for the U.S. and Canada) and in Europe to develop and commercialize *Atripla** (efavirenz 600 mg/ emtricitabine 200 mg/ tenofovir disoproxil fumarate 300 mg), combining *Sustiva*, a product of BMS, and *Truvada** (emtricitabine and tenofovir disoproxil fumarate), a product of Gilead. The joint ventures are consolidated by Gilead.

Both parties actively participate in a joint executive committee and various other operating committees with direct oversight over the activities of the joint ventures. The joint ventures purchase *Sustiva* and *Truvada** API in bulk form from the parties and complete the finishing of *Atripla**. The joint ventures or Gilead sell and distribute *Atripla** and are the principal in third-party customer sales. The parties no longer coordinate joint promotional activities.

Alliance and other revenue recognized for *Atripla** include only the bulk efavirenz component of *Atripla** which is based on the relative ratio of the average respective net selling prices of *Truvada** and *Sustiva*. Alliance and other revenue is deferred and the related alliance receivable is not recognized until the combined product is sold to third-party customers.

In Europe, following the 2013 loss of exclusivity of *Sustiva* and effective January 1, 2014, the percentage of *Atripla** net sales in Europe recognized by BMS is equal to the difference between the average net selling prices of *Atripla** and *Truvada**. This alliance will continue in Europe until either party terminates the arrangement or the last patent expiration occurs for *Atripla**, *Truvada**, or *Sustiva*.

In the U.S., the agreement may be terminated by Gilead upon the launch of a generic version of *Sustiva* or by BMS upon the launch of a generic version of *Truvada**. In the event Gilead terminates the agreement upon the loss of exclusivity for *Sustiva*, BMS will receive a quarterly royalty payment for 36 months following termination. Such payment in the first 12 months following termination is equal to 55% of *Atripla** net sales multiplied by the ratio of the difference in the average net selling prices of *Atripla** and *Truvada** to the *Atripla** average net selling price. In the second and third years following termination, the payment to BMS is reduced to 35% and 15%, respectively, of *Atripla** net sales multiplied by the price ratio described above. BMS will continue to supply *Sustiva* at cost plus a markup to the joint ventures during this three-year period, unless either party elects to terminate the supply arrangement.

Summarized financial information related to this alliance was as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Revenues from Gilead alliances:			
Alliance and other revenues	\$ 1,255	\$ 1,366	\$ 1,267
Equity in net loss of affiliates	\$ 39	\$ 17	\$ 18
Selected Alliance Balance Sheet information:			
Dollars in Millions	December 31,		
	2014	2013	
Deferred income	\$ 316	\$ 468	

Lilly

BMS has an Epidermal Growth Factor Receptor (EGFR) commercialization agreement with Eli Lilly and Company (Lilly) through Lilly's subsidiary ImClone for the co-development and co-promotion of *Erbbitux** in the U.S., Canada and Japan. Under the EGFR agreement, both parties actively participate in a joint executive committee and various other operating committees and share responsibilities for research and development using resources in their own infrastructures. With respect to *Erbbitux**, Lilly manufactures bulk requirements for cetuximab in its own facilities and filling and finishing is performed by a third party for which BMS has oversight responsibility. BMS is responsible for promotional efforts in North America although Lilly has the right to co-promote at their own expense. BMS also has co-development and co-promotion rights in Canada and Japan. BMS is the principal in third-party customer sales in North America and pays Lilly a distribution fee for 39% of *Erbbitux** net sales in North America plus a share of certain royalties paid by Lilly. The agreement expires as to *Erbbitux** in North America in September 2018.

BMS shared rights to *Erbbitux** in Japan under an agreement with Lilly and Merck KGaA and received 50% of the pre-tax profit from Merck KGaA's net sales of *Erbbitux** in Japan which was further shared equally with Lilly. In December 2014, BMS agreed to transfer its co-commercialization rights in Japan to Merck KGaA in May 2015 in exchange for future royalties through 2032 which will be included in other income when earned.

In March 2013, BMS and Lilly terminated its arrangement for necitumumab (IMC-11F8), with all rights returning to Lilly. Discovered by ImClone, necitumumab is a fully human monoclonal antibody that was part of the alliance between BMS and Lilly.

License acquisition costs of \$500 million associated with the *Erbix** alliance agreement are amortized through 2018.

Summarized financial information related to this alliance was as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Revenues from Lilly alliance:			
Net product sales	\$ 691	\$ 696	\$ 702
Alliance and other revenues	32	—	—
Total revenues	<u>\$ 723</u>	<u>\$ 696</u>	<u>\$ 702</u>
Payments to/(from) Lilly:			
Cost of products sold:			
Distribution fees and royalties	\$ 287	\$ 289	\$ 291
Amortization of intangible asset	37	37	38
Cost of product supply	69	65	81
Cost reimbursements to/(from) Lilly	—	(13)	23
Other (income)/expense – Japan commercialization fee	—	(30)	(37)

Selected Alliance Balance Sheet information

Dollars in Millions	December 31,	
	2014	2013
Other intangible assets – Non-refundable upfront, milestone and other licensing payments	\$ 137	\$ 174

BMS acquired Amylin Pharmaceuticals, Inc. (Amylin) in August 2012 (see “—Note 4. Acquisitions” for further information). Amylin previously entered into a settlement and termination agreement with Lilly regarding their alliance for the global development and commercialization of *Byetta** and *Bydureon** (exenatide products) under which the parties agreed to transition full responsibility of these products to Amylin. The transition of the U.S. operations was completed prior to the acquisition. The transition of non-U.S. operations in a majority of markets was completed in April 2013 terminating Lilly's non-U.S. exclusive right. Promissory notes assumed in the acquisition of Amylin aggregating \$1.4 billion were repaid to Lilly during 2012.

Sanofi

In September 2012, BMS and Sanofi restructured the terms of the co-development and co-commercialization agreements for *Plavix** and *Avapro** / *Avalide**. Effective January 1, 2013, Sanofi assumed essentially all of the worldwide operations of the alliance with the exception of *Plavix** in the U.S. and Puerto Rico. The alliance for *Plavix** in these markets continues unchanged through December 2019 under the same terms as the original alliance arrangements described below. In exchange for the rights transferred to Sanofi, BMS receives quarterly royalties from January 1, 2013 until December 31, 2018 and a terminal payment from Sanofi of \$200 million at the end of 2018.

Beginning in 2013, all royalties received from Sanofi in the territory covering the Americas and Australia, opt-out markets, and former development royalties are presented in alliance and other revenues and were \$223 million in 2014 and \$220 million in 2013. Development and opt-out royalty income of \$143 million in 2012 was included in other (income)/expense. Development royalty expense due Sanofi was \$2 million in 2014 and 2013 presented in cost of products sold and \$67 million in 2012 presented in other (income)/expense. Royalties attributed to the territory covering Europe and Asia continue to be earned by the territory partnership and are included in equity in net income of affiliates. Equity in net income of affiliates in 2013 included \$22 million of profit that was deferred prior to the restructuring of the agreement. Alliance and other revenues attributed to the supply of irbesartan API to Sanofi were \$90 million in 2014, \$116 million in 2013 and \$117 million in 2012. The supply arrangement for irbesartan expires in 2015.

Prior to the restructuring, BMS's worldwide alliance with Sanofi for the co-development and co-commercialization of *Avapro** / *Avalide** and *Plavix** operated under the framework of two geographic territories: one in the Americas (principally the U.S., Canada, Puerto Rico and Latin American countries) and Australia, and the other in Europe and Asia. These two territory partnerships managed central expenses, such as marketing, research and development and royalties, and supply of finished product to individual countries. BMS acted as the operating partner and owned a 50.1% majority controlling interest in the territory covering the Americas and Australia and consolidated all country partnership results for this territory with Sanofi's 49.9% share of the results reflected as a noncontrolling interest. BMS also recognized net product sales in comarketing countries outside this territory (e.g. Italy for irbesartan only, Germany, Greece and Spain).

Sanofi acted as the operating partner and owned a 50.1% majority controlling interest in the territory covering Europe and Asia and BMS has a 49.9% ownership interest in this territory.

Summarized financial information related to this alliance was as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Revenues from Sanofi alliances:			
Net product sales	\$ 102	\$ 153	\$ 2,930
Alliance and other revenues	317	336	120
Total Revenues	<u>\$ 419</u>	<u>\$ 489</u>	<u>\$ 3,050</u>
Payments to/(from) Sanofi:			
Cost of product supply	\$ 2	\$ 4	\$ 81
Cost of products sold – Royalties	4	4	530
Equity in net income of affiliates	(146)	(183)	(201)
Other (income)/expense	—	(18)	(171)
Noncontrolling interest – pre-tax	38	36	844
Selected Alliance Cash Flow information:			
Distributions (to)/from Sanofi - Noncontrolling interest	(49)	43	(742)
Distributions from Sanofi - Investment in affiliates	153	149	229

Selected Alliance Balance Sheet information:

Dollars in Millions	December 31,	
	2014	2013
Investment in affiliates – territory covering Europe and Asia ^(a)	\$ 32	\$ 43
Noncontrolling interest	38	49

(a) Included in alliance receivables.

The following is summarized financial information for interests in the partnerships with Sanofi for the territory covering Europe and Asia, which are not consolidated but are accounted for using the equity method:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Net sales	\$ 360	\$ 395	\$ 1,077
Gross profit	297	319	453
Net income	<u>\$ 292</u>	<u>\$ 313</u>	<u>\$ 394</u>

Cost of products sold for the territory covering Europe and Asia includes discovery royalties of \$32 million in 2014 , \$38 million in 2013 and \$133 million in 2012 , which are paid directly to Sanofi. All other expenses are shared based on the applicable ownership percentages. Current assets and current liabilities include approximately \$94 million in 2014 , \$108 million in 2013 and \$293 million in 2012 related to receivables/payables attributed to cash distributions to BMS and Sanofi as well as intercompany balances between partnerships within the territory.

Pfizer

BMS and Pfizer Inc. (Pfizer) maintain a worldwide co-development and co-commercialization agreement for *Eliquis* , an anticoagulant discovered by BMS. Pfizer funds between 50% and 60% of all development costs depending on the study. The companies share profits and losses equally on a global basis. In certain countries, Pfizer commercializes *Eliquis* and pays BMS compensation based on a percentage of net sales.

Upon entering into the agreement, co-exclusive license rights for the product were granted to Pfizer in exchange for an upfront payment and potential milestone payments. Both parties assumed certain obligations to actively participate in the alliance and actively participate in a joint executive committee and various other operating committees and have joint responsibilities for the research, development, distribution, sales and marketing activities of the alliance using resources in their own infrastructures. BMS manufactures the product in the alliance and is the principal

in the end-customer product sales in most countries.

We determined that the rights transferred to Pfizer did not have standalone value as such rights were not sold separately by BMS or any other party, nor could Pfizer receive any benefit for the delivered rights without the fulfillment of other ongoing obligations by BMS under the alliance agreement, including the exclusive supply arrangement. As such, the global alliance was treated as a single unit of accounting and upfront proceeds and any subsequent contingent milestone proceeds are amortized over the life of the related product.

BMS received \$864 million in non-refundable upfront, milestone and other licensing payments related to *Eliquis* to date. Amortization of the *Eliquis* deferred income is included in other income as *Eliquis* was not a commercial product at the commencement of the alliance.

Summarized financial information related to this alliance was as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Revenues from Pfizer alliance:			
Net product sales	\$ 771	\$ 144	\$ 2
Alliance and other revenues	3	2	—
Total Revenues	\$ 774	\$ 146	\$ 2
Payments to/(from) Pfizer:			
Cost of products sold – Profit sharing	\$ 363	\$ 69	\$ 1
Cost reimbursements to/(from) Pfizer	26	4	(11)
Other (income)/expense – Amortization of deferred income	(50)	(41)	(37)
Selected Alliance Cash Flow information:			
Deferred income	100	205	20
Selected Alliance Balance Sheet information:			
Dollars in Millions	December 31,		
	2014	2013	
Deferred income	\$ 611	\$ 581	

Reckitt Benckiser Group

In May 2013, BMS and Reckitt Benckiser Group plc (Reckitt) entered into a three -year alliance for several over-the-counter-products sold primarily in Mexico and Brazil. Net sales of these products were approximately \$100 million in 2012. Reckitt received the right to sell, distribute and market the products through May 2016 and will have certain responsibilities related to regulatory matters in the covered territory. BMS receives royalties on net sales of the products and exclusively supplies certain of the products to Reckitt at cost plus a markup. Certain limited assets, including the market authorizations and certain employees directly attributed to the business, were transferred to Reckitt at the start of the alliance period. BMS retained ownership of all other assets related to the business including the trademarks covering the products.

BMS also granted Reckitt an option to acquire the trademarks, inventory and certain other assets exclusively related to the products at the end of the alliance period at a price determined based on a multiple of sales (plus the cost of any remaining inventory held by BMS at the time). In April 2014, the alliance was modified to provide an option to Reckitt to purchase a BMS manufacturing facility located in Mexico primarily dedicated to the products included in the alliance. The options can only be exercised together. Substantially all employees at the facility are expected to be transferred to Reckitt if the option is exercised. If the option is not exercised, all assets previously transferred to Reckitt will revert back to BMS. The option may be exercised by Reckitt between May and November 2015, in which case closing would be expected to occur in May 2016.

Non-refundable upfront proceeds of \$485 million received by BMS were allocated to two units of accounting, including the rights transferred to Reckitt and the fair value of the option to purchase the remaining assets using the best estimate of the selling price for these elements after considering various market factors. These market factors included an analysis of any estimated excess of the fair value of the business over the potential purchase price if the option is exercised. The fair value of the option was determined using Level 3 inputs and included in other liabilities. A \$15 million charge was included in other expenses to increase the fair value of the option to \$129 million in 2014 . The amount allocated to the rights transferred to Reckitt is amortized as alliance and other revenue over the contractual term.

Summarized financial information related to this alliance was as follows:

Dollars in Millions	Year Ended December 31,	
	2014	2013
Revenues from Reckitt alliance:		
Alliance and other revenues	\$ 170	\$ 116
Selected Alliance Cash Flow Information:		
Deferred income	\$ —	\$ 376
Other changes in operating assets and liabilities	20	109
Selected Alliance Balance Sheet information:		
Dollars in Millions	December 31,	
	2014	2013
Deferred income	\$ 155	\$ 290

The Medicines Company

In February 2013, BMS and The Medicines Company entered into a two -year alliance for *Recothrom* , a recombinant thrombin for use as a topical hemostat to control non-arterial bleeding during surgical procedures (previously acquired by BMS in connection with its acquisition of ZymoGenetics, Inc. in 2010). Net product sales of *Recothrom* were \$67 million in 2012. The Medicines Company received the right to sell, distribute and market *Recothrom* on a global basis for two years, and will have certain responsibilities related to regulatory matters in the covered territory. BMS exclusively supplies *Recothrom* to The Medicines Company at cost plus a markup and receives royalties on net sales of *Recothrom* . Certain employees directly attributed to the business and certain assets were transferred to The Medicines Company at the start of the alliance period, including the Biologics License Application and related regulatory assets. BMS retained all other assets related to *Recothrom* including the patents, trademarks and inventory.

BMS also granted The Medicines Company an option to acquire the patents, trademarks, inventory and certain other assets exclusively related to *Recothrom* at a price determined based on a multiple of sales (plus the cost of any remaining inventory held by BMS at that time). The Medicines Company exercised the option and acquired the business for \$132 million in February 2015. See "—Note 5 . Assets Held-For-Sale" for further information.

Non-refundable upfront proceeds of \$115 million received by BMS were allocated to two units of accounting, including the rights transferred to The Medicines Company and the fair value of the option to purchase the remaining assets using the best estimate of the selling price for these elements after considering various market factors. These market factors included an analysis of any estimated excess of the fair value of the business over the potential purchase price if the option is exercised. The fair value of the option was \$35 million at December 31, 2014 and was determined using Level 3 inputs and included in accrued expenses. The amount allocated to the rights transferred to The Medicines Company is amortized as alliance and other revenue over the contractual term.

Summarized financial information related to this alliance was as follows:

Dollars in Millions	Year Ended December 31,	
	2014	2013
Revenues from The Medicines Company alliance:		
Alliance and other revenues	\$ 66	\$ 74
Selected Alliance Cash Flow Information:		
Deferred income	\$ —	\$ 80
Other changes in operating assets and liabilities	—	35
Selected Alliance Balance Sheet information:		
Dollars in Millions	December 31,	
	2014	2013
Deferred income	\$ 3	\$ 44

Valeant

In October 2012, BMS and PharmaSwiss SA, a wholly-owned subsidiary of Valeant Pharmaceuticals International Inc. (Valeant) entered into an alliance for certain mature brand products in Europe. Valeant received the right to sell, distribute, and market the products in Europe through December 31, 2014 and will have certain responsibilities related to regulatory matters in the covered territory. BMS exclusively supplies the products to Valeant at cost plus a markup.

BMS also granted Valeant an option to acquire the trademarks and intellectual property exclusively related to the products at a price determined based on a multiple of sales. Valeant exercised the option and acquired the business for \$61 million in January 2015.

Non-refundable upfront proceeds of \$79 million received by BMS were allocated to two units of accounting, including the rights transferred to Valeant and the fair value of the option to purchase the remaining assets using the best estimate of the selling price for these elements after considering various market factors. These market factors included an analysis of any estimated excess of the fair value of the business over the potential purchase price if the option is exercised. The fair value of the option was determined using Level 3 inputs and included in accrued expenses. A \$16 million charge was included in other expenses to increase the fair value of the option to \$34 million in 2014. The amount allocated to the rights transferred to Valeant is amortized as alliance and other revenue over the contractual term.

Summarized financial information related to this alliance was as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Revenues from Valeant alliance:			
Net product sales	\$ —	\$ 4	\$ 5
Alliance and other revenues	44	49	5
Total Revenues	\$ 44	\$ 53	\$ 10
Selected Alliance Cash Flow Information:			
Deferred income	\$ —	\$ —	\$ 61
Other changes in operating assets and liabilities	16	—	18
Selected Alliance Balance Sheet information:			
Dollars in Millions	December 31,		
	2014	2013	
Deferred income	\$ —	\$ 26	

Ono

BMS and Ono Pharmaceutical Co., Ltd (Ono) have an alliance agreement to develop and commercialize *Opdivo*, an anti-PD-1 human monoclonal antibody being investigated as an anti-cancer treatment. BMS has the exclusive right to develop, manufacture and commercialize *Opdivo* in all territories worldwide except Japan, South Korea and Taiwan (where Ono was responsible for all development and commercialization prior to the amendment discussed below). Ono is entitled to receive royalties following regulatory approvals in all territories excluding the three countries listed above. The royalty rates are 4% in North America and 15% in all other applicable territories.

The alliance agreement was amended in July 2014 to provide for additional collaboration activities in Japan, South Korea and Taiwan pertaining to *Opdivo* and several other BMS compounds including ipilimumab, lirilumab, urelumab and BMS-986016 (anti-LAG3). Both parties have the right and obligation to jointly develop and commercialize the compounds. BMS is responsible for supply of the product. Profits, losses and development costs are shared equally for all combination therapies involving compounds of both parties. Otherwise, sharing is 80% and 20% for activities involving only one of the party's compounds.

BMS and Ono also co-develop and co-commercialize *Orencia* in Japan. BMS is responsible for the order fulfillment and distribution of the intravenous formulation and Ono is responsible for the subcutaneous formulation. Both formulations are jointly promoted by both parties with assigned customer accounts and BMS is responsible for the product supply. A co-promotion fee of 60% is paid to the other party when a sale is made to that party's assigned customer.

Summarized financial information related to this alliance was as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Revenues from Ono alliances:			
Net product sales	\$ 113	\$ 41	\$ —
Alliance and other revenues	28	4	—
Total Revenues	\$ 141	\$ 45	\$ —
Payments to/(from) Ono:			
Cost of products sold:			
Co-Promotion Fee	\$ 20	\$ 11	\$ —
Cost reimbursements to/(from) Ono recognized in:			
Research and development	(15)	(12)	(11)

F-Star

In October 2014, BMS entered into an agreement with F-Star Alpha Ltd. (F-Star). The agreement provides BMS with an exclusive option to purchase F-Star Alpha Ltd. and its Phase 1 ready lead asset FS102, a targeted therapy in development for the treatment of breast and gastric cancer among a well-defined population of HER2-positive patients.

BMS paid \$50 million to F-Star and its shareholders in 2014 for the option fee and certain licensing rights (included in research and development expenses) and is responsible for conducting and funding the development of FS102. The option is exercisable at BMS's discretion and expires upon the earlier of 60 days following obtaining proof of concept or June 2018. An additional \$100 million will be payable upon the exercise of the option plus an additional aggregate consideration of \$325 million for contingent development and regulatory approval milestone payments in the U.S. and Europe. BMS is not obligated to provide any additional financial support to F-Star.

F-Star was determined not to be a business as defined in ASC 805 - Business Combinations. As a result, contingent consideration was not included in the purchase price and no goodwill was recognized. However, F-Star is a variable interest entity as its equity holders lack the characteristics of a controlling financial interest. BMS was determined to be the primary beneficiary because of both its power to direct the activities most significantly and directly impacting the economic performance of the entity and its option rights described above. Upon consolidation, noncontrolling interest was credited by \$59 million to reflect the fair value of the FS102 IPRD asset (\$75 million) and deferred tax liabilities.

Note 4 . ACQUISITIONS

iPierian, Inc. Acquisition

In April 2014, BMS acquired all of the outstanding shares of iPierian, Inc. (iPierian), a biotechnology company focused on new treatments for tauopathies, a class of neurodegenerative diseases. The acquisition provides BMS with full rights to IPN007, a preclinical monoclonal antibody to treat progressive supranuclear palsy and other tauopathies. The consideration includes an upfront payment of \$175 million , contingent development and regulatory milestone payments up to \$550 million and future royalties on net sales if any of the acquired preclinical assets are approved and commercialized. No significant iPierian processes were acquired, therefore the transaction was accounted for as an asset acquisition because iPierian was determined not to be a business. The upfront payment allocated to IPN007 was \$148 million and included in research and development expenses. The remaining \$27 million was allocated to deferred tax assets for net operating losses and tax credit carryforwards.

Amylin Pharmaceuticals, Inc. Acquisition

In August 2012, BMS acquired all of the outstanding shares of Amylin, a biopharmaceutical company focused on the discovery, development and commercialization of innovative medicines to treat diabetes and other metabolic diseases. Acquisition costs of \$29 million were included in other expenses.

BMS obtained full U.S. commercialization rights to Amylin's two primary commercialized assets, *Bydureon** , a once-weekly diabetes treatment and *Byetta** , a daily diabetes treatment, both of which are glucagon-like peptide-1 (GLP-1) receptor agonists approved in certain countries to improve glycemic control in adults with type 2 diabetes. BMS also obtained full commercialization rights to *Symmlin** , an amylinomimetic approved in the U.S. for adjunctive therapy to mealtime insulin to treat diabetes. Goodwill generated from this acquisition was primarily attributed to the expansion of our diabetes franchise.

IPRD was attributed to metreleptin, an analog of the human hormone leptin being studied and developed for the treatment of diabetes and/or hypertriglyceridemia in pediatric and adult patients with inherited or acquired lipodystrophy. The estimated useful life and the cash flows utilized to value metreleptin assumed initial positive cash flows to commence shortly after the expected receipt of regulatory approvals, subject to trial results.

See "—Note 3. Alliances—AstraZeneca" for a discussion of the sale of the Company's diabetes business, including Amylin, to AstraZeneca which comprised our global diabetes alliance with them.

Inhibitex, Inc. Acquisition

In February 2012, BMS acquired all of the outstanding shares of Inhibitex, Inc. (Inhibitex), a clinical-stage biopharmaceutical company focused on developing products to prevent and treat serious infectious diseases. Acquisition costs of \$12 million were included in other expense.

BMS obtained Inhibitex's lead asset, INX-189, an oral nucleotide polymerase (NS5B) inhibitor in Phase II development for the treatment of chronic hepatitis C virus infections. Goodwill generated from this acquisition was primarily attributed to the potential to offer a full portfolio of therapy choices for hepatitis virus infections as well as to provide additional levels of sustainability to BMS's virology pipeline.

IPRD was primarily attributed to INX-189. INX-189 was expected to be most effective when used in combination therapy and it was assumed all market participants would inherently maintain franchise synergies attributed to maximizing the cash flows of their existing virology pipeline assets. The cash flows utilized to value INX-189 included such synergies and also assumed initial positive cash flows to commence shortly after the expected receipt of regulatory approvals, subject to trial results.

In August 2012, the Company discontinued development of INX-189 in the interest of patient safety. As a result, the Company recognized a non-cash, pre-tax impairment charge of \$1.8 billion. For further information discussion of the impairment charge, see "—Note 14. Goodwill and Other Intangible Assets."

The total consideration transferred and the allocation of the acquisition date fair values of assets acquired and liabilities assumed in the Amylin and Inhibitex acquisitions were as follows:

Dollars in Millions

Identifiable net assets:	Amylin	Inhibitex
Cash	\$ 179	\$ 46
Marketable securities	108	17
Inventory	173	—
Property, plant and equipment	742	—
Developed technology rights	6,340	—
IPRD	120	1,875
Other assets	136	—
Debt obligations	(2,020)	(23)
Other liabilities	(339)	(10)
Deferred income taxes	(1,068)	(579)
Total identifiable net assets	<u>4,371</u>	<u>1,326</u>
Goodwill	847	1,213
Total consideration transferred	<u>\$ 5,218</u>	<u>\$ 2,539</u>

Cash paid for the acquisition of Amylin included payments of \$5.1 billion to its outstanding common stockholders and \$219 million to holders of its stock options and restricted stock units (including \$94 million attributed to accelerated vesting that was accounted for as stock compensation expense in 2012).

The results of operations and cash flows from acquired companies are included in the consolidated financial statements as of the acquisition date. Pro forma supplemental financial information is not provided as the impacts of the acquisitions were not material to operating results in the year of acquisition. Goodwill, IPRD and all intangible assets valued in these acquisitions are non-deductible for tax purposes.

Note 5 . ASSETS HELD-FOR-SALE

As discussed in "—Note 3 . Alliances", BMS sold its diabetes business to AstraZeneca in February 2014 which previously comprised the global alliance with them. The diabetes business was treated as a single disposal group held-for-sale as of December 31, 2013. No write-down was required as the fair value of the business less costs to sell exceeded the related carrying value. Assets held-for-sale at December 31, 2014 are related to alliances with The Medicines Company and Valeant. The allocation of goodwill was based on the relative fair value of the businesses divested to the Company's reporting unit.

The following table provides the assets and liabilities classified as held-for-sale:

Dollars in Millions	December 31, 2014	December 31, 2013
Assets		
Receivables	\$ —	\$ 83
Inventories	38	163
Deferred income taxes - current	—	125
Prepaid expenses and other	—	20
Property, plant and equipment	—	678
Goodwill	19	550
Other intangible assets	52	5,682
Other assets	—	119
Assets held-for-sale	\$ 109	\$ 7,420
Liabilities		
Short-term borrowings and current portion of long-term debt	\$ —	\$ 27
Accounts payable	—	30
Accrued expenses	—	148
Deferred income - current	—	352
Accrued rebates and returns	—	81
Deferred income - noncurrent	—	3,319
Deferred income taxes - noncurrent	—	946
Other liabilities	—	28
Liabilities related to assets held-for-sale	\$ —	\$ 4,931

Note 6 . OTHER (INCOME)/EXPENSE

Other (income)/expense includes:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Interest expense	\$ 203	\$ 199	\$ 182
Investment income	(101)	(104)	(106)
Provision for restructuring	163	226	174
Litigation charges/(recoveries)	23	20	(45)
Equity in net income of affiliates	(107)	(166)	(183)
Out-licensed intangible asset impairment	29	—	38
Gain on sale of product lines, businesses and assets	(564)	(2)	(53)
Other alliance and licensing income	(404)	(148)	(312)
Pension curtailments, settlements and special termination benefits	877	165	158
Other	91	15	67
Other (income)/expense	\$ 210	\$ 205	\$ (80)

Note 7 . RESTRUCTURING

The following is the provision for restructuring:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Employee termination benefits	\$ 157	\$ 211	\$ 145
Other exit costs	6	15	29
Provision for restructuring	\$ 163	\$ 226	\$ 174

Restructuring charges included employee termination benefits for manufacturing, selling, administrative, and research and development workforce reductions across all geographic regions of approximately 1,387 in 2014 , 1,450 in 2013 and 1,205 in 2012 . The restructuring actions were primarily related to specialty care transformation initiatives in 2014 designed to create a more simplified organization across all functions and geographic markets, and sales force reductions in several European countries in 2013 following the restructuring of the Sanofi and Otsuka alliance agreements. Subject to local regulations, costs are not recognized until completion of discussions with works councils. Additional costs of \$100 million are expected to be incurred for specialty care transformation initiatives in 2015.

The following table represents the activity of employee termination and other exit cost liabilities:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Liability at January 1	\$ 102	\$ 167	\$ 77
Charges	155	249	178
Change in estimates	8	(23)	(4)
Provision for restructuring	163	226	174
Foreign currency translation	(2)	4	(1)
Amylin acquisition	—	—	26
Liabilities related to assets held-for-sale	—	(67)	—
Spending	(107)	(228)	(109)
Liability at December 31	\$ 156	\$ 102	\$ 167

Note 8 . INCOME TAXES

The provision/(benefit) for income taxes consisted of:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Current:			
U.S.	\$ 334	\$ 375	\$ 627
Non-U.S.	560	427	442
Total Current	894	802	1,069
Deferred:			
U.S.	(403)	(390)	(1,164)
Non-U.S.	(139)	(101)	(66)
Total Deferred	(542)	(491)	(1,230)
Total Provision/(Benefit)	\$ 352	\$ 311	\$ (161)

Effective Tax Rate

The reconciliation of the effective tax/(benefit) rate to the U.S. statutory Federal income tax rate was:

Dollars in Millions	% of Earnings Before Income Taxes								
	2014		2013		2012				
Earnings/(Loss) before income taxes:									
U.S.	\$	(349)	\$	(135)	\$	(271)			
Non-U.S.		2,730		3,026		2,611			
Total	\$	2,381	\$	2,891	\$	2,340			
U.S. statutory rate		833	35.0 %	1,012	35.0 %	819	35.0 %		
Foreign tax effect of certain operations in Ireland, Puerto Rico and Switzerland		(509)	(21.4)%	(620)	(21.4)%	(688)	(29.4)%		
U.S. tax effect of capital losses		(361)	(15.2)%	—	—	(392)	(16.7)%		
U.S. Federal, state and foreign contingent tax matters		228	9.6 %	134	4.6 %	66	2.8 %		
U.S. Federal research based credits		(131)	(5.4)%	(220)	(7.6)%	(31)	(1.4)%		
Goodwill related to diabetes divestiture		210	8.8 %	—	—	—	—		
U.S. Branded Prescription Drug Fee		84	3.5 %	63	2.2 %	90	3.8 %		
R&D charge		52	2.2 %	—	—	—	—		
State and local taxes (net of valuation allowance)		20	0.8 %	25	0.9 %	20	0.9 %		
Foreign and other		(74)	(3.1)%	(83)	(2.9)%	(45)	(1.9)%		
	\$	352	14.8 %	\$	311	10.8 %	\$	(161)	(6.9)%

The effective tax rate is lower than the U.S. statutory rate of 35% primarily attributable to undistributed earnings of certain foreign subsidiaries that have been considered or are expected to be indefinitely reinvested offshore. U.S. taxes have not been provided on approximately \$24 billion of undistributed earnings of foreign subsidiaries as of December 31, 2014. These undistributed earnings primarily relate to operations in Ireland and Puerto Rico, which operate under favorable tax grants not scheduled to expire prior to 2023. If these undistributed earnings are repatriated to the U.S. in the future, or if it were determined that such earnings are to be remitted in the foreseeable future, additional tax provisions would be required. Due to complexities in the tax laws and assumptions that would have to be made, it is not practicable to estimate the amounts of income taxes that will have to be provided. Reforms to U.S. tax laws related to foreign earnings have been proposed and if adopted, may increase taxes, which could reduce the results of operations and cash flows.

The divestiture of the diabetes business resulted in a \$361 million capital loss tax benefit from the sale of Amylin shares in 2014. Additional reserves of \$123 million were established in 2014 for certain transfer pricing matters related to tax periods from 2008 through 2014. Goodwill allocated to the diabetes business divestiture, U.S. Branded Prescription Drug Fee and the research and development charge from the acquisition of iPierian in 2014 were not deductible for tax purposes. The retroactive reinstatement of the 2012 U.S. Federal research and development credit in 2013 resulted in additional tax credits of \$82 million in 2013. The tax insolvency of Inhibitex resulted in a \$392 million capital loss tax benefit in 2012. Orphan drug credits are included in the U.S. Federal research based credits for all periods presented.

Deferred Taxes and Valuation Allowance

The components of current and non-current deferred income tax assets/(liabilities) were as follows:

Dollars in Millions	December 31,	
	2014	2013
Deferred tax assets		
Foreign net operating loss carryforwards	\$ 3,473	\$ 3,892
Milestone payments and license fees	440	483
Deferred income	1,163	2,168
U.S. capital loss carryforwards	562	784
U.S. Federal net operating loss carryforwards	135	138
Pension and postretirement benefits	467	120
State net operating loss and credit carryforwards	337	377
Intercompany profit and other inventory items	531	495
U.S. Federal tax credit carryforwards	26	23
Other foreign deferred tax assets	202	187
Share-based compensation	95	107
Legal settlements	14	20
Repatriation of foreign earnings	94	49
Internal transfer of intellectual property	247	223
Other	311	357
Total deferred tax assets	8,097	9,423
Valuation allowance	(4,259)	(4,623)
Net deferred tax assets	3,838	4,800
Deferred tax liabilities		
Depreciation	(128)	(148)
Acquired intangible assets	(390)	(2,567)
Other	(832)	(780)
Total deferred tax liabilities	(1,350)	(3,495)
Deferred tax assets, net	\$ 2,488	\$ 1,305
Recognized as:		
Assets held-for-sale	\$ —	\$ 125
Deferred income taxes – current	1,644	1,701
Deferred income taxes – non-current	915	508
Income taxes payable – current	(11)	(10)
Liabilities related to assets held-for-sale	—	(946)
Income taxes payable – non-current	(60)	(73)
Total	\$ 2,488	\$ 1,305

The U.S. Federal net operating loss carryforwards were \$386 million at December 31, 2014 . These carryforwards were acquired as a result of certain acquisitions and are subject to limitations under Section 382 of the Internal Revenue Code. The net operating loss carryforwards expire in varying amounts beginning in 2022. The U.S. Federal tax credit carryforwards expire in varying amounts beginning in 2017. The realization of the U.S. Federal tax credit carryforwards is dependent on generating sufficient domestic-sourced taxable income prior to their expiration. The capital loss available of \$1,564 million can be carried back to 2009 and the carryforward amount expires in various amounts beginning in 2017. The foreign and state net operating loss carryforwards expire in varying amounts beginning in 2015 (certain amounts have unlimited lives).

At December 31, 2014 , a valuation allowance of \$4,259 million was established for the following items: \$3,457 million primarily for foreign net operating loss and tax credit carryforwards, \$354 million for state deferred tax assets including net operating loss and tax credit carryforwards, \$12 million for U.S. Federal net operating loss carryforwards and \$436 million for U.S. Federal and state capital losses.

Changes in the valuation allowance were as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Balance at beginning of year	\$ 4,623	\$ 4,404	\$ 3,920
Provision	140	252	494
Utilization	(109)	(68)	(145)
Foreign currency translation	(395)	40	39
Acquisitions	—	(5)	96
Balance at end of year	\$ 4,259	\$ 4,623	\$ 4,404

Income tax payments were \$544 million in 2014 , \$478 million in 2013 and \$676 million in 2012 . The current tax benefit realized as a result of stock related compensation credited to capital in excess of par value of stock was \$131 million in 2014 , \$129 million in 2013 and \$71 million in 2012 .

Business is conducted in various countries throughout the world and is subject to tax in numerous jurisdictions. A significant number of tax returns that are filed are subject to examination by various Federal, state and local tax authorities. Tax examinations are often complex, as tax authorities may disagree with the treatment of items reported requiring several years to resolve. Liabilities are established for possible assessments by tax authorities resulting from known tax exposures including, but not limited to, transfer pricing matters, tax credits and deductibility of certain expenses. Such liabilities represent a reasonable provision for taxes ultimately expected to be paid and may need to be adjusted over time as more information becomes known. The effect of changes in estimates related to contingent tax liabilities is included in the effective tax rate reconciliation above.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Balance at beginning of year	\$ 756	\$ 642	\$ 628
Gross additions to tax positions related to current year	106	74	46
Gross additions to tax positions related to prior years	218	108	66
Gross additions to tax positions assumed in acquisitions	—	—	31
Gross reductions to tax positions related to prior years	(57)	(87)	(57)
Settlements	(65)	26	(54)
Reductions to tax positions related to lapse of statute	(12)	(8)	(19)
Cumulative translation adjustment	(12)	1	1
Balance at end of year	\$ 934	\$ 756	\$ 642

Additional information regarding unrecognized tax benefits is as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Unrecognized tax benefits that if recognized would impact the effective tax rate	\$ 668	\$ 508	\$ 633
Accrued interest	96	83	59
Accrued penalties	17	34	32
Interest expense	27	24	14
Penalty expense/(benefit)	(7)	3	16

Accrued interest and penalties payable for unrecognized tax benefits are included in either current or non-current U.S. and foreign income taxes payable. Interest and penalties related to unrecognized tax benefits are included in income tax expense.

Effective January 2014, BMS adopted an update from the FASB that clarified existing guidance on the presentation of unrecognized tax benefits when various qualifying tax benefit carryforwards exist, including when the unrecognized tax benefit should be presented as a reduction to deferred tax assets or as a liability. Non-current deferred tax assets and income tax liabilities were reduced by \$236 million upon adoption.

BMS is currently under examination by a number of tax authorities, including but not limited to the major tax jurisdictions listed in the table below, which have proposed adjustments to tax for issues such as transfer pricing, certain tax credits and the deductibility of certain expenses. BMS estimates that it is reasonably possible that the total amount of unrecognized tax benefits at December 31, 2014 will decrease in the range of approximately \$310 million to \$370 million in the next twelve months as a result of the settlement of certain tax audits and other events. The expected change in unrecognized tax benefits, primarily settlement related, will involve the payment of additional taxes, the adjustment of certain deferred taxes and/or the recognition of tax benefits. It is reasonably possible that new issues will be raised by tax authorities that may increase unrecognized tax benefits; however, an estimate of such increases cannot reasonably be made at this time. BMS believes that it has adequately provided for all open tax years by tax jurisdiction.

The following is a summary of major tax jurisdictions for which tax authorities may assert additional taxes based upon tax years currently under audit and subsequent years that will likely be audited:

U.S.	2008 to 2014
Canada	2006 to 2014
France	2012 to 2014
Germany	2007 to 2014
Italy	2003 to 2014
Mexico	2009 to 2014

Note 9 . EARNINGS PER SHARE

Amounts in Millions, Except Per Share Data	Year Ended December 31,		
	2014	2013	2012
Net Earnings Attributable to BMS	\$ 2,004	\$ 2,563	\$ 1,960
Earnings attributable to unvested restricted shares	—	—	(1)
Net Earnings Attributable to BMS common shareholders	\$ 2,004	\$ 2,563	\$ 1,959
Earnings per share - basic	\$ 1.21	\$ 1.56	\$ 1.17
Weighted-average common shares outstanding - basic	1,657	1,644	1,670
Contingently convertible debt common stock equivalents	1	1	1
Incremental shares attributable to share-based compensation plans	12	17	17
Weighted-average common shares outstanding - diluted	1,670	1,662	1,688
Earnings per share - diluted	\$ 1.20	\$ 1.54	\$ 1.16
Anti-dilutive weighted-average equivalent shares - stock incentive plans	—	—	2

Note 10 . FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Financial instruments include cash and cash equivalents, marketable securities, accounts receivable and payable, debt instruments and derivatives.

Changes in exchange rates and interest rates create exposure to market risk. Certain derivative financial instruments are used when available on a cost-effective basis to hedge the underlying economic exposure. These instruments qualify as cash flow, net investment and fair value hedges upon meeting certain criteria, including effectiveness of offsetting hedged exposures. Changes in fair value of derivatives that do not qualify for hedge accounting are recognized in earnings as they occur. Derivative financial instruments are not used for trading purposes.

Financial instruments are subject to counterparty credit risk which is considered as part of the overall fair value measurement. Counterparty credit risk is monitored on an ongoing basis and mitigated by limiting amounts outstanding with any individual counterparty, utilizing conventional derivative financial instruments and only entering into agreements with counterparties that meet high credit quality standards. The consolidated financial statements would not be materially impacted if any counterparty failed to perform according to the terms of its agreement. Collateral is not required by any party whether derivatives are in an asset or liability position under the terms of the agreements.

Fair Value Measurements – The fair values of financial instruments are classified into one of the following categories:

Level 1 inputs utilize non-binding quoted prices (unadjusted) in active markets accessible at the measurement date for identical assets or liabilities. The fair value hierarchy provides the highest priority to Level 1 inputs.

Level 2 inputs utilize observable prices for similar instruments, non-binding quoted prices for identical or similar instruments in non-active markets, and other observable inputs corroborated by market data for substantially the full term of the assets or liabilities. These instruments include corporate debt securities, certificates of deposit, money market funds, foreign currency forward contracts, interest rate swap contracts, equity funds, fixed income funds and long-term debt. Additionally, certain corporate debt securities utilize a third-party matrix pricing model using significant inputs corroborated by market data for substantially the full term of the assets. Equity and fixed income funds are primarily invested in publicly traded securities valued at the respective net asset value of the underlying investments. There were no significant unfunded commitments or restrictions on redemptions related to equity and fixed income funds as of December 31, 2014 . Level 2 derivative instruments are valued using London Interbank Offered Rate (LIBOR) yield curves, less credit valuation adjustments, and observable forward foreign exchange rates at the reporting date. Valuations of derivative contracts may fluctuate considerably from volatility in underlying foreign currencies and underlying interest rates driven by market conditions and the duration of the contract. Credit adjustment volatility may have a significant impact on the valuation of interest rate swap contracts resulting from changes in counterparty credit ratings and credit default swap spreads.

Level 3 unobservable inputs are used when little or no market data is available. The fair value of written options to sell the assets of certain businesses (see “—Note 3 . Alliances” for further discussion) is based on an option pricing methodology that considers revenue and profitability projections, volatility, discount rates, and potential exercise price assumptions. The fair value of contingent consideration related to an acquisition was estimated utilizing a model that considered the probability of achieving each milestone and discount rates.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below:

Dollars in Millions	December 31, 2014				December 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents - Money market and other securities	\$ —	\$5,051	\$ —	\$ 5,051	\$ —	\$3,201	\$ —	\$ 3,201
Marketable securities								
Certificates of deposit	—	896	—	896	—	122	—	122
Corporate debt securities	—	5,259	—	5,259	—	4,432	—	4,432
Equity funds	—	94	—	94	—	74	—	74
Fixed income funds	—	11	—	11	—	46	—	46
Auction Rate Securities (ARS)	—	—	12	12	—	—	12	12
Derivative assets:								
Interest rate swap contracts	—	46	—	46	—	64	—	64
Foreign currency forward contracts	—	118	—	118	—	50	—	50
Equity investments	36	—	—	36	—	—	—	—
Derivative liabilities:								
Interest rate swap contracts	—	(3)	—	(3)	—	(27)	—	(27)
Foreign currency forward contracts	—	—	—	—	—	(35)	—	(35)
Written option liabilities	—	—	(198)	(198)	—	—	(162)	(162)
Contingent consideration liability	—	—	(8)	(8)	—	—	(8)	(8)

The following table summarizes the activity the financial assets utilizing Level 3 fair value measurements:

Dollars in Millions	2014			2013		
	ARS	Written option liabilities	Contingent consideration liability	ARS and FRS ^(a)	Written option liabilities	Contingent consideration liability
Fair value at January 1	\$ 12	\$ (162)	\$ (8)	\$ 31	\$ (18)	\$ (8)
Additions from new alliances	—	—	—	—	(144)	—
Unrealized gains	—	—	—	1	—	—
Sales	—	—	—	(20)	—	—
Changes in fair value	—	(36)	—	—	—	—
Fair value at December 31	\$ 12	\$ (198)	\$ (8)	\$ 12	\$ (162)	\$ (8)

(a) Floating Rate Securities

Available-for-sale Securities

The following table summarizes available-for-sale securities:

Dollars in Millions	Amortized Cost	Gross Unrealized Gain in Accumulated OCI	Gross Unrealized Loss in Accumulated OCI	Fair Value
December 31, 2014				
Certificates of deposit	\$ 896	\$ —	\$ —	\$ 896
Corporate debt securities	5,237	30	(8)	5,259
ARS	9	3	—	12
Equity investments	14	22	—	36
Total	\$ 6,156	\$ 55	\$ (8)	\$ 6,203
December 31, 2013				
Certificates of deposit	\$ 122	\$ —	\$ —	\$ 122
Corporate debt securities	4,401	44	(13)	4,432
ARS	9	3	—	12
Total				

\$ 4,532 \$ 47 \$ (13) \$ 4,566

Available-for-sale securities included in current marketable securities were \$1,759 million at December 31, 2014 and \$819 million at December 31, 2013 . Non-current available-for-sale corporate debt securities mature within five years at December 31, 2014 , except for ARS. Equity investments of \$36 million were included in other assets at December 31, 2014 .

Fair Value Option for Financial Assets

Investments in equity and fixed income funds offsetting changes in fair value of certain employee retirement benefits were included in current marketable securities. Investment income resulting from changes in fair value was not significant.

Qualifying Hedges

The following summarizes the fair value of outstanding derivatives:

Dollars in Millions	Balance Sheet Location	December 31, 2014		December 31, 2013	
		Notional	Fair Value	Notional	Fair Value
<i>Derivatives designated as hedging instruments:</i>					
Interest rate swap contracts	Other assets	\$ 847	\$ 46	\$ 673	\$ 64
Interest rate swap contracts	Other liabilities	1,050	(3)	1,950	(27)
Foreign currency forward contracts	Prepaid expenses and other	1,323	106	301	44
Foreign currency forward contracts	Other assets	100	12	100	6
Foreign currency forward contracts	Accrued expenses	—	—	704	(31)
Foreign currency forward contracts	Other liabilities	—	—	263	(4)

Cash Flow Hedges — Foreign currency forward contracts are primarily utilized to hedge forecasted intercompany inventory purchase transactions in certain foreign currencies. The contracts are designated as cash flow hedges with the effective portion of changes in fair value reported in accumulated OCI and recognized in earnings when the hedged item affects earnings. The net gains are expected to be reclassified to cost of products sold within the next two years. The notional amount of outstanding foreign currency forward contracts was primarily attributed to the euro (\$536 million) and Japanese yen (\$636 million) at December 31, 2014 . The fair value of a foreign currency forward contract attributed to the Japanese yen (notional amount of \$330 million) not designated as a cash flow hedge was \$7 million and was included in prepaid expenses and other at December 31, 2014.

Cash flow hedge accounting is discontinued when the forecasted transaction is no longer probable of occurring within 60 days after the originally forecasted date or when the hedge is no longer effective. Assessments to determine whether derivatives designated as qualifying hedges are highly effective in offsetting changes in the cash flows of hedged items are performed at inception and on a quarterly basis. The earnings impact related to discontinued cash flow hedges and hedge ineffectiveness was not significant during all periods presented.

Net Investment Hedges — Non-U.S. dollar borrowings of €541 million (\$662 million) are designated to hedge the foreign currency exposures of the net investment in certain foreign affiliates. These borrowings are designated as net investment hedges and recognized in long term debt. The effective portion of foreign exchange gains or losses on the remeasurement of the debt is recognized in the foreign currency translation component of accumulated OCI with the related offset in long term debt.

Fair Value Hedges — Fixed-to-floating interest rate swap contracts are designated as fair value hedges used as an interest rate risk management strategy to create an appropriate balance of fixed and floating rate debt. The contracts and underlying debt for the hedged benchmark risk are recorded at fair value. The effective interest rate for the contracts is one-month LIBOR (0.17% as of December 31, 2014) plus an interest rate spread ranging from (0.8)% to 2.9% . When the underlying swap is terminated prior to maturity, the fair value basis adjustment to the underlying debt instrument is amortized as a reduction to interest expense over the remaining life of the debt.

The notional amount of fixed-to-floating interest rate swap contracts executed was \$200 million in 2014 and \$2.1 billion in 2013. The notional amount of fixed-to-floating interest rate swap contracts terminated was \$426 million in 2014, generating proceeds of \$119 million (including accrued interest of \$10 million). Additional contracts were terminated in connection with debt redemptions in 2014 and 2012.

Debt Obligations

Short-term borrowings were \$590 million and \$359 million at December 31, 2014 and 2013, respectively, consisting primarily of bank overdrafts.

Long-term debt and the current portion of long-term debt includes:

Dollars in Millions	December 31,	
	2014	2013
Principal Value:		
4.375% Euro Notes due 2016	\$ 611	\$ 684
0.875% Notes due 2017	750	750
5.450% Notes due 2018	—	582
1.750% Notes due 2019	500	500
4.625% Euro Notes due 2021	611	684
2.000% Notes due 2022	750	750
7.150% Debentures due 2023	304	304
3.250% Notes due 2023	500	500
6.800% Debentures due 2026	330	330
5.875% Notes due 2036	625	625
6.125% Notes due 2038	480	480
3.250% Notes due 2042	500	500
4.500% Notes due 2044	500	500
6.880% Debentures due 2097	260	260
0% - 5.75% Other - maturing 2016 - 2030	83	144
Subtotal	6,804	7,593
Adjustments to Principal Value:		
Fair value of interest rate swap contracts	43	37
Unamortized basis adjustment from swap terminations	454	442
Unamortized bond discounts	(59)	(64)
Total	\$ 7,242	\$ 8,008
Current portion of long-term debt ^(a)	\$ —	\$ 27
Long-term debt	7,242	7,981

(a) Included in liabilities related to assets held-for-sale at December 31, 2013.

The fair value of long-term debt was \$8,045 million and \$8,487 million at December 31, 2014 and 2013, respectively, and was estimated based upon the quoted market prices for the same or similar debt instruments. The fair value of short-term borrowings approximates the carrying value due to the short maturities of the debt instruments.

Floating Rate Convertible Senior Debentures of \$18 million due 2023 are redeemable by the holders at par on September 15, 2018 or if a fundamental change in ownership occurs and are callable at par at any time by BMS. The Debentures have a current conversion price of \$39.58, equal to a conversion rate of 25.2623 shares for each \$1,000 principal amount, subject to certain anti-dilutive adjustments.

Senior unsecured notes issued in registered public offerings were \$1.5 billion in 2013 and \$2.0 billion in 2012. Interest on the notes will be paid semi-annually. The notes rank equally in right of payment with all of BMS's existing and future senior unsecured indebtedness and are redeemable by BMS in whole or in part, at any time at a predetermined redemption price.

The 5.25% Notes with a principal amount of \$597 million matured and was repaid in 2013. Substantially all of the \$2.0 billion debt obligations assumed in the acquisition of Amylin were repaid in 2012, including a promissory note with Lilly with respect to a revenue sharing obligation and Amylin senior notes due 2014.

There were no debt redemptions in 2013. Debt redemption activity for 2014 and 2012, including repayment of the Amylin debt obligations, was as follows:

Dollars in Millions	2014	2012
Principal amount	\$ 582	\$ 2,052
Carrying value	633	2,081
Redemption price	676	2,108

Notional amount of interest rate swap contracts terminated	500	6
Swap termination proceeds/(payments)	(4)	2
Total loss	45	27

Interest payments were \$238 million in 2014 , \$268 million in 2013 and \$241 million in 2012 net of amounts received from interest rate swap contracts.

Two separate \$1.5 billion five-year revolving credit facilities are maintained from a syndicate of lenders. The facilities provide for customary terms and conditions with no financial covenants and are extendable on any anniversary date with the consent of the lenders. No borrowings were outstanding under either revolving credit facility at December 31, 2014 or 2013 .

Financial guarantees provided in the form of stand-by letters of credit and performance bonds were \$725 million at December 31, 2014 . Stand-by letters of credit are issued through financial institutions in support of guarantees for various obligations. Performance bonds are issued to support a range of ongoing operating activities, including sale of products to hospitals and foreign ministries of health, bonds for customs, duties and value added tax and guarantees related to miscellaneous legal actions. A significant majority of the outstanding financial guarantees will expire within the year and are not expected to be funded.

Note 11 . RECEIVABLES

Dollars in Millions	December 31,	
	2014	2013
Trade receivables	\$ 2,193	\$ 1,779
Less allowances	(93)	(89)
Net trade receivables	2,100	1,690
Alliance partners receivables	888	1,122
Prepaid and refundable income taxes	178	262
Miscellaneous receivables	224	286
Receivables	\$ 3,390	\$ 3,360

Non-U.S. receivables sold on a nonrecourse basis were \$812 million in 2014 , \$1,031 million in 2013 , and \$956 million in 2012 . In the aggregate, receivables from three pharmaceutical wholesalers in the U.S. represented 36% and 40% of total trade receivables at December 31, 2014 and 2013 , respectively.

Changes to the allowances for bad debt, charge-backs and cash discounts were as follows:

Dollars in Millions	Year Ended December 31,		
	2014	2013	2012
Balance at beginning of year	\$ 89	\$ 104	\$ 147
Provision	773	720	832
Utilization	(769)	(731)	(875)
Assets held-for-sale	—	(4)	—
Balance at end of year	\$ 93	\$ 89	\$ 104

Note 12 . INVENTORIES

Dollars in Millions	December 31,	
	2014	2013
Finished goods	\$ 500	\$ 491
Work in process	856	757
Raw and packaging materials	204	250
Inventories	\$ 1,560	\$ 1,498

Inventories expected to remain on-hand beyond one year were \$232 million at December 31, 2014 and \$351 million at December 31, 2013 and included in other assets.

Note 13 . PROPERTY, PLANT AND EQUIPMENT

Dollars in Millions	December 31,	
	2014	2013
Land	\$ 109	\$ 109
Buildings	4,830	4,748
Machinery, equipment and fixtures	3,774	3,699
Construction in progress	353	287
Gross property, plant and equipment	9,066	8,843
Less accumulated depreciation	(4,649)	(4,264)
Property, plant and equipment	\$ 4,417	\$ 4,579

Property, plant and equipment related to the Mount Vernon, Indiana manufacturing facility was approximately \$235 million as of December 31, 2014 . The facility is expected to be sold in 2015. It was not included in assets held-for-sale for both periods because the assets were not available for immediate sale in their present condition. See "—Note 3 . Alliances" for further discussion on the sale of the diabetes business. Depreciation expense was \$543 million in 2014 , \$453 million in 2013 and \$382 million in 2012 .

Note 14 . GOODWILL AND OTHER INTANGIBLE ASSETS

Dollars in Millions	Estimated Useful Lives	December 31,	
		2014	2013
Goodwill		7,027	7,096
Other intangible assets:			
Licenses	5 – 15 years	1,090	1,162
Developed technology rights	9 – 15 years	2,358	2,486
Capitalized software	3 – 10 years	1,254	1,240
In-process research and development (IPRD)		280	548
Gross other intangible assets		4,982	5,436
Less accumulated amortization		(3,229)	(3,118)
Total other intangible assets		1,753	2,318

Goodwill of \$600 million was allocated to the sale of the diabetes business in 2014, including \$550 million presented in assets held-for-sale at December 31, 2013. See "—Note 5 . Assets Held-For-Sale" for further discussion. Amortization expense was \$286 million in 2014 , \$858 million in 2013 and \$607 million in 2012 . Future annual amortization expense of other intangible assets is expected to be approximately \$220 million in 2015, \$210 million in 2016, \$200 million in 2017, \$150 million in 2018, \$110 million in 2019 and \$583 million thereafter. Other intangible asset impairment charges were \$380 million in 2014, none in 2013 and \$2.1 billion in 2012.

A \$310 million IPRD impairment charge was recognized in 2014 for peginterferon lambda which was in Phase III development for treatment of hepatitis C virus (HCV). The full write-off was required after assessing the potential commercial viability of the asset and estimating its fair value. The assessment considered the lower likelihood of filing for registration in certain markets after completing revised projections of revenues and expenses. A significant decline from prior projected revenues resulted from the global introduction of oral non-interferon products being used to treat patients with HCV and no other alternative uses for the product.

BMS announced the discontinued development of BMS-986094 (formerly known as INX-189), a nucleotide polymerase (NS5B) inhibitor that was in Phase II development for the treatment of HCV in August 2012. The decision was made in the interest of patient safety, based on a rapid, thorough and ongoing assessment of patients in a Phase II study that was voluntarily suspended on August 2012. BMS acquired BMS-986094 with its acquisition of Inhibitex in February 2012. As a result of the termination of this development program, a \$1.8 billion pre-tax impairment charge was recognized in 2012. An impairment charge of \$120 million was also recognized in 2012 related to continued competitive pricing pressures and a partial write-down to fair value of developed technology rights related to a previously acquired non-key product.

Note 15 . ACCRUED EXPENSES

Dollars in Millions	December 31,	
	2014	2013
Employee compensation and benefits	\$ 892	\$ 735
Royalties	213	173
Accrued research and development	445	380
Restructuring - current	128	73
Pension and postretirement benefits	47	47
Accrued litigation	43	65
Other	691	679
Total accrued expenses	\$ 2,459	\$ 2,152

Note 16 . SALES REBATES AND RETURN ACCRUALS

Reductions to trade receivables and accrued rebates and returns liabilities are as follows:

Dollars in Millions	December 31,	
	2014	2013
Charge-backs related to government programs	\$ 41	\$ 37
Cash discounts	15	12
Reductions to trade receivables	\$ 56	\$ 49
Managed healthcare rebates and other contract discounts	\$ 148	\$ 147
Medicaid rebates	193	227
Sales returns	232	279
Other adjustments	278	236
Accrued rebates and returns	\$ 851	\$ 889

Note 17 . DEFERRED INCOME

Dollars in Millions	December 31,	
	2014	2013
Alliances (Note 3)	\$ 1,493	\$ 1,418
Gain on sale-leaseback transactions	45	71
Other	399	36
Total deferred income	\$ 1,937	\$ 1,525
Current portion	\$ 1,167	\$ 756
Non-current portion	770	769

Alliances include unamortized amounts for upfront, milestone and other licensing proceeds, revenue deferrals attributed to the Gilead alliance and undelivered elements from the diabetes business divestiture. Upfront, milestone and other licensing proceeds are amortized over the shorter of the contractual rights period or the expected life of the product. Deferred gains on sale-leaseback transactions are amortized over the remaining lease terms of the related facilities through 2018. Other deferrals include approximately \$300 million invoiced for a product under an early access program in the EU. A portion of this amount will be recognized as revenue, subject to final price negotiations with the local government. Amortization of deferred income was \$362 million in 2014 , \$548 million in 2013 and \$308 million in 2012 .

Deferred income of \$3,671 million was included in liabilities related to assets held-for-sale at December 31, 2013. See“—Note 5 . Assets Held-For-Sale” for further discussion.

Note 18 . EQUITY

Dollars and Shares in Millions	Common Stock		Capital in Excess of Par Value of Stock	Retained Earnings	Treasury Stock		Noncontrolling Interest
	Shares	Par Value			Shares	Cost	
Balance at January 1, 2012	2,205	\$ 220	\$ 3,114	\$ 33,069	515	\$ (17,402)	\$ (89)
Net earnings	—	—	—	1,960	—	—	850
Cash dividends declared	—	—	—	(2,296)	—	—	—
Stock repurchase program	—	—	—	—	73	(2,407)	—
Employee stock compensation plans	3	1	(420)	—	(18)	986	—
Other comprehensive income attributable to noncontrolling interest	—	—	—	—	—	—	(6)
Distributions	—	—	—	—	—	—	(740)
Balance at December 31, 2012	2,208	221	2,694	32,733	570	(18,823)	15
Net earnings	—	—	—	2,563	—	—	38
Cash dividends declared	—	—	—	(2,344)	—	—	—
Stock repurchase program	—	—	—	—	11	(413)	—
Employee stock compensation plans	—	—	(772)	—	(22)	1,436	—
Distributions	—	—	—	—	—	—	29
Balance at December 31, 2013	2,208	221	1,922	32,952	559	(17,800)	82
Net earnings	—	—	—	2,004	—	—	39
Cash dividends declared	—	—	—	(2,415)	—	—	—
Employee stock compensation plans	—	—	(393)	—	(11)	755	—
Debt conversion	—	—	(22)	—	(1)	53	—
Variable interest entity	—	—	—	—	—	—	59
Distributions	—	—	—	—	—	—	(49)
Balance at December 31, 2014	2,208	\$ 221	\$ 1,507	\$ 32,541	547	\$ (16,992)	\$ 131

Treasury stock is recognized at the cost to reacquire the shares. Shares issued from treasury are recognized utilizing the first-in first-out method.

Noncontrolling interest is primarily related to the *Plavix** and *Avapro* / Avalide** partnerships with Sanofi for the territory covering the Americas. Net earnings attributable to noncontrolling interest are presented net of taxes of \$22 million in 2014, \$20 million in 2013 and \$317 million in 2012 with a corresponding increase to the provision for income taxes. Distribution of the partnership profits to Sanofi and Sanofi's funding of ongoing partnership operations occur on a routine basis. The above activity includes the pre-tax income and distributions related to these partnerships.

The components of other comprehensive income/(loss) were as follows:

Dollars in Millions	Pretax	Tax	After Tax
2012			
Derivatives qualifying as cash flow hedges: ^(a)			
Unrealized gains	\$ 26	\$ (17)	\$ 9
Reclassified to net earnings	(56)	20	(36)
Derivatives qualifying as cash flow hedges	(30)	3	(27)
Pension and other postretirement benefits:			
Actuarial losses	(432)	121	(311)
Amortization ^(b)	133	(43)	90
Settlements and curtailments ^(c)	159	(56)	103
Pension and other postretirement benefits	(140)	22	(118)
Available-for-sale securities:			
Unrealized gains	20	(8)	12
Realized gains ^(d)	(11)	2	(9)
Available-for-sale securities	9	(6)	3
Foreign currency translation	(15)	—	(15)
	<u>\$ (176)</u>	<u>\$ 19</u>	<u>\$ (157)</u>
2013			
Derivatives qualifying as cash flow hedges: ^(a)			
Unrealized gains	\$ 58	\$ (17)	\$ 41
Reclassified to net earnings	(56)	22	(34)
Derivatives qualifying as cash flow hedges	2	5	7
Pension and other postretirement benefits:			
Actuarial gains	1,475	(504)	971
Amortization ^(b)	129	(43)	86
Settlements ^(c)	165	(56)	109
Pension and other postretirement benefits	1,769	(603)	1,166
Available-for-sale securities:			
Unrealized losses	(35)	3	(32)
Realized gains ^(d)	(8)	3	(5)
Available-for-sale securities	(43)	6	(37)
Foreign currency translation	(75)	—	(75)
	<u>\$ 1,653</u>	<u>\$ (592)</u>	<u>\$ 1,061</u>
2014			
Derivatives qualifying as cash flow hedges: ^(a)			
Unrealized gains	\$ 139	\$ (45)	\$ 94
Reclassified to net earnings	(41)	16	(25)
Derivatives qualifying as cash flow hedges	98	(29)	69
Pension and other postretirement benefits:			
Actuarial losses	(1,414)	464	(950)
Amortization ^(b)	104	(37)	67
Settlements and curtailments ^(c)	867	(308)	559
Pension and other postretirement benefits	(443)	119	(324)
Available-for-sale securities:			
Unrealized gains	10	(6)	4
Realized gains ^(d)	(1)	—	(1)
Available-for-sale securities	9	(6)	3
Foreign currency translation	(8)	(24)	(32)
	<u>\$ (344)</u>	<u>\$ 60</u>	<u>\$ (284)</u>

- (a) Reclassifications to net earnings of derivatives qualifying as effective hedges are recognized in costs of products sold.
- (b) Actuarial gains/(losses) and prior service cost/(credits) are amortized into cost of products sold, research and development, and marketing, selling and administrative expenses.
- (c) Pension settlements and curtailments are recognized in other (income)/expense.
- (d) Realized gains on available-for-sale securities are recognized in other (income)/expense.

The accumulated balances related to each component of other comprehensive income/(loss), net of taxes, were as follows:

Dollars in Millions	December 31,	
	2014	2013
Derivatives qualifying as cash flow hedges	\$ 85	\$ 16
Pension and other postretirement benefits	(2,181)	(1,857)
Available-for-sale securities	31	28
Foreign currency translation	(360)	(328)
Accumulated other comprehensive loss	\$ (2,425)	\$ (2,141)

Note 19 . PENSION, POSTRETIREMENT AND POSTEMPLOYMENT LIABILITIES

BMS sponsors defined benefit pension plans, defined contribution plans and termination indemnity plans for regular full-time employees. The principal defined benefit pension plan is the Bristol-Myers Squibb Retirement Income Plan, covering most U.S. employees and representing approximately 65% of the consolidated pension plan assets and 61% of the obligations. BMS contributes at least the minimum amount required by the Employee Retirement Income Security Act of 1974 (ERISA). Plan benefits are based primarily on the participant's years of credited service and final average compensation. Plan assets consist principally of equity and fixed-income securities.

Comprehensive medical and group life benefits are provided for substantially all U.S. retirees electing to participate in comprehensive medical and group life plans. The medical plan is contributory. Contributions are adjusted periodically and vary by date of retirement. The life insurance plan is noncontributory. Plan assets consist principally of equity and fixed-income securities.

The net periodic benefit cost/(credit) of defined benefit pension and postretirement benefit plans includes:

Dollars in Millions	Pension Benefits			Other Benefits		
	2014	2013	2012	2014	2013	2012
Service cost — benefits earned during the year	\$ 34	\$ 38	\$ 32	\$ 4	\$ 8	\$ 8
Interest cost on projected benefit obligation	305	302	319	14	13	22
Expected return on plan assets	(508)	(519)	(508)	(27)	(26)	(25)
Amortization of prior service credits	(3)	(4)	(3)	(1)	(2)	(2)
Amortization of net actuarial (gain)/loss	110	134	129	(2)	1	10
Curtailments	1	—	(1)	(4)	—	—
Settlements	866	165	160	—	—	—
Special termination benefits	14	—	—	—	—	—
Net periodic benefit cost/(credit)	\$ 819	\$ 116	\$ 128	\$ (16)	\$ (6)	\$ 13

In September 2014, BMS and Fiduciary Counselors Inc., as an independent fiduciary of the Bristol-Myers Squibb Company Retirement Income Plan, entered into a definitive agreement to transfer certain U.S. pension assets to The Prudential Insurance Company of America (Prudential) to settle approximately \$1.5 billion of pension obligations. BMS purchased a group annuity contract from Prudential in December 2014, who irrevocably assumed the obligation to make future annuity payments to certain BMS retirees. The transaction will not change the amount of the monthly pension benefit received by affected retirees and surviving beneficiaries and resulted in a pre-tax settlement charge of \$713 million . Pension settlement charges were also recognized after determining the annual lump sum payments will exceed the annual interest and service costs for certain pension plans, including the primary U.S. pension plan in 2014 , 2013 and 2012 .

Changes in defined benefit and postretirement benefit plan obligations, assets, funded status and amounts recognized in the consolidated balance sheets were as follows:

Dollars in Millions	Pension Benefits		Other Benefits	
	2014	2013	2014	2013
Benefit obligations at beginning of year	\$ 7,233	\$ 8,200	\$ 404	\$ 460
Service cost—benefits earned during the year	34	38	4	8
Interest cost	305	302	14	13
Plan participants' contributions	2	2	22	23
Curtailments	(27)	—	(3)	—
Settlements	(1,774)	(350)	—	—
Plan amendments	(2)	(1)	(7)	—
Actuarial (gains)/losses	1,673	(761)	28	(43)
Retiree Drug Subsidy	—	—	6	6
Benefits paid	(216)	(206)	(62)	(63)
Exchange rate (gains)/losses	(160)	9	(4)	—
Benefit obligations at end of year	<u>\$ 7,068</u>	<u>\$ 7,233</u>	<u>\$ 402</u>	<u>\$ 404</u>
Fair value of plan assets at beginning of year	\$ 7,406	\$ 6,542	\$ 347	\$ 311
Actual return on plan assets	750	1,154	36	61
Employer contributions	124	251	8	9
Plan participants' contributions	2	2	22	23
Settlements	(1,774)	(350)	—	—
Retiree Drug Subsidy	—	—	6	6
Benefits paid	(216)	(206)	(62)	(63)
Exchange rate gains/(losses)	(144)	13	—	—
Fair value of plan assets at end of year	<u>\$ 6,148</u>	<u>\$ 7,406</u>	<u>\$ 357</u>	<u>\$ 347</u>
Funded status	<u>\$ (920)</u>	<u>\$ 173</u>	<u>\$ (45)</u>	<u>\$ (57)</u>
Assets/(Liabilities) recognized:				
Other assets	\$ 40	\$ 731	\$ 91	\$ 87
Accrued expenses	(36)	(35)	(11)	(12)
Pension and other postretirement liabilities	(924)	(523)	(125)	(132)
Funded status	<u>\$ (920)</u>	<u>\$ 173</u>	<u>\$ (45)</u>	<u>\$ (57)</u>
Recognized in accumulated other comprehensive loss:				
Net actuarial (gains)/losses	\$ 3,304	\$ 2,878	\$ (24)	\$ (44)
Prior service credit	(40)	(41)	(9)	(4)
Total	<u>\$ 3,264</u>	<u>\$ 2,837</u>	<u>\$ (33)</u>	<u>\$ (48)</u>

The accumulated benefit obligation for all defined benefit pension plans was \$7,001 million and \$7,125 million at December 31, 2014 and 2013, respectively.

Additional information related to pension plans was as follows:

Dollars in Millions

	<u>2014</u>	<u>2013</u>
Pension plans with projected benefit obligations in excess of plan assets:		
Projected benefit obligation	\$ 5,877	\$ 1,291
Fair value of plan assets	4,917	732
Pension plans with accumulated benefit obligations in excess of plan assets :		
Accumulated benefit obligation	\$ 5,731	\$ 1,101
Fair value of plan assets	4,823	608

Actuarial Assumptions

Weighted-average assumptions used to determine benefit obligations at December 31 were as follows:

	Pension Benefits		Other Benefits	
	2014	2013	2014	2013
Discount rate	3.6%	4.4%	3.4%	3.8%
Rate of compensation increase	0.8%	2.3%	2.0%	2.1%

Weighted-average actuarial assumptions used to determine net periodic benefit (credit)/cost for the years ended December 31 were as follows:

	Pension Benefits			Other Benefits		
	2014	2013	2012	2014	2013	2012
Discount rate	4.2%	4.1%	4.4%	3.7%	3.0%	4.1%
Expected long-term return on plan assets	7.6%	8.0%	8.2%	8.3%	8.8%	8.8%
Rate of compensation increase	2.3%	2.3%	2.3%	2.1%	2.1%	2.0%

The yield on high quality corporate bonds matching the duration of the benefit obligations is used in determining the discount rate. The Citigroup Pension Discount curve is used in developing the discount rate for the U.S. plans.

The expected return on plan assets was determined using the expected rate of return and a calculated value of assets, referred to as the “market-related value”. The fair value of plan assets exceeded the market-related value by \$300 million at December 31, 2014 . Differences between assumed and actual returns are amortized to the market-related value on a straight-line basis over a three-year period. Several factors are considered in developing the expected return on plan assets, including long-term historical returns and input from external advisors. Individual asset class return forecasts were developed based upon market conditions, for example, price-earnings levels and yields and long-term growth expectations. The expected long-term rate of return is the weighted-average of the target asset allocation of each individual asset class. Historical long-term actual annualized returns for U.S. pension plans were as follows:

	2014	2013	2012
10 years	7.9%	8.0%	8.5%
15 years	6.4%	6.8%	6.5%
20 years	9.3%	8.8%	8.5%

Actuarial gains and losses resulted from changes in actuarial assumptions (such as changes in the discount rate and revised mortality rates) and from differences between assumed and actual experience (such as differences between actual and expected return on plan assets). Gains and losses are amortized over the life expectancy of the plan participants for U.S. plans (37 years in 2015) and expected remaining service periods for most other plans to the extent they exceed 10% of the higher of the market-related value or the projected benefit obligation for each respective plan. The amortization of net actuarial loss and prior service credit is expected to be approximately \$93 million in 2015. The periodic benefit cost or credit is included in cost of products sold, research and development, and marketing, selling and administrative expenses, except for curtailments, settlements and other special termination benefits which are included other expenses.

Assumed healthcare cost trend rates at December 31 were as follows:

	2014	2013	2012
Healthcare cost trend rate assumed for next year	6.0%	6.4%	6.8%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.5%	4.5%	4.5%
Year that the rate reaches the ultimate trend rate	2018	2019	2018

Assumed healthcare cost trend rates have an effect on the amounts reported for the healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would not have a material impact on the service and interest cost or post retirement benefit obligation.

Plan Assets

The fair value of pension and postretirement plan assets by asset category at December 31, 2014 and 2013 was as follows:

Dollars in Millions	December 31, 2014				December 31, 2013			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity Securities	\$ 1,115	\$ —	\$ —	\$ 1,115	\$ 1,804	\$ —	\$ —	\$ 1,804
Equity Funds	446	1,113	—	1,559	534	1,679	—	2,213
Fixed Income Funds	340	777	—	1,117	238	657	—	895
Corporate Debt Securities	—	1,481	—	1,481	—	1,410	—	1,410
Venture Capital and Limited Partnerships	—	—	327	327	—	—	369	369
Government Mortgage Backed Securities	—	7	—	7	—	1	—	1
U.S. Treasury and Agency Securities	—	557	—	557	—	514	—	514
Short-Term Investment Funds	—	63	—	63	—	122	—	122
Insurance Contracts	—	—	119	119	—	—	142	142
Event Driven Hedge Funds	—	71	—	71	—	122	—	122
State and Municipal Bonds	—	9	—	9	—	24	—	24
Real Estate	4	—	—	4	4	—	—	4
Cash and Cash Equivalents	76	—	—	76	133	—	—	133
Total plan assets at fair value	\$ 1,981	\$ 4,078	\$ 446	\$ 6,505	\$ 2,713	\$ 4,529	\$ 511	\$ 7,753

The investment valuation policies per investment class are as follows:

Level 1 inputs utilize quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs. These instruments include equity securities, equity funds, real estate funds and fixed income funds publicly traded on a national securities exchange, and cash and cash equivalents. Cash and cash equivalents are highly liquid investments with original maturities of three months or less at the time of purchase and are recognized at cost, which approximates fair value. Pending trade sales and purchases are included in cash and cash equivalents until final settlement.

Level 2 inputs include observable prices for similar instruments, quoted prices for identical or similar instruments in markets that are not active, and other observable inputs that can be corroborated by market data for substantially the full term of the assets or liabilities. Equity funds, fixed income funds, event driven hedge funds and short-term investment funds classified as Level 2 within the fair value hierarchy are valued at the net asset value of their shares held at year end. There were no significant unfunded commitments or restrictions on redemptions related to investments valued at NAV as of December 31, 2014. Corporate debt securities, government mortgage backed securities, U.S. treasury and agency securities, and state and municipal bonds classified as Level 2 within the fair value hierarchy are valued utilizing observable prices for similar instruments and quoted prices for identical or similar instruments in markets that are not active.

Level 3 unobservable inputs are used when little or no market data is available. Venture capital and limited partnerships classified as Level 3 within the fair value hierarchy invest in underlying securities whose market values are determined using pricing models, discounted cash flow methodologies, or similar techniques. Some of the most significant unobservable inputs used in the valuation methodologies include discount rates, Earning Before Interest, Taxes, Depreciation and Amortization (EBITDA) multiples, and revenue multiples. Significant changes in any of these inputs could result in significantly lower or higher fair value measurements. Insurance contract interests are carried at contract value, which approximates the estimated fair value and is based on the fair value of the underlying investment of the insurance company. Insurance contracts are held by certain foreign pension plans.

The following summarizes the activity for financial assets utilizing Level 3 fair value measurements:

Dollars in Millions	Venture Capital and Limited Partnerships	Insurance Contracts	Other	Total
Fair value at January 1, 2013	\$ 381	\$ 132	\$ 23	\$ 536
Purchases, sales and settlements, net	(91)	(4)	(23)	(118)
Realized gains/(losses)	48	5	—	53
Unrealized gains/(losses)	31	9	—	40
Fair value at December 31, 2013	369	142	—	511
Purchases, sales and settlements, net	(88)	(15)	—	(103)
Realized gains/(losses)	61	(15)	—	46
Unrealized gains/(losses)	(15)	7	—	(8)
Fair value at December 31, 2014				

\$	327	\$	119	\$	—	\$	446
----	-----	----	-----	----	---	----	-----

The investment strategy emphasizes equities in order to achieve higher expected returns and lower expenses and required cash contributions over the long-term. A target asset allocation of 43% public equity (16% U.S. and 16% international and 11% global), 7% private equity and 50% long-duration fixed income is maintained for the U.S. pension plans. Investments are diversified within each of the three major asset categories. Approximately 98% of the U.S. pension plans equity investments are actively managed. Venture capital and limited partnerships are typically valued on a three month lag using latest available information. BMS common stock represents less than 1% of the plan assets at December 31, 2014 and 2013 .

Contributions and Estimated Future Benefit Payments

Contributions to pension plans were \$124 million in 2014 , \$251 million in 2013 and \$396 million in 2012 and are expected to be approximately \$100 million in 2015 . Estimated annual future benefit payments (including lump sum payments) range from \$300 million to \$400 million in each of the next five years, and aggregate \$1.7 billion in the subsequent five year period.

Savings Plans

The principal defined contribution plan is the Bristol-Myers Squibb Savings and Investment Program. The contribution is based on employee contributions and the level of Company match. The expense attributed to defined contribution plans in the U.S. were \$190 million in 2014 , 2013 and 2012 .

Note 20 . EMPLOYEE STOCK BENEFIT PLANS

On May 1, 2012, the shareholders approved the 2012 Stock Award and Incentive Plan (the 2012 Plan), which replaced the 2007 Stock Incentive Plan. Shares of common stock reserved for issuance pursuant to stock plans, options and conversions of preferred stock were 250 million at December 31, 2014 . Shares available to be granted for the active plans were 112 million at December 31, 2014 . Shares are issued from treasury stock. Shares tendered in a prior year to pay the purchase price of options and shares previously utilized to satisfy withholding tax obligations upon exercise continue to be available and reserved.

Executive officers and key employees may be granted options to purchase common stock at no less than the market price on the date the option is granted. Options generally become exercisable ratably over four years and have a maximum term of ten years. The plan provides for the granting of stock appreciation rights whereby the grantee may surrender exercisable rights and receive common stock and/or cash measured by the excess of the market price of the common stock over the option exercise price. The Company has not granted any stock options or stock appreciation rights since 2009.

Common stock or stock units may be granted to key employees, subject to restrictions as to continuous employment. Generally, vesting occurs ratably over a four year period from grant date. Compensation expense is recognized over the vesting period. A stock unit is a right to receive stock at the end of the specified vesting period but has no voting rights.

Market share units are granted to executives. Vesting is conditioned upon continuous employment until the vesting date and payout factor is at least 60% of the share price on the award date. The payout factor is the share price on vesting date divided by share price on award date, with a maximum of 200% . The share price used in the payout factor is calculated using an average of the closing prices on the grant or vest date, and the nine trading days immediately preceding the grant or vest date. Vesting occurs ratably over four years.

Performance share units are granted to executives and have a three year cycle and are granted as a target number of units subject to adjustment based on company performance. Shares ultimately issued for awards granted prior to 2014 are calculated based on actual performance compared to earnings targets and other performance criteria established at the beginning of each year of the three year performance cycle. Shares ultimately issued for awards granted in 2014 are based on the actual performance compared to earnings target and other performance criteria established for 2014 and a subsequent adjustment for the Company's three-year total shareholder return relative to a peer group of companies. Vesting occurs on the third anniversary of the grant date.

Stock-based compensation expense for awards ultimately expected to vest is recognized over the vesting period. The acceleration of unvested stock options and restricted stock units in connection with the acquisition of Amylin resulted in stock-based compensation expense in 2012. Forfeitures are estimated based on historical experience at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. Other information related to stock-based compensation benefits are as follows:

Dollars in Millions	Years Ended December 31,		
	2014	2013	2012
Stock options	\$ —	\$ 2	\$ 7
Restricted stock units	75	74	64
Market share units	34	29	23
Performance share units	104	86	60
Amylin stock options and restricted stock units (see Note 4)	—	—	94
Total stock-based compensation expense	\$ 213	\$ 191	\$ 248
Income tax benefit	\$ 71	\$ 64	\$ 82

Shares in Thousands	Stock Options		Restricted Stock Units		Market Share Units		Performance share units	
	Number of Options Outstanding	Weighted-Average Exercise Price of Shares	Number of Nonvested Awards	Weighted-Average Grant-Date Fair Value	Number of Nonvested Awards	Weighted-Average Grant-Date Fair Value	Number of Nonvested Awards	Weighted-Average Grant-Date Fair Value
Balance at January 1, 2014	23,123	\$ 22.88	6,552	\$ 32.81	1,832	\$ 33.82	4,292	\$ 33.75
Granted	—	—	1,903	52.22	886	55.44	2,288	55.17
Released/Exercised	(6,635)	23.68	(2,474)	27.51	(1,674)	29.32	(2,743)	32.80
Adjustments for actual payout	—	—	—	—	1,212	27.40	(120)	33.08
Forfeited/Canceled	(911)	27.25	(734)	23.75	(295)	40.34	(298)	53.68
Balance at December 31, 2014	15,577	22.29	5,247	43.61	1,961	42.47	3,419	47.12
Vested or expected to vest	15,577	22.29	4,847	43.61	1,812	42.47	3,159	47.12

Dollars in Millions	Restricted Stock Units	Market Share Units	Performance Share Units
Unrecognized compensation cost	\$ 152	\$ 36	\$ 88
Expected weighted-average period in years of compensation cost to be recognized	2.6	2.6	1.7

Amounts in Millions, except per share data	2014	2013	2012
Weighted-average grant date fair value (per share):			
Restricted stock units	\$ 52.22	\$ 38.73	\$ 32.71
Market share units	55.44	37.40	31.85
Performance share units	55.17	37.40	32.33
Fair value of options or awards that vested during the year:			
Stock options	\$ —	\$ 11	\$ 23
Restricted stock units	68	74	74
Market share units	49	30	18
Performance share units	90	90	56
Total intrinsic value of stock options exercised during the year	\$ 199	\$ 323	\$ 153

The fair value of awards approximates the closing trading price of BMS's common stock on the grant date. The fair value of market share units also considers the payout formula and probability of satisfying market conditions.

The following table summarizes significant ranges of outstanding and exercisable options at December 31, 2014 (amounts in millions, except per share data):

Range of Exercise Prices	Options Outstanding and Exercisable			
	Number Outstanding and Exercisable (in thousands)	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price Per Share	Aggregate Intrinsic Value
\$1 - \$20	4,886	4.17	\$ 17.53	\$ 203
\$20 - \$30	10,691	1.97	24.46	369
	15,577	2.66	\$ 22.29	\$ 572

The aggregate intrinsic value in the preceding table represents the total pre-tax intrinsic value, based on the closing stock price of \$59.03 on December 31, 2014 .

Note 21 . LEASES

Annual minimum rental commitments for non-cancelable operating leases (primarily real estate and motor vehicles) are approximately \$100 million in each of the next five years and an aggregate \$100 million thereafter. Operating lease expenses were \$137 million in 2014 , \$144 million in 2013 and \$142 million in 2012 . Sublease income was not material for all periods presented.

Note 22 . LEGAL PROCEEDINGS AND CONTINGENCIES

The Company and certain of its subsidiaries are involved in various lawsuits, claims, government investigations and other legal proceedings that arise in the ordinary course of business. The Company recognizes accruals for such contingencies when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. These matters involve patent infringement, antitrust, securities, pricing, sales and marketing practices, environmental, commercial, health and safety matters, consumer fraud, employment matters, product liability and insurance coverage. Legal proceedings that are material or that the Company believes could become material are described below.

Although the Company believes it has substantial defenses in these matters, there can be no assurance that there will not be an increase in the scope of pending matters or that any future lawsuits, claims, government investigations or other legal proceedings will not be material. Unless otherwise noted, the Company is unable to assess the outcome of the respective litigation nor is it able to provide an estimated range of potential loss. Furthermore, failure to enforce our patent rights would likely result in substantial decreases in the respective product revenues from generic competition.

INTELLECTUAL PROPERTY

Baraclude

In August 2010, Teva filed an aNDA to manufacture and market generic versions of *Baraclude* . The Company received a Paragraph IV certification letter from Teva challenging the one Orange Book-listed patent for *Baraclude* , U.S. Patent No. 5,206,244 (the '244 Patent), covering the entecavir molecule. In September 2010, the Company filed a patent infringement lawsuit in the U.S. District Court for the District of Delaware (Delaware District Court) against Teva for infringement. In February 2013, the Delaware District Court ruled against the Company and invalidated the '244 Patent. The Company has appealed the Delaware District Court's decision and in June 2014 the U.S. Court of Appeals for the Federal Circuit (Federal Court of Appeals) denied the Company's appeal. In July 2014, the Company filed a petition for an *en banc* rehearing by the entire Federal Court of Appeals which was denied in October 2014. In January 2015, the Company filed a petition for a *writ of certiorari* with the U.S. Supreme Court requesting that the court hear an appeal of the Federal Court of Appeals decision. In September 2014, Teva received final approval from the FDA for its generic version of entecavir and launched its product in the U.S. We have experienced a rapid and significant negative impact on U.S. net product sales of *Baraclude* beginning in the fourth quarter of 2014. U.S. net product sales of *Baraclude* were \$215 million in 2014.

Baraclude — South Korea

In 2013, Daewoong Pharmaceutical Co. Ltd. and Hanmi Pharmaceuticals Co., Ltd. initiated separate invalidity actions in the Korean Intellectual Property Office against Korean Patent No. 160,523 (the '523 patent). The '523 patent expires in October 2015 and is the Korean equivalent of the '244 Patent, the U.S. composition of matter patent. In January 2015, the Korean Intellectual Property Tribunal ruled that the '523 patent is valid. There still remains a risk that generic companies will continue to challenge the validity of the '523 patent and/or launch generic versions of *Baraclude* prior to October 2015. Net product sales of *Baraclude* in South Korea were \$158 million in 2014.

Plavix* — Australia

As previously disclosed, Sanofi was notified that, in August 2007, GenRx Proprietary Limited (GenRx) obtained regulatory approval of an application for clopidogrel bisulfate 75mg tablets in Australia. GenRx, formerly a subsidiary of Apotex Inc. (Apotex), has since changed its name to Apotex. In August 2007, Apotex filed an application in the Federal Court of Australia (the Federal Court) seeking revocation of Sanofi's Australian Patent No. 597784 (Case No. NSD 1639 of 2007). Sanofi filed counterclaims of infringement and sought an injunction. On September 21, 2007, the Federal Court granted Sanofi's injunction. A subsidiary of the Company was subsequently added as a party to the proceedings. In February 2008, a second company, Spirit Pharmaceuticals Pty. Ltd., also filed a revocation suit against the same patent. This case was consolidated with the Apotex case and a trial occurred in April 2008. On August 12, 2008, the Federal Court of Australia held that claims of Patent No. 597784 covering clopidogrel bisulfate, hydrochloride, hydrobromide, and taurocholate salts were valid. The Federal Court also held that the process claims, pharmaceutical composition claims, and claim directed to clopidogrel and its pharmaceutically acceptable salts were invalid. The Company and Sanofi filed notices of appeal in the Full Court of the Federal Court of Australia (Full Court) appealing the holding of invalidity of the claim covering clopidogrel and its pharmaceutically acceptable salts, process claims, and pharmaceutical composition claims which have stayed the Federal Court's ruling. Apotex filed a notice of appeal appealing the holding of validity of the clopidogrel bisulfate, hydrochloride, hydrobromide, and taurocholate claims. A hearing on the appeals occurred in February 2009. On September 29, 2009, the Full Court held all of the claims of Patent No. 597784 invalid. In November 2009, the Company and Sanofi applied to the High Court of Australia (High Court) for special leave to appeal the judgment of the Full Court. In March 2010, the High Court denied the Company and Sanofi's request to hear the appeal of the Full Court decision. The case has been remanded to the Federal Court for further proceedings related to damages sought by Apotex. The Australian government has intervened in this matter and is also seeking damages for alleged losses experienced during the period when the injunction was in place. The Company and Apotex have settled the Apotex case and the case has been dismissed. The Australian government's claim is still pending. It is not possible at this time to predict the outcome of the Australian government's claim or its impact on the Company.

Plavix* — Canada (Apotex, Inc.)

On April 22, 2009, Apotex filed an impeachment action against Sanofi in the Federal Court of Canada alleging that Sanofi's Canadian Patent No. 1,336,777 (the '777 Patent) is invalid. On June 8, 2009, Sanofi filed its defense to the impeachment action and filed a suit against Apotex for infringement of the '777 Patent. The trial was completed in June 2011 and in December 2011, the Federal Court of Canada issued a decision that the '777 Patent is invalid. In July 2013, the Federal Court of Appeal reversed the Federal Court of Canada's decision and upheld the validity of the '777 Patent. The case was remanded to the Federal Court of Canada to consider the damages owed to the Company by Apotex for the infringement of the '777 patent. In September 2013, Apotex sought leave to appeal the decision of the Federal Court of Appeal to the Supreme Court of Canada and the Supreme Court of Canada was scheduled to hear the case in November 2014. The Company and Apotex have settled and the case has been dismissed, thus concluding the matter.

GENERAL COMMERCIAL LITIGATION

Remaining Apotex Matter Related to Plavix *

As previously disclosed, in January 2011, Apotex filed a lawsuit in Florida State Court, Broward County, alleging breach of contract relating to the May 2006 proposed settlement agreement with Apotex relating to the then pending *Plavix** patent litigation. A trial was held in March 2013 and a jury verdict was delivered in favor of the Company and Apotex appealed the decision. The Company and Apotex have settled and Apotex has withdrawn its appeal, thus concluding the matter.

PRICING, SALES AND PROMOTIONAL PRACTICES LITIGATION AND INVESTIGATIONS

Abilify* Federal Subpoena

In January 2012, the Company received a subpoena from the United States Attorney's Office for the SDNY requesting information related to, among other things, the sales and marketing of *Abilify**. It is not possible at this time to assess the outcome of this matter or its potential impact on the Company.

Abilify* State Attorneys General Investigation

In March 2009, the Company received a letter from the Delaware Attorney General's Office advising of a multi-state coalition investigating whether certain *Abilify** marketing practices violated those respective states' consumer protection statutes. The Company has entered into a tolling agreement with the states. It is not possible at this time to reasonably assess the outcome of this investigation.

AWP Litigation

As previously disclosed, the Company, together with a number of other pharmaceutical manufacturers, has been a defendant in a number of private class actions as well as suits brought by the attorneys general of various states. In these actions, plaintiffs allege that defendants caused the Average Wholesale Prices (AWPs) of their products to be inflated, thereby injuring government programs, entities and persons who reimbursed prescription drugs based on AWPs. The Company remains a defendant in two state attorneys general suits pending in state courts in Pennsylvania and Wisconsin. Beginning in August 2010, the Company was the defendant in a trial in the Commonwealth Court of Pennsylvania (Commonwealth Court), brought by the Commonwealth of Pennsylvania. In September 2010, the jury issued a verdict for the Company, finding that the Company was not liable for fraudulent or negligent misrepresentation; however, the Commonwealth Court judge issued a decision on a Pennsylvania consumer protection claim that did not go to the jury, finding the Company liable for \$28 million and enjoining the Company from contributing to the provision of inflated AWPs. The Company appealed the decision to the Pennsylvania Supreme Court and oral argument took place in May 2013. In June 2014, the Pennsylvania Supreme Court vacated the Commonwealth judge's decision and remanded the matter back to the Commonwealth Court. In January 2015, the Commonwealth Court entered judgment in favor of the Company. It is possible that the Commonwealth of Pennsylvania could appeal this decision.

Qui Tam Litigation

In March 2011, the Company was served with an unsealed qui tam complaint filed by three former sales representatives in California Superior Court, County of Los Angeles. The California Department of Insurance has elected to intervene in the lawsuit. The complaint alleges the Company paid kickbacks to California providers and pharmacies in violation of California Insurance Frauds Prevention Act, Cal. Ins. Code § 1871.7. It is not possible at this time to reasonably assess the outcome of this lawsuit or its impact on the Company.

***Plavix** State Attorneys General Lawsuits**

The Company and certain affiliates of Sanofi are defendants in consumer protection and/or false advertising actions brought by several states relating to the sales and promotion of *Plavix**. It is not possible at this time to reasonably assess the outcome of these lawsuits or their potential impact on the Company.

PRODUCT LIABILITY LITIGATION

The Company is a party to various product liability lawsuits. As previously disclosed, in addition to lawsuits, the Company also faces unfiled claims involving its products.

Plavix*

As previously disclosed, the Company and certain affiliates of Sanofi are defendants in a number of individual lawsuits in various state and federal courts claiming personal injury damage allegedly sustained after using *Plavix**. Currently, over 5,500 claims involving injury plaintiffs as well as claims by spouses and/or other beneficiaries, are filed in state and federal courts in various states including California, Illinois, New Jersey, Delaware and New York. In February 2013, the Judicial Panel on Multidistrict Litigation granted the Company and Sanofi's motion to establish a multidistrict litigation to coordinate Federal pretrial proceedings in *Plavix** product liability and related cases in New Jersey Federal Court. It is not possible at this time to reasonably assess the outcome of these lawsuits or the potential impact on the Company.

Reglan*

The Company is one of a number of defendants in numerous lawsuits, on behalf of approximately 3,000 plaintiffs, including injury plaintiffs claiming personal injury allegedly sustained after using *Reglan** or another brand of the generic drug metoclopramide, a product indicated for gastroesophageal reflux and certain other gastrointestinal disorders, as well as claims by spouses and/or other beneficiaries. The Company, through its generic subsidiary, Apothecon, Inc., distributed metoclopramide tablets manufactured by another party between 1996 and 2000. It is not possible at this time to reasonably assess the outcome of these lawsuits. The resolution of these pending lawsuits, however, is not expected to have a material impact on the Company.

Byetta*

Amylin, a former subsidiary of the Company, and Lilly are co-defendants in product liability litigation related to *Byetta**. To date, there are over 430 separate lawsuits pending on behalf of over 1,900 active plaintiffs (including pending settlements), which include injury plaintiffs as well as claims by spouses and/or other beneficiaries, in various courts in the U.S. The Company has agreed in principle to resolve over 510 of these claims. The majority of these cases have been brought by individuals who allege personal injury sustained after using *Byetta**, primarily pancreatic cancer and pancreatitis, and, in some cases, claiming alleged wrongful death. The majority of cases are pending in Federal Court in San Diego in a recently established multidistrict litigation, with the next largest contingent of cases pending in a coordinated proceeding in California Superior Court in Los Angeles. Amylin has product liability insurance covering a substantial number of claims involving *Byetta** and any additional liability to Amylin with respect to *Byetta** is expected to be shared between the Company and AstraZeneca. It is not possible to reasonably predict the outcome of any lawsuit, claim or proceeding or the potential impact on the Company.

ENVIRONMENTAL PROCEEDINGS

As previously reported, the Company is a party to several environmental proceedings and other matters, and is responsible under various state, federal and foreign laws, including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), for certain costs of investigating and/or remediating contamination resulting from past industrial activity at the Company's current or former sites or at waste disposal or reprocessing facilities operated by third parties.

CERCLA Matters

With respect to CERCLA matters for which the Company is responsible under various state, federal and foreign laws, the Company typically estimates potential costs based on information obtained from the U.S. Environmental Protection Agency, or counterpart state or foreign agency and/or studies prepared by independent consultants, including the total estimated costs for the site and the expected cost-sharing, if any, with other "potentially responsible parties," and the Company accrues liabilities when they are probable and reasonably estimable. The Company estimated its share of future costs for these sites to be \$62 million at December 31, 2014, which represents the sum of best estimates or, where no best estimate can reasonably be made, estimates of the minimal probable amount among a range of such costs (without taking into account any potential recoveries from other parties).

New Brunswick Facility—Environmental & Personal Injury Lawsuits

Since May 2008, over 300 lawsuits have been filed against the Company in New Jersey Superior Court by or on behalf of current and former residents of New Brunswick, New Jersey who live or have lived adjacent to the Company's New Brunswick facility. The complaints allege various personal injuries resulting from environmental contamination at the New Brunswick facility and historical operations at that site, or are claims for medical monitoring. A portion of these complaints also assert claims for alleged property damage. In October 2008, the New Jersey Supreme Court granted Mass Tort status to these cases and transferred them to the New Jersey Superior Court in Atlantic County for centralized case management purposes. Since October 2011, over 200 additional cases have been filed in New Jersey Superior Court and removed by the Company to United States District Court, District of New Jersey. Accordingly, there are in excess of 500 cases between the state and federal court actions. In June 2014, the Company and the plaintiffs agreed to a settlement, which was finalized in December 2014. This concludes the matter.

North Brunswick Township Board of Education

As previously disclosed, in October 2003, the Company was contacted by counsel representing the North Brunswick, NJ Board of Education (BOE) regarding a site where waste materials from E.R. Squibb and Sons may have been disposed from the 1940's through the 1960's. Fill material containing industrial waste and heavy metals in excess of residential standards was discovered during an expansion project at the North Brunswick Township High School, as well as at a number of neighboring residential properties and adjacent public park areas. In January 2004, the New Jersey Department of Environmental Protection (NJDEP) sent the Company and others an information request letter about possible waste disposal at the site, to which the Company responded in March 2004. The BOE and the Township, as the current owners of the school property and the park, are conducting and jointly financing soil remediation work and ground water investigation work under a work plan approved by the NJDEP, and have asked the Company to contribute to the cost. The Company is actively monitoring the clean-up project, including its costs. To date, neither the school board nor the Township has asserted any claim against the Company. Instead, the Company and the local entities have negotiated an agreement to attempt to resolve the matter by informal means, and avoid litigation. A central component of the agreement is the provision by the Company of interim funding to help defray cleanup costs and assure the work is not interrupted. The Company transmitted interim funding payments in December 2007 and November 2009. The parties commenced mediation in late 2008; however, those efforts were not successful and the parties moved to a binding allocation process. The parties are expected to conduct fact and expert discovery, followed by formal evidentiary hearings and written argument. In addition, in September 2009, the Township and BOE filed suits against several other parties alleged to have contributed waste materials to the site; that litigation has now been settled by the parties. The Company does not currently believe that it is responsible for any additional amounts beyond the two interim payments totaling \$4 million already transmitted. Any additional possible loss is not expected to be material.

OTHER PROCEEDINGS

SEC Germany Investigation

In October 2006, the SEC informed the Company that it had begun a formal inquiry into the activities of certain of the Company's German pharmaceutical subsidiaries and its employees and/or agents. The SEC's inquiry encompasses matters formerly under investigation by the German prosecutor in Munich, Germany, which have since been resolved. The Company understands the inquiry concerns potential violations of the Foreign Corrupt Practices Act (FCPA). The Company has been cooperating with the SEC.

FCPA Investigation

In March 2012, the Company received a subpoena from the SEC issued in connection with its investigation under the FCPA, primarily relating to sales and marketing practices in various countries. The Company is cooperating with the SEC, along with the Department of Justice, in its investigation of these matters. In particular, the Company is investigating certain sales and marketing practices in China. It is not possible at this time to assess the outcome of these matters or their potential impact on the Company.

Note 23 . SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Dollars in Millions, except per share data	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
2014					
Total Revenues	\$ 3,811	\$ 3,889	\$ 3,921	\$ 4,258	\$ 15,879
Gross Margin	2,843	2,898	2,914	3,292	11,947
Net Earnings	936	334	732	27	2,029
Net Earnings/(Loss) Attributable to:					
Noncontrolling Interest	(1)	1	11	14	25
BMS	937	333	721	13	2,004
Earnings per Share - Basic ^(a)	\$ 0.57	\$ 0.20	\$ 0.43	\$ 0.01	\$ 1.21
Earnings per Share - Diluted ^(a)	0.56	0.20	0.43	0.01	1.20
Cash dividends declared per common share	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.37	\$ 1.45
Cash and cash equivalents	\$ 5,225	\$ 4,282	\$ 4,851	\$ 5,571	\$ 5,571
Marketable securities ^(b)	5,392	6,769	6,698	6,272	6,272
Total Assets	33,424	33,503	33,450	33,749	33,749
Long-term debt	7,367	7,372	7,267	7,242	7,242
Equity	15,531	15,379	15,201	14,983	14,983

Dollars in Millions, except per share data	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
2013					
Total Revenues	\$ 3,831	\$ 4,048	\$ 4,065	\$ 4,441	\$ 16,385
Gross Margin	2,768	2,940	2,890	3,168	11,766
Net Earnings	623	530	692	735	2,580
Net Earnings/(Loss) Attributable to:					
Noncontrolling Interest	14	(6)	—	9	17
BMS	609	536	692	726	2,563
Earnings per Share - Basic ^(a)	\$ 0.37	\$ 0.33	\$ 0.42	\$ 0.44	\$ 1.56
Earnings per Share - Diluted ^(a)	0.37	0.32	0.42	0.44	1.54
Cash dividends declared per common share	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.36	\$ 1.41
Cash and cash equivalents	\$ 1,355	\$ 1,821	\$ 1,771	\$ 3,586	\$ 3,586
Marketable securities ^(b)	4,420	4,201	4,574	4,686	4,686
Total Assets	35,958	36,252	36,804	38,592	38,592
Long-term debt ^(c)	7,180	7,122	6,562	7,981	7,981
Equity	13,699	14,373	14,714	15,236	15,236

(a) Earnings per share for the quarters may not add to the amounts for the year, as each period is computed on a discrete basis.

(b) Marketable securities includes current and non-current assets.

(c) Also includes the current portion of long-term debt.

The following specified items affected the comparability of results in 2014 and 2013 :

2014

Dollars in Millions	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
Cost of products sold ^(a)	45	39	36	31	151
Additional year of Branded Prescription Drug Fee	—	—	96	—	96
Process standardization implementation costs	3	3	2	1	9
Marketing, selling and administrative	3	3	98	1	105
Upfront, milestone and other payments	15	148	65	50	278
IPRD impairments	33	310	—	—	343
Research and development	48	458	65	50	621
Provision for restructuring	21	16	35	91	163
Gain on sale of product lines, businesses and assets	(259)	12	(315)	3	(559)
Pension curtailments, settlements and special termination benefits	64	45	28	740	877
Acquisition and alliance related items ^(b)	16	17	39	—	72
Litigation charges/(recoveries)	25	(23)	10	15	27
Loss on debt redemption	45	—	—	—	45
Out-licensed intangible asset impairment	—	—	—	11	11
Upfront, milestone and other licensing receipts	—	—	—	(10)	(10)
Other (income)/expense	(88)	67	(203)	850	626
Increase/(decrease) to pretax income	8	567	(4)	932	1,503
Income tax on items above	(179)	(102)	33	(297)	(545)
Specified tax charge ^(c)	—	—	—	123	123
Income taxes	(179)	(102)	33	(174)	(422)
Increase/(decrease) to net earnings	<u>\$ (171)</u>	<u>\$ 465</u>	<u>\$ 29</u>	<u>\$ 758</u>	<u>\$ 1,081</u>

(a) Specified items in cost of products sold are accelerated depreciation, asset impairment and other shutdown costs.

(b) Includes \$16 million of additional year of Branded Prescription Drug Fee in the third quarter.

(c) Specified tax charge relates to transfer pricing matters.

2013

Dollars in Millions	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
Accelerated depreciation, asset impairment and other shutdown costs	\$ —	\$ —	\$ —	\$ 36	\$ 36
Amortization of acquired Amylin intangible assets	138	137	137	137	549
Amortization of Amylin alliance proceeds	(67)	(67)	(68)	(71)	(273)
Amortization of Amylin inventory adjustment	14	—	—	—	14
Cost of products sold	85	70	69	102	326
Marketing, selling and administrative ^(a)	1	1	4	10	16
Research and development ^(b)	—	—	—	16	16
Provision for restructuring	33	173	6	14	226
Pension settlements	—	99	37	25	161
Acquisition and alliance related items	—	(10)	—	—	(10)
Litigation recoveries	—	(23)	—	—	(23)
Upfront, milestone and other licensing receipts	(14)	—	—	—	(14)
Other (income)/expense	19	239	43	39	340
Increase to pretax income	105	310	116	167	698
Income tax on items above	(35)	(116)	(40)	(51)	(242)
Increase to net earnings	\$ 70	\$ 194	\$ 76	\$ 116	\$ 456

(a) Specified items in marketing, selling and administrative are process standardization implementation costs.

(b) Specified items in research and development are upfront, milestone and other licensing payments.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Bristol-Myers Squibb Company

We have audited the accompanying consolidated balance sheets of Bristol-Myers Squibb Company and subsidiaries (the “Company”) as of December 31, 2014 and 2013, and the related consolidated statements of earnings, comprehensive income, and cash flows for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Bristol-Myers Squibb Company and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 13, 2015 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ *DELOITTE & TOUCHE LLP*

Parsippany, New Jersey
February 13, 2015

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of December 31, 2014, management carried out an evaluation, under the supervision and with the participation of its chief executive officer and chief financial officer, of the effectiveness of the design and operation of its disclosure controls and procedures as such term is defined under Exchange Act Rule 13a-15(e). Based on this evaluation, management has concluded that as of December 31, 2014, such disclosure controls and procedures were effective.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of management, including the chief executive officer and chief financial officer, management assessed the effectiveness of internal control over financial reporting as of December 31, 2014 based on the framework in "Internal Control—Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management has concluded that the Company's internal control over financial reporting was effective at December 31, 2014 to provide reasonable assurance regarding the reliability of its financial reporting and the preparation of its financial statements for external purposes in accordance with United States generally accepted accounting principles. Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Deloitte & Touche LLP, an independent registered public accounting firm, has audited the Company's financial statements included in this report on Form 10-K and issued its report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2014, which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2014 that have materially affected, or are reasonable likely to materially affect, the Company's internal control over financial reporting.

Item 9B. OTHER INFORMATION

None.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Bristol-Myers Squibb Company

We have audited the internal control over financial reporting of Bristol-Myers Squibb Company and subsidiaries (the “Company”) as of December 31, 2014, based on criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2014 of the Company and our report dated February 13, 2015 expressed an unqualified opinion on those consolidated financial statements.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
February 13, 2015

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

- (a) Reference is made to the 2015 Proxy Statement to be filed on or about March 23, 2015 with respect to the Directors of the Registrant, which is incorporated herein by reference and made a part hereof in response to the information required by Item 10.
- (b) The information required by Item 10 with respect to the Executive Officers of the Registrant has been included in Part IA of this Form 10-K in reliance on General Instruction G of Form 10-K and Instruction 3 to Item 401(b) of Regulation S-K.

Item 11. EXECUTIVE COMPENSATION.

Reference is made to the 2015 Proxy Statement to be filed on or about March 23, 2015 with respect to Executive Compensation, which is incorporated herein by reference and made a part hereof in response to the information required by Item 11.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Reference is made to the 2015 Proxy Statement to be filed on or about March 23, 2015 with respect to the security ownership of certain beneficial owners and management, which is incorporated herein by reference and made a part hereof in response to the information required by Item 12.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Reference is made to the 2015 Proxy Statement to be filed on or about March 23, 2015 with respect to certain relationships and related transactions, which is incorporated herein by reference and made a part hereof in response to the information required by Item 13.

Item 14. AUDITOR FEES.

Reference is made to the 2015 Proxy Statement to be filed on or about March 23, 2015 with respect to auditor fees, which is incorporated herein by reference and made a part hereof in response to the information required by Item 14.

PART IV

Item 15. EXHIBITS and FINANCIAL STATEMENT SCHEDULE.

(a)

	<u>Page Number</u>
1. Consolidated Financial Statements	
Consolidated Statements of Earnings and Comprehensive Income	58
Consolidated Balance Sheets	59
Consolidated Statements of Cash Flows	60
Notes to Consolidated Financial Statements	61
Report of Independent Registered Public Accounting Firm	107

All other schedules not included with this additional financial data are omitted because they are not applicable or the required information is included in the financial statements or notes thereto.

2. Exhibits Required to be filed by Item 601 of Regulation S-K	113
--	-----

The information called for by this Item is incorporated herein by reference to the Exhibit Index in this Form 10-K.

/s/ GERALD L. STORCH Director
(Gerald L. Storch)

February 13, 2015

/s/ TOGO D. WEST, JR. Director
(Togo D. West, Jr.)

February 13, 2015

EXHIBIT INDEX

The Exhibits listed below are identified by numbers corresponding to the Exhibit Table of Item 601 of Regulation S-K. The Exhibits designated by the symbol ‡‡ are management contracts or compensatory plans or arrangements required to be filed pursuant to Item 15. The symbol ‡ in the Page column indicates that the Exhibit has been previously filed with the Commission and is incorporated herein by reference. Unless otherwise indicated, all Exhibits are part of Commission File Number 1-1136.

<u>Exhibit No.</u>	<u>Description</u>	<u>Page No.</u>
3a.	Amended and Restated Certificate of Incorporation of Bristol-Myers Squibb Company (incorporated herein by reference to Exhibit 3a to the Form 10-Q for the quarterly period ended June 30, 2005).	‡
3b.	Certificate of Correction to the Amended and Restated Certificate of Incorporation, effective as of December 24, 2009 (incorporated herein by reference to Exhibit 3b to the Form 10-K for the fiscal year ended December 31, 2010).	‡
3c.	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective as of May 7, 2010 (incorporated herein by reference to Exhibit 3a to the Form 8-K dated May 4, 2010 and filed on May 10, 2010).	‡
3d.	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, effective as of May 7, 2010 (incorporated herein by reference to Exhibit 3b to the Form 8-K dated May 4, 2010 and filed on May 10, 2010).	‡
3e.	Bylaws of Bristol-Myers Squibb Company, as amended as of December 10, 2013 (incorporated herein by reference to Exhibit 3.1 to the Form 8-K dated September 16, 2014 and filed on September 19, 2014).	‡
4a.	Letter of Agreement dated March 28, 1984 (incorporated herein by reference to Exhibit 4 to the Form 10-K for the fiscal year ended December 31, 1983).	‡
4b.	Indenture, dated as of June 1, 1993, between Bristol-Myers Squibb Company and JPMorgan Chase Bank (as successor trustee to The Chase Manhattan Bank (National Association)) (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated May 27, 1993 and filed on June 3, 1993).	‡
4c.	Form of 7.15% Debenture due 2023 of Bristol-Myers Squibb Company (incorporated herein by reference to Exhibit 4.2 to the Form 8-K dated May 27, 1993 and filed on June 3, 1993).	‡
4d.	Form of 6.80% Debenture due 2026 of Bristol-Myers Squibb Company (incorporated herein by reference to Exhibit 4e to the Form 10-K for the fiscal year ended December 31, 1996).	‡
4e.	Form of 6.875% Debenture due 2097 of Bristol-Myers Squibb Company (incorporated herein by reference to Exhibit 4f to the Form 10-Q for the quarterly period ended September 30, 1997).	‡
4f.	Indenture, dated October 1, 2003, between Bristol-Myers Squibb Company, as Issuer, and JPMorgan Chase Bank, as Trustee (incorporated herein by reference to Exhibit 4q to the Form 10-Q for the quarterly period ended September 30, 2003).	‡
4g.	Form of Floating Rate Convertible Senior Debenture due 2023 (incorporated herein by reference to Exhibit 4s to the Form 10-Q for the quarterly period ended September 30, 2003).	‡
4h.	Specimen Certificate of Common Stock (incorporated herein by reference to Exhibit 4s to the Form 10-K for the fiscal year ended December 31, 2003).	‡
4i.	Form of Fourth Supplemental Indenture between Bristol-Myers Squibb Company and The Bank of New York, as Trustee, to the indenture dated June 1, 1993 (incorporated herein by reference to Exhibit 4r to the Form 8-K dated November 20, 2006 and filed on November 27, 2006).	‡
4j.	Form of Fifth Supplemental Indenture between Bristol-Myers Squibb Company and The Bank of New York, as Trustee, to the indenture dated June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated May 1, 2008 and filed on May 7, 2008).	‡
4k.	Form of Sixth Supplemental Indenture between Bristol-Myers Squibb Company and The Bank of New York, as Trustee, to the indenture dated June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated	‡

July 26, 2012 and filed on July 31, 2012).

- 4l. Form of 5.875% Notes due 2036 (incorporated herein by reference to Exhibit 4s to the Form 8-K dated November 20, 2006 and filed November 27, 2006). ‡
- 4m. Form of 4.375% Notes due 2016 (incorporated herein by reference to Exhibit 4t to the Form 8-K dated November 20, 2006 and filed November 27, 2006). ‡
- 4n. Form of 4.625% Notes due 2021 (incorporated herein by reference to Exhibit 4u to the Form 8-K dated November 20, 2006 and filed November 27, 2006). ‡

- 4o. Form of 6.125% Notes due 2038 (incorporated herein by reference to Exhibit 4.3 to the Form 8-K dated May 1, 2008 and filed on May 7, 2008). †
- 4p. Form of 0.875% Notes Due 2017 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated July 26, 2012 and filed on July 31, 2012). †
- 4q. Form of 2.000% Notes Due 2022 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated July 26, 2012 and filed on July 31, 2012). †
- 4r. Form of 3.250% Notes Due 2042 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated July 26, 2012 and filed on July 31, 2012). †
- 4s. Seventh Supplemental Indenture, dated as of October 31, 2013, between Bristol-Myers Squibb Company and The Bank of New York Mellon, as Trustee to the Indenture dated as of June 1, 1993 (incorporated herein by reference to Exhibit 4.1 to the Form 8-K dated and filed on October 31, 2013). †
- 4t. Form of 1.750% Notes Due 2019 (incorporated herein by reference to Exhibit 4.2 to the Form 8-K dated and filed on October 31, 2013). †
- 4u. Form of 3.250% Notes Due 2023 (incorporated herein by reference to Exhibit 4.3 to the Form 8-K dated and filed on October 31, 2013). †
- 4v. Form of 4.500% Notes Due 2044 (incorporated herein by reference to Exhibit 4.4 to the Form 8-K dated and filed on October 31, 2013). †
- 10a. \$1,500,000,000 Five Year Competitive Advance and Revolving Credit Facility Agreement dated as of September 29, 2011 among Bristol-Myers Squibb Company, the borrowing subsidiaries, the lenders named in the agreement, BNP Paribas and The Royal Bank of Scotland plc, as documentation agents, Bank of America N.A., as syndication agent, and JPMorgan Chase Bank, N.A. and Citibank, N.A., as administrative agents (incorporated herein by reference to Exhibit 10.1 to the Form 8-K dated September 29, 2011 and filed on October 4, 2011). †
- 10b. First Amendment dated June 21, 2013 to the Five Year Competitive Advance and Revolving Credit Facility Agreement dated as of September 29, 2011 among Bristol-Myers Squibb Company, the several financial institutions from time to time party to the agreement, and JPMorgan Chase Bank, N.A. and Citibank N.A. as administrative agents (incorporated herein by reference to Exhibit 10a to the Form 10-Q for the quarterly period ended June 30, 2013). †
- 10c. Extension notice dated June 3, 2013 for the Five Year Competitive Advance and Revolving Credit Facility Agreement dated as of September 29, 2011 among Bristol-Myers Squibb Company, the several financial institutions from time to time party to the agreement, and JPMorgan Chase Bank, N.A. and Citibank N.A. as administrative agents (incorporated herein by reference to Exhibit 10b to the Form 10-Q for the quarterly period ended June 30, 2013). †
- 10d. \$1,500,000,000 Five Year Competitive Advance and Revolving Credit Facility Agreement dated as of July 31, 2012 among Bristol-Myers Squibb Company, the borrowing subsidiaries, the lenders named in the agreement, Bank of America N.A., Barclays Bank plc, Deutsche Bank Securities Inc., and Wells Fargo Bank, National Association as documentation agents, Citibank, N.A. and JPMorgan Chase Bank, N.A., as administrative agents (incorporated herein by reference to Exhibit 10.1 to the Form 8-K dated July 26, 2012 and filed on July 31, 2012). †
- 10e. Extension notice dated May 31, 2013 for the Five Year Competitive Advance and Revolving Credit Facility Agreement dated as of July 30, 2012 among Bristol-Myers Squibb Company, the several financial institutions from time to time party to the agreement, and JPMorgan Chase Bank, N.A. and Citibank N.A. as administrative agents (incorporated herein by reference to Exhibit 10c to the Form 10-Q for the quarterly period ended June 30, 2013). †
- 10f. Extension notice dated June 2, 2014 for the Five Year Competitive Advance and Revolving Credit Facility Agreement dated as of September 29, 2011 among Bristol-Myers Squibb Company, the several financial institutions from time to time party to the agreement, and JPMorgan Chase Bank, N.A. and Citibank N.A. as administrative agents (incorporated

herein by reference to Exhibit 10a to the Form 10-Q for the quarterly period ended June 30, 2014).

- 10g. Extension notice dated June 2, 2014 for the Five Year Competitive Advance and Revolving Credit Facility Agreement dated as of July 30, 2012 among Bristol-Myers Squibb Company, the several financial institutions from time to time party to the agreement, and JPMorgan Chase Bank, N.A. and Citibank N.A. as administrative agents (incorporated herein by reference to Exhibit 10b to the Form 10-Q for the quarterly period ended June 30, 2014). ‡
- 10h. SEC Consent Order (incorporated herein by reference to Exhibit 10s to the Form 10-Q for the quarterly period ended September 30, 2004). ‡

- 10i. Master Restructuring Agreement between Bristol-Myers Squibb Company and Sanofi dated as of September 27, 2012 (incorporated by reference herein to Exhibit 10a to the Form 10-Q for the quarterly period ended September 30, 2012). †
- 10j. Side Letter to Master Restructuring Agreement between Bristol-Myers Squibb Company and Sanofi dated as of January 1, 2013 (incorporated herein by reference to Exhibit 10p to the Form 10-K for the fiscal year ended December 31, 2012). †
- 10k. Restated Development and Commercialization Collaboration Agreement between Otsuka Pharmaceutical Co., Ltd. and Bristol-Myers Squibb Company dated as of October 23, 2001 (incorporated by reference herein to Exhibit 10.12 to the Form 8-K filed on August 17, 2009). †
- 10l. Amendment No. 3 to the Restated Development and Commercialization Collaboration Agreement between Otsuka Pharmaceutical Co., Ltd. and Bristol-Myers Squibb Company dated as of September 25, 2006 (incorporated by reference herein to Exhibit 10.13 to the Form 8-K filed on August 17, 2009). †
- 10m. Amendment No. 5 to the Restated Development and Commercialization Collaboration Agreement between Otsuka Pharmaceutical Co., Ltd. and Bristol-Myers Squibb Company effective as of April 4, 2009 (incorporated by reference herein to Exhibit 10.14 to the Form 8-K filed on August 17, 2009). †
- 10n. Amendment No. 9 to the Restated Development and Commercialization Collaboration Agreement between Otsuka Pharmaceutical Co., Ltd. and Bristol-Myers Squibb Company effective as of October 29, 2012 (incorporated herein by reference to Exhibit 1ee to the Form 10-K for the fiscal year ended December 31, 2012). †
- 10o. Amended and Restated Stock and Asset Purchase Agreement between Bristol-Myers Squibb Company and AstraZeneca AB (PUBL) dated as of January 31, 2014 (incorporated herein by reference to Exhibit 10x to the Form 10-K for the fiscal year ended December 31, 2013). †
- ††10p. Bristol-Myers Squibb Company 2002 Stock Incentive Plan, effective as of May 7, 2002 and as amended effective June 10, 2008 (incorporated herein by reference to Exhibit 10.1 to the Form 10-Q for the quarterly period ended September 30, 2008). †
- ††10q. Bristol-Myers Squibb Company 2012 Stock Award and Incentive Plan, effective as of May 1, 2012 (incorporated herein by reference to Exhibit B to the 2012 Proxy Statement dated March 20, 2012). †
- ††10r. Bristol-Myers Squibb Company 2007 Stock Award and Incentive Plan, effective as of May 1, 2007 and as amended effective June 10, 2008 (incorporated herein by reference to Exhibit 10.2 to the Form 10-Q for the quarterly period ended September 30, 2008). †
- ††10s. Bristol-Myers Squibb Company TeamShare Stock Option Plan, as amended and restated effective September 10, 2002 (incorporated herein by reference to Exhibit 10c to the Form 10-K for the fiscal year ended December 31, 2002). †
- ††10t. Form of Non-Qualified Stock Option Agreement under the 2002 Stock Award and Incentive Plan (incorporated herein by reference to Exhibit 10s to the Form 10-K for the fiscal year ended December 31, 2005). †
- ††10u. Form of Performance Share Units Agreement for the 2012-2014 Performance Cycle under the 2007 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10z to the Form 10-K for the fiscal year ended December 31, 2011). †

¶¶10v.	Form of Performance Share Units Agreement for the 2013-2015 Performance Cycle under the 2012 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10oo to the Form 10-K for the fiscal year ended December 31, 2012).	¶
¶¶10w.	Form of 2014-2016 Performance Share Units Agreement under the 2012 Stock Award and Incentive Plan (incorporated by reference to Exhibit 10hh to the Form 10-K for the fiscal year ended December 31, 2013).	¶
¶¶10x.	Form of 2015-2017 Performance Share Units Agreement under the 2012 Stock Award and Incentive Plan (filed herewith).	E-10-1
¶¶10y.	Form of Restricted Stock Units Agreement with five year vesting under the 2012 Stock Award and Incentive Plan (filed herewith).	E-10-2
¶¶10z.	Form of Restricted Stock Units Agreement with four year vesting under the 2012 Stock Award and Incentive Plan (filed herewith).	E-10-3
¶¶10aa.	Form of Market Share Units Agreement under the 2012 Stock Award and Incentive Plan (filed herewith).	E-10-4

- ‡‡10bb. Bristol-Myers Squibb Company Performance Incentive Plan, as amended (as adopted, incorporated herein by reference to Exhibit 2 to the Form 10-K for the fiscal year ended December 31, 1978; as amended as of January 8, 1990, incorporated herein by reference to Exhibit 19b to the Form 10-K for the fiscal year ended December 31, 1990; as amended on April 2, 1991, incorporated herein by reference to Exhibit 19b to the Form 10-K for the fiscal year ended December 31, 1991; as amended effective January 1, 1994, incorporated herein by reference to Exhibit 10d to the Form 10-K for the fiscal year ended December 31, 1993; and as amended effective January 1, 1994, incorporated herein by reference to Exhibit 10d to the Form 10-K for the fiscal year ended December 31, 1994). ‡
- ‡‡10cc. Bristol-Myers Squibb Company Executive Performance Incentive Plan effective January 1, 1997 (incorporated herein by reference to Exhibit 10b to the Form 10-K for the fiscal year ended December 31, 1996). ‡
- ‡‡10dd. Bristol-Myers Squibb Company Executive Performance Incentive Plan effective January 1, 2003 and as amended effective June 10, 2008 (incorporated herein by reference to Exhibit 10.3 to the Form 10-Q for the quarterly period ended September 30, 2008). ‡
- ‡‡10ee. Bristol-Myers Squibb Company 2007 Senior Executive Performance Incentive Plan (as amended and restated effective June 8, 2010 and incorporated herein by reference to Exhibit 10a. to the Form 10-Q for the quarterly period ended June 30, 2010). ‡
- ‡‡10ff. Bristol-Myers Squibb Company Benefit Equalization Plan – Retirement Income Plan, as amended and restated effective as of January 1, 2012, (incorporated herein by reference to Exhibit 10ww to the Form 10-K for the fiscal year ended December 31, 2012). ‡
- ‡‡10gg. Bristol-Myers Squibb Company Benefit Equalization Plan – Savings and Investment Program, as amended and restated effective as of January 1, 2012 (incorporated herein by reference to Exhibit 10xx to the Form 10-K for the fiscal year ended December 31, 2012). ‡
- ‡‡10hh. Squibb Corporation Supplementary Pension Plan, as amended (as previously amended and restated, incorporated herein by reference to Exhibit 19g to the Form 10-K for the fiscal year ended December 31, 1991; as amended as of September 14, 1993, and incorporated herein by reference to Exhibit 10g to the Form 10-K for the fiscal year ended December 31, 1993). ‡
- ‡‡10ii. Senior Executive Severance Plan, effective as of April 26, 2007 and as amended effective February 16, 2012 (incorporated by reference to Exhibit 10ll to the Form 10-K for the fiscal year ended December 31, 2011). ‡
- ‡‡10jj. Form of Agreement entered into between the Registrant and each of the named executive officers and certain other executives effective January 1, 2009 (incorporated herein by reference to Exhibit 10bb to the Form 10-K for the fiscal year ended December 31, 2008). ‡
- ‡‡10kk. Form of Corrective Amendment between the Registrant and each of the named executive officers and certain other executives effective January 1, 2009 (incorporated herein by reference to Exhibit 10b to the Form 10-Q for the quarterly period ended June 30, 2012). ‡
- ‡‡10ll. Bristol-Myers Squibb Company Retirement Income Plan for Non-Employee Directors, as amended March 5, 1996 (incorporated herein by reference to Exhibit 10k to the Form 10-K for the fiscal year ended December 31, 1996). ‡
- ‡‡10mm. Bristol-Myers Squibb Company 1987 Deferred Compensation Plan for Non-Employee Directors, as amended and restated January 20, 2015 (filed herewith). E-10-5

¶¶10nn.	Bristol-Myers Squibb Company Non-Employee Directors' Stock Option Plan, as amended (as approved by the Stockholders on May 1, 1990, incorporated herein by reference to Exhibit 28 to Registration Statement No. 33-38587 on Form S-8; as amended May 7, 1991, incorporated herein by reference to Exhibit 19c to the Form 10-K for the fiscal year ended December 31, 1991), as amended January 12, 1999 (incorporated herein by reference to Exhibit 10m to the Form 10-K for the fiscal year ended December 31, 1998).	‡
¶¶10oo.	Bristol-Myers Squibb Company Non-Employee Directors' Stock Option Plan, as amended (as approved by the Stockholders on May 2, 2000, incorporated herein by reference to Exhibit A to the 2000 Proxy Statement dated March 20, 2000).	‡
¶¶10pp.	Squibb Corporation Deferral Plan for Fees of Outside Directors, as amended (as adopted, incorporated herein by reference to Exhibit 10e Squibb Corporation 1991 Form 10-K for the fiscal year ended December 31, 1987, File No. 1-5514; as amended effective December 31, 1991 incorporated herein by reference to Exhibit 10m to the Form 10-K for the fiscal year ended December 31, 1992).	‡
12	Statement re computation of ratios (filed herewith).	E-12-1
21	Subsidiaries of the Registrant (filed herewith).	E-21-1
23	Consent of Deloitte & Touche LLP (filed herewith).	E-23-1
31a.	Section 302 Certification Letter (filed herewith).	E-31-1

- 31b. Section 302 Certification Letter (filed herewith). E-31-1
- 32a. Section 906 Certification Letter (filed herewith). E-32-1
- 32b. Section 906 Certification Letter (filed herewith). E-32-2
101. The following financial statements from the Bristol-Myers Squibb Company Annual Report on Form 10-K for the years ended December 31, 2014, 2013 and 2012, formatted in Extensible Business Reporting Language (XBRL): (i) consolidated statements of earnings, (ii) consolidated statements of comprehensive income, (iii) consolidated balance sheets, (iv) consolidated statements of cash flows, and (v) the notes to the consolidated financial statements.

† Confidential treatment has been granted for certain portions which are omitted in the copy of the exhibit electronically filed with the Commission.

* Indicates, in this Form 10-K, brand names of products, which are registered trademarks not solely owned by the Company or its subsidiaries. *Byetta*, *Bydureon*, and *Symlyn* are trademarks of Amylin Pharmaceuticals, LLC and AstraZeneca Pharmaceuticals LP; *Farxiga*, *Xigduo*, *Onglyza* and *Kombiglyze* are trademarks of AstraZeneca AB; *Erbix* is a trademark of ImClone LLC; *Avapro/Avalide* (known in the EU as *Aprovel/Karvea*) and *Plavix* are trademarks of Sanofi; *Abilify* is a trademark of Otsuka Pharmaceutical Co., Ltd.; *Truvada* and *Tybost* are trademarks of Gilead Sciences, Inc.; *Gleevec* is a trademark of Novartis AG; *Atripia* is a trademark of Bristol-Myers Squibb and Gilead Sciences, LLC; *Norvir* is a trademark of Abbvie, Inc.; *Myalept* is a trademark of Aegerion Pharmaceutical, Inc. and *Reglan* is a trademark of ANIP Acquisition Company. Brand names of products that are in all italicized letters, without an asterisk, are registered trademarks of BMS and/or one of its subsidiaries.



Bristol-Myers Squibb Company

PERFORMANCE SHARE UNITS AGREEMENT

Under the Bristol-Myers Squibb Company
2012 Stock Award and Incentive Plan

2015-2017 Performance Share Units Award

BRISTOL-MYERS SQUIBB COMPANY, a Delaware corporation (the “Company”), has granted to you the Performance Share Units (“Performance Share Units”) specified in the Grant Summary, which is incorporated into this Performance Share Units Agreement (the “Agreement”) and deemed to be a part hereof. This award is subject in all respects to the terms, definitions and provisions of the 2012 Stock Award and Incentive Plan (the “Plan”) adopted by the Company. Capitalized terms used in this Agreement that are not specifically defined herein shall have the meanings ascribed to such terms in the Plan.

Award Date: March 10, 2015

Performance Year: January 1, 2015 to December 31, 2015

Total Shareholder Return (“TSR”) Measurement Period: March 10, 2015 to February 28, 2018

TSR Measurement Date: February 28, 2018

Performance Goals: The Performance Goals and the range specifying the number of Performance Share Units that may be banked or specified levels of performance are included in Exhibit A attached hereto.

Minimum Performance Condition: If you have been designated a Covered Employee for 2015, then a required condition in order for you to bank Performance Share Units will be that the Minimum Performance Condition has been achieved (in addition to achievement of the Performance Goals). The Minimum Performance Condition is included in Exhibit A attached hereto.

Banking Date: December 31, 2015

TSR Modifier: Except as otherwise set forth in Sections 6 and 8, after the TSR Measurement Date but prior to or on the vesting date, the Performance Share Units determined by the Committee to have been banked will be modified up or down based on the Company's TSR relative to the TSR of the Peer Companies during the TSR Measurement Period. The TSR Modifier and Peer Companies are further described and defined in Exhibit A attached hereto.

Vesting: The Performance Share Units will vest on March 10, 2018, subject to earlier vesting at the times indicated in Sections 6 (including in connection with certain terminations following a Change in Control) and 8.

Settlement: Banked, modified and vested Performance Share Units will be settled by delivery of one share of the Company's Common Stock, \$0.10 par value per share (“Shares”), for each Performance Share Unit being settled. Settlement shall occur at the time specified in Sections 4 and 6 hereof, as applicable.

1. PERFORMANCE SHARE UNITS AWARD

The Compensation and Management Development Committee of the Board of Directors of Bristol-Myers Squibb Company (the "Committee") has granted to you an award of Performance Share Units as designated herein subject to the terms, conditions and restrictions set forth in this Agreement. The target number of Performance Share Units and the kind of shares deliverable in settlement, the calculation of earnings per share, and other terms and conditions of the Performance Share Units are subject to adjustment in accordance with Section 11 hereof and Plan Section 11(c).

2. CONSIDERATION

As consideration for grant of this award, you shall remain in the continuous employ of the Company and/or its subsidiaries or affiliates for the entire Performance Year or such lesser period as the Committee shall determine in its sole discretion, and no Performance Share Units shall be payable until after the completion of such one year or lesser period of employment by you (subject to Section 6(c)).

3. MINIMUM PERFORMANCE CONDITION, PERFORMANCE GOALS AND TSR MODIFIER

The Minimum Performance Condition, the Performance Goals and the TSR Modifier are specified on the cover page of this Agreement and Exhibit A hereto.

4. DETERMINATION OF PERFORMANCE SHARE UNITS BANKED, MODIFIED AND VESTED; FORFEITURES; SETTLEMENT

Except as otherwise set forth in this Agreement, Performance Share Units shall be subject to the restrictions and conditions set forth herein during the period from the Award Date until the date such Performance Share Unit has become vested and non-forfeitable such that there are no longer any Performance Share Units that may become potentially vested and non-forfeitable (the "Restricted Period"). Between January 1, 2016 and March 10, 2016, the Committee shall determine and certify the extent to which Performance Share Units have been banked on the basis of the Company's actual performance in relation to (i) the established Minimum Performance Condition, if applicable and (ii) the established Performance Goals for the Performance Year, provided, however, that, in the case of clause (ii), the Committee may exercise its discretion (reserved under Plan Sections 7(a) and 7(b)(v)) to reduce the amount of Performance Share Units deemed banked in its assessment of performance in relation to Performance Goals, or in light of other considerations the Committee deems relevant. Except as set forth in Sections 6 and 8, by March 10, 2018, the Committee shall determine and certify the TSR Modifier; provided, however, that the Committee may exercise its discretion (reserved under Plan Sections 7(a) and 7(b)(v)) to reduce the amount of Performance Share Units deemed banked in its assessment of performance in relation to the TSR Modifier, or in light of other considerations the Committee deems relevant. The Committee shall certify each of these results in writing in accordance with Plan Section 7(c). Any Performance Share Units that are not, based on the Committee's determination, banked by performance during the Performance Year (or deemed to be banked in connection with a termination of employment under Sections 6 and 8 below), including Performance Share Units that had been potentially bankable by performance in excess of the actual performance levels achieved, shall be canceled and forfeited.

Performance Share Units are subject to vesting based on your service for periods which extend past the Performance Year. The stated vesting date is set forth on the cover page hereof. If, before the stated vesting date, there occurs an event immediately after which you are not an employee of the Company, its subsidiaries or an affiliate of the Company, you will become vested in Performance Share Units only to the extent provided in Sections 6 or 8, and any Performance Share Units that have not been banked, modified

and vested at or before such event and which cannot thereafter be banked, modified and vested under Sections 6 or 8 shall be canceled and forfeited.

In certain termination events as specified below and in connection with a long-term Disability (as defined in Section 7), you will be entitled to vesting of a proportionate number of the Performance Share Units banked or deemed banked hereunder, and, if provided herein, modified. The formula for determining the proportionate number of Performance Share Units you are entitled to is available by request from the Office of the Corporate Secretary at 345 Park Avenue, New York, New York 10154.

The number of Performance Share Units banked, modified or vested shall be rounded to the nearest whole Performance Share Unit, unless otherwise determined by the Company officers responsible for day-to-day administration of the Plan.

Performance Share Units that become vested while you remain employed by the Company or a subsidiary or affiliate shall be settled promptly upon vesting, but in any event within 60 days of the vesting date, by delivery of one Share for each Performance Share Unit being settled, unless validly deferred in accordance with deferral terms then authorized by the Committee (subject to Plan Section 11(k)). Performance Share Units that become vested under Sections 6(a), 6(b), 6(c), 6(d) or 8 shall be settled at the times specified therein; provided, however, that settlement of Performance Share Units under Sections 6(a), (b), (c) or (d) shall be subject to the applicable provisions of Plan Section 11(k). (*Note: Plan Section 11(k) could apply if settlement is triggered by a Change in Control or a termination following a Change in Control*). Until Shares are delivered to you in settlement of Performance Share Units, you shall have none of the rights of a stockholder of the Company with respect to the Shares issuable in settlement of the Performance Share Units, including the right to vote the shares and receive distributions. Shares of stock issuable in settlement of Performance Share Units shall be delivered to you upon settlement in certificated form or in such other manner as the Company may reasonably determine.

5. NONTRANSFERABILITY OF PERFORMANCE SHARE UNITS

During the Restricted Period and any further period prior to settlement of your Performance Share Units, you may not sell, transfer, pledge or assign any of the Performance Share Units or your rights relating thereto. If you attempt to assign your rights under this Agreement in violation of the provisions herein, the Company's obligation to settle Performance Share Units or otherwise make payments shall terminate.

6. RETIREMENT AND OTHER TERMINATIONS (EXCLUDING DEATH)

(a) *Retirement.* In the event of your Retirement prior to settlement of Performance Share Units and after you have satisfied the one-year or other applicable employment requirement of Section 2, and your employment has not been terminated by the Company or a subsidiary of the Company for misconduct or other conduct deemed detrimental to the interests of the Company or a subsidiary of the Company, you will be deemed vested in a proportionate number of the Performance Share Units granted that have been determined or thereafter are determined by the Committee to have been banked and modified under Section 4; provided, however, that if you are only eligible for Retirement pursuant to Plan Section 2(x)(iii), and you are employed in the United States or Puerto Rico at the time of your Retirement, you shall be entitled to the pro rata vesting described in this Section 6(a) only if you execute and do not revoke a release in favor of the Company and its predecessors, successors, affiliates, subsidiaries, directors and employees in a form satisfactory to the Company; if you fail to execute or revoke the release, or your release fails to become effective and irrevocable within 60 days of the date your employment terminates, you shall forfeit any Performance Share Units that are unbanked and unvested as of the date your employment terminates. Any Performance Share Units banked and vested under this Section 6(a) shall be settled at the earlier of (i) the date such Performance Share Units would have settled if you had continued to be employed by the Company

or a subsidiary or affiliate, (ii) in the event of a Change in Control meeting the conditions of Section 6(e)(ii), within 60 days following the date at which the Committee determines (which determination shall be made within 15 days after the Change in Control) the extent to which such Performance Share Units have been banked and/or modified (subject to Section 6(e) below and Plan Section 11(k)), where the TSR Modifier shall be determined by substituting for the TSR Measurement Date the date of the Change in Control, or (iii) in the event of your death, within 60 days following the later of (x) your death, or (y) the date upon which the Committee determines the extent to which such Performance Share Units have been banked in accordance with Section 4 (in each case subject to Section 6(e) below and Plan Section 11(k)), provided that the TSR Modifier shall not be applied to your award in the event of your death. Following your Retirement, any Performance Share Units that have not been banked, modified and vested and which thereafter will not be deemed banked, modified and vested under this Section 6(a) will be canceled and forfeited.

(b) *Termination by the Company Not For Cause.* In the event of your Termination Not for Cause (as defined in Section 6 (f)) by the Company or a subsidiary or affiliate and not during the Protected Period, prior to vesting of Performance Share Units and after you have satisfied the one-year or other applicable employment requirement of Section 2, you will be deemed vested in a proportionate number of the Performance Share Units granted that have been determined or thereafter are determined by the Committee to have been banked and modified under Section 4; provided, however, that if you are not eligible for Retirement, and you are employed in the United States or Puerto Rico at the time of your Termination Not for Cause, you shall be entitled to the pro rata vesting described in this Section 6(b) only if you execute and do not revoke a release in favor of the Company and its predecessors, successors, affiliates, subsidiaries, directors and employees in a form satisfactory to the Company; if you fail to execute or revoke the release, or your release fails to become effective and irrevocable within 60 days of the date your employment terminates, you shall forfeit any Performance Share Units that are unbanked and unvested as of the date your employment terminates. Any Performance Share Units banked and vested under this Section 6(b) shall be settled at the earlier of (i) the date such Performance Share Units would have settled if you had continued to be employed by the Company or a subsidiary or affiliate, (ii) in the event of a Change in Control meeting the conditions of Section 6(e)(ii), within 60 days following the date at which the Committee determines (which determination shall be made within 15 days after the Change in Control) the extent to which such Performance Share Units have been banked and/or modified (subject to Section 6(e) below and Plan Section 11(k)), where the TSR Modifier shall be determined by substituting for the TSR Measurement Date the date of the Change in Control, or (iii) in the event of your death, within 60 days following the later of (x) your death, or (y) the date upon which the Committee determines the extent to which such Performance Share Units have been banked in accordance with Section 4 (in each case, subject to Section 6(e) below and Plan Section 11(k)), provided that the TSR Modifier shall not be applied to your award in the event of your death. Following such Termination Not for Cause, any Performance Share Units that have not been banked, modified and vested and which thereafter will not be deemed banked, modified and vested under this Section 6(b) will be canceled and forfeited.

(c) *Qualifying Termination Following a Change in Control.* In the event that you have a Qualifying Termination as defined in Plan Section 9(c) during the Protected Period following a Change in Control, you will be deemed vested (i) with respect to Performance Share Units relating to the Performance Year completed before such termination, in a proportionate number of the Performance Share Units which have been determined or thereafter are determined by the Committee to have been banked and modified under Section 4, or (ii) with respect to Performance Share Units relating to the Performance Year still in progress at the date of your Qualifying Termination (including Performance Share Units otherwise not meeting the one-year or other applicable employment requirement of Section 2), in a proportionate number of the target number of Performance Share Units that could have been banked in the Performance Year and which are thereafter determined by the Committee to have been modified under Section 4. The TSR Modifier shall be determined by substituting for the TSR Measurement Date the date of the Change in Control. All of your

banked, modified and vested Performance Share Units shall be settled promptly following the date at which the Committee determines the extent to which such Performance Share Units have been banked and/or modified (subject to Section 6(e) below and Plan Section 11(k)). Upon your Qualifying Termination, any Performance Share Units that have not been deemed banked, modified and vested under this Section 6(c) will be canceled and forfeited.

(d) *Other Terminations.* If you cease to be an employee of the Company and its subsidiaries and affiliates for any reason other than Retirement, Termination Not for Cause, a Qualifying Termination within the Protected Period following a Change in Control, or death, Performance Share Units granted herein that have not become banked, modified and vested shall be canceled and forfeited and you shall have no right to settlement of any portion of the Performance Share Units.

(e) *Special Distribution Rules to Comply with Code Section 409A.* The Performance Share Units constitute a “deferral of compensation” under Section 409A of the Internal Revenue Code (the “Code”), based on Internal Revenue Service regulations and guidance in effect on the Award Date. As a result, the timing of settlement of your Performance Share Units will be subject to applicable limitations under Code Section 409A. Specifically, each tranche of Performance Share Units will be subject to Plan Section 11(k), including the following restrictions on settlement:

(i) Settlement of the Performance Share Units under Section 6(c) upon a Qualifying Termination will be subject to the requirement that the termination constitute a “separation from service” under Treas. Reg. § 1.409A-1(h), and subject to the six-month delay rule under Plan Section 11(k)(i)(C)(2) if at the time of separation from service you are a “Specified Employee”; provided that no dividend or dividend equivalents will be paid, accrued or accumulated in respect of the period during which settlement was delayed.

(ii) Settlement of the Performance Share Units under Sections 6(a) or 6(b) in the event of a Change in Control will occur only if an event relating to the Change in Control constitutes a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Treas. Reg. § 1.409A-3(i)(5) and only if your Retirement under Section 6(a) or Termination Not for Cause under Section 6(b) constitute a “separation from service” under Treas. Reg. § 1.409A-1(h).

(f) *Definition of “Termination Not for Cause.”* For purposes of this Section 6, a “Termination Not for Cause” means a termination initiated by the Company or a subsidiary of the Company for reason other than willful misconduct, activity deemed detrimental to the interests of the Company and its subsidiaries and affiliates, or Disability (as defined in Section 7 below), provided that if you are employed in the United States or Puerto Rico at the time of your Termination Not for Cause, you execute and do not revoke a release in favor of the Company and its predecessors, successors, affiliates, subsidiaries, directors and employees in a form satisfactory to the Company by the applicable deadline specified in Section 6(b).

(g) *Determination of Termination Date.* For purposes of the Performance Share Units, your employment will be considered terminated as of the date you are no longer actively providing services to the Company or one of its subsidiaries or affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Company, your right to vest in the Performance Share Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your

employment agreement, if any); the Company shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your Performance Share Units (including whether you may still be considered to be providing services while on a leave of absence).

(h) *Release Procedure.* In any case in which you are required to execute a release as a condition to vesting and settlement of the Performance Share Units, the applicable procedure shall be as specified under Plan Section 11(k)(v), except that the deadline for complying with such condition shall be the period provided in this Agreement.

7. DISABILITY OF PARTICIPANT

For purposes of this Agreement, “Disability” or “Disabled” shall mean qualifying for and receiving payments under a disability plan of the Company or any subsidiary or affiliate either in the United States or in a jurisdiction outside of the United States, and in jurisdictions outside of the United States shall also include qualifying for and receiving payments under a mandatory or universal disability plan or program managed or maintained by the government. If you become Disabled, you will not be deemed to have terminated employment for the period during which, under the applicable Disability pay plan of the Company or a subsidiary or affiliate, you are deemed to be employed and continue to receive Disability payments. Upon the cessation of payments under such Disability pay plan, (i) if you return to employment status with the Company or a subsidiary or affiliate, you will not be deemed to have terminated employment, and (ii) if you do not return to such employment status, you will be deemed to have terminated employment at the date of cessation of such Disability payments, with such termination treated for purposes of the Performance Share Units as a Retirement, death, Termination Not for Cause or voluntary termination based on your circumstances at the time of such termination.

8. DEATH OF PARTICIPANT

In the event of your death while employed by the Company or a subsidiary and prior to settlement of Performance Share Units but after you have satisfied the one-year or other applicable employment requirement of Section 2, you will be deemed vested in a proportionate number of Performance Share Units that have been determined or thereafter are determined by the Committee to have been banked under Section 4, provided that the TSR Modifier shall not be applied to your award in the event of your death. Your beneficiary shall be entitled to settlement of any of your banked and vested Performance Share Units by the later of the end of the calendar year in which your death occurred or 60 days after your death. In the case of your death, any Performance Share Units that have not been banked and vested and thereafter will not be deemed banked and vested under this Section 8 will be canceled and forfeited.

9. RESPONSIBILITY FOR TAXES

You acknowledge that, regardless of any action taken by the Company, any subsidiary or affiliate of the Company, including your employer (“Employer”), the ultimate liability for all income tax (including federal, state, local and non-U.S. taxes), social security, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer to be an appropriate charge to you even if legally applicable to the Company or the Employer (“Tax-Related Items”) is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company, any subsidiary or affiliate and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Share Units, including the grant of the Performance Share Units, the vesting of Performance Share Units, the conversion of the Performance Share Units into Shares or the receipt of an equivalent cash payment, the subsequent sale of any Shares acquired at settlement and the receipt of any dividends; and, (b) do not commit to structure the terms of the grant or

any aspect of the Performance Share Units to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, you agree to make adequate arrangements satisfactory to the Company or the Employer to satisfy all Tax-Related Items. In this regard, by your acceptance of the Performance Share Units, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; or

(b) withholding from proceeds of the sale of Shares acquired upon settlement of the Performance Share Units either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); or

(c) withholding in Shares to be issued upon settlement of the Performance Share Units;

provided, however, if you are a Section 16 officer of the Company under the Securities Exchange Act of 1934, as amended, then the Company will withhold Shares upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (a) and (b) above.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested Performance Share Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, you agree to pay to the Company or the Employer, including through withholding from your wages or other cash compensation paid to you by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if you fail to comply with your obligations in connection with the Tax-Related Items.

Notwithstanding anything in this Section 9 to the contrary, to avoid a prohibited acceleration under Section 409A, if Shares subject to the Performance Share Units will be sold on your behalf (or withheld) to satisfy any Tax-Related Items arising prior to the date of settlement of the Performance Share Units for any portion of the Performance Share Units that is considered nonqualified deferred compensation subject to Section 409A, then the number of shares sold on your behalf (or withheld) shall not exceed the number of shares that equals the liability for Tax-Related Items.

10. NON-COMPETITION AND NON-SOLICITATION AGREEMENT AND COMPANY RIGHT TO INJUNCTIVE RELIEF, DAMAGES, RECISSION, FORFEITURE AND OTHER REMEDIES

You acknowledge that your continued employment with the Company or a subsidiary of the Company and/or the grant of Performance Share Units pursuant to this Agreement is sufficient consideration for this Agreement, including, without limitation, all applicable restrictions imposed on you by this Section 10.

(a) Non-Competition, Non-Solicitation and Related Covenants. By accepting this Agreement, you agree to the restrictive covenants outlined in this section unless expressly prohibited by local law or as follows: The post-termination non-compete restrictions outlined in subparagraphs (i), (ii) and (v) of this Section 10(a) do not apply to employees while resident in the State of California or North Dakota. There are no exemptions for any Award recipients (including employee residents of the State of California and North Dakota) regarding non-compete provisions while employed at the Company or from subparagraphs (iii), (iv) and (vi) of this Section 10(a) during the entire Non-Competition and Non-Solicitation Period.

Given the extent and nature of the confidential information that you have obtained or will obtain during the course of your employment with the Company or a subsidiary of the Company, it would be inevitable or, at the least, substantially probable that such confidential information would be disclosed or utilized by you should you obtain employment from, or otherwise become associated with, an entity or person that is engaged in a business or enterprise that directly competes with the Company. Even if not inevitable, it would be impossible or impracticable for the Company to monitor your strict compliance with your confidentiality obligations. Consequently, you agree that you will not, directly or indirectly:

- (i) during the Non-Competition and Non-Solicitation Period (as defined below), own or have any financial interest in a Competitive Business (as defined below), except that nothing in this clause shall prevent you from owning one per cent or less of the outstanding securities of any entity whose securities are traded on a U.S. national securities exchange (including NASDAQ) or an equivalent foreign exchange;
- (ii) during the Non-Competition and Non-Solicitation Period, whether or not for compensation, either on your own behalf or as an employee, officer, agent, consultant, director, owner, partner, joint venturer, shareholder, investor, or in any other capacity, be actively connected with a Competitive Business or otherwise advise or assist a Competitive Business with regard to any product, investigational compound, technology, service, line of business, department or business unit that competes with any product, technology, service, line of business, department or business unit with which you worked or about which you became familiar as a result of your employment with the Company or a subsidiary of the Company. Notwithstanding the foregoing, after your employment with the Company or a subsidiary of the Company terminates for any reason, you may be affiliated with a Competitive Business provided that your affiliation does not involve any product, investigational compound, technology or service, that competes with any product, investigational compound, technology or service with which you were involved within the last twelve months of your employment with the Company or a subsidiary of the Company, including any product, investigational compound, technology or service which the Company is developing and of which you had knowledge, and you and the Competing Business provide the Company written assurances of this fact prior to your commencing such affiliation;
- (iii) during the Non-Competition and Non-Solicitation Period, employ, solicit for employment, solicit, induce, encourage, or participate in soliciting, inducing or encouraging any Company employee who is employed by the Company or who was employed by the Company within the twelve months preceding the termination of your employment with the Company for any reason, to terminate or

reduce his or her or its relationship with the Company or any of its affiliates, successors or assigns (the “Related Parties”);

- (iv) during the Non-Competition and Non-Solicitation Period, solicit, induce, encourage, or appropriate or attempt to solicit, divert or appropriate, by use of Confidential Information or otherwise, any existing or prospective customer, vendor or supplier of the Company or any Related Parties to terminate, cancel or otherwise reduce its relationship with the Company or any Related Parties;
- (v) during the Non-Competition and Non-Solicitation Period, contact, call upon or solicit any existing customer of the Company or its Related Parties, or prospective customer of the Company or its Related Parties, that you became aware of or was introduced to in the course of your duties for the Company or its Related Parties, or otherwise divert or take away from the Company or its Related Parties the business of any current or prospective customer of the Company or its Related Parties; or
- (vi) during the Non-Competition and Non-Solicitation Period, engage in any activity that is harmful to the interests of the Company or its Related Parties, including, without limitation, any conduct during the term of your employment that violates the Company’s Standards of Business Conduct and Ethics, securities trading policy and other policies.

(b) Rescission, Forfeiture and Other Remedies. If the Company determines that you have violated any applicable provisions of Section 10(a) above during the Non-Competition and Non-Solicitation Period, in addition to injunctive relief and damages, you agree and covenant that:

- (i) any unvested portion of the Performance Share Units shall be immediately rescinded;
- (ii) you shall automatically forfeit any rights you may have with respect to the Performance Share Units as of the date of such determination;
- (iii) if any part of the Performance Share Units vests within the twelve-month period immediately preceding a violation of Section 10(a) above (or following the date of any such violation), upon the Company’s demand, you shall immediately deliver to it a certificate or certificates for Shares that you acquired upon settlement of such Performance Share Units (or an equivalent number of other shares); and
- (iv) the foregoing remedies set forth in this Section 10(b) shall not be the Company’s exclusive remedies. The Company reserves all other rights and remedies available to it at law or in equity.

(c) Definitions. For purposes of this Agreement, the following definitions shall apply:

- (i) “Competitive Business” means any business that is engaged in or is about to become engaged in the development, production or sale of any product, process or service concerning the treatment of any disease, which product, process or service resembles or competes with any product, process or service that was sold by, or in development at, the Company or a subsidiary of the Company during your employment with the Company or a subsidiary of the Company.
- (ii) Because of the global nature of the Company’s business, it is agreed that the restrictions set forth above shall apply in the “Restricted Area,” defined as including without limitation the continent, country and the geographic regions where you worked in and were responsible for while employed

by the Company or a subsidiary of the Company, and any other geographic area (country, province, state, city or other political subdivision) in which the Company or a subsidiary of the Company is engaged in business and/or is otherwise selling products or services at the time you ceased working for the Company or a subsidiary of the Company;

- (A) provided, however, that if a court of competent jurisdiction or other authority determines the foregoing geographic scope is unenforceable, the “Restricted Area” shall be defined as the continent, country and the geographic regions where you worked and were responsible for while employed by the Company or a subsidiary of the Company;
 - (B) provided, however, that if a court of competent jurisdiction or other authority determines that the foregoing geographic scope is unenforceable, the “Restricted Area” shall be defined as the country in which you worked;
 - (C) provided, however, that if a court of competent jurisdiction or other authority determines that the foregoing geographic scope is unenforceable, the “Restricted Area” shall be defined as the geographic regions that you serviced and were responsible for while employed by the Company or a subsidiary of the Company.
- (iii) The “Non-Competition and Non-Solicitation Period” shall be the period during which Employee is employed by the Company or a subsidiary of the Company and **twelve (12) months** after the end of Employee’s term of employment with and/or work for the Company or a subsidiary of the Company for any reason, (e.g., restriction applies regardless of the reason for termination and includes voluntary and involuntary termination) (hereinafter “Termination Date”);
- (A) provided, however, that if a court of competent jurisdiction or other authority determines that such period is unenforceable, the “Non-Competition and Non-Solicitation Period” shall be the period of **eleven (11) months** after your employment Termination Date with the Company or a subsidiary of the Company for any reason;
 - (B) provided, however, that if a court of competent jurisdiction or other authority determines that such period is unenforceable, the “Non-Competition and Non-Solicitation Period” shall be the period of **ten (10) months** after your employment Termination Date with the Company or a subsidiary of the Company for any reason;
 - (C) provided further, in the event that the Company or a subsidiary of the Company files an action to enforce rights arising out of this Agreement, the Non-Competition and Non-Solicitation Period shall be extended for all periods of time in which you are determined by the Court to have been in violation of the provisions of Section 10(a).
- (d) Severability. You acknowledge and agree that the period, scope and geographic areas of restriction imposed upon you by this Section 10 are fair and reasonable and are reasonably required for the protection of the Company. In case any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired and this Agreement shall nevertheless continue to be valid and enforceable as though the invalid provisions were not part of this Agreement. If the final judgment of a court of competent jurisdiction or other authority declares that any term or provision hereof is invalid, illegal or unenforceable, the parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, illegal or unenforceable term or provision with a term or provision that is valid, legal and enforceable to the maximum extent permissible under law and that comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision. You acknowledge and

agree that your covenants under this Agreement are ancillary to your employment relationship with the Company or a subsidiary of the Company, but shall be independent of any other contractual relationship between you and the Company or a subsidiary of the Company. Consequently, the existence of any claim or cause of action that you may have against the Company or a subsidiary of the Company shall not constitute a defense to the enforcement of this Agreement by the Company or a subsidiary of the Company, nor an excuse for noncompliance with this Agreement.

(e) Additional Remedies. You acknowledge and agree that any violation by you of this paragraph will cause irreparable harm to the Company and its Related Parties and the Company cannot be adequately compensated for such violation by damages. Accordingly, if you violate or threaten to violate this Agreement, then, in addition to any other rights or remedies that the Company may have in law or in equity, the Company shall be entitled, without the posting of a bond or other security, to obtain an injunction to stop or prevent such violation. You further agree that if the Company incurs legal fees or costs in enforcing this Agreement, you will reimburse the Company for such fees and costs.

(f) Binding Obligations. These obligations shall be binding both upon you, your assigns, executors, administrators and legal representatives. At the inception of or during the course of your employment, you may have executed agreements that contain similar terms. Those agreements remain in full force and effect. In the event that there is a conflict between the terms of those agreements and this Agreement, this Agreement will control.

(g) Enforcement. The Company retains discretion regarding whether or not to enforce the terms of the covenants contained in this Section 10 and its decision not to do so in your instance or anyone's case shall not be considered a waiver of the Company's right to do so.

11. DIVIDENDS AND OTHER ADJUSTMENTS

(a) Dividends or dividend equivalents are not paid, accrued or accumulated on Performance Share Units during the Restricted Period, except as provided in Section 11(b).

(b) The target number of Performance Share Units, the banked number of Performance Share Units, the kind of securities deliverable in settlement of Performance Share Units and/or any performance measure based on per share results shall be appropriately adjusted in order to prevent dilution or enlargement of your rights with respect to the Performance Share Units upon the occurrence of an event referred to in Plan Section 11(c). In furtherance of the foregoing, in the event of an equity restructuring, as defined in FASB ASC Topic 718, which affects the Shares, you shall have a legal right to an adjustment to your Performance Share Units which shall preserve without enlarging the value of the Performance Share Units, with the manner of such adjustment to be determined by the Committee in its discretion. Any Performance Share Units or related rights which directly or indirectly result from an adjustment to a Performance Share Unit hereunder shall be subject to the same risk of forfeiture and other conditions as apply to the granted Performance Share Unit and will be settled at the same time as the granted Performance Share Unit.

12. EFFECT ON OTHER BENEFITS

In no event shall the value, at any time, of the Performance Share Units or any other payment or right to payment under this Agreement be included as compensation or earnings for purposes of any other compensation, retirement, or benefit plan offered to employees of the Company or its subsidiaries or affiliates unless otherwise specifically provided for in such plan. Performance Share Units and the income and value of the same are not part of normal or expected compensation or salary for any purposes including, but not limited to, calculation of any severance, resignation, termination, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits, or similar payments.

13. ACKNOWLEDGMENT OF NATURE OF PLAN AND PERFORMANCE SHARE UNITS

In accepting the Performance Share Units, you acknowledge, understand and agree that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) The award of Performance Share Units is voluntary and occasional and does not create any contractual or other right to receive future awards of Performance Share Units, or benefits in lieu of Performance Share Units even if Performance Share Units have been awarded in the past;

(c) All decisions with respect to future awards of Performance Share Units or other awards, if any, will be at the sole discretion of the Company;

(d) Your participation in the Plan is voluntary;

(e) The Performance Share Units and the Shares subject to the Performance Share Units are not intended to replace any pension rights or compensation;

(f) Unless otherwise agreed with the Company, the Performance Share Units and the Shares subject to the Performance Share Units, the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of a subsidiary or an affiliate of the Company;

(g) The future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(h) No claim or entitlement to compensation or damages arises from the forfeiture of Performance Share Units, resulting from termination of your employment or other service relationship with the Company, or any of its subsidiaries or affiliates or the Employer (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the Performance Share Units to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, any of its subsidiaries or affiliates or the Employer, waive your ability, if any, to bring such claim, and release the Company, any subsidiary or affiliate and/or the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(i) Unless otherwise provided in the Plan or by the Company in its discretion, the Performance Share Units and the benefits evidenced by this Agreement do not create any entitlement to have the Performance Share Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company;

(j) The following provisions apply only if you are providing services outside the United States: (i) the award and the Shares subject to the Performance Share Units are not part of normal or expected compensation or salary for any purpose; (ii) neither the Company, the Employer nor any subsidiary or affiliate of the Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Performance Share Units or of any amounts due to you pursuant to the settlement of the Performance Share Units or the subsequent sale of any Shares acquired upon settlement; and

(k) You agree that the Company may recover any incentive-based compensation received by you under this Agreement, including, without limitation, pursuant to Sections 6, 7 and 8 hereof, if such recovery is pursuant to a clawback or recoupment policy approved by the Committee.

14. NO ADVICE REGARDING GRANT

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

15. RIGHT TO CONTINUED EMPLOYMENT

Nothing in the Plan or this Agreement shall confer on you any right to continue in the employ of the Company or any subsidiary or affiliate of the Company or any specific position or level of employment with the Company or any subsidiary or affiliate of the Company or affect in any way the right of the Company or any subsidiary or affiliate of the Company to terminate your employment without prior notice at any time for any reason or no reason.

16. ADMINISTRATION; UNFUNDED OBLIGATIONS

The Committee shall have full authority and discretion, subject only to the express terms of the Plan, to decide all matters relating to the administration and interpretation of the Plan and this Agreement, and all such Committee determinations shall be final, conclusive, and binding upon the Company, any subsidiary or affiliate, you, and all interested parties. Any provision for distribution in settlement of your Performance Share Units and other obligations hereunder shall be by means of bookkeeping entries on the books of the Company and shall not create in you or any beneficiary any right to, or claim against any, specific assets of the Company, nor result in the creation of any trust or escrow account for you or any beneficiary. You and any of your beneficiaries entitled to any settlement or other distribution hereunder shall be a general creditor of the Company.

17. DEEMED ACCEPTANCE

You are required to accept the terms and conditions set forth in this Agreement prior to the first anniversary of the Award Date in order for you to receive the award granted to you hereunder. If you wish to decline this award, you must reject this Agreement prior to the first anniversary of the Award Date. For your benefit, if you have not rejected the Agreement prior to the first anniversary of the Award Date, you

will be deemed to have automatically accepted this award and all the terms and conditions set forth in this Agreement. Deemed acceptance will allow the shares to be released to you in a timely manner and once released, you waive any right to assert that you have not accepted the terms hereof.

18. AMENDMENT TO PLAN

This Agreement shall be subject to the terms of the Plan, as amended from time to time, except that, subject to Sections 25 and 28 below, Performance Share Units which are the subject of this Agreement may not be materially adversely affected by any amendment or termination of the Plan approved after the Award Date without your written consent.

19. SEVERABILITY AND VALIDITY

The various provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

20. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement and award grant shall be governed by the substantive laws (but not the choice of law rules) of the State of Delaware. For purposes of litigating any dispute that arises under this Performance Share Unit grant or Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, agree that such litigation shall be conducted in the courts of Wilmington, Delaware, or the federal courts for the United States District Court for the District of Delaware, and no other courts where this Performance Share Unit grant is made and/or performed.

21. SUCCESSORS

This Agreement shall be binding upon and inure to the benefit of the successors, assigns, and heirs of the respective parties.

22. DATA PRIVACY

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement by and among, as applicable, the Employer, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, any subsidiary and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Performance Share Units or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to Fidelity, or such other stock plan service provider as may be selected by the Company in the future, which assists in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you

may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the Company, Fidelity and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon vesting of the Performance Share Units may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Performance Share Units or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

23. ELECTRONIC DELIVERY AND ACCEPTANCE

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic systems established and maintained by the Company or a third party designated by the Company.

24. INSIDER TRADING/MARKET ABUSE LAWS

You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares (e.g ., Performance Share Units) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

25. LANGUAGE

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

26. COMPLIANCE WITH LAWS AND REGULATIONS

Notwithstanding any other provisions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, you understand that the Company will not be obligated to issue any Shares pursuant to the vesting and settlement of the Performance Share Units, if the issuance of such Shares shall constitute a violation by you or the Company of any provision of law or regulation of any governmental authority. Further, you agree that the Company shall have unilateral authority to amend the Plan and the Agreement without your consent to the

extent necessary to comply with securities or other laws applicable to issuance of shares. Any determination by the Company in this regard shall be final, binding and conclusive.

27. ENTIRE AGREEMENT AND NO ORAL MODIFICATION OR WAIVER

This Agreement contains the entire understanding of the parties. This Agreement shall not be modified or amended except in writing duly signed by the parties except that the Company may adopt a modification or amendment to the Agreement that is not materially adverse to you in writing signed only by the Company. Any waiver of any right or failure to perform under this Agreement shall be in writing signed by the party granting the waiver and shall not be deemed a waiver of any subsequent failure to perform.

28. ADDENDUM

Your Performance Share Units shall be subject to any special provisions set forth in the Addendum to this Agreement for your country, if any. If you relocate to one of the countries included in the Addendum, the special provisions for such country shall apply to you, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. The Addendum, if any, constitutes part of this Agreement.

29. FOREIGN ASSET/ACCOUNT REPORTING REQUIREMENTS AND EXCHANGE CONTROLS

Your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends paid on Share sale proceeds resulting from the sale of Shares acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations, and you should consult your personal legal advisor for any details.

30. IMPOSITION OF OTHER REQUIREMENTS

The Company reserves the right to impose other requirements on your participation in the Plan, on the Performance Share Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

For the Company
Bristol-Myers Squibb Company

By _____

I have read this Agreement in its entirety. I understand that this award has been granted to provide a means for me to acquire and/or expand an ownership position in Bristol-Myers Squibb Company. I acknowledge and agree that sales of Shares will be subject to the Company's policies regulating trading by employees. In accepting this award, I hereby agree that Fidelity, or such other vendor as the Company may choose to administer the Plan, may provide the Company with any and all account information for the administration of this award.

I hereby agree to all the terms, restrictions and conditions set forth in the Agreement, including, but not limited to, post-employment obligations related to non-competition and non-solicitation.

PERFORMANCE SHARE UNITS AGREEMENT

Under the Bristol-Myers Squibb Company
2012 Stock Award and Incentive Plan

**2015-2017 Performance Share Units Award
Minimum Performance Condition and Performance Goals for the Performance Year**

If Participant has been designated a Covered Employee for the Performance Year, then a required condition in order for Participant to bank Performance Share Units in the manner set forth below will be that the Company's Non-GAAP Pretax Earnings⁽¹⁾ for the 2015 fiscal year shall equal or exceed \$_____ million (the "Minimum Performance Condition"). If Participant has not been designated a Covered Employee for the Performance Year, then Participant shall bank Performance Share Units in the manner set forth below.

The number of Performance Share Units banked by Participant (subject to the TSR Modifier described below) shall be determined as of December 31, 2015 (the "Banking Date"), based on the Company's 2015 Total Revenues Performance (net of foreign exchange) and 2015 Non-GAAP Diluted EPS Performance, determined based on the following grid:

Performance Measure	Threshold	Target	Maximum
2015 Total revenues, net of fx (\$=MM)			
2015 Non-GAAP Diluted EPS			

Participant shall bank 42.50% of the target number of Performance Share Units for "Threshold Performance," 100% of the target number of Performance Share Units for "Target Performance," and 167.50% of the target number of Performance Share Units for "Maximum Performance." For this purpose, 2015 Total Revenues Performance is weighted 30%, and 2015 Non-GAAP Diluted EPS Performance is weighted 70%, so the level of banking of Performance Share Units shall be determined on a weighted-average basis.

Subject to the provisions of the Plan and the Agreement, unless vested or forfeited earlier as described in this Agreement, the number of Performance Share Units determined by the Committee to have been banked and that shall become vested shall be multiplied by the sum of one (1) and the TSR Modifier, based on the "TSR Percentile Rank" of the Company's "Total Shareholder Return," or "TSR," relative to the TSRs of the "Peer Companies" for the "TSR Measurement Period," calculated as of the "TSR Measurement Date" (each as defined below), according to the following table:

TSR Percentile Rank	TSR Modifier
< 20 th	-20%
20 th < 40 th	-10%
40 th < 60 th	0%
60 th < 80 th	10%
≥ 80 th	20%

"Total Shareholder Return (TSR)" shall mean the change in the value, expressed as a percentage of a given dollar amount invested in a company's most widely publicly traded stock over the TSR Measurement Period, taking into account both stock price appreciation (or depreciation) and the reinvestment of dividends (including the cash value of non-cash dividends) in additional stock of the company. The ten (10) trading-day average closing values of the Company's Common Stock and the stock of the Peer Companies, as applicable (i.e., average closing values over the period of 10 trading days ending on the Award Date and the final 10 trading days ending on the TSR Measurement Date), shall be used to value the Company's Common Stock and the stock of the Peer Companies, as applicable, at the beginning and end of the TSR Measurement Period. Dividend reinvestment shall be calculated consistently for the Company and all Peer Companies.

⁽¹⁾ For purposes of this Agreement, Non-GAAP Pretax Earnings is defined as earnings from continuing operations on a consolidated basis before deduction of income taxes, less pretax minority interest expenses, excluding discontinued operations, extraordinary items and other non-recurring items.

“Peer Companies” shall mean the following companies which remain publicly traded throughout the entire TSR Measurement Period:

AbbVie	GlaxoSmithKline
Amgen	Johnson & Johnson
AstraZeneca	Merck
Biogen Idec	Novartis
Celgene	Pfizer
Eli Lilly	Roche
Gilead Sciences	Sanofi

Companies that were publicly traded as of the Award Date but are no longer publicly traded as of the TSR Measurement Date shall be excluded except that companies that are no longer publicly traded as of the TSR Measurement Date due to filing for bankruptcy prior to the TSR Measurement Date shall be assigned a Total Shareholder Return of -100% for the TSR Measurement Period.

“TSR Measurement Date” shall mean February 28, 2018 (or earlier in accordance with this Agreement).

“TSR Measurement Period” shall mean the period commencing on the Award Date and ending on the TSR Measurement Date.

“TSR Percentile Rank” shall mean the percentage of TSR values among the Peer Companies during the TSR Measurement Period that are lower than the Company's TSR during the TSR Measurement Period. For example, if the Company's TSR during the TSR Measurement Period is at the 51st percentile, 49% of the Peer Companies had higher TSR during the TSR Measurement Period and 51% of the companies in the Peer Companies had equal or lower TSR during the TSR Measurement Period. For purposes of the TSR Percentile Rank calculation, the Company will be excluded from the group of Peer Companies.

Determinations of the Committee regarding 2015 Non-GAAP Pretax Earnings, 2015 Total Revenues Performance, 2015 Non-GAAP Diluted EPS Performance, the TSR Modifier and the resulting Performance Share Units banked, modified and vested, and related matters, will be final and binding on Participant. In making its determinations with respect to 2015 Total Revenues Performance, 2015 Non-GAAP Diluted EPS Performance and the TSR Modifier, the Committee may exercise its discretion (reserved under Plan Sections 7(a) and 7(b)(v)) to reduce the amount of Performance Share Units deemed banked, in its sole discretion.

Addendum

BRISTOL-MYERS SQUIBB COMPANY SPECIAL PROVISIONS FOR PERFORMANCE SHARE UNITS IN CERTAIN COUNTRIES

Unless otherwise provided below, capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Agreement. This Addendum includes special country-specific terms that apply if you are residing and/or working in one of the countries listed below. This Addendum is part of the Agreement.

This Addendum also includes information of which you should be aware with respect to your participation in the Plan. For example, certain individual exchange control reporting requirements may apply upon vesting of the Performance Share Units and/or sale of Shares. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2015 and is provided for informational purposes. Such laws are often complex and change frequently, and results may be different based on the particular facts and circumstances. As a result, the Company strongly recommends that you do not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time your Performance Share Units vest or are settled, or you sell Shares acquired under the Plan.

In addition, the information is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you currently are residing and/or working, transfer employment after the Performance Share Units are granted to you, or are considered a resident of another country for local law purposes, the information contained herein for the country you are residing and/or working in at the time of grant may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you. If you transfer residency and/or employment to another country or are considered a resident of another country listed in the Addendum after the Performance Share Units are granted to you, the terms and/or information contained for that new country (rather than the original grant country) may be applicable to you.

All Countries

Retirement. The following provision supplements Section 6(a) of the Agreement:

Notwithstanding the foregoing, if the Company receives a legal opinion that there has been a legal judgment and/or legal development in your jurisdiction that likely would result in the favorable treatment that applies to the Performance Share Units in the event of your Retirement being deemed unlawful and/or discriminatory, the provisions of Section 6(a) regarding the treatment of the Performance Share Units in the event of your Retirement shall not be applicable to you.

Algeria

Exchange Control Information. Proceeds from the settlement of Performance Share Units, sale of Shares and the receipt of any dividends must be repatriated to Algeria.

Argentina

Labor Law Policy and Acknowledgement. This provision supplements Section 13 of the Agreement:

By accepting the Performance Share Units, you acknowledge and agree that the grant of Performance Share Units is made by the Company (not the Employer) in its sole discretion and that the value of the Performance Share Units or any Shares acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (i) any labor benefits including, but not limited to, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, etc., or (ii) any termination or severance indemnities or similar payments.

If, notwithstanding the foregoing, any benefits under the Plan are considered salary or wages for any purpose under Argentine labor law, you acknowledge and agree that such benefits shall not accrue more frequently than on each vesting date.

Securities Law Information. Neither the Performance Share Units nor the underlying Shares are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. In the event that you transfer proceeds from the settlement of Performance Share Units, sale of Shares or any cash dividends paid on such shares into Argentina within 10 days of receipt (*i.e.* , if the proceeds have not been held in the offshore bank or brokerage account for at least 10 days prior to transfer), you will be required to deposit 30% of any proceeds in a non-interest bearing account for a 365 day holding period. In any event, the Argentine bank handling the transaction may request certain documentation in connection with your request to transfer proceeds into Argentina, including evidence of the sale of Shares and proof that no funds were remitted out of Argentina to acquire the Shares. If the bank determines that the 10-day rule or any other rule or regulation promulgated by the Argentine Central Bank has not been satisfied, it may require that 30% of the proceeds be placed in a non-interest bearing mandatory deposit account for a holding period of 365 days. Please note that exchange control regulations in Argentina are subject to frequent change. You are solely responsible for complying with any exchange control laws that may apply to you as a result of participating in the Plan and/or the transfer of funds in connection with the award. You should consult with your personal legal advisor regarding any exchange control obligations that you may have.

Foreign Asset/Account Reporting Information. Pursuant to General Resolution (AFIP) No. 3293 published on March 26, 2012, you are subject to an annual information regime under which you must report any equity interests held in the Company to the Argentine tax authorities.

Australia

Compliance with Laws. Notwithstanding anything else in the Agreement, you will not be entitled to and shall not claim any benefit under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Employer is under no obligation to seek or obtain the approval of its shareholders in general meeting for the purpose of overcoming any such limitation or restriction.

Securities Law Information. If you acquire Shares pursuant to your Performance Share Units and you offer your Shares for sale to a person or entity resident in Australia, your offer may be subject to disclosure requirements under Australian law. You should obtain legal advice on your disclosure obligations prior to making any such offer.

Treatment of Performance Share Units Upon Termination of Employment. Notwithstanding anything in the Agreement to the contrary, in the event all or a portion of the Shares to be issued to you upon vesting and settlement of the Performance Share Units become distributable upon your termination of employment or at some time following your termination of employment, the Company may determine, in its discretion, that such Shares will vest and become distributable as soon as practicable following your termination of employment without application of the TSR Modifier. You will not continue to vest in Performance Share Units or be entitled to any portion of Performance Share Units after your termination of employment.

Austria

Exchange Control Information . If you hold Shares under the Plan outside of Austria (even if you hold them outside of Austria at a branch of an Austrian bank), you may be required to submit a report to the Austrian National Bank as follows: (i) on a quarterly basis if the value of the Shares as of any given quarter meets or exceeds €30,000,000; and (ii) on an annual basis if the value of the Shares as of December 31 meets or exceeds €5,000,000. The deadline to file the quarterly report is the 15th day of the month following the end of the respective quarter. The deadline to file the annual report is January 31 of the following year.

When Shares are sold, there may be exchange control obligations if the cash proceeds from the sale are held outside Austria. If the transaction volume of all your cash accounts abroad meets or exceeds €3,000,000, the movements and the balance of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month. If the transaction value of all cash accounts abroad is less than €3,000,000, no ongoing reporting requirements apply.

Belgium

Foreign Asset/Account Reporting Information. If you are a Belgian resident, you are required to report any security or bank account (including brokerage accounts) you maintain outside of Belgium on your annual tax return. In a separate report, you will be required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened).

Brazil

Labor Law Policy and Acknowledgement. This provision supplements Section 13 of the Agreement:

By accepting the Performance Share Units, you acknowledge and agree that (i) you are making an investment decision, (ii) Shares will be issued to you only if the Minimum Performance Conditions and Performance Goals are met and you meet the employment conditions during the Restricted Period and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the Restricted Period.

Compliance with Laws. By accepting the Performance Share Units, you agree that you will comply with Brazilian law when you vest in the Performance Share Units and sell Shares. You also agree to report and pay any and all taxes associated with the vesting of the Performance Share Units, the sale of the Shares acquired pursuant to the Plan and the receipt of any dividends.

Exchange Control Information. You must prepare and submit a declaration of assets and rights held outside of Brazil to the Central Bank on an annual basis if you hold assets or rights valued at more than US\$100,000. The assets and rights that must be reported include Shares.

Canada

Settlement of Performance Share Units. Notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, Performance Share Units will be settled in Shares only, not cash.

Securities Law Information. You acknowledge and agree that you will sell Shares acquired through participation in the Plan only outside of Canada through the facilities of a stock exchange on which the Shares are listed. Currently, the Shares are listed on the New York Stock Exchange.

Termination of Employment. This provision supplements Section 6(g) of the Agreement:

In the event of your termination of employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), unless otherwise provided in this Agreement or the Plan, your right to vest in the Performance Share Units, if any, will terminate effective as of the date that is the earlier of (1) the date upon which your employment with the Company or any of its subsidiaries is terminated; (2) the date you are no longer actively employed by or providing services to the Company or any of its subsidiaries; or (3) the date you receive written notice of termination of employment, regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited to statutory law, regulatory law and/or common law); the Company shall have the exclusive discretion to determine when you are no longer employed or actively providing services for purposes of the Performance Share Units (including whether you may still be considered employed or actively providing services while on a leave of absence).

Foreign Asset/Account Reporting Information. You may be required to report your foreign property on Form T1135 (Foreign Income Verification Statement) if the total cost of your foreign property exceeds C\$100,000 at any time in the year. Foreign property includes cash held outside of Canada and Shares acquired under the Plan, and it may include unvested Performance Share Units. The Form T1135 must be filed by April 30 of the following year. You should consult with your personal tax advisor to determine your reporting requirements.

The following provisions apply if you are resident in Quebec:

Language Acknowledgment

The parties acknowledge that it is their express wish that this Agreement, including this Addendum, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be provided to them in English.

Consentement relatif à la langue utilisée. Les parties reconnaissent avoir expressément souhaité que la convention («Agreement») ainsi que cette Annexe, ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

Data Privacy. This provision supplements Section 22 of the Agreement:

You hereby authorize the Company, the Employer and their representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and its subsidiaries to disclose and discuss the Plan with their advisors. You further authorize the Company and its subsidiaries to record such information and to keep such information in your employee file.

Chile

Securities Law Information. The offer of the Performance Share Units constitutes a private offering in Chile effective as of the Award Date. The offer of Performance Share Units is made subject to general ruling n° 336 of the Chilean Superintendence of Securities and Insurance (“SVS”). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given the Performance Share Units are not registered in Chile, the Company is not required to provide information about the Performance Share Units or Shares in Chile. Unless the Performance Share Units and/or the Shares are registered with the SVS, a public offering of such securities cannot be made in Chile.

Exchange Control and Foreign Asset/Account Reporting Information. You are not required to repatriate proceeds obtained from the sale of Shares or from dividends to Chile; however, if you decide to repatriate proceeds from the sale of Shares and/or dividends and the amount of the proceeds to be repatriated exceeds US\$10,000, you acknowledge that you must effect such repatriation through the Formal Exchange Market (*i.e.* , a commercial bank or registered foreign exchange office). In such case, you must report the proceeds to a commercial bank or registered foreign exchange office receiving the funds. If you do not repatriate the funds and use such funds for the payment of other obligations contemplated under a different Chapter of the Foreign Exchange Regulations, you must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within the first 10 days of the month immediately following the transaction.

Further, if the value of your aggregate investments held outside of Chile meets or exceeds US\$5,000,000 (including the value of Shares acquired under the Plan), you may need to report the status of such investments quarterly to the Central Bank using Annex 3.1 of Chapter XII of the Foreign Exchange Regulations.

Finally, if you hold Shares acquired under the Plan outside of Chile, you may need to inform the Chilean Internal Revenue Service (the “CIRS”) of the details of your investment in the Shares by Filing Tax Form 1851 “Annual Sworn Statement Regarding Investments Held Abroad.” Further, if you wish to receive credit against your Chilean income taxes for any taxes paid abroad, you must report the payment of taxes abroad to the CIRS by filing Tax Form 1853 “Annual Sworn Statement Regarding Credits for Taxes Paid Abroad.” These statements must be submitted electronically through the CIRS website before March 15 of each year.

China

The following provisions apply if you are subject to the exchange control regulations in China, as determined by the Company in its sole discretion:

Sale of Shares. To comply with exchange control regulations in China, you agree that the Company is authorized to force the sale of Shares to be issued to you upon vesting and settlement of the Performance Share Units at any time (including immediately upon vesting or after termination of your employment, as described below), and you expressly authorize the Company's designated broker to complete the sale of Shares. You agree to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the designated broker) to effectuate the sale of Shares and shall otherwise cooperate with the Company with respect to such matters, provided that you shall not be permitted to exercise any influence over how, when or whether the sales occur. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of Shares at any particular price.

Upon the sale of Shares, the Company agrees to pay the cash proceeds from the sale of Shares (less any applicable Tax-Related Items, brokerage fees or commissions) to you in accordance with applicable exchange control laws and regulations, including, but not limited to, the restrictions set forth in this Addendum for China below under "Exchange Control Information." Due to fluctuations in the Share price and/or applicable exchange rates between the vesting date and (if later) the date on which the Shares are sold, the amount of proceeds ultimately distributed to you may be more or less than the market value of the Shares on the vesting date (which typically is the amount relevant to determining your Tax-Related Items liability). You understand and agree that the Company is not responsible for the amount of any loss you may incur and that the Company assumes no liability for any fluctuations in the Share price and/or any applicable exchange rate.

Treatment of Shares and Performance Share Units Upon Termination of Employment. Due to exchange control regulations in China, you understand and agree that any Shares acquired under the Plan and held by you in your brokerage account must be sold no later than the last business day of the month following the month of your termination of employment, or within such other period as determined by the Company or required by the China State Administration of Foreign Exchange ("SAFE") (the "Mandatory Sale Date"). For example, if your termination of employment occurs on March 14, 2016, then the Mandatory Sale Date will be April 30, 2016. You understand that any Shares held by you that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sale of Shares" above.

Notwithstanding anything in the Agreement to the contrary, if all or a portion of the Shares to be issued to you upon vesting and settlement of the Performance Share Units become distributable upon your termination of employment or at some time following your termination of employment, then such Shares (i) will vest and become distributable within three months of your employment without application of the TSR Modifier; and (ii) must be sold by the Mandatory Sale Date or will be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sale of Shares" above. You will not continue to vest in Performance Share Units or be entitled to any portion of Performance Share Units after your termination of employment.

Exchange Control Information. You understand and agree that, to facilitate compliance with exchange control requirements, you are required to hold any Shares to be issued to you upon vesting and settlement of the Performance Share Units in the account that has been established for you with the Company's designated broker and you acknowledge that you are prohibited from transferring any such Shares to another brokerage account. In addition, you are required to immediately repatriate to China the cash proceeds from the sale of Shares issued upon vesting and settlement of the Performance Share Units and any dividends paid on such Shares. You further understand that such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Company or its subsidiaries, and you hereby consent and agree that the proceeds may be transferred to such special account prior to being delivered to you. The Company may deliver the proceeds to you in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, you understand that you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to you and due to fluctuations in the Share trading price and/or the U.S. dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that you receive may be more or less than the market value of the Shares on the sale/payment date (which is the amount relevant to determining your tax liability). You agree to bear the risk of any currency fluctuation between the sale/payment date and the date of conversion of the proceeds into local currency.

You further agree to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

Foreign Asset/Account Reporting Information. PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. Under these rules, you may be subject to reporting obligations for the Shares or equity awards, including Performance Share Units, acquired under the Plan and Plan-related transactions. It is your responsibility to comply with this reporting obligation and you should consult your personal advisor in this regard.

Colombia

Labor Law Policy and Acknowledgement. By accepting your award of Performance Share Units, you acknowledge that pursuant to Article 128 of the Colombia Labor Code, the Plan and related benefits do not constitute a component of "salary" for any purposes.

Exchange Control Information. Investments in assets located outside of Colombia (including Shares) are subject to registration with the Central Bank (Banco de la República) if the aggregate value of such investments is US\$500,000 or more (as of December 31 of the applicable calendar year). Further, upon the sale of any Shares that you have registered with the Central Bank, you must cancel the registration by March 31 of the following year. You may be subject to fines if you fail to cancel such registration.

Czech Republic

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to the Performance Share Units and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, you should consult your personal legal advisor prior to the vesting of the Performance Share Units and the sale of Shares to ensure compliance with current regulations. It is your responsibility to comply with any applicable Czech exchange control laws.

Denmark

Stock Option Act. You acknowledge that you have received an Employer Statement in Danish.

Foreign Asset/Account Reporting Information. If you establish an account holding Shares or an account holding cash outside Denmark, you must report the account to the Danish Tax Administration. The form may be obtained from a local bank. Please note that these obligations are separate from and in addition to the obligations described below.

Securities/Tax Reporting Information. If you hold Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, you are required to inform the Danish Tax Administration about the account. For this purpose, you must file a Form V (Erklaering V) with the Danish Tax Administration. Both you and the broker or bank must sign the Form V. By signing the Form V, the broker or bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the Shares in the account. In the event that the applicable broker or bank with which the account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account and any Shares acquired at vesting and held in such account to the Danish Tax Administration as part of your annual income tax return. By signing the Form V, you authorize the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: www.skat.dk.

In addition, if you open a brokerage account (or a deposit account with a U.S. bank), the brokerage account likely will be treated as a deposit account because cash can be held in the account. Therefore, you likely must file a Form K (Erklaering K) with the Danish Tax Administration. The Form K must be signed both by you and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the content of the account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of your annual income tax return. By signing the Form K, you authorize the Danish Tax Administration to examine the account. A sample of the Form K can be found at the following website: www.skat.dk.

Egypt

Exchange Control Information. If you transfer funds into Egypt in connection with the Performance Share Units, you are required to transfer the funds through a registered bank in Egypt.

Finland

There are no country-specific provisions.

France

Language Acknowledgement

En signant et renvoyant le présent document décrivant les termes et conditions de votre attribution, vous confirmez ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan et ce Contrat d'Attribution) qui vous ont été communiqués en langue anglaise.

By accepting your Performance Share Units, you confirm having read and understood the documents relating to this grant (the Plan and this Agreement) which were provided to you in English.

Foreign Asset/Account Reporting Information. If you hold Shares outside of France or maintain a foreign bank account, (including accounts that were opened and closed during the tax year), you are required to report such to the French tax authorities when filing your annual tax return. Failure to comply could trigger significant penalties. Further, if you have a foreign account balance exceeding €1,000,000, you may have additional monthly reporting obligations.

Germany

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported to the German Federal Bank. From September 2013, the German Federal Bank no longer accepts reports in paper form and all reports must be filed electronically. The electronic "General Statistics Reporting Portal" (*Allgemeines Meldeportal Statistik*) can be accessed on the German Federal Bank's website: www.bundesbank.de.

In the event that you make or receive a payment in excess of this amount, you are responsible for complying with applicable reporting requirements.

Greece

There are no country-specific provisions.

Hong Kong

Securities Law Information. *Warning: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the Agreement, including this Addendum, or the Plan, or any other incidental communication materials, you should obtain independent professional advice. The Performance Share Units and any Shares issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company or its subsidiaries. The Agreement, including this Addendum, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong. The Performance Share Units are intended only for the personal use of each eligible employee of the Employer, the Company or any subsidiary and may not be distributed to any other person.*

Settlement of Performance Share Units and Sale of Shares. Notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, Performance Share Units will be settled in Shares only, not cash. In addition, notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, no Shares acquired under the Plan can be offered to the public or otherwise disposed of prior to six months from the Award Date. Any Shares received at vesting are accepted as a personal investment.

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”).

Hungary

There are no country-specific provisions.

India

Exchange Control Information. You must repatriate all proceeds received from the sale of Shares to India within 90 days of receipt and all proceeds from the receipt of cash dividends with 180 days of receipt. You must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Company or the Employer requests proof of repatriation. **It is your responsibility to comply with applicable exchange control laws in India.**

Foreign Asset/Account Reporting Information. You are required to declare in your annual tax return (a) any foreign assets held by you or (b) any foreign bank accounts for which you have signing authority.

Ireland

Director Notification Obligation. If you are a director, shadow director, or secretary of an Irish subsidiary, you are subject to certain notification requirements under the Companies Act, 1990. Among these requirements is an obligation to notify the Irish subsidiary in writing within five business days of receiving or disposing of an interest (e.g., Performance Share Units, Shares) in the Company and the number and class of Shares or rights to which the interest relates, or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This disclosure requirement also applies to any rights or Shares acquired by your spouse or child(ren) (under the age of 18).

Israel

Settlement of Performance Share Units and Sale of Shares. Upon the vesting of the Performance Share Units, you agree to the immediate sale of any Shares to be issued to you upon vesting and settlement of the Performance Share Units. You further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on your behalf pursuant to this authorization) and you expressly authorize the Company's designated broker to complete the sale of such Shares. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale of the Shares to you, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items. Due to fluctuations in the Share price and/or applicable exchange rates between the vesting date and (if later) the date on which the Shares are sold, the amount of proceeds ultimately distributed to you may be more or less than the market value of the Shares on the vesting date (which typically is the amount relevant to determining your Tax-Related Items liability). You understand and agree that the Company is not responsible for the amount of any loss you may incur and that the Company assumes no liability for any fluctuations in the Share price and/or any applicable exchange rate.

Italy

Data Privacy Notice. This section replaces Section 22 of the Agreement:

You understand that the Company and the Employer are the privacy representatives of the Company in Italy and may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any subsidiaries, details of all Performance Share Units or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor, and that the Company and the Employer will process said data and other data lawfully received from third parties ("Personal Data") for the exclusive purpose of managing and administering the Plan and complying with applicable laws, regulations and Community legislation. You also understand that providing the Company with Personal Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that your denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. You understand that Personal Data will not be publicized, but it may be accessible by the Employer as the privacy representative of the Company and within the Employer's organization by its internal and external personnel in charge of processing, and by Fidelity or any other data processor appointed by the Company. The updated list of processors and of the subjects to which Data are communicated will remain available upon request from the Employer. Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. You understand that Personal Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addressees under applicable laws. You further understand that the Company and its subsidiaries will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan, and that the Company and its subsidiaries may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of Personal Data to Fidelity or other third party with whom you may elect to deposit any Shares acquired under the Plan or any proceeds from the sale of such Shares. Such recipients may receive, possess, use, retain and transfer Personal Data in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan. You understand that these recipients may be acting as controllers, processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law.

Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

You understand that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Personal Data abroad, including outside of the European Economic Area, as specified herein and pursuant to applicable laws and regulations, does not require your consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. You understand that, pursuant to section 7 of the Legislative Decree no. 196/2003, you have the right at any moment to, including, but not limited to, obtain confirmation that Personal Data exists or not, access, verify its contents, origin and accuracy, delete, update, integrate, correct, block or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, you should contact the Employer. Furthermore, you are aware that Personal Data will not be used for direct marketing purposes. In addition, Personal Data provided can be reviewed and questions or complaints can be addressed by contacting your human resources department.

Plan Document Acknowledgment. By accepting the Performance Share Units, you acknowledge that you have received a copy of the Plan, reviewed the Plan, the Agreement and this Addendum in their entirety and fully understand and accept all provisions of the Plan, the Agreement and this Addendum.

In addition, you further acknowledge that you have read and specifically and expressly approve without limitation the following clauses in the Agreement: Section 9 (Responsibility for Taxes); Section 13 (Acknowledgement of Nature of Plan and Performance Share Units); Section 14 (No Advice Regarding Grant); Section 15 (Right to Continued Employment); Section 17 (Deemed Acceptance); Section 19 (Severability and Validity); Section 20 (Governing Law, Jurisdiction and Venue); Section 22 (Data Privacy, as replaced by the above provision in this Addendum); Section 23 (Electronic Delivery and Acceptance); Section 24 (Insider Trading/Market Abuse Laws); Section 25 (Language); Section 26 (Compliance with Laws and Regulations); Section 27 (Entire Agreement and No Oral Modification or Waiver); Section 28 (Addendum); Section 29 (Foreign Asset/Account Reporting Requirements and Exchange Controls); and Section 30 (Imposition of Other Requirements).

Foreign Asset/Account Reporting Information. If you are an Italian resident who, at any time during the fiscal year, holds foreign financial assets (including cash and Shares) which may generate income taxable in Italy, you are required to report these assets on your annual tax return for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also apply if you are the beneficial owner of foreign financial assets under Italian money laundering provisions.

Tax Information. Italian residents may be subject to tax on the value of financial assets held outside of Italy. The taxable amount will be the fair market value of the financial assets, assessed at the end of the calendar year. For the purposes of the market value assessment, the documentation issued by the Plan broker may be used.

Japan

Foreign Asset/Account Reporting Information. If you are a resident of Japan or a foreign national who has established permanent residency in Japan, you will be required to report details of any assets (including any Shares acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th of the following year. You should consult with your personal tax advisor as to whether the reporting obligation applies to you and whether you will be required to report details of any outstanding Performance Share Units or Shares held by you in the report.

Korea

Exchange Control Information. Korean residents who realize US\$500,000 or more from the sale of Shares or receipt of dividends in a single transaction are required to repatriate the proceeds to Korea within 18 months of receipt.

Foreign Asset/Account Reporting Information. You will be required to declare all foreign accounts (*i.e.* , non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authorities and file a report if the monthly balance of such accounts exceeds a certain limit (currently KRW 1 billion or an equivalent amount in foreign currency).

Luxembourg

There are no country-specific provisions.

Mexico

Labor Law Policy and Acknowledgment. By accepting this award, you expressly recognize that the Company, with offices at 345 Park Avenue, New York, New York 10154, U.S.A., is solely responsible for the administration of the Plan and that your participation in the Plan and acquisition of shares does not constitute an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and your sole employer is Bristol-Myers Squibb Company in Mexico (“BMS-Mexico”), not the Company in the United States. Based on the foregoing, you expressly recognize that the Plan and the benefits that you may derive from participation in the Plan do not establish any rights between you and your employer, BMS-Mexico, and do not form part of the employment conditions and/or benefits provided by BMS-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

You further understand that your participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue your participation at any time without any liability to you.

Finally, you hereby declare that you do not reserve to yourself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and you therefore grant a full and broad release to the Company, its subsidiaries, affiliates, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Política Laboral y Reconocimiento/Aceptación. Aceptando este Premio ⁽¹⁾, el participante reconoce que la Compañía, with offices at 345 Park Avenue, New York, New York 10154, U.S.A., es el único responsable de la administración del Plan y que la participación del Participante en el mismo y la adquisición de acciones no constituye de ninguna manera una relación laboral entre el Participante y la Compañía, toda vez que la participación del participante en el Plan deriva únicamente de una relación comercial con la Compañía, reconociendo expresamente que el único empleador del participante lo es Bristol-Myers Squibb Company en Mexico (“BMS-Mexico”), no es la Compañía en los Estados Unidos. Derivado de lo anterior, el participante expresamente reconoce que el Plan y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre el participante y su empleador, BMS-México, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por BMS-México, y expresamente el participante reconoce que cualquier modificación el Plan o la terminación del mismo de manera alguna podrá ser interpretada como una modificación de los condiciones de trabajo del participante.

Asimismo, el participante entiende que su participación en el Plan es resultado de la decisión unilateral y discrecional de la Compañía, por lo tanto, la Compañía. Se reserva el derecho absoluto para modificar y/o terminar la participación del participante en cualquier momento, sin ninguna responsabilidad para el participante.

Finalmente, el participante manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía, por cualquier compensación o daño en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia el participante otorga un amplio y total finiquito a la Compañía, sus entidades relacionadas, afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

Netherlands

Securities Law Information. Attention! This investment falls outside AFM supervision. No prospectus required for this activity.

Norway

There are no country-specific provisions.

Peru

Securities Law Information. The grant of Performance Share Units is considered a private offering in Peru; therefore, it is not subject to registration.

⁽¹⁾ El término "Premio" se refiere a la palabra "Award."

Poland

Foreign Asset/Account Reporting Information. Polish residents holding foreign securities (including Shares) and maintaining accounts abroad must report information to the National Bank of Poland. Specifically, if the aggregate value of shares and cash held in such foreign accounts exceeds PLN 7 million, Polish residents must file reports on the transactions and balances of the accounts on a quarterly basis on special forms that are available on the website of the National Bank of Poland.

Exchange Control Information. Polish residents are required to transfer funds (*i.e.* , in connection with the sale of Shares) through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently €15,000). If you are a Polish resident, you must also store all documents connected with any foreign exchange transactions you engage in for a period of five years, as measured from the end of the year in which such transaction occurred.

You should consult with your personal legal advisor to determine what you must do to fulfill any applicable reporting/exchange control duties.

Portugal

Language Consent. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Conhecimento da Lingua. Você expressamente declara ter pleno conhecimento do idioma inglês e ter lido, entendido e totalmente aceito e concordou com os termos e condições estabelecidas no plano e no acordo.

Exchange Control Information. If you acquire Shares under the Plan and do not hold the shares with a Portuguese financial intermediary, you may need to file a report with the Portuguese Central Bank. If the shares are held by a Portuguese financial intermediary, it will file the report for you.

Puerto Rico

There are no country-specific provisions.

Romania

Exchange Control Information. If you deposit the proceeds from the sale of your Shares in a bank account in Romania, you may have to provide the Romanian bank through which the operations are effected with appropriate documentation regarding the receipt of the income. You should consult with a personal legal advisor to determine whether you will be required to submit such documentation to the Romanian bank.

Russia

Exchange Control Information. You acknowledge that you must repatriate the proceeds from the sale of Shares within a reasonably short time of receipt. Such amounts must be initially credited to you through a foreign currency account opened in your name at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks subject to the following limitations: (i) the foreign account may be opened only for individuals; (ii) the foreign account may not be used for business activities; and (iii) you must give notice to the Russian tax authorities about the opening/closing of each foreign account within one month of the account opening/closing. Effective August 2, 2014, dividends (but not dividend equivalents) do not need to be remitted to your bank account in Russia but instead can be remitted directly to a foreign individual bank account (in Organisation for Economic Cooperation and Development (“OECD”) and Financial Action Task Force (“FATF”) countries).

You should consult your personal advisor before selling any Shares acquired under the Plan and remitting any sale proceeds to Russia, as significant penalties may apply in the case of non-compliance with exchange control requirement and exchange control requirements are subject to change at any time, often without notice.

Foreign Asset/Account Reporting Information. Russian residents are required to notify the Russian tax authorities within one month of opening or closing a foreign bank account, or of changing any account details. Effective as of January 1, 2015, Russian residents also will be required to file with the Russian tax authorities reports of the transactions in his or her foreign bank accounts.

Securities Law Information. These materials do not constitute advertising or an offering of securities in Russia nor do they constitute placement of the Shares in Russia. Any Shares issued pursuant to the Performance Share Units shall be delivered to you through a brokerage account in the U.S. You may hold Shares in your brokerage account in the U.S.; however, in no event will Shares issued to you and/or Share certificates or other instruments be delivered to you in Russia. The issuance of Shares pursuant to the Performance Share Units described herein has not and will not be registered in Russia and hence, the Shares described herein may not be admitted or used for offering, placement or public circulation in Russia.

U.S. Transaction. You are not permitted to make any public advertising or announcements regarding the Performance Share Units or Shares in Russia, or promote these shares to other Russian legal entities or individuals, and you are not permitted to sell or otherwise dispose of Shares directly to other Russian legal entities or individuals. You are permitted to sell Shares only on the New York Stock Exchange and only through a U.S. broker.

Data Privacy Consent. This section replaces Section 22 of the Agreement:

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement by and among, as applicable, the Employer, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, any subsidiary and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Performance Share Units or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor (“Data”), for the purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to Fidelity, or such other stock plan service provider as may be selected by the Company in the future, which assists in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting the International Compensation and Benefits Group. You authorize the Company, Fidelity and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon vesting of the Performance Share Units may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case and without cost, by contacting in writing the International Compensation and Benefits Group. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you Performance Share Units or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact the International Compensation and Benefits Group.

Labor Law Information. You acknowledge that if you continue to hold Shares acquired under the Plan after an involuntary termination of your employment, you may not be eligible to receive unemployment benefits in Russia.

Anti-Corruption Information . Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (*e.g.* , shares of foreign companies such as the Company). Accordingly, you should inform the Company if you are covered by these laws because you should not hold Shares acquired under the Plan.

Saudi Arabia

Securities Law Information. This document may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

Singapore

Securities Law Information. The grant of Performance Share Units is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Chap. 289, 2006 Ed.) (“SFA”) for which it is exempt from the prospectus and registration requirements under the SFA and is not made to you with a view to the Performance Share Units being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the Performance Share Units are subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the Performance Share Units in Singapore, unless such sale or offer is made after 6 months from the Award Date or pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.).

Chief Executive Officer and Director Notification Requirement. If you are the Chief Executive Officer (“CEO”) or a director, associate director or shadow director of a Singapore company, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore company in writing when you receive an interest (e.g., Performance Share Units, Shares) in the Company or any related companies. In addition, you must notify the Singapore company when you sell shares of the Company or any related company (including when you sell Shares acquired pursuant to your Performance Share Units). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of your interests in the Company or any related company within two business days of becoming the CEO or a director.

South Africa

Responsibility for Taxes. The following provision supplements Section 9 (Responsibility for Taxes) of this Agreement:

You are required to immediately notify the Employer of the amount of any gain realized at vesting of the Performance Share Units. If you fail to advise the Employer of such gain, you may be liable for a fine.

Exchange Control Information. You are solely responsible for complying with applicable South African exchange control regulations, and neither the Company nor the Employer will be liable for any fines or penalties resulting from failure to comply with applicable laws. In particular, if you are a resident for exchange control purposes, you are required to obtain approval from the South African Reserve Bank for payments (including payment of proceeds from the sale of Shares) that you receive into accounts based outside of South Africa (*e.g.* , a U.S. brokerage account). Because the exchange control regulations change frequently and without notice, you should consult your legal advisor prior to the acquisition or sale of Shares under the Plan to ensure compliance with current regulations.

Spain

Exchange Control Information. If you acquire Shares issued pursuant to the Performance Share Units and wish to import the ownership title of such shares (*i.e.* , share certificates) into Spain, you must declare the importation of such securities to the Spanish *Dirección General de Política Comercial y de Inversiones Extranjeras* (the “DGPCIE”). Generally, the declaration must be made in January for Shares acquired or sold during (or owned as of December 31 of) the prior year; however, if the value of shares acquired or sold exceeds the applicable threshold (currently €1,502,530) (or you hold 10% or more of the share capital of the Company or such other amount that would entitle you to join the Company’s board of directors), the declaration must be filed within one month of the acquisition or sale, as applicable. In addition, you also must file a declaration of ownership of foreign securities with the Directorate of Foreign Transactions each January.

When receiving foreign currency payments derived pursuant to the Performance Share Units (e.g., proceeds from the sale of Shares), you must inform the financial institution receiving the payment of the basis upon which such payment is made if the payment exceeds €50,000. Upon request, you will need to provide the institution with the following information: your name, address, and fiscal identification number; the name and corporate domicile of the Company; the amount of the payment; the currency used; the country of origin; the reasons for the payment; and any additional information required.

Foreign Asset/Account Reporting Information. You are required to electronically declare to the Bank of Spain any security accounts (including brokerage accounts held abroad), as well as the security (including Shares acquired at vesting of Performance Share Units) held in such accounts and any transactions carried out with non-residents if the value of the transactions for all such accounts during the prior year for the balances in such accounts as of December 31 of the prior year exceeds €1,000,000. If neither the total balances nor total transactions with non-residents during the relevant period exceed €50,000,000 a summarized form declaration may be used. More frequent reporting is required if such transaction value or account balance exceeds €100,000,000.

In addition, to the extent you hold Shares and/or have bank accounts outside of Spain with a value in excess of €50,000 (for each type of asset) as of December 31, you will be required to report information on such assets on your tax return for such year. After such Shares and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value or any previously reported Shares or accounts increases by more than €20,000 as of each subsequent December 31.

Labor Law Acknowledgment. This provision supplements Sections 6 and 13 of the Agreement:

By accepting the Performance Share Units, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan document.

You understand and agree that, as a condition of the grant of the Performance Share Units, except as provided for in Section 2 of the Agreement, your termination of employment for any reason (including for the reasons listed below) will automatically result in the forfeiture of any Performance Share Units that have not vested on the date of your termination.

In particular, you understand and agree that, unless otherwise provided in the Agreement, the Performance Share Units will be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a termination of your employment prior to vesting by reason of, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.* , subject to a “despido improcedente”), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, you understand that the Company has unilaterally, gratuitously and discretionally decided to grant Performance Share Units under the Plan to individuals who may be employees of the Company or a subsidiary. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any subsidiary on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, you understand that the Performance Share Units are granted on the assumption and condition that the Performance Share Units and the Shares underlying the Performance Share Units shall not become a part of any employment or service contract (either with the Company, the Employer or any subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that the Performance Share Units would not be granted to you but for the assumptions and conditions referred to above; thus, you acknowledge and freely accept that, should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any award of Performance Share Units shall be null and void.

Securities Law Information. The Performance Share Units and the Shares described in the Agreement and this Addendum do not qualify under Spanish regulations as securities. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory. The Agreement (including this Addendum) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Sweden

There are no country-specific provisions.

Switzerland

Securities Law Information. The Performance Share Units are not intended to be publicly offered in or from Switzerland. Because the offer of Performance Share Units is considered a private offering, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the Performance Share Units constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the Performance Share Units may be publicly distributed nor otherwise made publicly available in Switzerland.

Taiwan

Securities Law Information. The offer of participation in the Plan is available only for employees of the Company and its subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. You may remit foreign currency (including proceeds from the sale of Shares) into or out of Taiwan up to US\$5,000,000 per year without special permission. If the transaction amount is TWD500,000 or more in a single transaction, you must submit a Foreign Exchange Transaction Form to the remitting bank and provide supporting documentation to the satisfaction of the remitting bank.

Thailand

Exchange Control Information. If the proceeds from the sale of Shares or receipt of dividends are equal to or greater than US\$50,000 or more in a single transaction, you must repatriate the proceeds to Thailand immediately upon receipt and convert the funds to Thai Baht or deposit the proceeds in a foreign currency deposit account maintained by a bank in Thailand within 360 days of remitting the proceeds to Thailand. In addition you must report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If you fail to comply with these obligations, you may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, you should consult your personal advisor before selling Shares to ensure compliance with current regulations. You are responsible for ensuring compliance with all exchange control laws in Thailand, and neither the Company nor any of its subsidiaries will be liable for any fines or penalties resulting from your failure to comply with applicable laws.

Tunisia

Securities Law Information. All proceeds from the sale of Shares or the receipt of dividends must be repatriated to Tunisia. You should consult your personal advisor before taking action with respect to remittance of proceeds into Tunisia. You are responsible for ensuring compliance with all exchange control laws in Tunisia. In addition, if you hold assets abroad in excess of a certain amount, you must report the assets to the Central Bank of Tunisia.

Turkey

Securities Law Information. Under Turkish law, you are not permitted to sell Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange, which is located outside of Turkey, under the ticker symbol “BMY” and the Shares may be sold through this exchange.

Exchange Control Information. In certain circumstances, Turkish residents are permitted to sell shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, you may be required to appoint a Turkish broker to assist with the sale of Shares acquired under the Plan. You should consult your personal legal advisor before selling any Shares acquired under the Plan to confirm the applicability of this requirement.

United Arab Emirates

Securities Law Information. The Plan is only being offered to qualified employees and is in the nature of providing equity incentives to employees of the Company or its subsidiary or affiliate in the UAE. Any documents related to the Plan, including the Plan, Plan prospectus and other grant documents (“Plan Documents”), are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of the Plan Documents, you should consult an authorized financial adviser.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Plan Documents nor taken steps to verify the information set out in them, and thus, are not responsible for such documents.

United Kingdom

Responsibility for Taxes. This provision supplements Section 9 of the Agreement:

You agree that, if you do not pay or the Employer or the Company does not withhold from you the full amount of income tax due in connection with the Performance Share Units within 90 days after the end of the U.K. year in which the taxable event occurs, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), then the amount of income tax that should have been withheld shall constitute a loan owed by you to the Employer, effective or the Due Date. You agree that the loan will bear interest at Her Majesty’s Revenue & Customs’ (“HMRC”) official rate and will be immediately due and repayable by you, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in Section 9 of the Agreement.

Notwithstanding the foregoing, if you are a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that you are a director or executive officer and the income tax that is due is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You may be responsible for reporting and paying any income tax due on this additional benefit directly to the HMRC under the self-assessment regime and for reimbursing the Company or the Employer (as appropriate) for the value of any employee national insurance contributions due on this additional benefit, which the Company or the Employer may recover from you by any of the means referred to in Section 9 of the Agreement.

Venezuela

Securities Law Information. The Performance Share Units granted under the Plan and the Shares issued under the Plan are offered as a personal, private, exclusive transaction and are not subject to Venezuelan securities regulations.

Exchange Control Information. Exchange control restrictions may limit the ability to remit funds out of Venezuela in order to receive Shares upon vesting of the Performance Share Units, or remit funds into Venezuela following the sale of Shares acquired upon vesting of the Performance Share Units. The Company reserves the right to restrict settlement of the Performance Share Units or to amend or cancel the Performance Share Units at any time in order to comply with applicable exchange control laws in Venezuela. Any Shares acquired under the Plan are intended to be an investment rather than for the resale and conversion of the shares into foreign currency. You are responsible for complying with exchange control laws in Venezuela and neither the Company nor the Employer will be liable for any fines or penalties resulting from your failure to comply with applicable laws. Because exchange control laws and regulations change frequently and without notice, you should consult with your personal legal advisor before accepting the Performance Share Units and before selling any Shares acquired upon vesting of the Performance Share Units to ensure compliance with current regulations.



Bristol-Myers Squibb Company

RESTRICTED STOCK UNITS AGREEMENT UNDER THE BRISTOL-MYERS SQUIBB COMPANY 2012 STOCK AWARD AND INCENTIVE PLAN

BRISTOL-MYERS SQUIBB COMPANY, a Delaware corporation (the “Company”), has granted to you the Restricted Stock Units (“RSUs”) specified in the Grant Summary, which is incorporated into this Restricted Stock Units Agreement (the “Agreement”) and deemed to be a part hereof. The RSUs have been granted to you under Section 6(e) of the 2012 Stock Award and Incentive Plan (the “Plan”), on the terms and conditions specified in the Grant Summary and this Agreement. Capitalized terms used in this Agreement that are not specifically defined herein shall have the meanings ascribed to such terms in the Plan.

1. RESTRICTED STOCK UNITS AWARD

The Compensation and Management Development Committee of the Board of Directors of Bristol-Myers Squibb Company (the “Committee”) has granted to you as of the Award Date an Award of RSUs as designated herein subject to the terms, conditions, and restrictions set forth in this Agreement and the Plan. Each RSU shall represent the conditional right to receive, upon settlement of the RSU, one share of Bristol-Myers Squibb Common Stock (“Common Stock”) or, at the discretion of the Company, the cash equivalent thereof (subject to any tax withholding as described in Section 4). The purpose of such Award is to motivate and retain you as an employee of the Company or a subsidiary of the Company, to encourage you to continue to give your best efforts for the Company’s future success, and to increase your proprietary interest in the Company. Except as may be required by law, you are not required to make any payment (other than payments for taxes pursuant to Section 4 hereof) or provide any consideration other than the rendering of future services to the Company or a subsidiary of the Company.

2. RESTRICTIONS, FORFEITURES, AND SETTLEMENT

Except as otherwise provided in this Section 2, each RSU shall be subject to the restrictions and conditions set forth herein during the period from the Award Date until the date such RSU has become vested and non-forfeitable such that there are no longer any RSUs that may become potentially vested and non-forfeitable (the “Restricted Period”). Vesting of the RSUs is conditioned upon you remaining continuously employed by the Company or a subsidiary of the Company from the Award Date until the relevant vesting date, subject to the provisions of this Section 2. Assuming satisfaction of such employment conditions, the RSUs will become vested and non-forfeitable as follows: one-third on the third anniversary of the Award Date; an additional one-third on the fourth anniversary of the Award Date; and the final one-third on the fifth anniversary of the Award Date. In the event you attain age 65 while still an employee of the Company or a subsidiary, all unvested RSUs held by you at least one year from the Award Date will become vested and non-forfeitable, and thereafter, so long as you remain an employee of the Company or a subsidiary after attaining age 65, all other RSUs will become 100% vested one year from the Award Date.

- (a) Nontransferability. During the Restricted Period and any further period prior to settlement of your RSUs, you may not sell, transfer, pledge or assign any of the RSUs or your rights relating thereto. If you attempt to assign your rights under this Agreement in violation of the provisions herein, the Company’s obligation to settle RSUs or otherwise make payments shall terminate.
- (b) Time of Settlement. RSUs shall be settled promptly upon expiration of the Restricted Period without forfeiture of the RSUs (i.e., upon vesting), but in any event within 60 days after expiration of the Restricted Period, by delivery of one share of Common Stock for each RSU being settled, or, at the discretion of the Company, the cash equivalent thereof; provided, however, that settlement of an RSU shall be subject to Plan Section 11(k), including if applicable the six-month delay rule in Plan Sections 11(k)(i)(C)(2) and 11(k)(i)(G); provided further, that no dividend or dividend equivalents will be paid, accrued or accumulated in respect of the period during which settlement was delayed. (*Note: This rule may apply to any portion of the RSUs that vest after the time you become Retirement eligible under the Plan, and could apply in other cases as well*). Settlement of RSUs which directly or indirectly result from adjustments to RSUs shall occur at the time of settlement of, and subject to the restrictions and conditions that apply to, the granted RSUs. Settlement of cash amounts which directly or indirectly result from adjustments to RSUs shall be included as part of your regular payroll payment as soon as administratively practicable after the settlement date for the underlying RSUs, and subject to the restrictions and conditions that apply to, the granted RSUs. Until shares are delivered to you in settlement of RSUs, you shall have none of the rights of a stockholder of the Company with respect to the shares issuable in settlement of the RSUs, including the right to vote the shares and receive actual dividends and other distributions on the underlying shares of Common Stock. Shares of stock issuable in settlement of RSUs shall be delivered to you upon settlement in certificated form or in such other manner as the Company may reasonably determine. At that time, you will have all of the rights of a stockholder of the Company.

- (c) Retirement and Death. In the event of your Retirement (as that term is defined in the Plan; however, if you attain age 65 before Retirement, RSUs held for at least one year will have vested prior to Retirement) or your death while employed by the Company prior to the end of the Restricted Period, you, or your estate, shall be deemed vested and entitled to settlement of (*i.e.* , the Restricted Period shall expire with respect to) a proportionate number of the total number of RSUs granted (taking into account RSUs previously vested), provided that you have been continuously employed by the Company or a subsidiary of the Company for at least one year following the Award Date and your employment has not been terminated by the Company or a subsidiary of the Company for misconduct or other conduct deemed detrimental to the interests of the Company or a subsidiary of the Company. If you are only eligible for Retirement pursuant to Plan Section 2(x)(iii), and you are employed in the United States or Puerto Rico at the time of your Retirement, you shall be entitled to the pro rata vesting described in this Section 2(c) only if you execute and do not revoke a release in favor of the Company and its predecessors, successors, affiliates, subsidiaries, directors and employees in a form satisfactory to the Company; if you fail to execute or revoke the release, or your release fails to become effective and irrevocable within 60 days of the date your employment terminates, you shall forfeit any RSUs that are unvested as of the date your employment terminates. The formula for determining the proportionate number of your RSUs to become vested and non-forfeitable upon your Retirement or death is available by request from the Office of the Corporate Secretary at 345 Park Avenue, New York, New York 10154. In the event of your death prior to the delivery of shares in settlement of RSUs (not previously forfeited), shares in settlement of your RSUs shall be delivered to your estate, upon presentation to the Committee of letters testamentary or other documentation satisfactory to the Committee, and your estate shall succeed to any other rights provided hereunder in the event of your death.
- (d) Termination not for Misconduct/Detrimental Conduct. In the event your employment is terminated by the Company or a subsidiary of the Company for reasons other than misconduct or other conduct deemed detrimental to the interests of the Company or a subsidiary of the Company, and you are not eligible for Retirement, you shall be entitled to settlement of (*i.e.* , the Restricted Period shall expire with respect to) a proportionate number of the total number of RSUs granted (taking into account RSUs previously vested), provided that you have been continuously employed by the Company or a subsidiary of the Company for at least one year following the Award Date and your employment has not been terminated by the Company or a subsidiary of the Company for misconduct or other conduct deemed detrimental to the interests of the Company or a subsidiary of the Company. If you are not eligible for Retirement, and you are employed in the United States or Puerto Rico at the time of your termination, you shall be entitled to the pro rata vesting described in this Section 2(d) only if you execute and do not revoke a release in favor of the Company and its predecessors, successors, affiliates, subsidiaries, directors and employees in a form satisfactory to the Company; if you fail to execute or revoke the release, or your release fails to become effective and irrevocable within 60 days of the date your employment terminates, you shall forfeit any RSUs that are unvested as of the date your employment terminates. The formula for determining the proportionate number of RSUs you are entitled to under this Section 2 (d) is available by request from the Office of the Corporate Secretary at 345 Park Avenue, New York, New York 10154.
- (e) Disability. In the event you become Disabled (as that term is defined below), for the period during which you continue to be deemed to be employed by the Company or a subsidiary (*i.e.* , the period during which you receive Disability benefits), you will not be deemed to have terminated employment for purposes of the RSUs. Upon the termination of your receipt of Disability benefits, (i) you will not be deemed to have terminated employment if you return to employment status, and (ii) if you do not return to employment status, you will be deemed to have terminated employment at the date of cessation of payments to you under all disability pay plans of the Company and its subsidiaries, with such termination treated for purposes of the RSUs as a Retirement, death, or voluntary termination based on your circumstances at the time of such termination. For purposes of this Agreement, “Disability” or “Disabled” shall mean qualifying for and receiving payments under a disability plan of the Company or any subsidiary or affiliate either in the United States or in a jurisdiction outside of the United States, and in jurisdictions outside of the United States shall also include qualifying for and receiving payments under a mandatory or universal disability plan or program managed or maintained by the government.
- (f) Qualifying Termination Following Change in Control. In the event your employment is terminated by reason of a Qualifying Termination during the Protected Period following a Change in Control, the Restricted Period and all remaining restrictions shall expire and the RSUs shall be deemed fully vested.
- (g) Other Termination of Employment. In the event of your voluntary termination, or termination by the Company or a subsidiary for misconduct or other conduct deemed by the Company to be detrimental to the interests of the Company or a subsidiary of the Company, you shall forfeit all unvested RSUs on the date of termination.

(h) Other Terms.

- (i) In the event that you fail promptly to pay or make satisfactory arrangements as to the Tax-Related Items as provided in Section 4, all RSUs subject to restriction shall be forfeited by you and shall be deemed to be reacquired by the Company.
 - (ii) You may, at any time prior to the expiration of the Restricted Period, waive all rights with respect to all or some of the RSUs by delivering to the Company a written notice of such waiver.
 - (iii) Termination of employment includes any event if immediately thereafter you are no longer an employee of the Company or any subsidiary of the Company, subject to Section 2(i) hereof. References in this Section 2 to employment by the Company include employment by a subsidiary of the Company. Termination of employment means an event after which you are no longer employed by the Company or any subsidiary of the Company. Such an event could include the disposition of a subsidiary or business unit by the Company or a subsidiary.
 - (iv) Upon any termination of your employment, any RSUs as to which the Restricted Period has not expired at or before such termination shall be forfeited, subject to Sections 2(c)-(f) hereof. Other provisions of this Agreement notwithstanding, in no event will an RSU that has been forfeited thereafter vest or be settled.
 - (v) In the event of termination of your employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), unless otherwise provided in this Agreement or determined by the Company, your right to vest in the RSUs under the Plan, if any, will terminate effective as of the date that you are no longer actively providing services and will not be extended by any notice period (e.g., active services would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); the Company shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your RSUs (including whether you may still be considered to be providing services while on a leave of absence).
 - (vi) In any case in which you are required to execute a release as a condition to vesting and settlement of the RSUs, the applicable procedure shall be as specified under Plan Section 11(k)(v), except that the deadline for complying with such condition shall be the period provided in this Agreement.
 - (vii) You agree that the Company may recover any incentive-based compensation received by you under this Agreement if such recovery is pursuant to a clawback or recoupment policy approved by the Committee.
- (i) The following events shall not be deemed a termination of employment:
- (i) A transfer of you from the Company to a subsidiary, or vice versa, or from one subsidiary to another;
 - (ii) A leave of absence, duly authorized in writing by the Company, for military service or sickness or for any other purpose approved by the Company if the period of such leave does not exceed ninety (90) days; and
 - (iii) A leave of absence in excess of ninety (90) days, duly authorized in writing, by the Company, provided your right to reemployment is guaranteed either by a statute or by contract.

However, your failure to return to active service with the Company or a subsidiary at the end of an approved leave of absence shall be deemed a termination of employment, subject to local law. During a leave of absence as defined in (ii) or (iii), although you will be considered to have been continuously employed by the Company or a subsidiary and not to have had a termination of employment under this Section 2, the Committee may specify that such leave period shall not be counted in determining the period of employment for purposes of the vesting of the RSUs. In such case, the vesting dates for unvested RSUs shall be extended by the length of any such leave of absence.

3. NON-COMPETITION AND NON-SOLICITATION AGREEMENT AND COMPANY RIGHT TO INJUNCTIVE RELIEF, DAMAGES, RECISSION, FORFEITURE AND OTHER REMEDIES

You acknowledge that your continued employment with the Company or a subsidiary of the Company and/or the grant of RSUs pursuant to this Agreement is sufficient consideration for this Agreement, including, without limitation, all applicable restrictions imposed on you by this Section 3.

- (a) Non-Competition, Non-Solicitation and Related Covenants. By accepting this Agreement, you agree to the restrictive covenants outlined in this section unless expressly prohibited by local law or as follows: The post-termination non-compete restrictions outlined in subparagraphs (i), (ii) and (v) of this Section 3(a) do not apply to employees while resident in the State of California or North Dakota. There are no exemptions for any Award recipients (including employee residents of the State of California and North Dakota) regarding non-compete provisions while employed at the Company or from subparagraphs (iii), (iv) and (vi) of this Section 3(a) during the entire Non-Competition and Non-Solicitation Period.

Given the extent and nature of the confidential information that you have obtained or will obtain during the course of your employment with the Company or a subsidiary of the Company, it would be inevitable or, at the least, substantially probable that such confidential information would be disclosed or utilized by you should you obtain employment from, or otherwise become associated with, an entity or person that is engaged in a business or enterprise that directly competes with the Company. Even if not inevitable, it would be impossible or impracticable for the Company to monitor your strict compliance with your confidentiality obligations. Consequently, you agree that you will not, directly or indirectly:

- (i) during the Non-Competition and Non-Solicitation Period (as defined below), own or have any financial interest in a Competitive Business (as defined below), except that nothing in this clause shall prevent you from owning one per cent or less of the outstanding securities of any entity whose securities are traded on a U.S. national securities exchange (including NASDAQ) or an equivalent foreign exchange;
- (ii) during the Non-Competition and Non-Solicitation Period, whether or not for compensation, either on your own behalf or as an employee, officer, agent, consultant, director, owner, partner, joint venturer, shareholder, investor, or in any other capacity, be actively connected with a Competitive Business or otherwise advise or assist a Competitive Business with regard to any product, investigational compound, technology, service, line of business, department or business unit that competes with any product, technology, service, line of business, department or business unit with which you worked or about which you became familiar as a result of your employment with the Company or a subsidiary of the Company. Notwithstanding the foregoing, after your employment with the Company or a subsidiary of the Company terminates for any reason, you may be affiliated with a Competitive Business provided that your affiliation does not involve any product, investigational compound, technology or service, that competes with any product, investigational compound, technology or service with which you were involved within the last twelve months of your employment with the Company or a subsidiary of the Company, including any product, investigational compound, technology or service which the Company is developing and of which you had knowledge, and you and the Competing Business provide the Company written assurances of this fact prior to your commencing such affiliation;
- (iii) during the Non-Competition and Non-Solicitation Period, employ, solicit for employment, solicit, induce, encourage, or participate in soliciting, inducing or encouraging any Company employee who is employed by the Company or who was employed by the Company within the twelve months preceding the termination of your employment with the Company for any reason, to terminate or reduce his or her or its relationship with the Company or any of its affiliates, successors or assigns (the "Related Parties");
- (iv) during the Non-Competition and Non-Solicitation Period, solicit, induce, encourage, or appropriate or attempt to solicit, divert or appropriate, by use of Confidential Information or otherwise, any existing or prospective customer, vendor or supplier of the Company or any Related Parties to terminate, cancel or otherwise reduce its relationship with the Company or any Related Parties;
- (v) during the Non-Competition and Non-Solicitation Period, contact, call upon or solicit any existing customer of the Company or its Related Parties, or prospective customer of the Company or its Related Parties, that you became aware of or was introduced to in the course of your duties for the Company or its Related Parties, or otherwise divert or take away from the Company or its Related Parties the business of any current or prospective customer of the Company or its Related Parties; or
- (vi) during the Non-Competition and Non-Solicitation Period, engage in any activity that is harmful to the interests of the Company or its Related Parties, including, without limitation, any conduct during the term of your employment that violates the Company's Standards of Business Conduct and Ethics, securities trading policy and other policies.

- (b) Rescission, Forfeiture and Other Remedies. If the Company determines that you have violated any applicable provisions of Section 3(a) above during the Non-Competition and Non-Solicitation Period, in addition to injunctive relief and damages, you agree and covenant that:

- (i) any unvested portion of the RSUs shall be immediately rescinded;

- (ii) you shall automatically forfeit any rights you may have with respect to the RSUs as of the date of such determination;
 - (iii) if any part of the RSUs vests within the twelve-month period immediately preceding a violation of Section 3(a) above (or following the date of any such violation), upon the Company's demand, you shall immediately deliver to it a certificate or certificates for shares of the Company's Common Stock that you acquired upon settlement of such RSUs (or an equivalent number of other shares); and
 - (iv) the foregoing remedies set forth in this Section 3(b) shall not be the Company's exclusive remedies. The Company reserves all other rights and remedies available to it at law or in equity.
- (c) Definitions. For purposes of this Agreement, the following definitions shall apply:
- (i) "Competitive Business" means any business that is engaged in or is about to become engaged in the development, production or sale of any product, process or service concerning the treatment of any disease, which product, process or service resembles or competes with any product, process or service that was sold by, or in development at, the Company or a subsidiary of the Company during your employment with the Company or a subsidiary of the Company.
 - (ii) Because of the global nature of the Company's business, it is agreed that the restrictions set forth above shall apply in the "Restricted Area," defined as including without limitation the continent, country and the geographic regions where you worked in and were responsible for while employed by the Company or a subsidiary of the Company, and any other geographic area (country, province, state, city or other political subdivision) in which the Company or a subsidiary of the Company is engaged in business and/or is otherwise selling products or services at the time you ceased working for the Company or a subsidiary of the Company;
 - (A) provided, however, that if a court of competent jurisdiction or other authority determines the foregoing geographic scope is unenforceable, the "Restricted Area" shall be defined as the continent, country and the geographic regions where you worked and were responsible for while employed by the Company or a subsidiary of the Company;
 - (B) provided, however, that if a court of competent jurisdiction or other authority determines that the foregoing geographic scope is unenforceable, the "Restricted Area" shall be defined as the country in which you worked;
 - (C) provided, however, that if a court of competent jurisdiction or other authority determines that the foregoing geographic scope is unenforceable, the "Restricted Area" shall be defined as the geographic regions that you serviced and were responsible for while employed by the Company or a subsidiary of the Company.
 - (iii) The "Non-Competition and Non-Solicitation Period" shall be the period during which Employee is employed by the Company or a subsidiary of the Company and *twelve (12) months* after the end of Employee's term of employment with and/or work for the Company or a subsidiary of the Company for any reason, (e.g., restriction applies regardless of the reason for termination and includes voluntary and involuntary termination) (hereinafter "Termination Date");
 - (A) provided, however, that if a court of competent jurisdiction or other authority determines that such period is unenforceable, the "Non-Competition and Non-Solicitation Period" shall be the period of *eleven (11) months* after your employment Termination Date with the Company or a subsidiary of the Company for any reason;
 - (B) provided, however, that if a court of competent jurisdiction or other authority determines that such period is unenforceable, the "Non-Competition and Non-Solicitation Period" shall be the period of *ten (10) months* after your employment Termination Date with the Company or a subsidiary of the Company for any reason;
 - (C) provided further, in the event that the Company or a subsidiary of the Company files an action to enforce rights arising out of this Agreement, the Non-Competition and Non-Solicitation Period shall be extended for all periods of time in which you are determined by the Court to have been in violation of the provisions of Section 3(a).

- (d) Severability. You acknowledge and agree that the period, scope and geographic areas of restriction imposed upon you by this Section 3 are fair and reasonable and are reasonably required for the protection of the Company. In case any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired and this Agreement shall nevertheless continue to be valid and enforceable as though the invalid provisions were not part of this Agreement. If the final judgment of a court of competent jurisdiction or other authority declares that any term or provision hereof is invalid, illegal or unenforceable, the parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, illegal or unenforceable term or provision with a term or provision that is valid, legal and enforceable to the maximum extent permissible under law and that comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision. You acknowledge and agree that your covenants under this Agreement are ancillary to your employment relationship with the Company or a subsidiary of the Company, but shall be independent of any other contractual relationship between you and the Company or a subsidiary of the Company. Consequently, the existence of any claim or cause of action that you may have against the Company or a subsidiary of the Company shall not constitute a defense to the enforcement of this Agreement by the Company or a subsidiary of the Company, nor an excuse for noncompliance with this Agreement.
- (e) Additional Remedies. You acknowledge and agree that any violation by you of this paragraph will cause irreparable harm to the Company and its Related Parties and the Company cannot be adequately compensated for such violation by damages. Accordingly, if you violate or threaten to violate this Agreement, then, in addition to any other rights or remedies that the Company may have in law or in equity, the Company shall be entitled, without the posting of a bond or other security, to obtain an injunction to stop or prevent such violation. You further agree that if the Company incurs legal fees or costs in enforcing this Agreement, you will reimburse the Company for such fees and costs.
- (f) Binding Obligations. These obligations shall be binding both upon you, your assigns, executors, administrators and legal representatives. At the inception of or during the course of your employment, you may have executed agreements that contain similar terms. Those agreements remain in full force and effect. In the event that there is a conflict between the terms of those agreements and this Agreement, this Agreement will control.
- (g) Enforcement. The Company retains discretion regarding whether or not to enforce the terms of the covenants contained in this Section 3 and its decision not to do so in your instance or anyone's case shall not be considered a waiver of the Company's right to do so.

4. RESPONSIBILITY FOR TAXES

You acknowledge that, regardless of any action taken by the Company, any subsidiary or affiliate of the Company, including your employer ("Employer"), the ultimate liability for all income tax (including federal, state, local and non-U.S. taxes), social security, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer to be an appropriate charge to you even if legally applicable to the Company or the Employer ("Tax-Related Items") is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company, any subsidiary or affiliate and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of RSUs, the conversion of the RSUs into shares of Common Stock or the receipt of an equivalent cash payment, the subsequent sale of any shares of Common Stock acquired at settlement and the receipt of any dividends; and, (b) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, you agree to make adequate arrangements satisfactory to the Company or the Employer to satisfy all Tax-Related Items. In this regard, by your acceptance of the RSUs, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; or
- (b) withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); or
- (c) withholding in shares of Common Stock to be issued upon settlement of the RSUs;

provided, however, if you are a Section 16 officer of the Company under the Exchange Act, then the Company will withhold shares of Common Stock upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (a) and (b) above.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, you are deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

Finally, you agree to pay to the Company or the Employer, including through withholding from your wages or other cash compensation paid to you by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

Notwithstanding anything in this Section 4 to the contrary, to avoid a prohibited acceleration under Section 409A, if shares of Common Stock subject to RSUs will be sold on your behalf (or withheld) to satisfy any Tax-Related Items arising prior to the date of settlement of the RSUs for any portion of the RSUs that is considered nonqualified deferred compensation subject to Section 409A, then the number of shares sold on your behalf (or withheld) shall not exceed the number of shares that equals the liability for Tax-Related Items.

5. DIVIDENDS AND ADJUSTMENTS

- (a) Dividends or dividend equivalents are not paid, accrued or accumulated on RSUs during the Restricted Period, except as provided in Section 5(b).
- (b) The number of your RSUs and/or other related terms shall be appropriately adjusted, in order to prevent dilution or enlargement of your rights with respect to RSUs, to reflect any changes in the outstanding shares of Common Stock resulting from any event referred to in Plan Section 11(c) or any other “equity restructuring” as defined in FASB ASC Topic 718.

6. EFFECT ON OTHER BENEFITS

In no event shall the value, at any time, of the RSUs or any other payment under this Agreement be included as compensation or earnings for purposes of any other compensation, retirement, or benefit plan offered to employees of the Company or any subsidiary of the Company unless otherwise specifically provided for in such plan. The RSUs and the underlying shares of Common Stock (or their cash equivalent), and the income and value of the same, are not part of normal or expected compensation or salary for any purposes including, but not limited to, calculation of any severance, resignation, termination, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits, or similar payments.

7. ACKNOWLEDGMENT OF NATURE OF PLAN AND RSUs

In accepting the RSUs, you acknowledge, understand and agree that:

- (a) The Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) The Award of RSUs is voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs, or benefits in lieu of RSUs even if RSUs have been awarded in the past;
- (c) All decisions with respect to future awards of RSUs or other awards, if any, will be at the sole discretion of the Company;
- (d) Your participation in the Plan is voluntary;
- (e) The RSUs and the Common Stock subject to the RSUs are not intended to replace any pension rights or compensation;

- (f) Unless otherwise agreed with the Company, the RSUs and the shares of Common Stock subject to the RSUs, and the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of a subsidiary or an affiliate of the Company;
- (g) The future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;
- (h) No claim or entitlement to compensation or damages arises from the forfeiture of RSUs, resulting from termination of your employment or other service relationship with the Company, or any of its subsidiaries or affiliates or the Employer (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the RSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, any of its subsidiaries or affiliates or the Employer, waive your ability, if any, to bring such claim, and release the Company, any subsidiary or affiliate and/or the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;
- (i) Unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and
- (j) The following provisions apply only if you are providing services outside the United States: (i) the Award and the shares of Common Stock subject to the RSUs are not part of normal or expected compensation or salary for any purpose; and (ii) neither the Company, the Employer nor any subsidiary or affiliate of the Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

8. NO ADVICE REGARDING GRANT

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

9. RIGHT TO CONTINUED EMPLOYMENT

Nothing in the Plan or this Agreement shall confer on you any right to continue in the employ of the Company or any subsidiary or affiliate of the Company or any specific position or level of employment with the Company or any subsidiary or affiliate of the Company or affect in any way the right of the Company or any subsidiary or affiliate of the Company to terminate your employment without prior notice at any time for any reason or no reason.

10. ADMINISTRATION; UNFUNDED OBLIGATIONS

The Committee shall have full authority and discretion, subject only to the express terms of the Plan, to decide all matters relating to the administration and interpretation of the Plan and this Agreement, and all such Committee determinations shall be final, conclusive, and binding upon the Company, any subsidiary or affiliate, you, and all interested parties. Any provision for distribution in settlement of your RSUs and other obligations hereunder shall be by means of bookkeeping entries on the books of the Company and shall not create in you or any beneficiary any right to, or claim against any, specific assets of the Company, nor result in the creation of any trust or escrow account for you or any beneficiary. You and any of your beneficiaries entitled to any settlement or distribution hereunder shall be a general creditor of the Company.

11. DEEMED ACCEPTANCE

You are required to accept the terms and conditions set forth in this Agreement prior to the first vest date in order for you to receive the Award granted to you hereunder. If you wish to decline this Award, you must reject this Agreement prior to the first vest date. For your benefit, if you have not rejected the Agreement prior to the first vest date, you will be deemed to have automatically accepted this Award and all the terms and conditions set forth in this Agreement. Deemed acceptance will allow the shares to be released to you in a timely manner and once released, you waive any right to assert that you have not accepted the terms hereof.

12. AMENDMENT TO PLAN

This Agreement shall be subject to the terms of the Plan, as amended from time to time, except that, subject to Sections 19 and 22 below, the Award which is the subject of this Agreement may not be materially adversely affected by any amendment or termination of the Plan approved after the Award Date without your written consent.

13. SEVERABILITY AND VALIDITY

The various provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement and Award grant shall be governed by the substantive laws (but not the choice of law rules) of the State of Delaware. For purposes of litigating any dispute that arises under this RSU grant or Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, agree that such litigation shall be conducted in the courts of Wilmington, Delaware, or the federal courts for the United States District Court for the District of Delaware, and no other courts where this RSU grant is made and/or performed.

15. SUCCESSORS

This Agreement shall be binding upon and inure to the benefit of the successors, assigns, and heirs of the respective parties.

16. DATA PRIVACY

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement by and among, as applicable, the Employer, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, any subsidiary and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to Fidelity, or such other stock plan service provider as may be selected by the Company in the future, which assists in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the Company, Fidelity and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Common Stock received upon vesting of the RSUs may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you RSUs or other equity awards or administer or maintain such awards.

Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

17. ELECTRONIC DELIVERY AND ACCEPTANCE

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic systems established and maintained by the Company or a third-party designated by the Company.

18. INSIDER TRADING/MARKET ABUSE LAWS

You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g ., RSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

19. LANGUAGE

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

20. COMPLIANCE WITH LAWS AND REGULATIONS

Notwithstanding any other provisions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, you understand that the Company will not be obligated to issue any shares of Common Stock pursuant to the vesting of the RSUs, if the issuance of such Common Stock shall constitute a violation by you or the Company of any provision of law or regulation of any governmental authority. Further, you agree that the Company shall have unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares. Any determination by the Company in this regard shall be final, binding and conclusive.

21. ENTIRE AGREEMENT AND NO ORAL MODIFICATION OR WAIVER

This Agreement contains the entire understanding of the parties. This Agreement shall not be modified or amended except in writing duly signed by the parties, except that the Company may adopt a modification or amendment to the Agreement that is not materially adverse to you in writing signed only by the Company. Any waiver of any right or failure to perform under this Agreement shall be in writing signed by the party granting the waiver and shall not be deemed a waiver of any subsequent failure to perform.

22. ADDENDUM

Your RSUs shall be subject to any special provisions set forth in the Addendum to this Agreement for your country, if any. If you relocate to one of the countries included in the Addendum, the special provisions for such country shall apply to you, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. The Addendum, if any, constitutes part of this Agreement.

23. FOREIGN ASSET/ACCOUNT REPORTING REQUIREMENTS AND EXCHANGE CONTROLS

Your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends paid on shares of Common Stock sale proceeds resulting from the sale of shares of Common Stock acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations, and you should consult your personal legal advisor for any details.

24. IMPOSITION OF OTHER REQUIREMENTS

The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

For the Company
Bristol-Myers Squibb Company

By _____

I have read this Agreement in its entirety. I understand that this Award has been granted to provide a means for me to acquire and/or expand an ownership position in Bristol-Myers Squibb Company. I acknowledge and agree that sales of shares will be subject to the Company's policies regulating trading by employees. In accepting this Award, I hereby agree that Fidelity, or such other vendor as the Company may choose to administer the Plan, may provide the Company with any and all account information for the administration of this Award.

I hereby agree to all the terms, restrictions and conditions set forth in the Agreement, including, but not limited to, post-employment obligations related to non-competition and non-solicitation.

Addendum

BRISTOL-MYERS SQUIBB COMPANY SPECIAL PROVISIONS FOR RSUs IN CERTAIN COUNTRIES

Unless otherwise provided below, capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Agreement. This Addendum includes special country-specific terms that apply if you are residing and/or working in one of the countries listed below. This Addendum is part of the Agreement.

This Addendum also includes information of which you should be aware with respect to your participation in the Plan. For example, certain individual exchange control reporting requirements may apply upon vesting of the RSUs and/or sale of Common Stock. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2015 and is provided for informational purposes. Such laws are often complex and change frequently, and results may be different based on the particular facts and circumstances. As a result, the Company strongly recommends that you do not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time your RSUs vest or are settled, or you sell shares of Common Stock acquired under the Plan.

In addition, the information is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you currently are residing and/or working, transfer employment after the RSUs are granted to you, or are considered a resident of another country for local law purposes, the information contained herein for the country you are residing and/or working in at the time of grant may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you. If you transfer residency and/or employment to another country or are considered a resident of another country listed in the Addendum after the RSUs are granted to you, the terms and/or information contained for that new country (rather than the original grant country) may be applicable to you.

All Countries

Retirement. The following provision supplements Section 2 of the Agreement:

Notwithstanding the foregoing, if the Company receives a legal opinion that there has been a legal judgment and/or legal development in your jurisdiction that likely would result in the favorable treatment that applies to the RSUs when you attain age 65 or in the event of your Retirement being deemed unlawful and/or discriminatory, the provisions of Section 2 regarding the treatment of the RSUs when you attain age 65 or in the event of your Retirement shall not be applicable to you.

Algeria

Exchange Control Information. Proceeds from the settlement of RSUs, the sale of Common Stock and the receipt of any dividends must be repatriated to Algeria.

Argentina

Labor Law Policy and Acknowledgement. This provision supplements Section 7 of the Agreement:

By accepting the RSUs, you acknowledge and agree that the grant of RSUs is made by the Company (not the Employer) in its sole discretion and that the value of the RSUs or any shares of Common Stock acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (i) any labor benefits including, but not limited to, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, etc., or (ii) any termination or severance indemnities or similar payments.

If, notwithstanding the foregoing, any benefits under the Plan are considered salary or wages for any purpose under Argentine labor law, you acknowledge and agree that such benefits shall not accrue more frequently than on each vesting date.

Securities Law Information. Neither the RSUs nor the underlying shares of Common Stock are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. In the event that you transfer proceeds from the settlement of RSUs, sale of shares of Common Stock or any cash dividends paid on such shares into Argentina within 10 days of receipt (*i.e.* , if the proceeds have not been held in the offshore bank or brokerage account for at least 10 days prior to transfer), you will be required to deposit 30% of any proceeds in a non-interest bearing account for a 365 day holding period. In any event, the Argentine bank handling the transaction may request certain documentation in connection with your request to transfer proceeds into Argentina, including evidence of the sale of shares of Common Stock and proof that no funds were remitted out of Argentina to acquire the shares of Common Stock. If the bank determines that the 10-day rule or any other rule or regulation promulgated by the Argentine Central Bank has not been satisfied, it may require that 30% of the proceeds be placed in a non-interest bearing mandatory deposit account for a holding period of 365 days. Please note that exchange control regulations in Argentina are subject to frequent change. You are solely responsible for complying with any exchange control laws that may apply to you as a result of participating in the Plan and/or the transfer of funds in connection with the award. You should consult with your personal legal advisor regarding any exchange control obligations that you may have.

Foreign Asset/Account Reporting Information. Pursuant to General Resolution (AFIP) No. 3293 published on March 26, 2012, you are subject to an annual information regime under which you must report any equity interests held in the Company to the Argentine tax authorities.

Australia

Compliance with Laws. Notwithstanding anything else in the Agreement, you will not be entitled to, and shall not claim, any benefit under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Employer is under no obligation to seek or obtain the approval of its shareholders in general meeting for the purpose of overcoming any such limitation or restriction.

Securities Law Information. If you acquire shares of Common Stock pursuant to your RSUs and you offer your shares of Common Stock for sale to a person or entity resident in Australia, your offer may be subject to disclosure requirements under Australian law. You should obtain legal advice on your disclosure obligations prior to making any such offer.

Austria

Exchange Control Information. If you hold shares of Common Stock under the Plan outside of Austria (even if you hold them outside of Austria at a branch of an Austrian bank), you may be required to submit a report to the Austrian National Bank as follows: (i) on a quarterly basis if the value of the Common Stock as of any given quarter meets or exceeds €30,000,000; and (ii) on an annual basis if the value of the Common Stock as of December 31 meets or exceeds €5,000,000. The deadline to file the quarterly report is the 15th day of the month following the end of the respective quarter. The deadline to file the annual report is January 31 of the following year.

When shares of Common Stock are sold, there may be exchange control obligations if the cash proceeds from the sale are held outside Austria. If the transaction volume of all your cash accounts abroad meets or exceeds €3,000,000, the movements and the balance of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month. If the transaction value of all cash accounts abroad is less than €3,000,000, no ongoing reporting requirements apply.

Belgium

Foreign Asset/Account Reporting Information. If you are a Belgian resident, you are required to report any security or bank account (including brokerage accounts) you maintain outside of Belgium on your annual tax return. In a separate report, you will be required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened).

Brazil

Labor Law Policy and Acknowledgement. This provision supplements Section 7 of the Agreement:

By accepting the RSUs, you acknowledge and agree that (i) you are making an investment decision, (ii) shares of Common Stock will be issued to you only if the vesting conditions are met and you meet the employment conditions during the Restricted Period and (iii) the value of the underlying shares of Common Stock is not fixed and may increase or decrease in value over the Restricted Period.

Compliance with Laws. By accepting the RSUs, you agree that you will comply with Brazilian law when you vest in the RSUs and sell shares of Common Stock. You also agree to report and pay any and all taxes associated with the vesting of the RSUs, the sale of the shares of Common Stock acquired pursuant to the Plan and the receipt of any dividends.

Exchange Control Information. You must prepare and submit a declaration of assets and rights held outside of Brazil to the Central Bank on an annual basis if you hold assets or rights valued at more than US\$100,000. The assets and rights that must be reported include shares of Common Stock.

Canada

Settlement of RSUs. Notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, RSUs will be settled in shares of Common Stock only, not cash.

Securities Law Information. You acknowledge and agree that you will sell shares of Common Stock acquired through participation in the Plan only outside of Canada through the facilities of a stock exchange on which the Common Stock is listed. Currently, the shares of Common Stock are listed on the New York Stock Exchange.

Termination of Employment. This provision replaces the second paragraph of Section 2(h)(v) of the Agreement:

In the event of your termination of employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), unless otherwise provided in this Agreement or the Plan, your right to vest in the RSUs, if any, will terminate effective as of the date that is the earlier of (1) the date upon which your employment with the Company or any of its subsidiaries is terminated; (2) the date you are no longer actively employed by or providing services to the Company or any of its subsidiaries; or (3) the date you receive written notice of termination of employment, regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited to statutory law, regulatory law and/or common law); the Company shall have the exclusive discretion to determine when you are no longer employed or actively providing services for purposes of the RSUs (including whether you may still be considered employed or actively providing services while on a leave of absence).

Foreign Asset/Account Reporting Information. You may be required to report your foreign property on Form T1135 (Foreign Income Verification Statement) if the total cost of your foreign property exceeds C\$100,000 at any time in the year. Foreign property includes cash held outside of Canada and shares of Common Stock acquired under the Plan, and it may include unvested RSUs. The Form T1135 must be filed by April 30 of the following year. You should consult with your personal tax advisor to determine your reporting requirements.

The following provisions apply if you are resident in Quebec:

Language Acknowledgment

The parties acknowledge that it is their express wish that this Agreement, including this Addendum, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be provided to them in English.

Consentement relatif à la langue utilisée. Les parties reconnaissent avoir expressément souhaité que la convention («Agreement») ainsi que cette Annexe, ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

Data Privacy. This provision supplements Section 16 of the Agreement:

You hereby authorize the Company, the Employer and their representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and its subsidiaries to disclose and discuss the Plan with their advisors. You further authorize the Company and its subsidiaries to record such information and to keep such information in your employee file.

Chile

Securities Law Information. The offer of the RSUs constitutes a private offering in Chile effective as of the Award Date. The offer of RSUs is made subject to general ruling n° 336 of the Chilean Superintendence of Securities and Insurance (“SVS”). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given the RSUs are not registered in Chile, the Company is not required to provide information about the RSUs or shares of Common Stock in Chile. Unless the RSUs and/or the shares of Common Stock are registered with the SVS, a public offering of such securities cannot be made in Chile.

Exchange Control and Foreign Asset/Account Reporting Information. You are not required to repatriate proceeds obtained from the sale of Common Stock or from dividends to Chile; however, if you decide to repatriate proceeds from the sale of Common Stock and/or dividends and the amount of the proceeds to be repatriated exceeds US\$10,000, you acknowledge that you must effect such repatriation through the Formal Exchange Market (*i.e.* , a commercial bank or registered foreign exchange office). In such case, you must report the proceeds to a commercial bank or registered foreign exchange office receiving the funds. If you do not repatriate the funds and use such funds for the payment of other obligations contemplated under a different Chapter of the Foreign Exchange Regulations, you must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within the first 10 days of the month immediately following the transaction.

Further, if the value of your aggregate investments held outside of Chile meets or exceeds US\$5,000,000 (including the value of Common Stock acquired under the Plan), you may need to report the status of such investments quarterly to the Central Bank using Annex 3.1 of Chapter XII of the Foreign Exchange Regulations.

Finally, if you hold Common Stock acquired under the Plan outside of Chile, you may be required to inform the Chilean Internal Revenue Service (the "CIRS") of the details of your investment in the Common Stock by Filing Tax Form 1851 "Annual Sworn Statement Regarding Investments Held Abroad". Further, if you wish to receive credit against your Chilean income taxes for any taxes paid abroad, you must report the payment of taxes abroad to the CIRS by filing Tax Form 1853 "Annual Sworn Statement Regarding Credits for Taxes Paid Abroad". These statements must be submitted electronically through the CIRS website before March 15 of each year.

China

The following provisions apply if you are subject to the exchange control regulations in China, as determined by the Company in its sole discretion:

Sales of Shares of Common Stock. To comply with exchange control regulations in China, you agree that the Company is authorized to force the sale of shares of Common Stock to be issued to you upon vesting and settlement of the RSUs at any time (including immediately upon vesting or after termination of your employment, as described below), and you expressly authorize the Company's designated broker to complete the sale of such shares of Common Stock. You agree to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the designated broker) to effectuate the sale of the shares of Common Stock and shall otherwise cooperate with the Company with respect to such matters, provided that you shall not be permitted to exercise any influence over how, when or whether the sales occur. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the shares of Common Stock at any particular price.

Upon the sale of the shares of Common Stock, the Company agrees to pay the cash proceeds from the sale of Common Stock (less any applicable Tax-Related Items, brokerage fees or commissions) to you in accordance with applicable exchange control laws and regulations, including, but not limited to, the restrictions set forth in this Addendum for China below under "Exchange Control Information." Due to fluctuations in the Common Stock price and/or applicable exchange rates between the vesting date and (if later) the date on which the shares of Common Stock are sold, the amount of proceeds ultimately distributed to you may be more or less than the market value of the shares of Common Stock on the vesting date (which typically is the amount relevant to determining your Tax-Related Items liability). You understand and agree that the Company is not responsible for the amount of any loss you may incur and that the Company assumes no liability for any fluctuations in the Common Stock price and/or any applicable exchange rate.

Treatment of Shares of Common Stock and RSUs Upon Termination of Employment. Due to exchange control regulations in China, you understand and agree that any shares of Common Stock acquired under the Plan and held by you in your brokerage account must be sold no later than the last business day of the month following the month of your termination of employment, or within such other period as determined by the Company or required by the China State Administration of Foreign Exchange ("SAFE") (the "Mandatory Sale Date"). This includes any portion of shares of Common Stock that vest upon your termination of employment. For example, if your termination of employment occurs on March 14, 2016, then the Mandatory Sale Date will be April 30, 2016. You understand that any shares of Common Stock held by you that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sales of Shares of Common Stock" above.

If all or a portion of your RSUs become distributable upon your termination of employment or at some time following your termination of employment, that portion will vest and become distributable immediately upon termination of your employment. Any shares of Common Stock distributed to you according to this paragraph must be sold by the Mandatory Sale Date or will be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sales of Shares of Common Stock" above. You will not continue to vest in RSUs or be entitled to any portion of RSUs after your termination of employment.

Exchange Control Information. You understand and agree that, to facilitate compliance with exchange control requirements, you are required to hold any shares of Common Stock to be issued to you upon vesting and settlement of the RSUs in the account that has been established for you with the Company's designated broker and you acknowledge that you are prohibited from transferring any such shares of Common Stock to another brokerage account. In addition, you are required to immediately repatriate to China the cash proceeds from the sale of the shares of Common Stock issued upon vesting and settlement of the RSUs and any dividends paid on such shares of Common Stock. You further understand that such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Company or its subsidiaries, and you hereby consent and agree that the proceeds may be transferred to such special account prior to being delivered to you. The Company may deliver the proceeds to you in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, you understand that you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to you and due to fluctuations in the Common Stock trading price and/or the U.S. dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that you receive may be more or less than the market value of the Common Stock on the sale/payment date (which is the amount relevant to determining your tax liability). You agree to bear the risk of any currency fluctuation between the sale/payment date and the date of conversion of the proceeds into local currency.

You further agree to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

Foreign Asset/Account Reporting Information. PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. Under these rules, you may be subject to reporting obligations for the Common Stock or equity awards, including RSUs, acquired under the Plan and Plan-related transactions. It is your responsibility to comply with this reporting obligation and you should consult your personal advisor in this regard.

Colombia

Labor Law Policy and Acknowledgement. By accepting your Award of RSUs, you acknowledge that pursuant to Article 128 of the Colombia Labor Code, the Plan and related benefits do not constitute a component of "salary" for any purposes.

Exchange Control Information. Investments in assets located outside of Colombia (including Common Stock) are subject to registration with the Central Bank (Banco de la República) if the aggregate value of such investments is US\$500,000 or more (as of December 31 of the applicable calendar year). Further, upon the sale of any Common Stock that you have registered with the Central Bank, you must cancel the registration by March 31 of the following year. You may be subject to fines if you fail to cancel such registration.

Czech Republic

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to the RSUs and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, you should consult your personal legal advisor prior to the vesting of the RSUs and the sale of shares of Common Stock to ensure compliance with current regulations. It is your responsibility to comply with any applicable Czech exchange control laws.

Denmark

Stock Option Act. You acknowledge that you have received an Employer Statement in Danish.

Foreign Asset/Account Reporting Information. If you establish an account holding shares of Common Stock or an account holding cash outside Denmark, you must report the account to the Danish Tax Administration. The form may be obtained from a local bank. Please note that these obligations are separate from and in addition to the obligations described below.

Securities/Tax Reporting Information. If you hold shares of Common Stock acquired under the Plan in a brokerage account with a broker or bank outside Denmark, you are required to inform the Danish Tax Administration about the account. For this purpose, you must file a Form V (Erklaering V) with the Danish Tax Administration. Both you and the broker or bank must sign the Form V. By signing the Form V, the broker or bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the shares of Common Stock in the account. In the event that the applicable broker or bank with which the account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account and any shares of Common Stock acquired at vesting and held in such account to the Danish Tax Administration as part of your annual income tax return.

By signing the Form V, you authorize the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: www.skat.dk.

In addition, if you open a brokerage account (or a deposit account with a U.S. bank), the brokerage account likely will be treated as a deposit account because cash can be held in the account. Therefore, you likely must file a Form K (Erklaering K) with the Danish Tax Administration. The Form K must be signed both by you and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the content of the account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of your annual income tax return. By signing the Form K, you authorize the Danish Tax Administration to examine the account. A sample of the Form K can be found at the following website: www.skat.dk.

Egypt

Exchange Control Information. If you transfer funds into Egypt in connection with the RSUs, you are required to transfer the funds through a registered bank in Egypt.

Finland

There are no country-specific provisions.

France

Language Acknowledgement

En signant et renvoyant le présent document décrivant les termes et conditions de votre attribution, vous confirmez ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan et ce Contrat d'Attribution) qui vous ont été communiqués en langue anglaise.

By accepting your RSUs, you confirm having read and understood the documents relating to this grant (the Plan and this Agreement) which were provided to you in English.

Foreign Asset/Account Reporting Information. If you hold shares of Common Stock outside of France or maintain a foreign bank account (including accounts that were opened and closed during the tax year), you are required to report such to the French tax authorities when filing your annual tax return. Failure to comply could trigger significant penalties. Further, if you have a foreign account balance exceeding €1,000,000, you may have additional monthly reporting obligations.

Germany

Exchange Control Information. Cross-border payments in excess of €2,500 must be reported to the German Federal Bank. From September 2013, the German Federal Bank no longer accepts reports in paper form and all reports must be filed electronically. The electronic "General Statistics Reporting Portal" (*Allgemeines Meldeportal Statistik*) can be accessed on the German Federal Bank's website: www.bundesbank.de.

In the event that you make or receive a payment in excess of this amount, you are responsible for complying with applicable reporting requirements.

Greece

There are no country-specific provisions.

Hong Kong

Securities Law Information. *Warning: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the Agreement, including this Addendum, or the Plan, or any other incidental communication materials, you should obtain independent professional advice. The RSUs and any shares of Common Stock issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company or its subsidiaries. The Agreement, including this Addendum, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong. The RSUs are intended only for the personal use of each eligible employee of the Employer, the Company or any subsidiary and may not be distributed to any other person.*

Settlement of RSUs and Sale of Common Stock. Notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, RSUs will be settled in shares of Common Stock only, not cash. In addition, notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, no shares of Common Stock acquired under the Plan can be offered to the public or otherwise disposed of prior to six months from the Award Date. Any shares of Common Stock received at vesting are accepted as a personal investment.

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”).

Hungary

There are no country-specific provisions.

India

Exchange Control Information . You must repatriate all proceeds received from the sale of shares to India within 90 days of receipt and all proceeds from the receipt of cash dividends with 180 days of receipt. You must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Company or the Employer requests proof of repatriation. It is your responsibility to comply with applicable exchange control laws in India.

Foreign Asset/Account Reporting Information . You are required to declare in your annual tax return (a) any foreign assets held by you or (b) any foreign bank accounts for which you have signing authority.

Ireland

Director Notification Obligation. If you are a director, shadow director, or secretary of an Irish subsidiary, you are subject to certain notification requirements under the Companies Act, 1990. Among these requirements is an obligation to notify the Irish subsidiary in writing within five business days of receiving or disposing of an interest (e.g ., RSUs, Common Stock) in the Company and the number and class of shares of Common Stock or rights to which the interest relates, or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This disclosure requirement also applies to any rights or shares of Common Stock acquired by your spouse or child(ren) (under the age of 18).

Israel

Settlement of RSUs and Sale of Common Stock . Upon the vesting of the RSUs, you agree to the immediate sale of any shares of Common Stock to be issued to you upon vesting and settlement of the RSUs. You further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such shares of Common Stock (on your behalf pursuant to this authorization) and you expressly authorize the Company’s designated broker to complete the sale of such shares of Common Stock. You acknowledge that the Company’s designated broker is under no obligation to arrange for the sale of the shares of Common Stock at any particular price. Upon the sale of the shares of Common Stock, the Company agrees to pay the cash proceeds from the sale of the Common Stock to you, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items. Due to fluctuations in the Common Stock price and/or applicable exchange rates between the vesting date and (if later) the date on which the shares of Common Stock are sold, the amount of proceeds ultimately distributed to you may be more or less than the market value of the shares of Common Stock on the vesting date (which typically is the amount relevant to determining your Tax-Related Items liability). You understand and agree that the Company is not responsible for the amount of any loss you may incur and that the Company assumes no liability for any fluctuations in the Common Stock price and/or any applicable exchange rate.

Italy

Data Privacy Notice. This section replaces Section 16 of the Agreement:

You understand that the Company and the Employer are the privacy representatives of the Company in Italy and may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company or any subsidiaries, details of all RSUs or any other entitlement to Common Stock awarded, canceled, vested, unvested or outstanding in your favor, and that the Company and the Employer will process said data and other data lawfully received from third parties (“Personal Data”) for the exclusive purpose of managing and administering the Plan and complying with applicable laws, regulations and Community legislation. You also understand that providing the Company with Personal Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that your denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. You understand that Personal Data will not be publicized, but it may be accessible by the Employer as the privacy representative of the Company and within the Employer’s organization by its internal and external personnel in charge of processing, and by Fidelity or any other data processor appointed by the Company. The updated list of processors and of the subjects to which Data are communicated will remain available upon request from the Employer. Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. You understand that Personal Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addressees under applicable laws. You further understand that the Company and its subsidiaries will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan, and that the Company and its subsidiaries may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of Personal Data to Fidelity or other third party with whom you may elect to deposit any shares of Common Stock acquired under the Plan or any proceeds from the sale of such Common Stock. Such recipients may receive, possess, use, retain and transfer Personal Data in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan. You understand that these recipients may be acting as controllers, processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law.

Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

You understand that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Personal Data abroad, including outside of the European Economic Area, as specified herein and pursuant to applicable laws and regulations, does not require your consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. You understand that, pursuant to section 7 of the Legislative Decree no. 196/2003, you have the right at any moment to, including, but not limited to, obtain confirmation that Personal Data exists or not, access, verify its contents, origin and accuracy, delete, update, integrate, correct, block or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, you should contact the Employer. Furthermore, you are aware that Personal Data will not be used for direct marketing purposes. In addition, Personal Data provided can be reviewed and questions or complaints can be addressed by contacting your human resources department.

Plan Document Acknowledgment. By accepting the RSUs, you acknowledge that you have received a copy of the Plan, reviewed the Plan, the Agreement and this Addendum in their entirety and fully understand and accept all provisions of the Plan, the Agreement and this Addendum.

In addition, you further acknowledge that you have read and specifically and expressly approve without limitation the following clauses in the Agreement: Section 4 (Responsibility for Taxes); Section 7 (Acknowledgement of Nature of Plan and RSUs); Section 8 (No Advice Regarding Grant); Section 9 (Right to Continued Employment); Section 11 (Deemed Acceptance); Section 13 (Severability and Validity); Section 14 (Governing Law, Jurisdiction and Venue); Section 16 (Data Privacy, as replaced by the above provision in this Addendum); Section 17 (Electronic Delivery and Acceptance); Section 18 (Insider Trading/Market Abuse Laws); Section 19 (Language); Section 20 (Compliance with Laws and Regulations); Section 21 (Entire Agreement and No Oral Modification or Waiver); Section 22 (Addendum); Section 23 (Foreign Asset/Account Reporting Requirements and Exchange Controls); and Section 24 (Imposition of Other Requirements).

Foreign Asset/Account Reporting Information. If you are an Italian resident who, at any time during the fiscal year, holds foreign financial assets (including cash and shares of Common Stock) which may generate income taxable in Italy, you are required to report these assets on your annual tax return for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also apply if you are the beneficial owner of foreign financial assets under Italian money laundering provisions.

Tax Information. Italian residents may be subject to tax on the value of financial assets held outside of Italy. The taxable amount will be the fair market value of the financial assets, assessed at the end of the calendar year. For the purposes of the market value assessment, the documentation issued by the Plan broker may be used.

Japan

Foreign Asset/Account Reporting Information. If you are a resident of Japan or a foreign national who has established permanent residency in Japan, you will be required to report details of any assets (including any shares of Common Stock acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th of the following year. You should consult with your personal tax advisor as to whether the reporting obligation applies to you and whether you will be required to report details of any outstanding RSUs or shares of Common Stock held by you in the report.

Korea

Exchange Control Information. Korean residents who realize US\$500,000 or more from the sale of shares of Common Stock or receipt of dividends in a single transaction are required to repatriate the proceeds to Korea within 18 months of receipt.

Foreign Asset/Account Reporting Information. You will be required to declare all foreign accounts (*i.e.* , non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authorities and file a report if the monthly balance of such accounts exceeds a certain limit (currently KRW 1 billion or an equivalent amount in foreign currency).

Luxembourg

There are no country-specific provisions.

Mexico

Labor Law Policy and Acknowledgment. By accepting this Award, you expressly recognize that the Company, with offices at 345 Park Avenue, New York, New York 10154, U.S.A., is solely responsible for the administration of the Plan and that your participation in the Plan and acquisition of shares does not constitute an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and your sole employer is Bristol-Myers Squibb Company in Mexico (“BMS-Mexico”), not the Company in the United States. Based on the foregoing, you expressly recognize that the Plan and the benefits that you may derive from participation in the Plan do not establish any rights between you and your employer, BMS-Mexico, and do not form part of the employment conditions and/or benefits provided by BMS-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

You further understand that your participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue your participation at any time without any liability to you.

Finally, you hereby declare that you do not reserve to yourself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and you therefore grant a full and broad release to the Company, its subsidiaries, affiliates, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Política Laboral y Reconocimiento/Aceptación. *Acceptando este Premio ⁽¹⁾, el participante reconoce que la Compañía, with offices at 345 Park Avenue, New York, New York 10154, U.S.A., es el único responsable de la administración del Plan y que la participación del Participante en el mismo y la adquisición de acciones no constituye de ninguna manera una relación laboral entre el Participante y la Compañía, toda vez que la participación del participante en el Plan deriva únicamente de una relación comercial con la Compañía, reconociendo expresamente que el único empleador del participante lo es Bristol-Myers Squibb Company en Mexico (“BMS-Mexico”), no es la Compañía en los Estados Unidos. Derivado de lo anterior, el participante expresamente reconoce que el Plan y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre el participante y su empleador, BMS-México, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por BMS-México, y expresamente el participante reconoce que cualquier modificación el Plan o la terminación del mismo de manera alguna podrá ser interpretada como una modificación de los condiciones de trabajo del participante.*

⁽¹⁾ El término "Premio" se refiere a la palabra "Award."

Asimismo, el participante entiende que su participación en el Plan es resultado de la decisión unilateral y discrecional de la Compañía, por lo tanto, la Compañía. Se reserva el derecho absoluto para modificar y/o terminar la participación del participante en cualquier momento, sin ninguna responsabilidad para el participante.

Finalmente, el participante manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía, por cualquier compensación o daño en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia el participante otorga un amplio y total finiquito a la Compañía, sus entidades relacionadas, afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

Netherlands

Securities Law Information. Attention! This investment falls outside AFM supervision. No prospectus required for this activity.

Norway

There are no country-specific provisions.

Peru

Securities Law Information. The grant of RSUs is considered a private offering in Peru; therefore, it is not subject to registration.

Poland

Foreign Asset/Account Reporting Information. Polish residents holding foreign securities (including shares of Common Stock) and maintaining accounts abroad must report information to the National Bank of Poland. Specifically, if the aggregate value of shares and cash held in such foreign accounts exceeds PLN 7 million, Polish residents must file reports on the transactions and balances of the accounts on a quarterly basis on special forms that are available on the website of the National Bank of Poland.

Exchange Control Information. Polish residents are required to transfer funds (*i.e.* , in connection with the sale of shares of Common Stock) through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently €15,000). If you are a Polish resident, you must also store all documents connected with any foreign exchange transactions you engage in for a period of five years, as measured from the end of the year in which such transaction occurred.

You should consult with your personal legal advisor to determine what you must do to fulfill any applicable reporting/exchange control duties.

Portugal

Language Consent. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Conhecimento da Lingua. Você expressamente declara ter pleno conhecimento do idioma inglês e ter lido, entendido e totalmente aceito e concordou com os termos e condições estabelecidas no plano e no acordo.

Exchange Control Information. If you acquire shares of Common Stock under the Plan and do not hold the shares with a Portuguese financial intermediary, you may need to file a report with the Portuguese Central Bank. If the shares are held by a Portuguese financial intermediary, it will file the report for you.

Puerto Rico

There are no country-specific provisions.

Romania

Exchange Control Information. If you deposit the proceeds from the sale of your shares of Common Stock in a bank account in Romania, you may have to provide the Romanian bank through which the operations are effected with appropriate documentation regarding the receipt of the income. You should consult with a personal legal advisor to determine whether you will be required to submit such documentation to the Romanian bank.

Russia

Exchange Control Information. You acknowledge that you must repatriate the proceeds from the sale of shares of Common Stock within a reasonably short time of receipt. Such amounts must be initially credited to you through a foreign currency account opened in your name at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks subject to the following limitations: (i) the foreign account may be opened only for individuals; (ii) the foreign account may not be used for business activities; and (iii) you must give notice to the Russian tax authorities about the opening/closing of each foreign account within one month of the account opening/closing. Effective August 2, 2014, dividends (but not dividend equivalents) do not need to be remitted to your bank account in Russia but instead can be remitted directly to a foreign individual bank account (in Organisation for Economic Cooperation and Development (“OECD”) and Financial Action Task Force (“FATF”) countries).

You should consult your personal advisor before selling any shares of Common Stock acquired under the Plan and remitting any sale proceeds to Russia, as significant penalties may apply in the case of non-compliance with exchange control requirement and exchange control requirements are subject to change at any time, often without notice.

Foreign Asset/Account Reporting Information. Russian residents are required to notify the Russian tax authorities within one month of opening or closing a foreign bank account, or of changing any account details. Effective as of January 1, 2015, Russian residents also will be required to file with the Russian tax authorities reports of the transactions in his or her foreign bank accounts.

Securities Law Information. These materials do not constitute advertising or an offering of securities in Russia nor do they constitute placement of the shares of Common Stock in Russia. Any shares of Common Stock issued pursuant to the RSUs shall be delivered to you through a brokerage account in the U.S. You may hold shares in your brokerage account in the U.S.; however, in no event will shares issued to you and/or share certificates or other instruments be delivered to you in Russia. The issuance of Common Stock pursuant to the RSUs described herein has not and will not be registered in Russia and hence, the shares of Common Stock described herein may not be admitted or used for offering, placement or public circulation in Russia.

U.S. Transaction. You are not permitted to make any public advertising or announcements regarding the RSUs or Common Stock in Russia, or promote these shares to other Russian legal entities or individuals, and you are not permitted to sell or otherwise dispose of Common Stock directly to other Russian legal entities or individuals. You are permitted to sell shares of Common Stock only on the New York Stock Exchange and only through a U.S. broker.

Data Privacy Consent. This section replaces Section 16 of the Agreement:

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement by and among, as applicable, the Employer, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, any subsidiary and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor (“Data”), for the purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to Fidelity, or such other stock plan service provider as may be selected by the Company in the future, which assists in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States, or elsewhere, and that the recipient’s country (e.g ., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting the International Compensation and Benefits Group. You authorize the Company, Fidelity and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Common Stock received upon vesting of the RSUs may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan.

You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case and without cost, by contacting in writing the International Compensation and Benefits Group. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you RSUs or other equity awards or administer or maintain such awards.

Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact the International Compensation and Benefits Group.

Labor Law Information . You acknowledge that if you continue to hold shares of Common Stock acquired under the Plan after an involuntary termination of your employment, you may not be eligible to receive unemployment benefits in Russia.

Anti-Corruption Information. Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (*e.g.* , shares of foreign companies such as the Company). Accordingly, you should inform the Company if you are covered by these laws because you should not hold shares of Common Stock acquired under the Plan.

Saudi Arabia

Securities Law Information. This document may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

Singapore

Securities Law Information . The grant of RSUs is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Chap. 289, 2006 Ed.) (“SFA”) for which it is exempt from the prospectus and registration requirements under the SFA and is not made to you with a view to the RSUs being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the RSUs are subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of the shares of Common Stock in Singapore or (ii) any offer of such subsequent sale of the shares of Common Stock subject to the RSUs in Singapore, unless such sale or offer is made after 6 months from the Award Date or pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Chief Executive Officer and Director Notification Requirement. If you are the Chief Executive Officer (“CEO”) or a director, associate director or shadow director of a Singapore company, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore company in writing when you receive an interest (*e.g.* , RSUs, Common Stock) in the Company or any related companies. In addition, you must notify the Singapore company when you sell shares of the Company or any related company (including when you sell shares of Common Stock acquired pursuant to your RSUs). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of your interests in the Company or any related company within two business days of becoming the CEO or a director.

South Africa

Responsibility for Taxes. The following provision supplements Section 4 (Responsibility for Taxes) of this Agreement:

You are required to immediately notify the Employer of the amount of any gain realized at vesting of the RSUs. If you fail to advise the Employer of such gain, you may be liable for a fine.

Exchange Control Information. You are solely responsible for complying with applicable South African exchange control regulations, and neither the Company nor the Employer will be liable for any fines or penalties resulting from failure to comply with applicable laws. In particular, if you are a resident for exchange control purposes, you are required to obtain approval from the South African Reserve Bank for payments (including payment of proceeds from the sale of shares of Common Stock) that you receive into accounts based outside of South Africa (*e.g.* , a U.S. brokerage account). Because the exchange control regulations change frequently and without notice, you should consult your legal advisor prior to the acquisition or sale of shares of Common Stock under the Plan to ensure compliance with current regulations.

Spain

Exchange Control Information. If you acquire shares of Common Stock issued pursuant to the RSUs and wish to import the ownership title of such shares (*i.e.* , share certificates) into Spain, you must declare the importation of such securities to the Spanish *Direccion General de Política Comercial y de Inversiones Extranjeras* (the “DGPCIE”). Generally, the declaration must be made in January for shares of Common Stock acquired or sold during (or owned as of December 31 of) the prior year; however, if the value of shares acquired or sold exceeds the applicable threshold (currently €1,502,530) (or you hold 10% or more of the share capital of the Company or such other amount that would entitle you to join the Company’s board of directors), the declaration must be filed within one month of the acquisition or sale, as applicable. In addition, you also must file a declaration of ownership of foreign securities with the Directorate of Foreign Transactions each January.

When receiving foreign currency payments derived pursuant to the RSUs (e.g., proceeds from the sale of shares of Common Stock), you must inform the financial institution receiving the payment of the basis upon which such payment is made if the payment exceeds €50,000. Upon request, you will need to provide the institution with the following information: your name, address, and fiscal identification number; the name and corporate domicile of the Company; the amount of the payment; the currency used; the country of origin; the reasons for the payment; and any additional information required.

Foreign Asset/Account Reporting Information. You are required to electronically declare to the Bank of Spain any security accounts (including brokerage accounts held abroad), as well as the security (including shares of Common Stock acquired at vesting of RSUs) held in such accounts and any transactions carried out with non-residents if the value of the transactions for all such accounts during the prior year or the balances in such accounts as of December 31 of the prior year exceeds €1,000,000. If neither the total balances nor total transactions with non-residents during the relevant period exceed €50,000,000 a summarized form declaration may be used. More frequent reporting is required if such transaction value or account balance exceeds €100,000,000.

In addition, to the extent you hold shares of Common Stock and/or have bank accounts outside of Spain with a value in excess of €50,000 (for each type of asset) as of December 31, you will be required to report information on such assets on your tax return for such year. After such shares of Common Stock and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously reported shares of Common Stock or accounts increases by more than €20,000 as of each subsequent December 31.

Labor Law Acknowledgment. This provision supplements Sections 2(g) and 7 of the Agreement:

By accepting the RSUs, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan document.

You understand and agree that, as a condition of the grant of the RSUs, except as provided for in Section 2 of the Agreement, your termination of employment for any reason (including for the reasons listed below) will automatically result in the forfeiture of any RSUs that have not vested on the date of your termination.

In particular, you understand and agree that, unless otherwise provided in the Agreement, the RSUs will be forfeited without entitlement to the underlying shares of Common Stock or to any amount as indemnification in the event of a termination of your employment prior to vesting by reason of, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.* , subject to a “despido improcedente”), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, you understand that the Company has unilaterally, gratuitously and discretionally decided to grant RSUs under the Plan to individuals who may be employees of the Company or a subsidiary. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any subsidiary on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, you understand that the RSUs are granted on the assumption and condition that the RSUs and the shares of Common Stock underlying the RSUs shall not become a part of any employment or service contract (either with the Company, the Employer or any subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that the RSUs would not be granted to you but for the assumptions and conditions referred to above; thus, you acknowledge and freely accept that, should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Award of RSUs shall be null and void.

Securities Law Information. The RSUs and the Common Stock described in the Agreement and this Addendum do not qualify under Spanish regulations as securities. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory. The Agreement (including this Addendum) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Sweden

There are no country-specific provisions.

Switzerland

Securities Law Information. The RSUs are not intended to be publicly offered in or from Switzerland. Because the offer of RSUs is considered a private offering, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the RSUs constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the RSUs may be publicly distributed nor otherwise made publicly available in Switzerland.

Taiwan

Securities Law Information. The offer of participation in the Plan is available only for employees of the Company and its subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. You may remit foreign currency (including proceeds from the sale of Common Stock) into or out of Taiwan up to US\$5,000,000 per year without special permission. If the transaction amount is TWD500,000 or more in a single transaction, you must submit a Foreign Exchange Transaction Form to the remitting bank and provide supporting documentation to the satisfaction of the remitting bank.

Thailand

Exchange Control Information. If the proceeds from the sale of shares of Common Stock or the receipt of dividends are equal to or greater than US\$50,000 or more in a single transaction, you must repatriate the proceeds to Thailand immediately upon receipt and convert the funds to Thai Baht or deposit the proceeds in a foreign currency deposit account maintained by a bank in Thailand within 360 days of remitting the proceeds to Thailand. In addition you must report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If you fail to comply with these obligations, you may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, you should consult your personal advisor before selling shares of Common Stock to ensure compliance with current regulations. You are responsible for ensuring compliance with all exchange control laws in Thailand, and neither the Company nor any of its subsidiaries will be liable for any fines or penalties resulting from your failure to comply with applicable laws.

Tunisia

Securities Law Information. All proceeds from the sale of shares of Common Stock or the receipt of dividends must be repatriated to Tunisia. You should consult your personal advisor before taking action with respect to remittance of proceeds into Tunisia. You are responsible for ensuring compliance with all exchange control laws in Tunisia. In addition, if you hold assets abroad in excess of a certain amount, you must report the assets to the Central Bank of Tunisia.

Turkey

Securities Law Information. Under Turkish law, you are not permitted to sell shares of Common Stock acquired under the Plan in Turkey. The shares of Common Stock are currently traded on the New York Stock Exchange, which is located outside of Turkey, under the ticker symbol “BMY” and the shares of Common Stock may be sold through this exchange.

Exchange Control Information. In certain circumstances, Turkish residents are permitted to sell shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, you may be required to appoint a Turkish broker to assist with the sale of the shares of Common Stock acquired under the Plan. You should consult your personal legal advisor before selling any shares of Common Stock acquired under the Plan to confirm the applicability of this requirement.

United Arab Emirates

Securities Law Information. The Plan is only being offered to qualified employees and is in the nature of providing equity incentives to employees of the Company or its subsidiary or affiliate in the UAE. Any documents related to the Plan, including the Plan, Plan prospectus and other grant documents (“Plan Documents”), are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of the Plan Documents, you should consult an authorized financial adviser.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Plan Documents nor taken steps to verify the information set out in them, and thus, are not responsible for such documents.

United Kingdom

Responsibility for Taxes. This provision supplements Section 4 of the Agreement:

You agree that, if you do not pay or the Employer or the Company does not withhold from you the full amount of income tax due in connection with the RSUs within 90 days after the end of the U.K. year in which the taxable event occurs, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), then the amount of income tax that should have been withheld shall constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at Her Majesty’s Revenue & Customs’ (“HMRC”) official rate and will be immediately due and repayable by you, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in Section 4 of the Agreement.

Notwithstanding the foregoing, if you are a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that you are a director or executive officer and the income tax that is due is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You may be responsible for reporting and paying any income tax due on this additional benefit directly to the HMRC under the self-assessment regime and for reimbursing the Company or the Employer (as appropriate) for the value of any employee national insurance contributions due on this additional benefit, which the Company or the Employer may recover from you by any means referred to in Section 4 of the Agreement.

Venezuela

Securities Law Information. The RSUs granted under the Plan and the shares of Common Stock issued under the Plan are offered as a personal, private, exclusive transaction and are not subject to Venezuelan securities regulations.

Exchange Control Information. Exchange control restrictions may limit the ability to remit funds out of Venezuela in order to receive shares of Common Stock upon vesting of the RSUs, or remit funds into Venezuela following the sale of shares of Common Stock acquired upon vesting of the RSUs. The Company reserves the right to restrict settlement of the RSUs or to amend or cancel the RSUs at any time in order to comply with applicable exchange control laws in Venezuela. Any shares of Common Stock acquired under the Plan are intended to be an investment rather than for the resale and conversion of the shares into foreign currency. You are responsible for complying with exchange control laws in Venezuela and neither the Company nor the Employer will be liable for any fines or penalties resulting from your failure to comply with applicable laws. Because exchange control laws and regulations change frequently and without notice, you should consult with your personal legal advisor before accepting the RSUs and before selling any shares of Common Stock acquired upon vesting of the RSUs to ensure compliance with current regulations.



Bristol-Myers Squibb Company

RESTRICTED STOCK UNITS AGREEMENT UNDER THE BRISTOL-MYERS SQUIBB COMPANY 2012 STOCK AWARD AND INCENTIVE PLAN

BRISTOL-MYERS SQUIBB COMPANY, a Delaware corporation (the “Company”), has granted to you the Restricted Stock Units (“RSUs”) specified in the Grant Summary, which is incorporated into this Restricted Stock Units Agreement (the “Agreement”) and deemed to be a part hereof. The RSUs have been granted to you under Section 6(e) of the 2012 Stock Award and Incentive Plan (the “Plan”), on the terms and conditions specified in the Grant Summary and this Agreement. Capitalized terms used in this Agreement that are not specifically defined herein shall have the meanings ascribed to such terms in the Plan.

1. RESTRICTED STOCK UNITS AWARD

The Compensation and Management Development Committee of the Board of Directors of Bristol-Myers Squibb Company (the “Committee”) has granted to you as of the Award Date an Award of RSUs as designated herein subject to the terms, conditions, and restrictions set forth in this Agreement and the Plan. Each RSU shall represent the conditional right to receive, upon settlement of the RSU, one share of Bristol-Myers Squibb Common Stock (“Common Stock”) or, at the discretion of the Company, the cash equivalent thereof (subject to any tax withholding as described in Section 4). The purpose of such Award is to motivate and retain you as an employee of the Company or a subsidiary of the Company, to encourage you to continue to give your best efforts for the Company’s future success, and to increase your proprietary interest in the Company. Except as may be required by law, you are not required to make any payment (other than payments for taxes pursuant to Section 4 hereof) or provide any consideration other than the rendering of future services to the Company or a subsidiary of the Company.

2. RESTRICTIONS, FORFEITURES, AND SETTLEMENT

Except as otherwise provided in this Section 2, each RSU shall be subject to the restrictions and conditions set forth herein during the period from the Award Date until the date such RSU has become vested and non-forfeitable such that there are no longer any RSUs that may become potentially vested and non-forfeitable (the “Restricted Period”). Vesting of the RSUs is conditioned upon you remaining continuously employed by the Company or a subsidiary of the Company from the Award Date until the relevant vesting date, subject to the provisions of this Section 2. Assuming satisfaction of such employment conditions, 25% of the RSUs shall vest on each of the first four anniversaries of the Award Date. In the event you attain age 65 while still an employee of the Company or a subsidiary, all unvested RSUs held by you at least one year from the Award Date will become vested and non-forfeitable, and thereafter, so long as you remain an employee of the Company or a subsidiary after attaining age 65, all other RSUs will become 100% vested one year from the Award Date.

- (a) Nontransferability. During the Restricted Period and any further period prior to settlement of your RSUs, you may not sell, transfer, pledge or assign any of the RSUs or your rights relating thereto. If you attempt to assign your rights under this Agreement in violation of the provisions herein, the Company’s obligation to settle RSUs or otherwise make payments shall terminate.
- (b) Time of Settlement. RSUs shall be settled promptly upon expiration of the Restricted Period without forfeiture of the RSUs (i.e., upon vesting), but in any event within 60 days after expiration of the Restricted Period, by delivery of one share of Common Stock for each RSU being settled, or, at the discretion of the Company, the cash equivalent thereof; provided, however, that settlement of an RSU shall be subject to Plan Section 11(k), including if applicable the six-month delay rule in Plan Sections 11(k)(i)(C)(2) and 11(k)(i)(G); provided further, that no dividend or dividend equivalents will be paid, accrued or accumulated in respect of the period during which settlement was delayed. (*Note: This rule may apply to any portion of the RSUs that vest after the time you become Retirement eligible under the Plan, and could apply in other cases as well*). Settlement of RSUs which directly or indirectly result from adjustments to RSUs shall occur at the time of settlement of, and subject to the restrictions and conditions that apply to, the granted RSUs. Settlement of cash amounts which directly or indirectly result from adjustments to RSUs shall be included as part of your regular payroll payment as soon as administratively practicable after the settlement date for the underlying RSUs, and subject to the restrictions and conditions that apply to, the granted RSUs. Until shares are delivered to you in settlement of RSUs, you shall have none of the rights of a stockholder of the Company with respect to the shares issuable in settlement of the RSUs, including the right to vote the shares and receive actual dividends and other distributions on the underlying shares of Common Stock. Shares of stock issuable in settlement of RSUs shall be delivered to you upon settlement in certificated form or in such other manner as the Company may reasonably determine. At that time, you will have all of the rights of a stockholder of the Company.

- (c) Retirement and Death. In the event of your Retirement (as that term is defined in the Plan; however, if you attain age 65 before Retirement, RSUs held for at least one year will have vested prior to Retirement) or your death while employed by the Company prior to the end of the Restricted Period, you, or your estate, shall be deemed vested and entitled to settlement of (*i.e.* , the Restricted Period shall expire with respect to) a proportionate number of the total number of RSUs granted (taking into account RSUs previously vested), provided that you have been continuously employed by the Company or a subsidiary of the Company for at least one year following the Award Date and your employment has not been terminated by the Company or a subsidiary of the Company for misconduct or other conduct deemed detrimental to the interests of the Company or a subsidiary of the Company. If you are only eligible for Retirement pursuant to Plan Section 2(x)(iii), and you are employed in the United States or Puerto Rico at the time of your Retirement, you shall be entitled to the pro rata vesting described in this Section 2(c) only if you execute and do not revoke a release in favor of the Company and its predecessors, successors, affiliates, subsidiaries, directors and employees in a form satisfactory to the Company; if you fail to execute or revoke the release, or your release fails to become effective and irrevocable within 60 days of the date your employment terminates, you shall forfeit any RSUs that are unvested as of the date your employment terminates. The formula for determining the proportionate number of your RSUs to become vested and non-forfeitable upon your Retirement or death is available by request from the Office of the Corporate Secretary at 345 Park Avenue, New York, New York 10154. In the event of your death prior to the delivery of shares in settlement of RSUs (not previously forfeited), shares in settlement of your RSUs shall be delivered to your estate, upon presentation to the Committee of letters testamentary or other documentation satisfactory to the Committee, and your estate shall succeed to any other rights provided hereunder in the event of your death.
- (d) Termination not for Misconduct/Detrimental Conduct. In the event your employment is terminated by the Company or a subsidiary of the Company for reasons other than misconduct or other conduct deemed detrimental to the interests of the Company or a subsidiary of the Company, and you are not eligible for Retirement, you shall be entitled to settlement of (*i.e.* , the Restricted Period shall expire with respect to) a proportionate number of the total number of RSUs granted (taking into account RSUs previously vested), provided that you have been continuously employed by the Company or a subsidiary of the Company for at least one year following the Award Date and your employment has not been terminated by the Company or a subsidiary of the Company for misconduct or other conduct deemed detrimental to the interests of the Company or a subsidiary of the Company. If you are not eligible for Retirement, and you are employed in the United States or Puerto Rico at the time of your termination, you shall be entitled to the pro rata vesting described in this Section 2(d) only if you execute and do not revoke a release in favor of the Company and its predecessors, successors, affiliates, subsidiaries, directors and employees in a form satisfactory to the Company; if you fail to execute or revoke the release, or your release fails to become effective and irrevocable within 60 days of the date your employment terminates, you shall forfeit any RSUs that are unvested as of the date your employment terminates. The formula for determining the proportionate number of RSUs you are entitled to under this Section 2 (d) is available by request from the Office of the Corporate Secretary at 345 Park Avenue, New York, New York 10154.
- (e) Disability. In the event you become Disabled (as that term is defined below), for the period during which you continue to be deemed to be employed by the Company or a subsidiary (*i.e.* , the period during which you receive Disability benefits), you will not be deemed to have terminated employment for purposes of the RSUs. Upon the termination of your receipt of Disability benefits, (i) you will not be deemed to have terminated employment if you return to employment status, and (ii) if you do not return to employment status, you will be deemed to have terminated employment at the date of cessation of payments to you under all disability pay plans of the Company and its subsidiaries, with such termination treated for purposes of the RSUs as a Retirement, death, or voluntary termination based on your circumstances at the time of such termination. For purposes of this Agreement, “Disability” or “Disabled” shall mean qualifying for and receiving payments under a disability plan of the Company or any subsidiary or affiliate either in the United States or in a jurisdiction outside of the United States, and in jurisdictions outside of the United States shall also include qualifying for and receiving payments under a mandatory or universal disability plan or program managed or maintained by the government.
- (f) Qualifying Termination Following Change in Control. In the event your employment is terminated by reason of a Qualifying Termination during the Protected Period following a Change in Control, the Restricted Period and all remaining restrictions shall expire and the RSUs shall be deemed fully vested.
- (g) Other Termination of Employment. In the event of your voluntary termination, or termination by the Company or a subsidiary for misconduct or other conduct deemed by the Company to be detrimental to the interests of the Company or a subsidiary of the Company, you shall forfeit all unvested RSUs on the date of termination.

(h) Other Terms.

- (i) In the event that you fail promptly to pay or make satisfactory arrangements as to the Tax-Related Items as provided in Section 4, all RSUs subject to restriction shall be forfeited by you and shall be deemed to be reacquired by the Company.
 - (ii) You may, at any time prior to the expiration of the Restricted Period, waive all rights with respect to all or some of the RSUs by delivering to the Company a written notice of such waiver.
 - (iii) Termination of employment includes any event if immediately thereafter you are no longer an employee of the Company or any subsidiary of the Company, subject to Section 2(i) hereof. References in this Section 2 to employment by the Company include employment by a subsidiary of the Company. Termination of employment means an event after which you are no longer employed by the Company or any subsidiary of the Company. Such an event could include the disposition of a subsidiary or business unit by the Company or a subsidiary.
 - (iv) Upon any termination of your employment, any RSUs as to which the Restricted Period has not expired at or before such termination shall be forfeited, subject to Sections 2(c)-(f) hereof. Other provisions of this Agreement notwithstanding, in no event will an RSU that has been forfeited thereafter vest or be settled.
 - (v) In the event of termination of your employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), unless otherwise provided in this Agreement or determined by the Company, your right to vest in the RSUs under the Plan, if any, will terminate effective as of the date that you are no longer actively providing services and will not be extended by any notice period (e.g., active services would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); the Company shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your RSUs (including whether you may still be considered to be providing services while on a leave of absence).
 - (vi) In any case in which you are required to execute a release as a condition to vesting and settlement of the RSUs, the applicable procedure shall be as specified under Plan Section 11(k)(v), except that the deadline for complying with such condition shall be the period provided in this Agreement.
 - (vii) You agree that the Company may recover any incentive-based compensation received by you under this Agreement if such recovery is pursuant to a clawback or recoupment policy approved by the Committee.
- (i) The following events shall not be deemed a termination of employment:
- (i) A transfer of you from the Company to a subsidiary, or vice versa, or from one subsidiary to another;
 - (ii) A leave of absence, duly authorized in writing by the Company, for military service or sickness or for any other purpose approved by the Company if the period of such leave does not exceed ninety (90) days; and
 - (iii) A leave of absence in excess of ninety (90) days, duly authorized in writing, by the Company, provided your right to reemployment is guaranteed either by a statute or by contract.

However, your failure to return to active service with the Company or a subsidiary at the end of an approved leave of absence shall be deemed a termination of employment, subject to local law. During a leave of absence as defined in (ii) or (iii), although you will be considered to have been continuously employed by the Company or a subsidiary and not to have had a termination of employment under this Section 2, the Committee may specify that such leave period shall not be counted in determining the period of employment for purposes of the vesting of the RSUs. In such case, the vesting dates for unvested RSUs shall be extended by the length of any such leave of absence.

3. NON-COMPETITION AND NON-SOLICITATION AGREEMENT AND COMPANY RIGHT TO INJUNCTIVE RELIEF, DAMAGES, RECISSION, FORFEITURE AND OTHER REMEDIES

You acknowledge that your continued employment with the Company or a subsidiary of the Company and/or the grant of RSUs pursuant to this Agreement is sufficient consideration for this Agreement, including, without limitation, all applicable restrictions imposed on you by this Section 3.

- (a) Non-Competition, Non-Solicitation and Related Covenants. By accepting this Agreement, you agree to the restrictive covenants outlined in this section unless expressly prohibited by local law or as follows: The post-termination non-compete restrictions outlined in subparagraphs (i), (ii) and (v) of this Section 3(a) do not apply to employees while resident in the State of California or North Dakota. There are no exemptions for any Award recipients (including employee residents of the State of California and North Dakota) regarding non-compete provisions while employed at the Company or from subparagraphs (iii), (iv) and (vi) of this Section 3(a) during the entire Non-Competition and Non-Solicitation Period.

Given the extent and nature of the confidential information that you have obtained or will obtain during the course of your employment with the Company or a subsidiary of the Company, it would be inevitable or, at the least, substantially probable that such confidential information would be disclosed or utilized by you should you obtain employment from, or otherwise become associated with, an entity or person that is engaged in a business or enterprise that directly competes with the Company. Even if not inevitable, it would be impossible or impracticable for the Company to monitor your strict compliance with your confidentiality obligations. Consequently, you agree that you will not, directly or indirectly:

- (i) during the Non-Competition and Non-Solicitation Period (as defined below), own or have any financial interest in a Competitive Business (as defined below), except that nothing in this clause shall prevent you from owning one per cent or less of the outstanding securities of any entity whose securities are traded on a U.S. national securities exchange (including NASDAQ) or an equivalent foreign exchange;
- (ii) during the Non-Competition and Non-Solicitation Period, whether or not for compensation, either on your own behalf or as an employee, officer, agent, consultant, director, owner, partner, joint venturer, shareholder, investor, or in any other capacity, be actively connected with a Competitive Business or otherwise advise or assist a Competitive Business with regard to any product, investigational compound, technology, service, line of business, department or business unit that competes with any product, technology, service, line of business, department or business unit with which you worked or about which you became familiar as a result of your employment with the Company or a subsidiary of the Company. Notwithstanding the foregoing, after your employment with the Company or a subsidiary of the Company terminates for any reason, you may be affiliated with a Competitive Business provided that your affiliation does not involve any product, investigational compound, technology or service, that competes with any product, investigational compound, technology or service with which you were involved within the last twelve months of your employment with the Company or a subsidiary of the Company, including any product, investigational compound, technology or service which the Company is developing and of which you had knowledge, and you and the Competing Business provide the Company written assurances of this fact prior to your commencing such affiliation;
- (iii) during the Non-Competition and Non-Solicitation Period, employ, solicit for employment, solicit, induce, encourage, or participate in soliciting, inducing or encouraging any Company employee who is employed by the Company or who was employed by the Company within the twelve months preceding the termination of your employment with the Company for any reason, to terminate or reduce his or her or its relationship with the Company or any of its affiliates, successors or assigns (the "Related Parties");
- (iv) during the Non-Competition and Non-Solicitation Period, solicit, induce, encourage, or appropriate or attempt to solicit, divert or appropriate, by use of Confidential Information or otherwise, any existing or prospective customer, vendor or supplier of the Company or any Related Parties to terminate, cancel or otherwise reduce its relationship with the Company or any Related Parties;
- (v) during the Non-Competition and Non-Solicitation Period, contact, call upon or solicit any existing customer of the Company or its Related Parties, or prospective customer of the Company or its Related Parties, that you became aware of or was introduced to in the course of your duties for the Company or its Related Parties, or otherwise divert or take away from the Company or its Related Parties the business of any current or prospective customer of the Company or its Related Parties; or
- (vi) during the Non-Competition and Non-Solicitation Period, engage in any activity that is harmful to the interests of the Company or its Related Parties, including, without limitation, any conduct during the term of your employment that violates the Company's Standards of Business Conduct and Ethics, securities trading policy and other policies.

- (b) Rescission, Forfeiture and Other Remedies. If the Company determines that you have violated any applicable provisions of Section 3(a) above during the Non-Competition and Non-Solicitation Period, in addition to injunctive relief and damages, you agree and covenant that:

- (i) any unvested portion of the RSUs shall be immediately rescinded;

- (ii) you shall automatically forfeit any rights you may have with respect to the RSUs as of the date of such determination;
 - (iii) if any part of the RSUs vests within the twelve-month period immediately preceding a violation of Section 3(a) above (or following the date of any such violation), upon the Company's demand, you shall immediately deliver to it a certificate or certificates for shares of the Company's Common Stock that you acquired upon settlement of such RSUs (or an equivalent number of other shares); and
 - (iv) the foregoing remedies set forth in this Section 3(b) shall not be the Company's exclusive remedies. The Company reserves all other rights and remedies available to it at law or in equity.
- (c) Definitions. For purposes of this Agreement, the following definitions shall apply:
- (i) "Competitive Business" means any business that is engaged in or is about to become engaged in the development, production or sale of any product, process or service concerning the treatment of any disease, which product, process or service resembles or competes with any product, process or service that was sold by, or in development at, the Company or a subsidiary of the Company during your employment with the Company or a subsidiary of the Company.
 - (ii) Because of the global nature of the Company's business, it is agreed that the restrictions set forth above shall apply in the "Restricted Area," defined as including without limitation the continent, country and the geographic regions where you worked in and were responsible for while employed by the Company or a subsidiary of the Company, and any other geographic area (country, province, state, city or other political subdivision) in which the Company or a subsidiary of the Company is engaged in business and/or is otherwise selling products or services at the time you ceased working for the Company or a subsidiary of the Company;
 - (A) provided, however, that if a court of competent jurisdiction or other authority determines the foregoing geographic scope is unenforceable, the "Restricted Area" shall be defined as the continent, country and the geographic regions where you worked and were responsible for while employed by the Company or a subsidiary of the Company;
 - (B) provided, however, that if a court of competent jurisdiction or other authority determines that the foregoing geographic scope is unenforceable, the "Restricted Area" shall be defined as the country in which you worked;
 - (C) provided, however, that if a court of competent jurisdiction or other authority determines that the foregoing geographic scope is unenforceable, the "Restricted Area" shall be defined as the geographic regions that you serviced and were responsible for while employed by the Company or a subsidiary of the Company.
 - (iii) The "Non-Competition and Non-Solicitation Period" shall be the period during which Employee is employed by the Company or a subsidiary of the Company and *twelve (12) months* after the end of Employee's term of employment with and/or work for the Company or a subsidiary of the Company for any reason, (e.g., restriction applies regardless of the reason for termination and includes voluntary and involuntary termination) (hereinafter "Termination Date");
 - (A) provided, however, that if a court of competent jurisdiction or other authority determines that such period is unenforceable, the "Non-Competition and Non-Solicitation Period" shall be the period of *eleven (11) months* after your employment Termination Date with the Company or a subsidiary of the Company for any reason;
 - (B) provided, however, that if a court of competent jurisdiction or other authority determines that such period is unenforceable, the "Non-Competition and Non-Solicitation Period" shall be the period of *ten (10) months* after your employment Termination Date with the Company or a subsidiary of the Company for any reason;
 - (C) provided further, in the event that the Company or a subsidiary of the Company files an action to enforce rights arising out of this Agreement, the Non-Competition and Non-Solicitation Period shall be extended for all periods of time in which you are determined by the Court to have been in violation of the provisions of Section 3(a).
- (d) Severability. You acknowledge and agree that the period, scope and geographic areas of restriction imposed upon you by this Section 3 are fair and reasonable and are reasonably required for the protection of the Company. In case any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired and this Agreement shall nevertheless continue to be valid and enforceable as though the invalid provisions were not part of this

Agreement. If the final judgment of a court of competent jurisdiction or other authority declares that any term or provision hereof is invalid, illegal or unenforceable, the parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, illegal or unenforceable term or provision with a term or provision that is valid, legal and enforceable to the maximum extent permissible under law and that comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision. You acknowledge and agree that your covenants under this Agreement are ancillary to your employment relationship with the Company or a subsidiary of the Company, but shall be independent of any other contractual relationship between you and the Company or a subsidiary of the Company. Consequently, the existence of any claim or cause of action that you may have against the Company or a subsidiary of the Company shall not constitute a defense to the enforcement of this Agreement by the Company or a subsidiary of the Company, nor an excuse for noncompliance with this Agreement.

- (e) Additional Remedies. You acknowledge and agree that any violation by you of this paragraph will cause irreparable harm to the Company and its Related Parties and the Company cannot be adequately compensated for such violation by damages. Accordingly, if you violate or threaten to violate this Agreement, then, in addition to any other rights or remedies that the Company may have in law or in equity, the Company shall be entitled, without the posting of a bond or other security, to obtain an injunction to stop or prevent such violation. You further agree that if the Company incurs legal fees or costs in enforcing this Agreement, you will reimburse the Company for such fees and costs.
- (f) Binding Obligations. These obligations shall be binding both upon you, your assigns, executors, administrators and legal representatives. At the inception of or during the course of your employment, you may have executed agreements that contain similar terms. Those agreements remain in full force and effect. In the event that there is a conflict between the terms of those agreements and this Agreement, this Agreement will control.
- (g) Enforcement. The Company retains discretion regarding whether or not to enforce the terms of the covenants contained in this Section 3 and its decision not to do so in your instance or anyone's case shall not be considered a waiver of the Company's right to do so.

4. RESPONSIBILITY FOR TAXES

You acknowledge that, regardless of any action taken by the Company, any subsidiary or affiliate of the Company, including your employer ("Employer"), the ultimate liability for all income tax (including federal, state, local and non-U.S. taxes), social security, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer to be an appropriate charge to you even if legally applicable to the Company or the Employer ("Tax-Related Items") is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company, any subsidiary or affiliate and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of RSUs, the conversion of the RSUs into shares of Common Stock or the receipt of an equivalent cash payment, the subsequent sale of any shares of Common Stock acquired at settlement and the receipt of any dividends; and, (b) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable event, you agree to make adequate arrangements satisfactory to the Company or the Employer to satisfy all Tax-Related Items. In this regard, by your acceptance of the RSUs, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; or
- (b) withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); or
- (c) withholding in shares of Common Stock to be issued upon settlement of the RSUs;

provided, however, if you are a Section 16 officer of the Company under the Exchange Act, then the Company will withhold shares of Common Stock upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (a) and (b) above.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, you are deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

Finally, you agree to pay to the Company or the Employer, including through withholding from your wages or other cash compensation paid to you by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

Notwithstanding anything in this Section 4 to the contrary, to avoid a prohibited acceleration under Section 409A, if shares of Common Stock subject to RSUs will be sold on your behalf (or withheld) to satisfy any Tax-Related Items arising prior to the date of settlement of the RSUs for any portion of the RSUs that is considered nonqualified deferred compensation subject to Section 409A, then the number of shares sold on your behalf (or withheld) shall not exceed the number of shares that equals the liability for Tax-Related Items.

5. DIVIDENDS AND ADJUSTMENTS

- (a) Dividends or dividend equivalents are not paid, accrued or accumulated on RSUs during the Restricted Period, except as provided in Section 5(b).
- (b) The number of your RSUs and/or other related terms shall be appropriately adjusted, in order to prevent dilution or enlargement of your rights with respect to RSUs, to reflect any changes in the outstanding shares of Common Stock resulting from any event referred to in Plan Section 11(c) or any other "equity restructuring" as defined in FASB ASC Topic 718.

6. EFFECT ON OTHER BENEFITS

In no event shall the value, at any time, of the RSUs or any other payment under this Agreement be included as compensation or earnings for purposes of any other compensation, retirement, or benefit plan offered to employees of the Company or any subsidiary of the Company unless otherwise specifically provided for in such plan. The RSUs and the underlying shares of Common Stock (or their cash equivalent), and the income and value of the same, are not part of normal or expected compensation or salary for any purposes including, but not limited to, calculation of any severance, resignation, termination, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits, or similar payments.

7. ACKNOWLEDGMENT OF NATURE OF PLAN AND RSUs

In accepting the RSUs, you acknowledge, understand and agree that:

- (a) The Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) The Award of RSUs is voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs, or benefits in lieu of RSUs even if RSUs have been awarded in the past;
- (c) All decisions with respect to future awards of RSUs or other awards, if any, will be at the sole discretion of the Company;
- (d) Your participation in the Plan is voluntary;
- (e) The RSUs and the Common Stock subject to the RSUs are not intended to replace any pension rights or compensation;
- (f) Unless otherwise agreed with the Company, the RSUs and the shares of Common Stock subject to the RSUs, and the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of a subsidiary or an affiliate of the Company;
- (g) The future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;

- (h) No claim or entitlement to compensation or damages arises from the forfeiture of RSUs, resulting from termination of your employment or other service relationship with the Company, or any of its subsidiaries or affiliates or the Employer (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the RSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, any of its subsidiaries or affiliates or the Employer, waive your ability, if any, to bring such claim, and release the Company, any subsidiary or affiliate and/or the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;
- (i) Unless otherwise provided in the Plan or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and
- (j) The following provisions apply only if you are providing services outside the United States: (i) the Award and the shares of Common Stock subject to the RSUs are not part of normal or expected compensation or salary for any purpose; and (ii) neither the Company, the Employer nor any subsidiary or affiliate of the Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

8. NO ADVICE REGARDING GRANT

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

9. RIGHT TO CONTINUED EMPLOYMENT

Nothing in the Plan or this Agreement shall confer on you any right to continue in the employ of the Company or any subsidiary or affiliate of the Company or any specific position or level of employment with the Company or any subsidiary or affiliate of the Company or affect in any way the right of the Company or any subsidiary or affiliate of the Company to terminate your employment without prior notice at any time for any reason or no reason.

10. ADMINISTRATION; UNFUNDED OBLIGATIONS

The Committee shall have full authority and discretion, subject only to the express terms of the Plan, to decide all matters relating to the administration and interpretation of the Plan and this Agreement, and all such Committee determinations shall be final, conclusive, and binding upon the Company, any subsidiary or affiliate, you, and all interested parties. Any provision for distribution in settlement of your RSUs and other obligations hereunder shall be by means of bookkeeping entries on the books of the Company and shall not create in you or any beneficiary any right to, or claim against any, specific assets of the Company, nor result in the creation of any trust or escrow account for you or any beneficiary. You and any of your beneficiaries entitled to any settlement or distribution hereunder shall be a general creditor of the Company.

11. DEEMED ACCEPTANCE

You are required to accept the terms and conditions set forth in this Agreement prior to the first vest date in order for you to receive the Award granted to you hereunder. If you wish to decline this Award, you must reject this Agreement prior to the first vest date. For your benefit, if you have not rejected the Agreement prior to the first vest date, you will be deemed to have automatically accepted this Award and all the terms and conditions set forth in this Agreement. Deemed acceptance will allow the shares to be released to you in a timely manner and once released, you waive any right to assert that you have not accepted the terms hereof.

12. AMENDMENT TO PLAN

This Agreement shall be subject to the terms of the Plan, as amended from time to time, except that, subject to Sections 19 and 22 below, the Award which is the subject of this Agreement may not be materially adversely affected by any amendment or termination of the Plan approved after the Award Date without your written consent.

13. SEVERABILITY AND VALIDITY

The various provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement and Award grant shall be governed by the substantive laws (but not the choice of law rules) of the State of Delaware. For purposes of litigating any dispute that arises under this RSU grant or Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, agree that such litigation shall be conducted in the courts of Wilmington, Delaware, or the federal courts for the United States District Court for the District of Delaware, and no other courts where this RSU grant is made and/or performed.

15. SUCCESSORS

This Agreement shall be binding upon and inure to the benefit of the successors, assigns, and heirs of the respective parties.

16. DATA PRIVACY

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement by and among, as applicable, the Employer, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, any subsidiary and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to Fidelity, or such other stock plan service provider as may be selected by the Company in the future, which assists in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the Company, Fidelity and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Common Stock received upon vesting of the RSUs may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you RSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

17. ELECTRONIC DELIVERY AND ACCEPTANCE

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic systems established and maintained by the Company or a third-party designated by the Company.

18. INSIDER TRADING/MARKET ABUSE LAWS

You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (*e.g.* , RSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

19. LANGUAGE

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

20. COMPLIANCE WITH LAWS AND REGULATIONS

Notwithstanding any other provisions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, you understand that the Company will not be obligated to issue any shares of Common Stock pursuant to the vesting of the RSUs, if the issuance of such Common Stock shall constitute a violation by you or the Company of any provision of law or regulation of any governmental authority. Further, you agree that the Company shall have unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares. Any determination by the Company in this regard shall be final, binding and conclusive.

21. ENTIRE AGREEMENT AND NO ORAL MODIFICATION OR WAIVER

This Agreement contains the entire understanding of the parties. This Agreement shall not be modified or amended except in writing duly signed by the parties, except that the Company may adopt a modification or amendment to the Agreement that is not materially adverse to you in writing signed only by the Company. Any waiver of any right or failure to perform under this Agreement shall be in writing signed by the party granting the waiver and shall not be deemed a waiver of any subsequent failure to perform.

22. ADDENDUM

Your RSUs shall be subject to any special provisions set forth in the Addendum to this Agreement for your country, if any. If you relocate to one of the countries included in the Addendum, the special provisions for such country shall apply to you, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. The Addendum, if any, constitutes part of this Agreement.

23. FOREIGN ASSET/ACCOUNT REPORTING REQUIREMENTS AND EXCHANGE CONTROLS

Your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends paid on shares of Common Stock sale proceeds resulting from the sale of shares of Common Stock acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations, and you should consult your personal legal advisor for any details.

24. IMPOSITION OF OTHER REQUIREMENTS

The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

For the Company
Bristol-Myers Squibb Company

By _____

I have read this Agreement in its entirety. I understand that this Award has been granted to provide a means for me to acquire and/or expand an ownership position in Bristol-Myers Squibb Company. I acknowledge and agree that sales of shares will be subject to the Company's policies regulating trading by employees. In accepting this Award, I hereby agree that Fidelity, or such other vendor as the Company may choose to administer the Plan, may provide the Company with any and all account information for the administration of this Award.

I hereby agree to all the terms, restrictions and conditions set forth in the Agreement, including, but not limited to, post-employment obligations related to non-competition and non-solicitation.

Addendum

BRISTOL-MYERS SQUIBB COMPANY SPECIAL PROVISIONS FOR RSUs IN CERTAIN COUNTRIES

Unless otherwise provided below, capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Agreement. This Addendum includes special country-specific terms that apply if you are residing and/or working in one of the countries listed below. This Addendum is part of the Agreement.

This Addendum also includes information of which you should be aware with respect to your participation in the Plan. For example, certain individual exchange control reporting requirements may apply upon vesting of the RSUs and/or sale of Common Stock. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2015 and is provided for informational purposes. Such laws are often complex and change frequently, and results may be different based on the particular facts and circumstances. As a result, the Company strongly recommends that you do not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time your RSUs vest or are settled, or you sell shares of Common Stock acquired under the Plan.

In addition, the information is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you currently are residing and/or working, transfer employment after the RSUs are granted to you, or are considered a resident of another country for local law purposes, the information contained herein for the country you are residing and/or working in at the time of grant may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you. If you transfer residency and/or employment to another country or are considered a resident of another country listed in the Addendum after the RSUs are granted to you, the terms and/or information contained for that new country (rather than the original grant country) may be applicable to you.

All Countries

Retirement. The following provision supplements Section 2 of the Agreement:

Notwithstanding the foregoing, if the Company receives a legal opinion that there has been a legal judgment and/or legal development in your jurisdiction that likely would result in the favorable treatment that applies to the RSUs when you attain age 65 or in the event of your Retirement being deemed unlawful and/or discriminatory, the provisions of Section 2 regarding the treatment of the RSUs when you attain age 65 or in the event of your Retirement shall not be applicable to you.

Algeria

Exchange Control Information. Proceeds from the settlement of RSUs, the sale of Common Stock and the receipt of any dividends must be repatriated to Algeria.

Argentina

Labor Law Policy and Acknowledgement. This provision supplements Section 7 of the Agreement:

By accepting the RSUs, you acknowledge and agree that the grant of RSUs is made by the Company (not the Employer) in its sole discretion and that the value of the RSUs or any shares of Common Stock acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (i) any labor benefits including, but not limited to, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, etc., or (ii) any termination or severance indemnities or similar payments.

If, notwithstanding the foregoing, any benefits under the Plan are considered salary or wages for any purpose under Argentine labor law, you acknowledge and agree that such benefits shall not accrue more frequently than on each vesting date.

Securities Law Information. Neither the RSUs nor the underlying shares of Common Stock are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. In the event that you transfer proceeds from the settlement of RSUs, sale of shares of Common Stock or any cash dividends paid on such shares into Argentina within 10 days of receipt (*i.e.* , if the proceeds have not been held in the offshore bank or brokerage account for at least 10 days prior to transfer), you will be required to deposit 30% of any proceeds in a non-interest bearing account for a 365 day holding period. In any event, the Argentine bank handling the transaction may request certain documentation in connection with your request to transfer proceeds into Argentina, including evidence of the sale of shares of Common Stock and proof that no funds were remitted out of Argentina to acquire the shares of Common Stock. If the bank determines that the 10-day rule or any other rule or regulation promulgated by the Argentine Central Bank has not been satisfied, it may require that 30% of the proceeds be placed in a non-interest bearing mandatory deposit account for a holding period of 365 days. Please note that exchange control regulations in Argentina are subject to frequent change. You are solely responsible for complying with any exchange control laws that may apply to you as a result of participating in the Plan and/or the transfer of funds in connection with the award. You should consult with your personal legal advisor regarding any exchange control obligations that you may have.

Foreign Asset/Account Reporting Information. Pursuant to General Resolution (AFIP) No. 3293 published on March 26, 2012, you are subject to an annual information regime under which you must report any equity interests held in the Company to the Argentine tax authorities.

Australia

Compliance with Laws. Notwithstanding anything else in the Agreement, you will not be entitled to, and shall not claim, any benefit under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Employer is under no obligation to seek or obtain the approval of its shareholders in general meeting for the purpose of overcoming any such limitation or restriction.

Securities Law Information. If you acquire shares of Common Stock pursuant to your RSUs and you offer your shares of Common Stock for sale to a person or entity resident in Australia, your offer may be subject to disclosure requirements under Australian law. You should obtain legal advice on your disclosure obligations prior to making any such offer.

Austria

Exchange Control Information. If you hold shares of Common Stock under the Plan outside of Austria (even if you hold them outside of Austria at a branch of an Austrian bank), you may be required to submit a report to the Austrian National Bank as follows: (i) on a quarterly basis if the value of the Common Stock as of any given quarter meets or exceeds €30,000,000; and (ii) on an annual basis if the value of the Common Stock as of December 31 meets or exceeds €5,000,000. The deadline to file the quarterly report is the 15th day of the month following the end of the respective quarter. The deadline to file the annual report is January 31 of the following year.

When shares of Common Stock are sold, there may be exchange control obligations if the cash proceeds from the sale are held outside Austria. If the transaction volume of all your cash accounts abroad meets or exceeds €3,000,000, the movements and the balance of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month. If the transaction value of all cash accounts abroad is less than €3,000,000, no ongoing reporting requirements apply.

Belgium

Foreign Asset/Account Reporting Information. If you are a Belgian resident, you are required to report any security or bank account (including brokerage accounts) you maintain outside of Belgium on your annual tax return. In a separate report, you will be required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened).

Brazil

Labor Law Policy and Acknowledgement. This provision supplements Section 7 of the Agreement:

By accepting the RSUs, you acknowledge and agree that (i) you are making an investment decision, (ii) shares of Common Stock will be issued to you only if the vesting conditions are met and you meet the employment conditions during the Restricted Period and (iii) the value of the underlying shares of Common Stock is not fixed and may increase or decrease in value over the Restricted Period.

Compliance with Laws. By accepting the RSUs, you agree that you will comply with Brazilian law when you vest in the RSUs and sell shares of Common Stock. You also agree to report and pay any and all taxes associated with the vesting of the RSUs, the sale of the shares of Common Stock acquired pursuant to the Plan and the receipt of any dividends.

Exchange Control Information. You must prepare and submit a declaration of assets and rights held outside of Brazil to the Central Bank on an annual basis if you hold assets or rights valued at more than US\$100,000. The assets and rights that must be reported include shares of Common Stock.

Canada

Settlement of RSUs. Notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, RSUs will be settled in shares of Common Stock only, not cash.

Securities Law Information. You acknowledge and agree that you will sell shares of Common Stock acquired through participation in the Plan only outside of Canada through the facilities of a stock exchange on which the Common Stock is listed. Currently, the shares of Common Stock are listed on the New York Stock Exchange.

Termination of Employment. This provision replaces the second paragraph of Section 2(h)(v) of the Agreement:

In the event of your termination of employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), unless otherwise provided in this Agreement or the Plan, your right to vest in the RSUs, if any, will terminate effective as of the date that is the earlier of (1) the date upon which your employment with the Company or any of its subsidiaries is terminated; (2) the date you are no longer actively employed by or providing services to the Company or any of its subsidiaries; or (3) the date you receive written notice of termination of employment, regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited to statutory law, regulatory law and/or common law); the Company shall have the exclusive discretion to determine when you are no longer employed or actively providing services for purposes of the RSUs (including whether you may still be considered employed or actively providing services while on a leave of absence).

Foreign Asset/Account Reporting Information. You may be required to report your foreign property on Form T1135 (Foreign Income Verification Statement) if the total cost of your foreign property exceeds C\$100,000 at any time in the year. Foreign property includes cash held outside of Canada and shares of Common Stock acquired under the Plan, and it may include unvested RSUs. The Form T1135 must be filed by April 30 of the following year. You should consult with your personal tax advisor to determine your reporting requirements.

The following provisions apply if you are resident in Quebec:

Language Acknowledgment

The parties acknowledge that it is their express wish that this Agreement, including this Addendum, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be provided to them in English.

Consentement relatif à la langue utilisée. Les parties reconnaissent avoir expressément souhaité que la convention («Agreement») ainsi que cette Annexe, ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

Data Privacy. This provision supplements Section 16 of the Agreement:

You hereby authorize the Company, the Employer and their representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and its subsidiaries to disclose and discuss the Plan with their advisors. You further authorize the Company and its subsidiaries to record such information and to keep such information in your employee file.

Chile

Securities Law Information. The offer of the RSUs constitutes a private offering in Chile effective as of the Award Date. The offer of RSUs is made subject to general ruling n° 336 of the Chilean Superintendence of Securities and Insurance (“SVS”). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given the RSUs are not registered in Chile, the Company is not required to provide information about the RSUs or shares of Common Stock in Chile. Unless the RSUs and/or the shares of Common Stock are registered with the SVS, a public offering of such securities cannot be made in Chile.

Exchange Control and Foreign Asset/Account Reporting Information. You are not required to repatriate proceeds obtained from the sale of Common Stock or from dividends to Chile; however, if you decide to repatriate proceeds from the sale of Common Stock and/or dividends and the amount of the proceeds to be repatriated exceeds US\$10,000, you acknowledge that you must effect such repatriation through the Formal Exchange Market (*i.e.* , a commercial bank or registered foreign exchange office). In such case, you must report the proceeds to a commercial bank or registered foreign exchange office receiving the funds. If you do not repatriate the funds and use such funds for the payment of other obligations contemplated under a different Chapter of the Foreign Exchange Regulations, you must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within the first 10 days of the month immediately following the transaction.

Further, if the value of your aggregate investments held outside of Chile meets or exceeds US\$5,000,000 (including the value of Common Stock acquired under the Plan), you may need to report the status of such investments quarterly to the Central Bank using Annex 3.1 of Chapter XII of the Foreign Exchange Regulations.

Finally, if you hold Common Stock acquired under the Plan outside of Chile, you may be required to inform the Chilean Internal Revenue Service (the "CIRS") of the details of your investment in the Common Stock by Filing Tax Form 1851 "Annual Sworn Statement Regarding Investments Held Abroad". Further, if you wish to receive credit against your Chilean income taxes for any taxes paid abroad, you must report the payment of taxes abroad to the CIRS by filing Tax Form 1853 "Annual Sworn Statement Regarding Credits for Taxes Paid Abroad". These statements must be submitted electronically through the CIRS website before March 15 of each year.

China

The following provisions apply if you are subject to the exchange control regulations in China, as determined by the Company in its sole discretion:

Sales of Shares of Common Stock. To comply with exchange control regulations in China, you agree that the Company is authorized to force the sale of shares of Common Stock to be issued to you upon vesting and settlement of the RSUs at any time (including immediately upon vesting or after termination of your employment, as described below), and you expressly authorize the Company's designated broker to complete the sale of such shares of Common Stock. You agree to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the designated broker) to effectuate the sale of the shares of Common Stock and shall otherwise cooperate with the Company with respect to such matters, provided that you shall not be permitted to exercise any influence over how, when or whether the sales occur. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the shares of Common Stock at any particular price.

Upon the sale of the shares of Common Stock, the Company agrees to pay the cash proceeds from the sale of Common Stock (less any applicable Tax-Related Items, brokerage fees or commissions) to you in accordance with applicable exchange control laws and regulations, including, but not limited to, the restrictions set forth in this Addendum for China below under "Exchange Control Information." Due to fluctuations in the Common Stock price and/or applicable exchange rates between the vesting date and (if later) the date on which the shares of Common Stock are sold, the amount of proceeds ultimately distributed to you may be more or less than the market value of the shares of Common Stock on the vesting date (which typically is the amount relevant to determining your Tax-Related Items liability). You understand and agree that the Company is not responsible for the amount of any loss you may incur and that the Company assumes no liability for any fluctuations in the Common Stock price and/or any applicable exchange rate.

Treatment of Shares of Common Stock and RSUs Upon Termination of Employment. Due to exchange control regulations in China, you understand and agree that any shares of Common Stock acquired under the Plan and held by you in your brokerage account must be sold no later than the last business day of the month following the month of your termination of employment, or within such other period as determined by the Company or required by the China State Administration of Foreign Exchange ("SAFE") (the "Mandatory Sale Date"). This includes any portion of shares of Common Stock that vest upon your termination of employment. For example, if your termination of employment occurs on March 14, 2016, then the Mandatory Sale Date will be April 30, 2016. You understand that any shares of Common Stock held by you that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sales of Shares of Common Stock" above.

If all or a portion of your RSUs become distributable upon your termination of employment or at some time following your termination of employment, that portion will vest and become distributable immediately upon termination of your employment. Any shares of Common Stock distributed to you according to this paragraph must be sold by the Mandatory Sale Date or will be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sales of Shares of Common Stock" above. You will not continue to vest in RSUs or be entitled to any portion of RSUs after your termination of employment.

Exchange Control Information. You understand and agree that, to facilitate compliance with exchange control requirements, you are required to hold any shares of Common Stock to be issued to you upon vesting and settlement of the RSUs in the account that has been established for you with the Company's designated broker and you acknowledge that you are prohibited from transferring any such shares of Common Stock to another brokerage account. In addition, you are required to immediately repatriate to China the cash proceeds from the sale of the shares of Common Stock issued upon vesting and settlement of the RSUs and any dividends paid on such shares of Common Stock. You further understand that such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Company or its subsidiaries, and you hereby consent and agree that the proceeds may be transferred to such special account prior to being delivered to you. The Company may deliver the proceeds to you in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, you understand that you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to you and due to fluctuations in the Common Stock trading price and/or the U.S. dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that you receive may be more or less than the market value of the Common Stock on the sale/payment date (which is the amount relevant to determining your tax liability). You agree to bear the risk of any currency fluctuation between the sale/payment date and the date of conversion of the proceeds into local currency.

You further agree to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

Foreign Asset/Account Reporting Information. PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. Under these rules, you may be subject to reporting obligations for the Common Stock or equity awards, including RSUs, acquired under the Plan and Plan-related transactions. It is your responsibility to comply with this reporting obligation and you should consult your personal advisor in this regard.

Colombia

Labor Law Policy and Acknowledgement. By accepting your Award of RSUs, you acknowledge that pursuant to Article 128 of the Colombia Labor Code, the Plan and related benefits do not constitute a component of "salary" for any purposes.

Exchange Control Information. Investments in assets located outside of Colombia (including Common Stock) are subject to registration with the Central Bank (Banco de la República) if the aggregate value of such investments is US\$500,000 or more (as of December 31 of the applicable calendar year). Further, upon the sale of any Common Stock that you have registered with the Central Bank, you must cancel the registration by March 31 of the following year. You may be subject to fines if you fail to cancel such registration.

Czech Republic

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to the RSUs and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, you should consult your personal legal advisor prior to the vesting of the RSUs and the sale of shares of Common Stock to ensure compliance with current regulations. It is your responsibility to comply with any applicable Czech exchange control laws.

Denmark

Stock Option Act. You acknowledge that you have received an Employer Statement in Danish.

Foreign Asset/Account Reporting Information. If you establish an account holding shares of Common Stock or an account holding cash outside Denmark, you must report the account to the Danish Tax Administration. The form may be obtained from a local bank. Please note that these obligations are separate from and in addition to the obligations described below.

Securities/Tax Reporting Information. If you hold shares of Common Stock acquired under the Plan in a brokerage account with a broker or bank outside Denmark, you are required to inform the Danish Tax Administration about the account. For this purpose, you must file a Form V (Erklaering V) with the Danish Tax Administration. Both you and the broker or bank must sign the Form V. By signing the Form V, the broker or bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the shares of Common Stock in the account. In the event that the applicable broker or bank with which the account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account and any shares of Common Stock acquired at vesting and held in such account to the Danish Tax Administration as part of your annual income tax return.

By signing the Form V, you authorize the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: www.skat.dk.

In addition, if you open a brokerage account (or a deposit account with a U.S. bank), the brokerage account likely will be treated as a deposit account because cash can be held in the account. Therefore, you likely must file a Form K (Erklaering K) with the Danish Tax Administration. The Form K must be signed both by you and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the content of the account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of your annual income tax return. By signing the Form K, you authorize the Danish Tax Administration to examine the account. A sample of the Form K can be found at the following website: www.skat.dk.

Egypt

Exchange Control Information. If you transfer funds into Egypt in connection with the RSUs, you are required to transfer the funds through a registered bank in Egypt.

Finland

There are no country-specific provisions.

France

Language Acknowledgement

En signant et renvoyant le présent document décrivant les termes et conditions de votre attribution, vous confirmez ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan et ce Contrat d'Attribution) qui vous ont été communiqués en langue anglaise.

By accepting your RSUs, you confirm having read and understood the documents relating to this grant (the Plan and this Agreement) which were provided to you in English.

Foreign Asset/Account Reporting Information. If you hold shares of Common Stock outside of France or maintain a foreign bank account (including accounts that were opened and closed during the tax year), you are required to report such to the French tax authorities when filing your annual tax return. Failure to comply could trigger significant penalties. Further, if you have a foreign account balance exceeding €1,000,000, you may have additional monthly reporting obligations.

Germany

Exchange Control Information. Cross-border payments in excess of €2,500 must be reported to the German Federal Bank. From September 2013, the German Federal Bank no longer accepts reports in paper form and all reports must be filed electronically. The electronic "General Statistics Reporting Portal" (*Allgemeines Meldeportal Statistik*) can be accessed on the German Federal Bank's website: www.bundesbank.de.

In the event that you make or receive a payment in excess of this amount, you are responsible for complying with applicable reporting requirements.

Greece

There are no country-specific provisions.

Hong Kong

Securities Law Information. *Warning: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the Agreement, including this Addendum, or the Plan, or any other incidental communication materials, you should obtain independent professional advice. The RSUs and any shares of Common Stock issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company or its subsidiaries. The Agreement, including this Addendum, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong. The RSUs are intended only for the personal use of each eligible employee of the Employer, the Company or any subsidiary and may not be distributed to any other person.*

Settlement of RSUs and Sale of Common Stock. Notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, RSUs will be settled in shares of Common Stock only, not cash. In addition, notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, no shares of Common Stock acquired under the Plan can be offered to the public or otherwise disposed of prior to six months from the Award Date. Any shares of Common Stock received at vesting are accepted as a personal investment.

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”).

Hungary

There are no country-specific provisions.

India

Exchange Control Information . You must repatriate all proceeds received from the sale of shares to India within 90 days of receipt and all proceeds from the receipt of cash dividends within 180 days of receipt. You must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Company or the Employer requests proof of repatriation. It is your responsibility to comply with applicable exchange control laws in India.

Foreign Asset/Account Reporting Information . You are required to declare in your annual tax return (a) any foreign assets held by you or (b) any foreign bank accounts for which you have signing authority.

Ireland

Director Notification Obligation. If you are a director, shadow director, or secretary of an Irish subsidiary, you are subject to certain notification requirements under the Companies Act, 1990. Among these requirements is an obligation to notify the Irish subsidiary in writing within five business days of receiving or disposing of an interest (e.g ., RSUs, Common Stock) in the Company and the number and class of shares of Common Stock or rights to which the interest relates, or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This disclosure requirement also applies to any rights or shares of Common Stock acquired by your spouse or child(ren) (under the age of 18).

Israel

Settlement of RSUs and Sale of Common Stock . Upon the vesting of the RSUs, you agree to the immediate sale of any shares of Common Stock to be issued to you upon vesting and settlement of the RSUs. You further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such shares of Common Stock (on your behalf pursuant to this authorization) and you expressly authorize the Company’s designated broker to complete the sale of such shares of Common Stock. You acknowledge that the Company’s designated broker is under no obligation to arrange for the sale of the shares of Common Stock at any particular price. Upon the sale of the shares of Common Stock, the Company agrees to pay the cash proceeds from the sale of the Common Stock to you, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items. Due to fluctuations in the Common Stock price and/or applicable exchange rates between the vesting date and (if later) the date on which the shares of Common Stock are sold, the amount of proceeds ultimately distributed to you may be more or less than the market value of the shares of Common Stock on the vesting date (which typically is the amount relevant to determining your Tax-Related Items liability). You understand and agree that the Company is not responsible for the amount of any loss you may incur and that the Company assumes no liability for any fluctuations in the Common Stock price and/or any applicable exchange rate.

Italy

Data Privacy Notice. This section replaces Section 16 of the Agreement:

You understand that the Company and the Employer are the privacy representatives of the Company in Italy and may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company or any subsidiaries, details of all RSUs or any other entitlement to Common Stock awarded, canceled, vested, unvested or outstanding in your favor, and that the Company and the Employer will process said data and other data lawfully received from third parties (“Personal Data”) for the exclusive purpose of managing and administering the Plan and complying with applicable laws, regulations and Community legislation. You also understand that providing the Company with Personal Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that your denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. You understand that Personal Data will not be publicized, but it may be accessible by the Employer as the privacy representative of the Company and within the Employer’s organization by its internal and external personnel in charge of processing, and by Fidelity or any other data processor appointed by the Company. The updated list of processors and of the subjects to which Data are communicated will remain available upon request from the Employer. Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. You understand that Personal Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addressees under applicable laws. You further understand that the Company and its subsidiaries will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan, and that the Company and its subsidiaries may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of Personal Data to Fidelity or other third party with whom you may elect to deposit any shares of Common Stock acquired under the Plan or any proceeds from the sale of such Common Stock. Such recipients may receive, possess, use, retain and transfer Personal Data in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan. You understand that these recipients may be acting as controllers, processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law.

Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

You understand that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Personal Data abroad, including outside of the European Economic Area, as specified herein and pursuant to applicable laws and regulations, does not require your consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. You understand that, pursuant to section 7 of the Legislative Decree no. 196/2003, you have the right at any moment to, including, but not limited to, obtain confirmation that Personal Data exists or not, access, verify its contents, origin and accuracy, delete, update, integrate, correct, block or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, you should contact the Employer. Furthermore, you are aware that Personal Data will not be used for direct marketing purposes. In addition, Personal Data provided can be reviewed and questions or complaints can be addressed by contacting your human resources department.

Plan Document Acknowledgment. By accepting the RSUs, you acknowledge that you have received a copy of the Plan, reviewed the Plan, the Agreement and this Addendum in their entirety and fully understand and accept all provisions of the Plan, the Agreement and this Addendum.

In addition, you further acknowledge that you have read and specifically and expressly approve without limitation the following clauses in the Agreement: Section 4 (Responsibility for Taxes); Section 7 (Acknowledgement of Nature of Plan and RSUs); Section 8 (No Advice Regarding Grant); Section 9 (Right to Continued Employment); Section 11 (Deemed Acceptance); Section 13 (Severability and Validity); Section 14 (Governing Law, Jurisdiction and Venue); Section 16 (Data Privacy, as replaced by the above provision in this Addendum); Section 17 (Electronic Delivery and Acceptance); Section 18 (Insider Trading/Market Abuse Laws); Section 19 (Language); Section 20 (Compliance with Laws and Regulations); Section 21 (Entire Agreement and No Oral Modification or Waiver); Section 22 (Addendum); Section 23 (Foreign Asset/Account Reporting Requirements and Exchange Controls); and Section 24 (Imposition of Other Requirements).

Foreign Asset/Account Reporting Information. If you are an Italian resident who, at any time during the fiscal year, holds foreign financial assets (including cash and shares of Common Stock) which may generate income taxable in Italy, you are required to report these assets on your annual tax return for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also apply if you are the beneficial owner of foreign financial assets under Italian money laundering provisions.

Tax Information. Italian residents may be subject to tax on the value of financial assets held outside of Italy. The taxable amount will be the fair market value of the financial assets, assessed at the end of the calendar year. For the purposes of the market value assessment, the documentation issued by the Plan broker may be used.

Japan

Foreign Asset/Account Reporting Information. If you are a resident of Japan or a foreign national who has established permanent residency in Japan, you will be required to report details of any assets (including any shares of Common Stock acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th of the following year. You should consult with your personal tax advisor as to whether the reporting obligation applies to you and whether you will be required to report details of any outstanding RSUs or shares of Common Stock held by you in the report.

Korea

Exchange Control Information. Korean residents who realize US\$500,000 or more from the sale of shares of Common Stock or receipt of dividends in a single transaction are required to repatriate the proceeds to Korea within 18 months of receipt.

Foreign Asset/Account Reporting Information. You will be required to declare all foreign accounts (*i.e.* , non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authorities and file a report if the monthly balance of such accounts exceeds a certain limit (currently KRW 1 billion or an equivalent amount in foreign currency).

Luxembourg

There are no country-specific provisions.

Mexico

Labor Law Policy and Acknowledgment. By accepting this Award, you expressly recognize that the Company, with offices at 345 Park Avenue, New York, New York 10154, U.S.A., is solely responsible for the administration of the Plan and that your participation in the Plan and acquisition of shares does not constitute an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and your sole employer is Bristol-Myers Squibb Company in Mexico (“BMS-Mexico”), not the Company in the United States. Based on the foregoing, you expressly recognize that the Plan and the benefits that you may derive from participation in the Plan do not establish any rights between you and your employer, BMS-Mexico, and do not form part of the employment conditions and/or benefits provided by BMS-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

You further understand that your participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue your participation at any time without any liability to you.

Finally, you hereby declare that you do not reserve to yourself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and you therefore grant a full and broad release to the Company, its subsidiaries, affiliates, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Política Laboral y Reconocimiento/Aceptación. *Aceptando este Premio⁽¹⁾, el participante reconoce que la Compañía, with offices at 345 Park Avenue, New York, New York 10154, U.S.A., es el único responsable de la administración del Plan y que la participación del Participante en el mismo y la adquisición de acciones no constituye de ninguna manera una relación laboral entre el Participante y la Compañía, toda vez que la participación del participante en el Plan deriva únicamente de una relación comercial con la Compañía, reconociendo expresamente que el único empleador del participante lo es Bristol-Myers Squibb Company en México (“BMS-Mexico”), no es la Compañía en los Estados Unidos. Derivado de lo anterior, el participante expresamente reconoce que el Plan y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre el participante y su empleador, BMS-México, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por BMS-México, y expresamente el participante reconoce que cualquier modificación el Plan o la terminación del mismo de manera alguna podrá ser interpretada como una modificación de los condiciones de trabajo del participante.*

⁽¹⁾ El término "Premio" se refiere a la palabra "Award."

Asimismo, el participante entiende que su participación en el Plan es resultado de la decisión unilateral y discrecional de la Compañía, por lo tanto, la Compañía. Se reserva el derecho absoluto para modificar y/o terminar la participación del participante en cualquier momento, sin ninguna responsabilidad para el participante.

Finalmente, el participante manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía, por cualquier compensación o daño en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia el participante otorga un amplio y total finiquito a la Compañía, sus entidades relacionadas, afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

Netherlands

Securities Law Information. Attention! This investment falls outside AFM supervision. No prospectus required for this activity.

Norway

There are no country-specific provisions.

Peru

Securities Law Information. The grant of RSUs is considered a private offering in Peru; therefore, it is not subject to registration.

Poland

Foreign Asset/Account Reporting Information. Polish residents holding foreign securities (including shares of Common Stock) and maintaining accounts abroad must report information to the National Bank of Poland. Specifically, if the aggregate value of shares and cash held in such foreign accounts exceeds PLN 7 million, Polish residents must file reports on the transactions and balances of the accounts on a quarterly basis on special forms that are available on the website of the National Bank of Poland.

Exchange Control Information. Polish residents are required to transfer funds (*i.e.* , in connection with the sale of shares of Common Stock) through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently €15,000). If you are a Polish resident, you must also store all documents connected with any foreign exchange transactions you engage in for a period of five years, as measured from the end of the year in which such transaction occurred.

You should consult with your personal legal advisor to determine what you must do to fulfill any applicable reporting/exchange control duties.

Portugal

Language Consent. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Conhecimento da Lingua. Você expressamente declara ter pleno conhecimento do idioma inglês e ter lido, entendido e totalmente aceito e concordou com os termos e condições estabelecidas no plano e no acordo.

Exchange Control Information. If you acquire shares of Common Stock under the Plan and do not hold the shares with a Portuguese financial intermediary, you may need to file a report with the Portuguese Central Bank. If the shares are held by a Portuguese financial intermediary, it will file the report for you.

Puerto Rico

There are no country-specific provisions.

Romania

Exchange Control Information. If you deposit the proceeds from the sale of your shares of Common Stock in a bank account in Romania, you may have to provide the Romanian bank through which the operations are effected with appropriate documentation regarding the receipt of the income. You should consult with a personal legal advisor to determine whether you will be required to submit such documentation to the Romanian bank.

Russia

Exchange Control Information. You acknowledge that you must repatriate the proceeds from the sale of shares of Common Stock within a reasonably short time of receipt. Such amounts must be initially credited to you through a foreign currency account opened in your name at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks subject to the following limitations: (i) the foreign account may be opened only for individuals; (ii) the foreign account may not be used for business activities; and (iii) you must give notice to the Russian tax authorities about the opening/closing of each foreign account within one month of the account opening/closing. Effective August 2, 2014, dividends (but not dividend equivalents) do not need to be remitted to your bank account in Russia but instead can be remitted directly to a foreign individual bank account (in Organisation for Economic Cooperation and Development (“OECD”) and Financial Action Task Force (“FATF”) countries).

You should consult your personal advisor before selling any shares of Common Stock acquired under the Plan and remitting any sale proceeds to Russia, as significant penalties may apply in the case of non-compliance with exchange control requirement and exchange control requirements are subject to change at any time, often without notice.

Foreign Asset/Account Reporting Information. Russian residents are required to notify the Russian tax authorities within one month of opening or closing a foreign bank account, or of changing any account details. Effective as of January 1, 2015, Russian residents also will be required to file with the Russian tax authorities reports of the transactions in his or her foreign bank accounts.

Securities Law Information. These materials do not constitute advertising or an offering of securities in Russia nor do they constitute placement of the shares of Common Stock in Russia. Any shares of Common Stock issued pursuant to the RSUs shall be delivered to you through a brokerage account in the U.S. You may hold shares in your brokerage account in the U.S.; however, in no event will shares issued to you and/or share certificates or other instruments be delivered to you in Russia. The issuance of Common Stock pursuant to the RSUs described herein has not and will not be registered in Russia and hence, the shares of Common Stock described herein may not be admitted or used for offering, placement or public circulation in Russia.

U.S. Transaction. You are not permitted to make any public advertising or announcements regarding the RSUs or Common Stock in Russia, or promote these shares to other Russian legal entities or individuals, and you are not permitted to sell or otherwise dispose of Common Stock directly to other Russian legal entities or individuals. You are permitted to sell shares of Common Stock only on the New York Stock Exchange and only through a U.S. broker.

Data Privacy Consent. This section replaces Section 16 of the Agreement:

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement by and among, as applicable, the Employer, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, any subsidiary and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor (“Data”), for the purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to Fidelity, or such other stock plan service provider as may be selected by the Company in the future, which assists in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States, or elsewhere, and that the recipient’s country (e.g ., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting the International Compensation and Benefits Group. You authorize the Company, Fidelity and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Common Stock received upon vesting of the RSUs may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan.

You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case and without cost, by contacting in writing the International Compensation and Benefits Group. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you RSUs or other equity awards or administer or maintain such awards.

Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact the International Compensation and Benefits Group.

Labor Law Information . You acknowledge that if you continue to hold shares of Common Stock acquired under the Plan after an involuntary termination of your employment, you may not be eligible to receive unemployment benefits in Russia.

Anti-Corruption Information. Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (*e.g.* , shares of foreign companies such as the Company). Accordingly, you should inform the Company if you are covered by these laws because you should not hold shares of Common Stock acquired under the Plan.

Saudi Arabia

Securities Law Information. This document may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

Singapore

Securities Law Information . The grant of RSUs is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Chap. 289, 2006 Ed.) (“SFA”) for which it is exempt from the prospectus and registration requirements under the SFA and is not made to you with a view to the RSUs being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the RSUs are subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of the shares of Common Stock in Singapore or (ii) any offer of such subsequent sale of the shares of Common Stock subject to the RSUs in Singapore, unless such sale or offer is made after 6 months from the Award Date or pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Chief Executive Officer and Director Notification Requirement. If you are the Chief Executive Officer (“CEO”) or a director, associate director or shadow director of a Singapore company, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore company in writing when you receive an interest (*e.g.* , RSUs, Common Stock) in the Company or any related companies. In addition, you must notify the Singapore company when you sell shares of the Company or any related company (including when you sell shares of Common Stock acquired pursuant to your RSUs). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of your interests in the Company or any related company within two business days of becoming the CEO or a director.

South Africa

Responsibility for Taxes. The following provision supplements Section 4 (Responsibility for Taxes) of this Agreement:

You are required to immediately notify the Employer of the amount of any gain realized at vesting of the RSUs. If you fail to advise the Employer of such gain, you may be liable for a fine.

Exchange Control Information. You are solely responsible for complying with applicable South African exchange control regulations, and neither the Company nor the Employer will be liable for any fines or penalties resulting from failure to comply with applicable laws. In particular, if you are a resident for exchange control purposes, you are required to obtain approval from the South African Reserve Bank for payments (including payment of proceeds from the sale of shares of Common Stock) that you receive into accounts based outside of South Africa (*e.g.* , a U.S. brokerage account). Because the exchange control regulations change frequently and without notice, you should consult your legal advisor prior to the acquisition or sale of shares of Common Stock under the Plan to ensure compliance with current regulations.

Spain

Exchange Control Information. If you acquire shares of Common Stock issued pursuant to the RSUs and wish to import the ownership title of such shares (*i.e.* , share certificates) into Spain, you must declare the importation of such securities to the Spanish *Dirección General de Política Comercial y de Inversiones Extranjeras* (the “DGPCIE”). Generally, the declaration must be made in January for shares of Common Stock acquired or sold during (or owned as of December 31 of) the prior year; however, if the value of shares acquired or sold exceeds the applicable threshold (currently €1,502,530) (or you hold 10% or more of the share capital of the Company or such other amount that would entitle you to join the Company’s board of directors), the declaration must be filed within one month of the acquisition or sale, as applicable. In addition, you also must file a declaration of ownership of foreign securities with the Directorate of Foreign Transactions each January.

When receiving foreign currency payments derived pursuant to the RSUs (e.g., proceeds from the sale of shares of Common Stock), you must inform the financial institution receiving the payment of the basis upon which such payment is made if the payment exceeds €50,000. Upon request, you will need to provide the institution with the following information: your name, address, and fiscal identification number; the name and corporate domicile of the Company; the amount of the payment; the currency used; the country of origin; the reasons for the payment; and any additional information required.

Foreign Asset/Account Reporting Information. You are required to electronically declare to the Bank of Spain any security accounts (including brokerage accounts held abroad), as well as the security (including shares of Common Stock acquired at vesting of RSUs) held in such accounts and any transactions carried out with non-residents if the value of the transactions for all such accounts during the prior year or the balances in such accounts as of December 31 of the prior year exceeds €1,000,000. If neither the total balances nor total transactions with non-residents during the relevant period exceed €50,000,000 a summarized form declaration may be used. More frequent reporting is required if such transaction value or account balance exceeds €100,000,000.

In addition, to the extent you hold shares of Common Stock and/or have bank accounts outside of Spain with a value in excess of €50,000 (for each type of asset) as of December 31, you will be required to report information on such assets on your tax return for such year. After such shares of Common Stock and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously reported shares of Common Stock or accounts increases by more than €20,000 as of each subsequent December 31.

Labor Law Acknowledgment. This provision supplements Sections 2(g) and 7 of the Agreement:

By accepting the RSUs, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan document.

You understand and agree that, as a condition of the grant of the RSUs, except as provided for in Section 2 of the Agreement, your termination of employment for any reason (including for the reasons listed below) will automatically result in the forfeiture of any RSUs that have not vested on the date of your termination.

In particular, you understand and agree that, unless otherwise provided in the Agreement, the RSUs will be forfeited without entitlement to the underlying shares of Common Stock or to any amount as indemnification in the event of a termination of your employment prior to vesting by reason of, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.* , subject to a “despido improcedente”), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, you understand that the Company has unilaterally, gratuitously and discretionally decided to grant RSUs under the Plan to individuals who may be employees of the Company or a subsidiary. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any subsidiary on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, you understand that the RSUs are granted on the assumption and condition that the RSUs and the shares of Common Stock underlying the RSUs shall not become a part of any employment or service contract (either with the Company, the Employer or any subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that the RSUs would not be granted to you but for the assumptions and conditions referred to above; thus, you acknowledge and freely accept that, should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Award of RSUs shall be null and void.

Securities Law Information. The RSUs and the Common Stock described in the Agreement and this Addendum do not qualify under Spanish regulations as securities. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory. The Agreement (including this Addendum) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Sweden

There are no country-specific provisions.

Switzerland

Securities Law Information. The RSUs are not intended to be publicly offered in or from Switzerland. Because the offer of RSUs is considered a private offering, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the RSUs constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the RSUs may be publicly distributed nor otherwise made publicly available in Switzerland.

Taiwan

Securities Law Information. The offer of participation in the Plan is available only for employees of the Company and its subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. You may remit foreign currency (including proceeds from the sale of Common Stock) into or out of Taiwan up to US\$5,000,000 per year without special permission. If the transaction amount is TWD500,000 or more in a single transaction, you must submit a Foreign Exchange Transaction Form to the remitting bank and provide supporting documentation to the satisfaction of the remitting bank.

Thailand

Exchange Control Information. If the proceeds from the sale of shares of Common Stock or the receipt of dividends are equal to or greater than US\$50,000 or more in a single transaction, you must repatriate the proceeds to Thailand immediately upon receipt and convert the funds to Thai Baht or deposit the proceeds in a foreign currency deposit account maintained by a bank in Thailand within 360 days of remitting the proceeds to Thailand. In addition you must report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If you fail to comply with these obligations, you may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, you should consult your personal advisor before selling shares of Common Stock to ensure compliance with current regulations. You are responsible for ensuring compliance with all exchange control laws in Thailand, and neither the Company nor any of its subsidiaries will be liable for any fines or penalties resulting from your failure to comply with applicable laws.

Tunisia

Securities Law Information. All proceeds from the sale of shares of Common Stock or the receipt of dividends must be repatriated to Tunisia. You should consult your personal advisor before taking action with respect to remittance of proceeds into Tunisia. You are responsible for ensuring compliance with all exchange control laws in Tunisia. In addition, if you hold assets abroad in excess of a certain amount, you must report the assets to the Central Bank of Tunisia.

Turkey

Securities Law Information. Under Turkish law, you are not permitted to sell shares of Common Stock acquired under the Plan in Turkey. The shares of Common Stock are currently traded on the New York Stock Exchange, which is located outside of Turkey, under the ticker symbol “BMY” and the shares of Common Stock may be sold through this exchange.

Exchange Control Information. In certain circumstances, Turkish residents are permitted to sell shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, you may be required to appoint a Turkish broker to assist with the sale of the shares of Common Stock acquired under the Plan. You should consult your personal legal advisor before selling any shares of Common Stock acquired under the Plan to confirm the applicability of this requirement.

United Arab Emirates

Securities Law Information. The Plan is only being offered to qualified employees and is in the nature of providing equity incentives to employees of the Company or its subsidiary or affiliate in the UAE. Any documents related to the Plan, including the Plan, Plan prospectus and other grant documents (“Plan Documents”), are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of the Plan Documents, you should consult an authorized financial adviser.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Plan Documents nor taken steps to verify the information set out in them, and thus, are not responsible for such documents.

United Kingdom

Responsibility for Taxes. This provision supplements Section 4 of the Agreement:

You agree that, if you do not pay or the Employer or the Company does not withhold from you the full amount of income tax due in connection with the RSUs within 90 days after the end of the U.K. year in which the taxable event occurs, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the “Due Date”), then the amount of income tax that should have been withheld shall constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at Her Majesty’s Revenue & Customs’ (“HMRC”) official rate and will be immediately due and repayable by you, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in Section 4 of the Agreement.

Notwithstanding the foregoing, if you are a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that you are a director or executive officer and the income tax that is due is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You may be responsible for reporting and paying any income tax due on this additional benefit directly to the HMRC under the self-assessment regime and for reimbursing the Company or the Employer (as appropriate) for the value of any employee national insurance contributions due on this additional benefit, which the Company or the Employer may recover from you by any means referred to in Section 4 of the Agreement.

Venezuela

Securities Law Information. The RSUs granted under the Plan and the shares of Common Stock issued under the Plan are offered as a personal, private, exclusive transaction and are not subject to Venezuelan securities regulations.

Exchange Control Information. Exchange control restrictions may limit the ability to remit funds out of Venezuela in order to receive shares of Common Stock upon vesting of the RSUs, or remit funds into Venezuela following the sale of shares of Common Stock acquired upon vesting of the RSUs. The Company reserves the right to restrict settlement of the RSUs or to amend or cancel the RSUs at any time in order to comply with applicable exchange control laws in Venezuela. Any shares of Common Stock acquired under the Plan are intended to be an investment rather than for the resale and conversion of the shares into foreign currency. You are responsible for complying with exchange control laws in Venezuela and neither the Company nor the Employer will be liable for any fines or penalties resulting from your failure to comply with applicable laws. Because exchange control laws and regulations change frequently and without notice, you should consult with your personal legal advisor before accepting the RSUs and before selling any shares of Common Stock acquired upon vesting of the RSUs to ensure compliance with current regulations.



Bristol-Myers Squibb Company

MARKET SHARE UNITS AGREEMENT UNDER THE BRISTOL-MYERS SQUIBB COMPANY 2012 STOCK AWARD AND INCENTIVE PLAN

BRISTOL-MYERS SQUIBB COMPANY, a Delaware corporation (the “Company”), has granted to you the Market Share Units (“MSUs”) specified in the Grant Summary, which is incorporated into this Market Share Units Agreement (the “Agreement”) and deemed to be a part hereof. The MSUs have been granted to you under Sections 6(i) and 7 of the 2012 Stock Award and Incentive Plan (the “Plan”), on the terms and conditions specified in the Grant Summary and this Agreement. Capitalized terms used in this Agreement that are not specifically defined herein shall have the meanings ascribed to such terms in the Plan.

1. MARKET SHARE UNITS AWARD

The Compensation and Management Development Committee of the Board of Directors of Bristol-Myers Squibb Company (the “Committee”) has granted to you as of March 10, 2015 (the “Award Date”) an Award of MSUs as designated herein subject to the terms, conditions, and restrictions set forth in this Agreement and the Plan. Each MSU shall represent the conditional right to receive, upon settlement of the MSU, one share of Bristol-Myers Squibb Common Stock (“Common Stock”), or, at the discretion of the Company, the cash equivalent thereof, (subject to any tax withholding as described in Section 4). The purpose of such Award is to motivate and retain you as an employee of the Company or a subsidiary of the Company, to encourage you to continue to give your best efforts for the Company’s future success, to increase your proprietary interest in the Company, and to further align your compensation with the interests of the Company’s shareholders. Except as may be required by law, you are not required to make any payment (other than payments for taxes pursuant to Section 4 hereof) or provide any consideration other than the rendering of future services to the Company or a subsidiary of the Company.

2. RESTRICTIONS, FORFEITURES, AND SETTLEMENT

Except as otherwise provided in this Section 2, MSUs shall be subject to the restrictions and conditions set forth herein during the period from the Award Date until the date such MSU has become vested and non-forfeitable such that there are no longer any MSUs that may become potentially vested and non-forfeitable (the “Restricted Period”). Vesting of the MSUs is conditioned upon you remaining continuously employed by the Company or a subsidiary of the Company from the Award Date until the relevant vesting date, subject to the provisions of this Section 2. In addition, for purposes of vesting, the MSU grant shall be divided into four tranches, each of which shall include 25% of the number of MSUs specified in the Grant Summary.

Assuming satisfaction of such employment conditions, the MSUs shall vest only if the Share Price (as defined below) on the applicable Measurement Date (as defined below) equals at least 60% of the Share Price on the Award Date. If this threshold condition is satisfied, MSUs shall vest to the extent provided in the following schedule:

(A) Tranche	(B) MSUs in Tranche	(C) Vesting Date	(D) Payout Factor	(E) Number of MSUs Vested
1	25% of Total	1 st Anniversary of Award Date	Share Price on Measurement Date divided by Share Price on Award Date	MSUs in Tranche (Column B) <i>times</i> Payout Factor (Column D)
2	25% of Total	2 nd Anniversary of Award Date	Share Price on Measurement Date divided by Share Price on Award Date	MSUs in Tranche (Column B) <i>times</i> Payout Factor (Column D)
3	25% of Total	3 rd Anniversary of Award Date	Share Price on Measurement Date divided by Share Price on Award Date	MSUs in Tranche (Column B) <i>times</i> Payout Factor (Column D)
4	25% of Total	4 th Anniversary of Award Date	Share Price on Measurement Date divided by Share Price on Award Date	MSUs in Tranche (Column B) <i>times</i> Payout Factor (Column D)

For purposes of the table set forth above—

- (A) “Share Price” shall equal the average of the closing share price of the Company’s Common Stock on the Measurement Date or Award Date, as applicable, and the nine trading days immediately preceding the Measurement Date or Award Date. If there were no trades on the Measurement Date or Award Date, the closing price on the most recent date preceding the Measurement Date or Award Date, as applicable, on which there were trades and the nine trading days immediately preceding that date shall be used.
- (B) “Payout Factor” shall be rounded to the nearest hundredth (two places after the decimal), except that if the “Payout Factor” equals more than 2.00, the Payout Factor used in Column E shall be 2.00. Notwithstanding the formula in the table, the Payout Factor for any vesting date that occurs on or after a Change in Control shall equal the Share Price on the date of the Change in Control divided by the Share Price on the Award Date.
- (C) “Measurement Date” shall mean the February 28 immediately preceding the vesting date for each tranche.

Any MSUs that fail to vest, either because the employment condition is not satisfied or because the Payout Factor for the applicable vesting date is less than 60% shall be forfeited, subject to the special provisions set forth in Sections 2(c)-(g) hereof.

- (a) Nontransferability. During the Restricted Period and any further period prior to settlement of your MSUs, you may not sell, transfer, pledge or assign any of the MSUs or your rights relating thereto. If you attempt to assign your rights under this Agreement in violation of the provisions herein, the Company’s obligation to settle MSUs or otherwise make payments shall terminate.
- (b) Time of Settlement. MSUs shall be settled promptly upon expiration of the Restricted Period without forfeiture of the MSUs (i.e., upon vesting), but in any event within 60 days of expiration of the Restricted Period, by delivery of one share of Common Stock for each MSU being settled, or, at the discretion of the Company, the cash equivalent thereof; provided, however, that settlement of an MSU shall be subject to Plan Section 11(k), including, if applicable, the six-month delay rule in Plan Section 11(k)(i)(C) to the extent the MSUs are subject to Section 409A, payment is on account of your “separation from service” and you are a “key employee,” both within the meaning of Section 409A; provided further, that no dividend or dividend equivalents will be paid, accrued or accumulated in respect of the period during which settlement was delayed. (*Note: This rule may apply to any portion of the MSUs that vest after the time you become Retirement eligible under the Plan, and could apply in other cases as well*). Settlement of MSUs which directly or indirectly result from adjustments to MSUs shall occur at the time of settlement of the granted MSUs. Until shares

are delivered to you in settlement of MSUs, you shall have none of the rights of a stockholder of the Company with respect to the shares issuable in settlement of the MSUs, including the right to vote the shares and receive actual dividends and other distributions on the underlying shares of Common Stock. Shares of stock issuable in settlement of MSUs shall be delivered to you upon settlement in certificated form or in such other manner as the Company may reasonably determine. At that time, you will have all of the rights of a stockholder of the Company.

- (c) Retirement. In the event of your Retirement (as that term is defined in Plan Section 2(x)(i)) at or after your 65th birthday and prior to the end of the Restricted Period, the continuous employment requirement shall be eliminated and you shall vest in and be entitled to settlement of (i.e., the Restricted Period shall expire with respect to) any MSUs that have not previously been vested or forfeited, provided that you have been continuously employed by the Company or a subsidiary of the Company for at least one year following the Award Date and your employment has not been terminated by the Company or a subsidiary of the Company for misconduct or other conduct deemed detrimental to the interests of the Company. Any MSU that vests upon your Retirement shall vest based on the Payout Factor determined by substituting for the Measurement Date either (i) the first trading day of the first month following your last day of work; (ii) your last day of work if such date occurs on the first trading day of a month; or (iii) the date of a Change in Control, if a Change in Control has occurred before your Retirement.
- (d) Early Retirement; Termination not for Misconduct/Detrimental Conduct. This Section 2(d) shall apply in the event of (1) your Retirement (as that term is defined in Plan Sections 2(x)(ii) or 2(x)(iii)) (A) at or after age 55 with at least 10 years of service or (B) after attaining eligibility for the “Rule of 70” or (2) the termination of your employment by the Company or a subsidiary of the Company for reasons other than misconduct or other conduct deemed detrimental to the interests of the Company or a subsidiary of the Company (and you are not eligible for Retirement). If one of the events described in the preceding sentence occurs before the end of the Restricted Period, the continuous employment requirement shall be eliminated and you shall vest in and be entitled to settlement of (i.e., the Restricted Period shall expire with respect to) a proportionate number of the MSUs that would otherwise have vested on the vesting date that next follows the date on which the event occurs, provided that you have been continuously employed by the Company or a subsidiary of the Company for at least one year following the Award Date and your employment has not been terminated by the Company or a subsidiary of the Company for misconduct or other conduct deemed detrimental to the interests of the Company. Any MSU that vests upon your early Retirement or termination shall vest based on the Payout Factor determined by substituting for the Measurement Date either (i) the first trading day of the first month following your last day of work; (ii) your last day of work if such date occurs on the first trading day of a month; or (iii) the date of a Change in Control, if a Change in Control has occurred before your early Retirement or termination. If you are not eligible for Retirement (as that term is defined in Plan Sections 2(x)(i) or 2(x)(ii)), and you are employed in the United States or Puerto Rico at the time of your Retirement, you shall be entitled to the pro rata vesting described in this Section 2(d) only if you execute and do not revoke a release in favor of the Company and its predecessors, successors, affiliates, subsidiaries, directors and employees in a form satisfactory to the Company; if you fail to execute or revoke the release, or your release fails to become effective and irrevocable within 60 days of the date your employment terminates, you shall forfeit any MSUs that are unvested as of the date your employment terminates. The formula for determining the proportionate number of your MSUs to become vested and non-forfeitable upon your early Retirement or involuntary termination not for misconduct or other detrimental conduct is available by request from the Office of the Corporate Secretary at 345 Park Avenue, New York, New York 10154.
- (e) Death. In the event of your death during the Restricted Period, the continuous employment requirement shall be eliminated and your estate shall vest in and be entitled to settlement of (i.e., the Restricted Period shall expire with respect to) a proportionate number of the MSUs that would otherwise have vested on the vesting date that next follows the date on which your death occurs, provided that you have been continuously employed by the Company for at least one year following the Award Date. Any MSU that vests upon your death shall vest based on the Payout Factor determined by substituting for the Measurement Date either (i) the first trading day of the first month following your last day of work; (ii) your last day of work if such date occurs on the first trading day of a month; or (iii) the date of a Change in Control, if a Change in Control

has occurred before your death. The formula for determining the proportionate number of your MSUs to become vested and non-forfeitable upon your death is available by request from the Office of the Corporate Secretary at 345 Park Avenue, New York, New York 10154. In the event of your death prior to the delivery of shares in settlement of MSUs (not previously forfeited), shares in settlement of your MSUs shall be delivered to your estate, upon presentation to the Committee of letters testamentary or other documentation satisfactory to the Committee, and your estate shall succeed to any other rights provided hereunder in the event of your death.

- (f) Disability. In the event you become Disabled (as that term is defined below), for the period during which you continue to be deemed to be employed by the Company or a subsidiary (i.e., the period during which you receive Disability benefits), you will not be deemed to have terminated employment for purposes of the MSUs. Upon the termination of your receipt of Disability benefits, (i) you will not be deemed to have terminated employment if you return to employment status, and (ii) if you do not return to employment status, you will be deemed to have terminated employment at the date of cessation of payments to you under all disability pay plans of the Company and its subsidiaries, with such termination treated for purposes of the MSUs as a Retirement, death, or voluntary termination based on your circumstances at the time of such termination. For purposes of this Agreement, “Disability” or “Disabled” shall mean qualifying for and receiving payments under a disability plan of the Company or any subsidiary or affiliate either in the United States or in a jurisdiction outside of the United States, and in jurisdictions outside of the United States shall also include qualifying for and receiving payments under a mandatory or universal disability plan or program managed or maintained by the government.
- (g) Qualifying Termination Following Change in Control. In the event your employment is terminated by reason of a Qualifying Termination during the Protected Period following a Change in Control, the continuous employment requirement shall be eliminated and you shall vest in and be entitled to settlement of (i.e., the Restricted Period shall expire with respect to) any MSUs that have not previously been forfeited. Any MSU that vests following a Qualifying Termination during the applicable Protected Period following a Change in Control shall vest based on the Payout Factor determined by substituting for the Measurement Date the date of the Change in Control.
- (h) Other Termination of Employment. In the event of your voluntary termination, or termination by the Company or a subsidiary for misconduct or other conduct deemed by the Company to be detrimental to the interests of the Company or a subsidiary of the Company, you shall forfeit all unvested MSUs on the date of termination.
- (i) Other Terms.
 - (i) In the event that you fail promptly to pay or make satisfactory arrangements as to the Tax Related Items as provided in Section 4, all MSUs subject to restriction shall be forfeited by you and shall be deemed to be reacquired by the Company.
 - (ii) You may, at any time prior to the expiration of the Restricted Period, waive all rights with respect to all or some of the MSUs by delivering to the Company a written notice of such waiver.
 - (iii) Termination of employment includes any event if immediately thereafter you are no longer an employee of the Company or any subsidiary of the Company, subject to Section 2(j) hereof. References in this Section 2 to employment by the Company include employment by a subsidiary of the Company. Termination of employment means an event after which you are no longer employed by the Company or any subsidiary of the Company. Such an event could include the disposition of a subsidiary or business unit by the Company or a subsidiary.
 - (iv) Upon any termination of your employment, any MSUs as to which the Restricted Period has not expired at or before such termination shall be forfeited, subject to Sections 2(c)-(g) hereof. Other provisions of this Agreement notwithstanding, in no event will an MSU that has been forfeited thereafter vest or be settled.

- (v) In the event of termination of your employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), unless otherwise provided in this Agreement or determined by the Company, your right to vest in the MSUs under the Plan, if any, will terminate effective as of the date that you are no longer actively providing services and will not be extended by any notice period (*e.g.* , active services would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); the Company shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your MSUs (including whether you may still be considered to be providing services while on a leave of absence).
- (vi) In any case in which you are required to execute a release as a condition to vesting and settlement of the MSUs, the applicable procedure shall be as specified under Plan Section 11(k)(v), except that the deadline for complying with such condition shall be the period provided in this Agreement.
- (vii) You agree that the Company may recover any incentive-based compensation received by you under this Agreement if such recovery is pursuant to a clawback or recoupment policy approved by the Committee.
- (j) The following events shall not be deemed a termination of employment:
 - (i) A transfer of you from the Company to a subsidiary, or vice versa, or from one subsidiary to another;
 - (ii) A leave of absence, duly authorized in writing by the Company, for military service or sickness or for any other purpose approved by the Company if the period of such leave does not exceed ninety (90) days; and
 - (iii) A leave of absence in excess of ninety (90) days, duly authorized in writing, by the Company, provided your right to reemployment is guaranteed either by a statute or by contract.

However, your failure to return to active service with the Company or a subsidiary at the end of an approved leave of absence shall be deemed a termination of employment, subject to local law. During a leave of absence as defined in (ii) or (iii), although you will be considered to have been continuously employed by the Company or a subsidiary and not to have had a termination of employment under this Section 2, the Committee may specify that such leave period shall not be counted in determining the period of employment for purposes of the vesting of the MSUs. In such case, the vesting dates for unvested MSUs shall be extended by the length of any such leave of absence and any such MSU that vests thereafter shall vest based on the Payout Factor determined by substituting for the Measurement Date the applicable vesting date.

3. NON-COMPETITION AND NON-SOLICITATION AGREEMENT AND COMPANY RIGHT TO INJUNCTIVE RELIEF, DAMAGES, RECISSION, FORFEITURE AND OTHER REMEDIES

You acknowledge that your continued employment with the Company or a subsidiary of the Company and/or the grant of MSUs pursuant to this Agreement is sufficient consideration for this Agreement, including, without limitation, all applicable restrictions imposed on you by this Section 3.

- (a) Non-Competition, Non-Solicitation and Related Covenants . By accepting this Agreement, you agree to the restrictive covenants outlined in this section unless expressly prohibited by local law or as follows: The post-termination non-compete restrictions outlined in subparagraphs (i), (ii) and (v) of this Section 3(a) do not apply to employees while resident in the State of California or North Dakota. There are no exemptions for any Award recipients (including employee residents of the State of California and North Dakota) regarding non-compete provisions while employed at the Company or from subparagraphs (iii), (iv) and (vi) of this Section 3(a) during the entire Non-Competition and Non-Solicitation Period.

Given the extent and nature of the confidential information that you have obtained or will obtain during the course of your employment with the Company or a subsidiary of the Company, it would be inevitable or, at the least, substantially probable that such confidential information would be disclosed or utilized by you should you obtain employment from, or otherwise become associated with, an entity or person that is engaged in a business or enterprise that directly competes with the Company. Even if not inevitable, it would be impossible or impracticable for the Company to monitor your strict compliance with your confidentiality obligations. Consequently, you agree that you will not, directly or indirectly:

- (i) during the Non-Competition and Non-Solicitation Period (as defined below), own or have any financial interest in a Competitive Business (as defined below), except that nothing in this clause shall prevent you from owning one per cent or less of the outstanding securities of any entity whose securities are traded on a U.S. national securities exchange (including NASDAQ) or an equivalent foreign exchange;
- (ii) during the Non-Competition and Non-Solicitation Period, whether or not for compensation, either on your own behalf or as an employee, officer, agent, consultant, director, owner, partner, joint venturer, shareholder, investor, or in any other capacity, be actively connected with a Competitive Business or otherwise advise or assist a Competitive Business with regard to any product, investigational compound, technology, service, line of business, department or business unit that competes with any product, technology, service, line of business, department or business unit with which you worked or about which you became familiar as a result of your employment with the Company or a subsidiary of the Company. Notwithstanding the foregoing, after your employment with the Company or a subsidiary of the Company terminates for any reason, you may be affiliated with a Competitive Business provided that your affiliation does not involve any product, investigational compound, technology or service, that competes with any product, investigational compound, technology or service with which you were involved within the last twelve months of your employment with the Company or a subsidiary of the Company, including any product, investigational compound, technology or service which the Company is developing and of which you had knowledge, and you and the Competing Business provide the Company written assurances of this fact prior to your commencing such affiliation;
- (iii) during the Non-Competition and Non-Solicitation Period, employ, solicit for employment, solicit, induce, encourage, or participate in soliciting, inducing or encouraging any Company employee who is employed by the Company or who was employed by the Company within the twelve months preceding the termination of your employment with the Company for any reason, to terminate or reduce his or her or its relationship with the Company or any of its affiliates, successors or assigns (the “Related Parties”);
- (iv) during the Non-Competition and Non-Solicitation Period, solicit, induce, encourage, or appropriate or attempt to solicit, divert or appropriate, by use of Confidential Information or otherwise, any existing or prospective customer, vendor or supplier of the Company or any Related Parties to terminate, cancel or otherwise reduce its relationship with the Company or any Related Parties;
- (v) during the Non-Competition and Non-Solicitation Period, contact, call upon or solicit any existing customer of the Company or its Related Parties, or prospective customer of the Company or its Related Parties, that you became aware of or was introduced to in the course of your duties for the Company or its Related Parties, or otherwise divert or take away from the Company or its Related Parties the business of any current or prospective customer of the Company or its Related Parties; or
- (vi) during the Non-Competition and Non-Solicitation Period, engage in any activity that is harmful to the interests of the Company or its Related Parties, including, without limitation, any conduct during the term of your employment that violates the Company’s Standards of Business Conduct and Ethics, securities trading policy and other policies.

- (b) Rescission, Forfeiture and Other Remedies. If the Company determines that you have violated any applicable provisions of Section 3(a) above during the Non-Competition and Non-Solicitation Period, in addition to injunctive relief and damages, you agree and covenant that:
- (i) any unvested portion of the MSUs shall be immediately rescinded;
 - (ii) you shall automatically forfeit any rights you may have with respect to the MSUs as of the date of such determination;
 - (iii) if any part of the MSUs vests within the twelve-month period immediately preceding a violation of Section 3(a) above (or following the date of any such violation), upon the Company's demand, you shall immediately deliver to it a certificate or certificates for shares of the Company's Common Stock that you acquired upon settlement of such MSUs (or an equivalent number of other shares); and
 - (iv) the foregoing remedies set forth in this Section 3(b) shall not be the Company's exclusive remedies. The Company reserves all other rights and remedies available to it at law or in equity.
- (c) Definitions. For purposes of this Agreement, the following definitions shall apply:
- (i) "Competitive Business" means any business that is engaged in or is about to become engaged in the development, production or sale of any product, process or service concerning the treatment of any disease, which product, process or service resembles or competes with any product, process or service that was sold by, or in development at, the Company or a subsidiary of the Company during your employment with the Company or a subsidiary of the Company.
 - (ii) Because of the global nature of the Company's business, it is agreed that the restrictions set forth above shall apply in the "Restricted Area," defined as including without limitation the continent, country and the geographic regions where you worked in and were responsible for while employed by the Company or a subsidiary of the Company, and any other geographic area (country, province, state, city or other political subdivision) in which the Company or a subsidiary of the Company is engaged in business and/or is otherwise selling products or services at the time you ceased working for the Company or a subsidiary of the Company;
 - (A) provided, however, that if a court of competent jurisdiction or other authority determines the foregoing geographic scope is unenforceable, the "Restricted Area" shall be defined as the continent, country and the geographic regions where you worked and were responsible for while employed by the Company or a subsidiary of the Company;
 - (B) provided, however, that if a court of competent jurisdiction or other authority determines that the foregoing geographic scope is unenforceable, the "Restricted Area" shall be defined as the country in which you worked;
 - (C) provided, however, that if a court of competent jurisdiction or other authority determines that the foregoing geographic scope is unenforceable, the "Restricted Area" shall be defined as the geographic regions that you serviced and were responsible for while employed by the Company or a subsidiary of the Company.
 - (iii) The "Non-Competition and Non-Solicitation Period" shall be the period during which Employee is employed by the Company or a subsidiary of the Company and *twelve (12) months* after the end of Employee's term of employment with and/or work for the Company or a subsidiary of the Company for any reason, (e.g., restriction applies regardless of the reason for termination and includes voluntary and involuntary termination) (hereinafter "Termination Date");

- (A) provided, however, that if a court of competent jurisdiction or other authority determines that such period is unenforceable, the “Non-Competition and Non-Solicitation Period” shall be the period of *eleven (11) months* after your employment Termination Date with the Company or a subsidiary of the Company for any reason;
 - (B) provided, however, that if a court of competent jurisdiction or other authority determines that such period is unenforceable, the “Non-Competition and Non-Solicitation Period” shall be the period of *ten (10) months* after your employment Termination Date with the Company or a subsidiary of the Company for any reason;
 - (C) provided further, in the event that the Company or a subsidiary of the Company files an action to enforce rights arising out of this Agreement, the Non-Competition and Non-Solicitation Period shall be extended for all periods of time in which you are determined by the Court to have been in violation of the provisions of Section 3(a).
- (d) Severability . You acknowledge and agree that the period, scope and geographic areas of restriction imposed upon you by this Section 3 are fair and reasonable and are reasonably required for the protection of the Company. In case any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired and this Agreement shall nevertheless continue to be valid and enforceable as though the invalid provisions were not part of this Agreement. If the final judgment of a court of competent jurisdiction or other authority declares that any term or provision hereof is invalid, illegal or unenforceable, the parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, illegal or unenforceable term or provision with a term or provision that is valid, legal and enforceable to the maximum extent permissible under law and that comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision. You acknowledge and agree that your covenants under this Agreement are ancillary to your employment relationship with the Company or a subsidiary of the Company, but shall be independent of any other contractual relationship between you and the Company or a subsidiary of the Company. Consequently, the existence of any claim or cause of action that you may have against the Company or a subsidiary of the Company shall not constitute a defense to the enforcement of this Agreement by the Company or a subsidiary of the Company, nor an excuse for noncompliance with this Agreement.
- (e) Additional Remedies . You acknowledge and agree that any violation by you of this paragraph will cause irreparable harm to the Company and its Related Parties and the Company cannot be adequately compensated for such violation by damages. Accordingly, if you violate or threaten to violate this Agreement, then, in addition to any other rights or remedies that the Company may have in law or in equity, the Company shall be entitled, without the posting of a bond or other security, to obtain an injunction to stop or prevent such violation. You further agree that if the Company incurs legal fees or costs in enforcing this Agreement, you will reimburse the Company for such fees and costs.
- (f) Binding Obligations . These obligations shall be binding both upon you, your assigns, executors, administrators and legal representatives. At the inception of or during the course of your employment, you may have executed agreements that contain similar terms. Those agreements remain in full force and effect. In the event that there is a conflict between the terms of those agreements and this Agreement, this Agreement will control.
- (g) Enforcement . The Company retains discretion regarding whether or not to enforce the terms of the covenants contained in this Section 3 and its decision not to do so in your instance or anyone’s case shall not be considered a waiver of the Company’s right to do so.

4. RESPONSIBILITY FOR TAXES

You acknowledge that, regardless of any action taken by the Company, any subsidiary or affiliate of the Company, including your employer (“Employer”), the ultimate liability for all income tax (including federal, state, local and non-U.S. taxes), social security, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer to be an appropriate charge to you even if legally applicable to the Company or the Employer (“Tax-Related Items”) is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company, any subsidiary or affiliate and/or the Employer: (a) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the MSUs, including the grant of the MSUs, the vesting of MSUs, the conversion of the MSUs into shares of Common Stock or the receipt of an equivalent cash payment, the subsequent sale of any shares of Common Stock acquired at settlement and the receipt of any dividends; and, (b) do not commit to structure the terms of the grant or any aspect of the MSUs to reduce or eliminate your liability for Tax Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Related Items in more than one jurisdiction.

Prior to the relevant taxable event, you agree to make adequate arrangements satisfactory to the Company or the Employer to satisfy all Tax-Related Items. In this regard, by your acceptance of the MSUs, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

- (a) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; or
- (b) withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the MSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); or
- (c) withholding in shares of Common Stock to be issued upon settlement of the MSUs;

provided, however, if you are a Section 16 officer of the Company under the Exchange Act, then the Company will withhold shares of Common Stock upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable tax or securities law or has materially adverse accounting consequences, in which case, the obligation for Tax-Related Items may be satisfied by one or a combination of methods (a) and (b) above.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case, you will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent. If the obligation for Tax Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, you are deemed to have been issued the full number of shares of Common Stock subject to the vested MSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

Finally, you agree to pay to the Company or the Employer, including through withholding from your wages or other cash compensation paid to you by the Company and/or the Employer, any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

Notwithstanding anything in this Section 4 to the contrary, to avoid a prohibited acceleration under Section 409A, if shares of Common Stock subject to MSUs will be sold on your behalf (or withheld) to satisfy any Tax-Related Items arising prior to the date of settlement of the MSUs for any portion of the MSUs that is considered nonqualified deferred compensation subject to Section 409A, then the number of shares sold on your behalf (or withheld) shall not exceed the number of shares that equals the liability for Tax-Related Items.

5. DIVIDENDS AND ADJUSTMENTS

- (a) Dividends or dividend equivalents are not paid, accrued or accumulated on MSUs during the Restricted Period, except as provided in Section 5(b).
- (b) The number of your MSUs and/or other related terms shall be appropriately adjusted, in order to prevent dilution or enlargement of your rights with respect to MSUs, to reflect any changes in the outstanding shares of Common Stock resulting from any event referred to in Plan Section 11(c) or any other “equity restructuring” as defined in FASB ASC Topic 718.

6. EFFECT ON OTHER BENEFITS

In no event shall the value, at any time, of the MSUs or any other payment under this Agreement be included as compensation or earnings for purposes of any other compensation, retirement, or benefit plan offered to employees of the Company or any subsidiary of the Company unless otherwise specifically provided for in such plan. The MSUs and the underlying shares of Common Stock (or their cash equivalent), and the income and value of the same, are not part of normal or expected compensation or salary for any purposes including, but not limited to, calculation of any severance, resignation, termination, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits, or similar payments.

7. ACKNOWLEDGMENT OF NATURE OF PLAN AND MSUs

In accepting the MSUs, you acknowledge, understand and agree that:

- (a) The Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) The Award of MSUs is voluntary and occasional and does not create any contractual or other right to receive future awards of MSUs, or benefits in lieu of MSUs even if MSUs have been awarded in the past;
- (c) All decisions with respect to future awards of MSUs or other awards, if any, will be at the sole discretion of the Company;
- (d) Your participation in the Plan is voluntary;
- (e) The MSUs and the Common Stock subject to the MSUs are not intended to replace any pension rights or compensation;
- (f) Unless otherwise agreed by the Company, the MSUs and the Common Stock subject to the MSUs, and the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of a subsidiary or an affiliate of the Company;
- (g) The future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;
- (h) No claim or entitlement to compensation or damages arises from the forfeiture of MSUs, resulting from termination of your employment or other service relationship with the Company, or any of its subsidiaries or affiliates or the Employer (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the MSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, any of its subsidiaries or affiliates or the Employer, waive your ability, if any, to bring such claim, and release the Company, any subsidiary or affiliate and/or the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim.

- (i) Unless otherwise provided in the Plan or by the Company in its discretion, the MSUs and the benefits evidenced by this Agreement do not create any entitlement to have the MSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of the Company; and
- (j) The following provisions apply only if you are providing services outside the United States: (i) the Award and the shares of Common Stock subject to the MSUs are not part of normal or expected compensation or salary for any purpose; and (ii) neither the Company, the Employer nor any subsidiary or affiliate of the Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the MSUs or of any amounts due to you pursuant to the settlement of the MSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

8. NO ADVICE REGARDING GRANT

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying shares of Common Stock. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

9. RIGHT TO CONTINUED EMPLOYMENT

Nothing in the Plan or this Agreement shall confer on you any right to continue in the employ of the Company or any subsidiary or affiliate of the Company or any specific position or level of employment with the Company or any subsidiary or affiliate of the Company or affect in any way the right of the Company or any subsidiary or affiliate of the Company to terminate your employment without prior notice at any time for any reason or no reason.

10. ADMINISTRATION; UNFUNDED OBLIGATIONS

The Committee shall have full authority and discretion, subject only to the express terms of the Plan, to decide all matters relating to the administration and interpretation of the Plan and this Agreement, and all such Committee determinations shall be final, conclusive, and binding upon the Company, any subsidiary or affiliate, you, and all interested parties. Any provision for distribution in settlement of your MSUs and other obligations hereunder shall be by means of bookkeeping entries on the books of the Company and shall not create in you or any beneficiary any right to, or claim against any, specific assets of the Company, nor result in the creation of any trust or escrow account for you or any beneficiary. You and any of your beneficiaries entitled to any settlement or distribution hereunder shall be a general creditor of the Company.

11. DEEMED ACCEPTANCE

You are required to accept the terms and conditions set forth in this Agreement prior to the first vest date in order for you to receive the Award granted to you hereunder. If you wish to decline this Award, you must reject this Agreement prior to the first vest date. For your benefit, if you have not rejected the Agreement prior to the first vest date, you will be deemed to have automatically accepted this Award and all the terms and conditions set forth in this Agreement. Deemed acceptance will allow the shares to be released to you in a timely manner and once released, you waive any right to assert that you have not accepted the terms hereof.

12. AMENDMENT TO PLAN

This Agreement shall be subject to the terms of the Plan, as amended from time to time, except that, subject to Sections 19 and 22 below, the Award which is the subject of this Agreement may not be materially adversely affected by any amendment or termination of the Plan approved after the Award Date without your written consent.

13. SEVERABILITY AND VALIDITY

The various provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or

otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement and Award grant shall be governed by the substantive laws (but not the choice of law rules) of the State of Delaware. For purposes of litigating any dispute that arises under this MSU grant or Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, agree that such litigation shall be conducted in the courts of Wilmington, Delaware, or the federal courts for the United States District Court for the District of Delaware, and no other courts where this MSU grant is made and/or performed.

15. SUCCESSORS

This Agreement shall be binding upon and inure to the benefit of the successors, assigns, and heirs of the respective parties.

16. DATA PRIVACY

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement by and among, as applicable, the Employer, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, any subsidiary and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social security number or other identification number (e.g., resident registration number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all MSUs or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to Fidelity, or such other stock plan service provider as may be selected by the Company in the future, which assists in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the Company, Fidelity and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Common Stock received upon vesting of the MSUs may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you MSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

17. ELECTRONIC DELIVERY AND ACCEPTANCE

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic systems established and maintained by the Company or a third-party designated by the Company.

18. INSIDER TRADING/MARKET ABUSE LAWS

You acknowledge that, depending on your country of residence, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g ., MSUs) under the Plan during such times as you are considered to have “inside information” regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

19. LANGUAGE

If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

20. COMPLIANCE WITH LAWS AND REGULATIONS

Notwithstanding any other provisions of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the shares of Common Stock, you understand that the Company will not be obligated to issue any shares of Common Stock pursuant to the vesting of the MSUs, if the issuance of such Common Stock shall constitute a violation by you or the Company of any provision of law or regulation of any governmental authority. Further, you agree that the Company shall have unilateral authority to amend the Plan and the Agreement without your consent to the extent necessary to comply with securities or other laws applicable to issuance of shares. Any determination by the Company in this regard shall be final, binding and conclusive.

21. ENTIRE AGREEMENT AND NO ORAL MODIFICATION OR WAIVER

This Agreement contains the entire understanding of the parties. This Agreement shall not be modified or amended except in writing duly signed by the parties, except that the Company may adopt a modification or amendment to the Agreement that is not materially adverse to you in writing signed only by the Company. Any waiver of any right or failure to perform under this Agreement shall be in writing signed by the party granting the waiver and shall not be deemed a waiver of any subsequent failure to perform.

22. ADDENDUM

Your MSUs shall be subject to any special provisions set forth in the Addendum to this Agreement for your country, if any. If you relocate to one of the countries included in the Addendum, the special provisions for such country shall apply to you, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. The Addendum, if any, constitutes part of this Agreement.

23. FOREIGN ASSET/ACCOUNT REPORTING REQUIREMENTS AND EXCHANGE CONTROLS

Your country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect your ability to acquire or hold shares of Common Stock under the Plan or cash received from participating in the Plan (including from any dividends paid on shares of Common Stock sale proceeds resulting from the sale of shares of Common Stock acquired under the Plan) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations, and you should consult your personal legal advisor for any details.

24. IMPOSITION OF OTHER REQUIREMENTS

The Company reserves the right to impose other requirements on your participation in the Plan, on the MSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

For the Company
Bristol-Myers Squibb Company

By _____

I have read this Agreement in its entirety. I understand that this Award has been granted to provide a means for me to acquire and/or expand an ownership position in Bristol-Myers Squibb Company. I acknowledge and agree that sales of shares will be subject to the Company's policies regulating trading by employees. In accepting this Award, I hereby agree that Fidelity, or such other vendor as the Company may choose to administer the Plan, may provide the Company with any and all account information for the administration of this Award.

I hereby agree to all the terms, restrictions and conditions set forth in the Agreement, including, but not limited to, post-employment obligations related to non-competition and non-solicitation.

Addendum

BRISTOL-MYERS SQUIBB COMPANY SPECIAL PROVISIONS FOR MSUs IN CERTAIN COUNTRIES

Unless otherwise provided below, capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Agreement. This Addendum includes special country-specific terms that apply if you are residing and/or working in one of the countries listed below. This Addendum is part of the Agreement.

This Addendum also includes information of which you should be aware with respect to your participation in the Plan. For example, certain individual exchange control reporting requirements may apply upon vesting of the MSUs and/or sale of Common Stock. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2015 and is provided for informational purposes. Such laws are often complex and change frequently, and results may be different based on the particular facts and circumstances. As a result, the Company strongly recommends that you do not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time your MSUs vest or are settled, or you sell shares of Common Stock acquired under the Plan.

In addition, the information is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you currently are residing and/or working, transfer employment after the MSUs are granted to you, or are considered a resident of another country for local law purposes, the information contained herein for the country you are residing and/or working in at the time of grant may not be applicable to you, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you. If you transfer residency and/or employment to another country or are considered a resident of another country listed in the Addendum after the MSUs are granted to you, the terms and/or information contained for that new country (rather than the original grant country) may be applicable to you.

All Countries

Retirement. The following provision supplements Sections 2(c) and 2(d) of the Agreement:

Notwithstanding the foregoing, if the Company receives a legal opinion that there has been a legal judgment and/or legal development in your jurisdiction that likely would result in the favorable treatment that applies to the MSUs in the event of your Retirement being deemed unlawful and/or discriminatory, the provisions of Sections 2(c) and (d) regarding the treatment of the MSUs in the event of your Retirement shall not be applicable to you.

Algeria

Exchange Control Information. Proceeds from the settlement of MSUs, the sale of Common Stock and the receipt of any dividends must be repatriated to Algeria.

Argentina

Labor Law Policy and Acknowledgement. This provision supplements Section 7 of the Agreement:

By accepting the MSUs, you acknowledge and agree that the grant of MSUs is made by the Company (not the Employer) in its sole discretion and that the value of the MSUs or any shares of Common Stock acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (i) any labor benefits including, but not limited to, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, etc., or (ii) any termination or severance indemnities or similar payments.

If, notwithstanding the foregoing, any benefits under the Plan are considered salary or wages for any purpose under Argentine labor law, you acknowledge and agree that such benefits shall not accrue more frequently than on each vesting date.

Securities Law Information. Neither the MSUs nor the underlying shares of Common Stock are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information . In the event that you transfer proceeds from the settlement of MSUs, sale of shares of Common Stock or any cash dividends paid on such shares into Argentina within 10 days of receipt (*i.e.* , if the proceeds have not been held in the offshore bank or brokerage account for at least 10 days prior to transfer), you will be required to deposit 30% of any proceeds in a non-interest bearing account for a 365 day holding period. In any event, the Argentine bank handling the transaction may request certain documentation in connection with your request to transfer proceeds into Argentina, including evidence of the sale of shares of Common Stock and proof that no funds were remitted out of Argentina to acquire the shares of Common Stock. If the bank determines that the 10-day rule or any other rule or regulation promulgated by the Argentine Central Bank has not been satisfied, it may require that 30% of the proceeds be placed in a non-interest bearing mandatory deposit account for a holding period of 365 days. Please note that exchange control regulations in Argentina are subject to frequent change. You are solely responsible for complying with any exchange control laws that may apply to you as a result of participating in the Plan and/or the transfer of funds in connection with the award. You should consult with your personal legal advisor regarding any exchange control obligations that you may have.

Foreign Asset/Account Reporting Information. Pursuant to General Resolution (AFIP) No. 3293 published on March 26, 2012, you are subject to an annual information regime under which you must report any equity interests held in the Company to the Argentine tax authorities.

Australia

Compliance with Laws. Notwithstanding anything else in the Agreement, you will not be entitled to and shall not claim any benefit under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Employer is under no obligation to seek or obtain the approval of its shareholders in general meeting for the purpose of overcoming any such limitation or restriction.

Securities Law Information. If you acquire shares of Common Stock pursuant to your MSUs and you offer your shares of Common Stock for sale to a person or entity resident in Australia, your offer may be subject to disclosure requirements under Australian law. You should obtain legal advice on your disclosure obligations prior to making any such offer.

Austria

Exchange Control Information. If you hold shares of Common Stock under the Plan outside of Austria (even if you hold them outside of Austria at a branch of an Austrian bank), you may be required to submit a report to the Austrian National Bank as follows: (i) on a quarterly basis if the value of the Common Stock as of any given quarter meets or exceeds €30,000,000; and (ii) on an annual basis if the value of the Common Stock as of December 31 meets or exceeds €5,000,000. The deadline to file the quarterly report is the 15th day of the month following the end of the respective quarter. The deadline to file the annual report is January 31 of the following year.

When shares of Common Stock are sold, there may be exchange control obligations if the cash proceeds from the sale are held outside Austria. If the transaction volume of all your cash accounts abroad meets or exceeds €3,000,000, the movements and the balance of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month. If the transaction value of all cash accounts abroad is less than €3,000,000, no ongoing reporting requirements apply.

Belgium

Foreign Asset/Account Reporting Information. If you are a Belgian resident, you are required to report any security or bank account (including brokerage accounts) you maintain outside of Belgium on your annual tax return. In a separate report, you will be required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened).

Brazil

Labor Law Policy and Acknowledgement. This provision supplements Section 7 of the Agreement:

By accepting the MSUs, you acknowledge and agree that (i) you are making an investment decision, (ii) shares of Common Stock will be issued to you only if the vesting conditions are met and you meet the employment conditions during the Restricted Period and (iii) the value of the underlying shares of Common Stock is not fixed and may increase or decrease in value over the Restricted Period.

Compliance with Laws. By accepting the MSUs, you agree that you will comply with Brazilian law when you vest in the MSUs and sell shares of Common Stock. You also agree to report and pay any and all taxes associated with the vesting of the MSUs, the sale of the shares of Common Stock acquired pursuant to the Plan and the receipt of any dividends.

Exchange Control Information. You must prepare and submit a declaration of assets and rights held outside of Brazil to the Central Bank on an annual basis if you hold assets or rights valued at more than US\$100,000. The assets and rights that must be reported include shares of Common Stock.

Canada

Settlement of MSUs. Notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, MSUs will be settled in shares of Common Stock only, not cash.

Securities Law Information. You acknowledge and agree that you will sell shares of Common Stock acquired through participation in the Plan only outside of Canada through the facilities of a stock exchange on which the Common Stock is listed. Currently, the shares of Common Stock are listed on the New York Stock Exchange.

Termination of Employment. This provision replaces the second paragraph of Section 2(i)(v) of the Agreement:

In the event of your termination of employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), unless otherwise provided in this Agreement or the Plan, your right to vest in the MSUs, if any, will terminate effective as of the date that is the earlier of (1) the date upon which your employment with the Company or any of its subsidiaries is terminated; (2) the date you are no longer actively employed by or providing services to the Company or any of its subsidiaries; or (3) the date you receive written notice of termination of employment, regardless of any notice period or period of pay in lieu of such notice required under applicable laws (including, but not limited to statutory law, regulatory law and/or common law); the Company shall have the exclusive discretion to determine when you are no longer employed or actively providing services for purposes of the MSUs (including whether you may still be considered employed or actively providing services while on a leave of absence).

Foreign Asset/Account Reporting Information. You may be required to report your foreign property on Form T1135 (Foreign Income Verification Statement) if the total cost of your foreign property exceeds C\$100,000 at any time in the year. Foreign property includes cash held outside of Canada and shares of Common Stock acquired under the Plan, and it may include unvested MSUs. The Form T1135 must be filed by April 30 of the following year. You should consult with your personal tax advisor to determine your reporting requirements.

The following provisions apply if you are resident in Quebec:

Language Acknowledgment

The parties acknowledge that it is their express wish that this Agreement, including this Addendum, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be provided to them in English.

Consentement relatif à la langue utilisée. Les parties reconnaissent avoir expressément souhaité que la convention («Agreement») ainsi que cette Annexe, ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

Data Privacy. This provision supplements Section 16 of the Agreement:

You hereby authorize the Company, the Employer and their representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company and its subsidiaries to disclose and discuss the Plan with their advisors. You further authorize the Company and its subsidiaries to record such information and to keep such information in your employee file.

Chile

Securities Law Information. The offer of the MSUs constitutes a private offering in Chile effective as of the Award Date. The offer of MSUs is made subject to general ruling n° 336 of the Chilean Superintendence of Securities and Insurance (“SVS”). The offer refers to securities not registered at the securities registry or at the foreign securities registry of the SVS, and, therefore, such securities are not subject to oversight of the SVS. Given the MSUs are not registered in Chile, the Company is not required to provide information about the MSUs or shares of Common Stock in Chile. Unless the MSUs and/or the shares of Common Stock are registered with the SVS, a public offering of such securities cannot be made in Chile.

Exchange Control and Foreign Asset/Account Reporting Information. You are not required to repatriate proceeds obtained from the sale of Common Stock or from dividends to Chile; however, if you decide to repatriate proceeds from the sale of Common Stock and/or dividends and the amount of the proceeds to be repatriated exceeds US\$10,000, you acknowledge that you must effect such repatriation through the Formal Exchange Market (*i.e.* , a commercial bank or registered foreign exchange office). In such case, you must report the proceeds to a commercial bank or registered foreign exchange office receiving the funds. If you do not repatriate the funds and use such funds for the payment of other obligations contemplated under a different Chapter of the Foreign Exchange Regulations, you must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within the first 10 days of the month immediately following the transaction.

Further, if the value of your aggregate investments held outside of Chile meets or exceeds US\$5,000,000 (including the value of Common Stock acquired under the Plan), you may need to report the status of such investments quarterly to the Central Bank using Annex 3.1 of Chapter XII of the Foreign Exchange Regulations.

Finally, if you hold Common Stock acquired under the Plan outside of Chile, you may be required to inform the Chilean Internal Revenue Service (the “CIRS”) of the details of your investment in the Common Stock by Filing Tax Form 1851 “Annual Sworn Statement Regarding Investments Held Abroad”. Further, if you wish to receive credit against your Chilean income taxes for any taxes paid abroad, you must report the payment of taxes abroad to the CIRS by filing Tax Form 1853 “Annual Sworn Statement Regarding Credits for Taxes Paid Abroad”. These statements must be submitted electronically through the CIRS website before March 15 of each year.

China

The following provisions apply if you are subject to the exchange control regulations in China, as determined by the Company in its sole discretion:

Sales of Shares of Common Stock. To comply with exchange control regulations in China, you agree that the Company is authorized to force the sale of shares of Common Stock to be issued to you upon vesting and settlement of the MSUs at any

time (including immediately upon vesting or after termination of your employment, as described below), and you expressly authorize the Company's designated broker to complete the sale of such shares of Common Stock. You agree to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the designated broker) to effectuate the sale of the shares of Common Stock and shall otherwise cooperate with the Company with respect to such matters, provided that you shall not be permitted to exercise any influence over how, when or whether the sales occur. You acknowledge that the Company's designated broker is under no obligation to arrange for the sale of the shares of Common Stock at any particular price.

Upon the sale of the shares of Common Stock, the Company agrees to pay the cash proceeds from the sale of Common Stock (less any applicable Tax-Related Items, brokerage fees or commissions) to you in accordance with applicable exchange control laws and regulations including, but not limited to, the restrictions set forth in this Addendum for China below under "Exchange Control Information." Due to fluctuations in the Common Stock price and/or applicable exchange rates between the vesting date and (if later) the date on which the shares of Common Stock are sold, the amount of proceeds ultimately distributed to you may be more or less than the market value of the shares of Common Stock on the vesting date (which typically is the amount relevant to determining your Tax-Related Items liability). You understand and agree that the Company is not responsible for the amount of any loss you may incur and that the Company assumes no liability for any fluctuations in the Common Stock price and/or any applicable exchange rate.

Treatment of Shares of Common Stock and MSUs Upon Termination of Employment. Due to exchange control regulations in China, you understand and agree that any shares of Common Stock acquired under the Plan and held by you in your brokerage account must be sold no later than the last business day of the month following the month of your termination of employment, or within such other period as determined by the Company or required by the China State Administration of Foreign Exchange ("SAFE") (the "Mandatory Sale Date"). This includes any portion of shares of Common Stock that vest upon your termination of employment. For example, if your termination of employment occurs on March 14, 2016, then the Mandatory Sale Date will be April 30, 2016. You understand that any shares of Common Stock held by you that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sales of Shares of Common Stock" above.

If all or a portion of your MSUs become distributable upon your termination of employment or at some time following your termination of employment, that portion will vest and become distributable immediately upon termination of your employment. Any shares of Common Stock distributed to you according to this paragraph must be sold by the Mandatory Sale Date or will be sold by the Company's designated broker at the Company's direction (on your behalf pursuant to this authorization without further consent), as described under "Sales of Shares of Common Stock" above. You will not continue to vest in MSUs or be entitled to any portion of MSUs after your termination of employment.

Exchange Control Information . You understand and agree that, to facilitate compliance with exchange control requirements, you are required to hold any shares of Common Stock to be issued to you upon vesting and settlement of the MSUs in the account that has been established for you with the Company's designated broker and you acknowledge that you are prohibited from transferring any such shares of Common Stock to another brokerage account. In addition, you are required to immediately repatriate to China the cash proceeds from the sale of the shares of Common Stock issued upon vesting and settlement of the MSUs and any dividends paid on such shares of Common Stock. You further understand that, such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Company or its subsidiaries, and you hereby consent and agree that the proceeds may be transferred to such special account prior to being delivered to you. The Company may deliver the proceeds to you in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, you understand that you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to you and due to fluctuations in the Common Stock trading price and/or the U.S. dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that you receive may be more or less than the market value of the Common Stock on the sale/payment date (which is the amount relevant to determining your tax liability). You agree to bear the risk of any currency fluctuation between the sale/payment date and the date of conversion of the proceeds into local currency.

You further agree to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

Foreign Asset/Account Reporting Information. PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. Under these rules, you may be subject to reporting obligations for the Common Stock or equity awards, including MSUs acquired under the Plan and Plan-related transactions. It is your responsibility to comply with this reporting obligation and you should consult your personal advisor in this regard.

Colombia

Labor Law Policy and Acknowledgement. By accepting your Award of MSUs, you acknowledge that pursuant to Article 128 of the Colombia Labor Code, the Plan and related benefits do not constitute a component of “salary” for any purposes.

Exchange Control Information. Investments in assets located outside of Colombia (including Common Stock) are subject to registration with the Central Bank (Banco de la República) if the aggregate value of such investments is US\$500,000 or more (as of December 31 of the applicable calendar year). Further, upon the sale of any Common Stock that you have registered with the Central Bank, you must cancel the registration by March 31 of the following year. You may be subject to fines if you fail to cancel such registration.

Czech Republic

Exchange Control Information. The Czech National Bank may require you to fulfill certain notification duties in relation to the MSUs and the opening and maintenance of a foreign account. However, because exchange control regulations change frequently and without notice, you should consult your personal legal advisor prior to the vesting of the MSUs and the sale of shares of Common Stock to ensure compliance with current regulations. It is your responsibility to comply with any applicable Czech exchange control laws.

Denmark

Stock Option Act. You acknowledge that you have received an Employer Statement in Danish.

Foreign Asset/Account Reporting Information. If you establish an account holding shares of Common Stock or an account holding cash outside Denmark, you must report the account to the Danish Tax Administration. The form may be obtained from a local bank. Please note that these obligations are separate from and in addition to the obligations described below.

Securities/Tax Reporting Information. If you hold shares of Common Stock acquired under the Plan in a brokerage account with a broker or bank outside Denmark, you are required to inform the Danish Tax Administration about the account. For this purpose, you must file a Form V (Erklaering V) with the Danish Tax Administration. Both you and the broker or bank must sign the Form V. By signing the Form V, the broker or bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the shares of Common Stock in the account. In the event that the applicable broker or bank with which the account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account and any shares of Common Stock acquired at vesting and held in such account to the Danish Tax Administration as part of your annual income tax return. By signing the Form V, you authorize the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: www.skat.dk.

In addition, if you open a brokerage account (or a deposit account with a U.S. bank), the brokerage account likely will be treated as a deposit account because cash can be held in the account. Therefore, you likely must file a Form K (Erklaering K) with the Danish Tax Administration. The Form K must be signed both by you and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year and not later than February 1 of the year following the calendar year to which the information relates, to forward information to the Danish Tax Administration concerning the content of the account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, you acknowledge that you are solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of your annual income tax return.

By signing the Form K, you authorize the Danish Tax Administration to examine the account. A sample of the Form K can be found at the following website: www.skat.dk.

Egypt

Exchange Control Information. If you transfer funds into Egypt in connection with the MSUs, you are required to transfer the funds through a registered bank in Egypt.

Finland

There are no country-specific provisions.

France

Language Acknowledgement

En signant et renvoyant le présent document décrivant les termes et conditions de votre attribution, vous confirmez ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan et ce Contrat d'Attribution) qui vous ont été communiqués en langue anglaise.

By accepting your MSUs, you confirm having read and understood the documents relating to this grant (the Plan and this Agreement) which were provided to you in English.

Foreign Asset/Account Reporting Information. If you hold shares of Common Stock outside of France or maintain a foreign bank account, (including accounts that were opened and closed during the tax year) you are required to report such to the French tax authorities when filing your annual tax return. Failure to comply could trigger significant penalties. Further, if you have a foreign account balance exceeding €1,000,000, you may have additional monthly reporting obligations.

Germany

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported to the German Federal Bank. From September 2013, the German Federal Bank no longer accepts reports in paper form and all reports must be filed electronically. The electronic "General Statistics Reporting Portal" (Allgemeines Meldeportal Statistik) can be accessed on the German Federal Bank's website: www.bundesbank.de.

In the event that you make or receive a payment in excess of this amount, you are responsible for complying with applicable reporting requirements.

Greece

There are no country-specific provisions.

Hong Kong

Securities Law Information. *Warning: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the Agreement, including this Addendum, or the Plan, or any other incidental communication materials, you should obtain independent professional advice. The MSUs and any shares of Common Stock issued at vesting do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company or its subsidiaries. The Agreement, including this Addendum, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. The MSUs are intended only for the personal use of each eligible employee of the Employer, the Company or any subsidiary and may not be distributed to any other person.*

Settlement of MSUs and Sale of Common Stock. Notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, MSUs will be settled in shares of Common Stock only, not cash. In addition, notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, no shares of Common Stock acquired under the Plan can be offered to the public or otherwise disposed of prior to six months from the Award Date. Any shares of Common Stock received at vesting are accepted as a personal investment.

Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”).

Hungary

There are no country-specific provisions.

India

Exchange Control Information. You must repatriate all proceeds received from the sale of shares to India within 90 days of receipt and all proceeds from the receipt of cash dividends with 180 days of receipt. You must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Company or the Employer requests proof of repatriation. **It is your responsibility to comply with applicable exchange control laws in India.**

Foreign Asset/Account Reporting Information. You are required to declare in your annual tax return (a) any foreign assets held by you or (b) any foreign bank accounts for which you have signing authority.

Ireland

Director Notification Obligation. If you are a director, shadow director, or secretary of an Irish subsidiary, you are subject to certain notification requirements under the Companies Act, 1990. Among these requirements is an obligation to notify the Irish subsidiary in writing within five business days of receiving or disposing of an interest (*e.g.* , MSUs, Common Stock) in the Company and the number and class of shares of Common Stock or rights to which the interest relates, or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This disclosure requirement also applies to any rights or shares of Common Stock acquired by your spouse or child(ren) (under the age of 18).

Israel

Settlement of MSUs and Sale of Common Stock . Upon the vesting of the MSUs, you agree to the immediate sale of any shares of Common Stock to be issued to you upon vesting and settlement of the MSUs. You further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such shares of Common Stock (on your behalf pursuant to this authorization) and you expressly authorize the Company’s designated broker to complete the sale of such shares of Common Stock. You acknowledge that the Company’s designated broker is under no obligation to arrange for the sale of the shares of Common Stock at any particular price. Upon the sale of the shares of Common Stock, the Company agrees to pay the cash proceeds from the sale of the Common Stock to you, less any brokerage fees or commissions and subject to any obligation to satisfy Tax-Related Items. Due to fluctuations in the Common Stock price and/or applicable exchange rates between the vesting date and (if later) the date on which the shares of Common Stock are sold, the amount of proceeds ultimately distributed to you may be more or less than the market value of the shares of Common Stock on the vesting date (which typically is the amount relevant to determining your Tax-Related Items liability). You understand and agree that the Company is not responsible for the amount of any loss you may incur and that the Company assumes no liability for any fluctuations in the Common Stock price and/or any applicable exchange rate.

Italy

Data Privacy Notice. This section replaces Section 16 of the Agreement:

You understand that the Company and the Employer are the privacy representatives of the Company in Italy and may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date

of birth, social insurance or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company or any subsidiaries, details of all MSUs or any other entitlement to Common Stock awarded, canceled, vested, unvested or outstanding in your favor, and that the Company and the Employer will process said data and other data lawfully received from third parties (“Personal Data”) for the exclusive purpose of managing and administering the Plan and complying with applicable laws, regulations and Community legislation. You also understand that providing the Company with Personal Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that your denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. You understand that Personal Data will not be publicized, but it may be accessible by the Employer as the privacy representative of the Company and within the Employer’s organization by its internal and external personnel in charge of processing, and by Fidelity or any other data processor appointed by the Company. The updated list of processors and of the subjects to which Data are communicated will remain available upon request from the Employer. Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. You understand that Personal Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addressees under applicable laws. You further understand that the Company and its subsidiaries will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan, and that the Company and its subsidiaries may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of Personal Data to Fidelity or other third party with whom you may elect to deposit any shares of Common Stock acquired under the Plan or any proceeds from the sale of such Common Stock. Such recipients may receive, possess, use, retain and transfer Personal Data in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan. You understand that these recipients may be acting as controllers, processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law.

Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

You understand that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Personal Data abroad, including outside of the European Economic Area, as specified herein and pursuant to applicable laws and regulations, does not require your consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. You understand that, pursuant to section 7 of the Legislative Decree no. 196/2003, you have the right at any moment to, including, but not limited to, obtain confirmation that Personal Data exists or not, access, verify its contents, origin and accuracy, delete, update, integrate, correct, block or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, you should contact the Employer. Furthermore, you are aware that Personal Data will not be used for direct marketing purposes. In addition, Personal Data provided can be reviewed and questions or complaints can be addressed by contacting your human resources department.

Plan Document Acknowledgment. By accepting the MSUs, you acknowledge that you have received a copy of the Plan, reviewed the Plan, the Agreement and this Addendum in their entirety and fully understand and accept all provisions of the Plan, the Agreement and this Addendum.

In addition, you further acknowledge that you have read and specifically and expressly approve without limitation the following clauses in the Agreement: Section 4 (Responsibility for Taxes); Section 7 (Acknowledgement of Nature of Plan and MSUs); Section 8 (No Advice Regarding Grant); Section 9 (Right to Continued Employment); Section 11 (Deemed Acceptance); Section 13 (Severability and Validity); Section 14 (Governing Law, Jurisdiction and Venue); Section 16 (Data Privacy, as replaced by the above provision in this Addendum); Section 17 (Electronic Delivery and Acceptance); Section 18 (Insider Trading/Market Abuse Laws); Section 19 (Language); Section 20 (Compliance with Laws and Regulations);

Section 21 (Entire Agreement and No Oral Modification or Waiver); Section 22 (Addendum); Section 23 (Foreign Asset/Account Reporting Requirements and Exchange Controls); and Section 24 (Imposition of Other Requirements).

Foreign Asset/Account Reporting Information. If you are an Italian resident who, at any time during the fiscal year, holds foreign financial assets (including cash and shares of Common Stock) which may generate income taxable in Italy, you are required to report these assets on your annual tax return for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also apply if you are the beneficial owner of foreign financial assets under Italian money laundering provisions.

Tax Information. Italian residents may be subject to tax on the value of financial assets held outside of Italy. The taxable amount will be the fair market value of the financial assets, assessed at the end of the calendar year. For the purposes of the market value assessment, the documentation issued by the Plan broker may be used.

Japan

Foreign Asset/Account Reporting Information. If you are a resident of Japan or a foreign national who has established permanent residency in Japan, you will be required to report details of any assets (including any shares of Common Stock acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th of the following year. You should consult with your personal tax advisor as to whether the reporting obligation applies to you and whether you will be required to report details of any outstanding MSUs or shares of Common Stock held by you in the report.

Korea

Exchange Control Information. Korean residents who realize US\$500,000 or more from the sale of shares of Common Stock or receipt of dividends in a single transaction are required to repatriate the proceeds to Korea within 18 months of receipt.

Foreign Asset/Account Reporting Information. You will be required to declare all foreign accounts (*i.e.* , non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authorities and file a report if the monthly balance of such accounts exceeds a certain limit (currently KRW 1 billion or an equivalent amount in foreign currency).

Luxembourg

There are no country-specific provisions.

Mexico

Labor Law Policy and Acknowledgment. By accepting this Award, you expressly recognize that the Company, with offices at 345 Park Avenue, New York, New York 10154, U.S.A., is solely responsible for the administration of the Plan and that your participation in the Plan and acquisition of shares does not constitute an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and your sole employer is Bristol-Myers Squibb Company in Mexico (“BMS-Mexico”), not the Company in the United States. Based on the foregoing, you expressly recognize that the Plan and the benefits that you may derive from participation in the Plan do not establish any rights between you and your employer, BMS-Mexico, and do not form part of the employment conditions and/or benefits provided by BMS-Mexico and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

You further understand that your participation in the Plan is as a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue your participation at any time without any liability to you.

Finally, you hereby declare that you do not reserve to yourself any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and you therefore grant a full and broad release to the Company, its subsidiaries, affiliates, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Política Laboral y Reconocimiento/Aceptación. *Aceptando este Premio ⁽¹⁾, el participante reconoce que la Compañía, with offices at 345 Park Avenue, New York, New York 10154, U.S.A., es el único responsable de la administración del Plan y que la participación del Participante en el mismo y la adquisición de acciones no constituye de ninguna manera una relación laboral entre el Participante y la Compañía, toda vez que la participación del participante en el Plan deriva únicamente de una relación comercial con la Compañía, reconociendo expresamente que el único empleador del participante lo es Bristol-Myers Squibb Company en Mexico (“BMS-Mexico”), no es la Compañía en los Estados Unidos. Derivado de lo anterior, el participante expresamente reconoce que el Plan y los beneficios que pudieran derivar del mismo no establecen ningún derecho entre el participante y su empleador, BMS-México, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por BMS-México, y expresamente el participante reconoce que cualquier modificación el Plan o la terminación del mismo de manera alguna podrá ser interpretada como una modificación de los condiciones de trabajo del participante.*

Asimismo, el participante entiende que su participación en el Plan es resultado de la decisión unilateral y discrecional de la Compañía, por lo tanto, la Compañía. Se reserva el derecho absoluto para modificar y/o terminar la participación del participante en cualquier momento, sin ninguna responsabilidad para el participante.

Finalmente, el participante manifiesta que no se reserva ninguna acción o derecho que origine una demanda en contra de la Compañía, por cualquier compensación o daño en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia el participante otorga un amplio y total finiquito a la Compañía, sus entidades relacionadas, afiliadas, sucursales, oficinas de representación, sus accionistas, directores, agentes y representantes legales con respecto a cualquier demanda que pudiera surgir.

Netherlands

Securities Law Information. Attention! This investment falls outside AFM supervision. No prospectus required for this activity.

Norway

There are no country-specific provisions.

Peru

Securities Law Information. The grant of MSUs is considered a private offering in Peru; therefore, it is not subject to registration.

Poland

Foreign Asset/Account Reporting Information. Polish residents holding foreign securities (including shares of Common Stock) and maintaining accounts abroad must report information to the National Bank of Poland. Specifically, if the aggregate value of shares and cash held in such foreign accounts exceeds PLN 7 million, Polish residents must file reports on the transactions and balances of the accounts on a quarterly basis on special forms that are available on the website of the National Bank of Poland.

Exchange Control Information. Polish residents are required to transfer funds (*i.e.* , in connection with the sale of shares of Common Stock) through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently €15,000). If you are a Polish resident, you must also store all documents connected with any foreign exchange transactions you engage in for a period of five years, as measured from the end of the year in which such transaction occurred.

You should consult with your personal legal advisor to determine what you must do to fulfill any applicable reporting/exchange control duties.

⁽¹⁾ El término "Premio" se refiere a la palabra "Award."

Portugal

Language Consent. You hereby expressly declare that you have full knowledge of the English language and have read, understood and fully accepted and agreed with the terms and conditions established in the Plan and the Agreement.

Conhecimento da Lingua. Você expressamente declara ter pleno conhecimento do idioma inglês e ter lido, entendido e totalmente aceito e concordou com os termos e condições estabelecidas no plano e no acordo.

Exchange Control Information. If you acquire shares of Common Stock under the Plan and do not hold the shares with a Portuguese financial intermediary, you may need to file a report with the Portuguese Central Bank. If the shares are held by a Portuguese financial intermediary, it will file the report for you.

Puerto Rico

There are no country-specific provisions.

Romania

Exchange Control Information. If you deposit the proceeds from the sale of your shares of Common Stock in a bank account in Romania, you may have to provide the Romanian bank through which the operations are effected with appropriate documentation regarding the receipt of the income. You should consult with a personal legal advisor to determine whether you will be required to submit such documentation to the Romanian bank.

Russia

Exchange Control Information. You acknowledge that you must repatriate the proceeds from the sale of shares of Common Stock within a reasonably short time of receipt. Such amounts must be initially credited to you through a foreign currency account opened in your name at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks subject to the following limitations: (i) the foreign account may be opened only for individuals; (ii) the foreign account may not be used for business activities; and (iii) you must give notice to the Russian tax authorities about the opening/closing of each foreign account within one month of the account opening/closing. Effective August 2, 2014, dividends (but not dividend equivalents) do not need to be remitted to your bank account in Russia but instead can be remitted directly to a foreign individual bank account (in Organisation for Economic Cooperation and Development (“OECD”) and Financial Action Task Force (“FATF”) countries).

You should consult your personal advisor before selling any shares of Common Stock acquired under the Plan and remitting any sale proceeds to Russia, as significant penalties may apply in the case of non-compliance with exchange control requirement and exchange control requirements are subject to change at any time, often without notice.

Foreign Asset/Account Reporting Information. Russian residents are required to notify the Russian tax authorities within one month of opening or closing a foreign bank account, or of changing any account details. Effective as of January 1, 2015, Russian residents also will be required to file with the Russian tax authorities reports of the transactions in his or her foreign bank accounts.

Securities Law Information. These materials do not constitute advertising or an offering of securities in Russia nor do they constitute placement of the shares of Common Stock in Russia. Any shares of Common Stock issued pursuant to the MSUs shall be delivered to you through a brokerage account in the U.S. You may hold shares in your brokerage account in the U.S.; however, in no event will shares issued to you and/or share certificates or other instruments be delivered to you in Russia. The issuance of Common Stock pursuant to the MSUs described herein has not and will not be registered in Russia and hence, the shares of Common Stock described herein may not be admitted or used for offering, placement or public circulation in Russia.

U.S. Transaction. You are not permitted to make any public advertising or announcements regarding the MSUs or Common Stock in Russia, or promote these shares to other Russian legal entities or individuals, and you are not permitted to sell or otherwise dispose of Common Stock directly to other Russian legal entities or individuals. You are permitted to sell shares of Common Stock only on the New York Stock Exchange and only through a U.S. broker.

Data Privacy Consent. This section replaces Section 16 of the Agreement:

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Agreement by and among, as applicable, the Employer, the Company and its subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company, any subsidiary and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all MSUs or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in your favor (“**Data**”), for the purpose of implementing, administering and managing the Plan.

You understand that Data may be transferred to Fidelity, or such other stock plan service provider as may be selected by the Company in the future, which assists in the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting the International Compensation and Benefits Group. You authorize the Company, Fidelity and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the shares of Common Stock received upon vesting of the MSUs may be deposited. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case and without cost, by contacting in writing the International Compensation and Benefits Group. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company would not be able to grant you MSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact the International Compensation and Benefits Group.

Labor Law Information. You acknowledge that if you continue to hold shares of Common Stock acquired under the Plan after an involuntary termination of your employment, you may not be eligible to receive unemployment benefits in Russia.

Anti-Corruption Information. Anti-corruption laws prohibit certain public servants, their spouses and their dependent children from owning any foreign source financial instruments (*e.g.* , shares of foreign companies such as the Company). Accordingly, you should inform the Company if you are covered by these laws because you should not hold shares of Common Stock acquired under the Plan.

Saudi Arabia

Securities Law Information. This document may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

Singapore

Securities Law Information . The grant of MSUs is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Chap. 289, 2006 Ed.) (“SFA”) for which it is exempt from the prospectus and registration requirements under the SFA and is not made to you with a view to the MSUs being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the MSUs are subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of the shares of Common Stock in Singapore or (ii) any offer of such subsequent sale of the shares of Common Stock subject to the MSUs in Singapore, unless such sale or offer is made after 6 months from the Award Date or pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Chief Executive Officer and Director Notification Requirement. If you are the Chief Executive Officer (“CEO”) or a director, associate director or shadow director of a Singapore company, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore company in writing when you receive an interest (*e.g.* , MSUs, Common Stock) in the Company or any related companies. In addition, you must notify the Singapore company when you sell shares of the Company or any related company (including when you sell shares of Common Stock acquired pursuant to your MSUs). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of your interests in the Company or any related company within two business days of becoming the CEO or a director.

South Africa

Responsibility for Taxes. The following provision supplements Section 4 (Responsibility for Taxes) of this Agreement:

You are required to immediately notify the Employer of the amount of any gain realized at vesting of the MSUs. If you fail to advise the Employer of such gain, you may be liable for a fine.

Exchange Control Information. You are solely responsible for complying with applicable South African exchange control regulations, and neither the Company nor the Employer will be liable for any fines or penalties resulting from failure to comply with applicable laws. In particular, if you are a resident for exchange control purposes, you are required to obtain approval from the South African Reserve Bank for payments (including payment of proceeds from the sale of shares of Common Stock) that you receive into accounts based outside of South Africa (*e.g.* , a U.S. brokerage account). Because the exchange control regulations change frequently and without notice, you should consult your legal advisor prior to the acquisition or sale of shares of Common Stock under the Plan to ensure compliance with current regulations.

Spain

Exchange Control Information. If you acquire shares of Common Stock issued pursuant to the MSUs and wish to import the ownership title of such shares (*i.e.* , share certificates) into Spain, you must declare the importation of such securities to the Spanish *Dirección General de Política Comercial y de Inversiones Extranjeras* (the “DGPCIE”). Generally, the declaration must be made in January for shares of Common Stock acquired or sold during (or owned as of December 31 of) the prior year; however, if the value of shares acquired or sold exceeds the applicable threshold (currently €1,502,530) (or you hold 10% or more of the share capital of the Company or such other amount that would entitle you to join the Company’s board of directors), the declaration must be filed within one month of the acquisition or sale, as applicable. In addition, you also must file a declaration of ownership of foreign securities with the Directorate of Foreign Transactions each January.

When receiving foreign currency payments derived pursuant to the MSUs (e.g., proceeds from the sale of shares of Common Stock), you must inform the financial institution receiving the payment of the basis upon which such payment is made if the payment exceeds €50,000. Upon request, you will need to provide the institution with the following information: your name, address, and fiscal identification number; the name and corporate domicile of the Company; the amount of the payment; the currency used; the country of origin; the reasons for the payment; and any additional information required.

Foreign Asset/Account Reporting Information. You are required to electronically declare to the Bank of Spain any security accounts (including brokerage accounts held abroad), as well as the security (including shares of Common Stock acquired at vesting of MSUs) held in such accounts and any transactions carried out with non-residents if the value of the transactions for all such accounts during the prior year or the balances in such accounts as of December 31 of the prior year exceeds €1,000,000. If neither the total balances nor total transactions with non-residents during the relevant period exceed €50,000,000 a summarized form declaration may be used. More frequent reporting is required if such transaction value or account balance exceeds €100,000,000.

In addition, to the extent you hold shares of Common Stock and/or have bank accounts outside of Spain with a value in excess of €50,000 for each type of asset as of December 31, you will be required to report information on such assets on your tax return for such year. After such shares of Common Stock and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously reported shares of Common Stock or accounts increases by more than €20,000 as of each subsequent December 31.

Labor Law Acknowledgment. This provision supplements Sections 2(h) and 7 of the Agreement:

By accepting the MSUs, you consent to participation in the Plan and acknowledge that you have received a copy of the Plan document.

You understand and agree that, as a condition of the grant of the MSUs, except as provided for in Section 2 of the Agreement, your termination of employment for any reason (including for the reasons listed below) will automatically result in the forfeiture of any MSUs that have not vested on the date of your termination.

In particular, you understand and agree that, unless otherwise provided in the Agreement, the MSUs will be forfeited without entitlement to the underlying shares of Common Stock or to any amount as indemnification in the event of a termination of your employment prior to vesting by reason of, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.* , subject to a “despido improcedente”), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, you understand that the Company has unilaterally, gratuitously and discretionally decided to grant MSUs under the Plan to individuals who may be employees of the Company or a subsidiary. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any subsidiary on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, you understand that the MSUs are granted on the assumption and condition that the MSUs and the shares of Common Stock underlying the MSUs shall not become a part of any employment or service contract (either with the Company, the Employer or any subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that the MSUs would not be granted to you but for the assumptions and conditions referred to above; thus, you acknowledge and freely accept that, should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Award of MSUs shall be null and void.

Securities Law Information. The MSUs and the Common Stock described in the Agreement and this Addendum do not qualify under Spanish regulations as securities. No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory. The Agreement (including this Addendum) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores* , and does not constitute a public offering prospectus.

Sweden

There are no country-specific provisions.

Switzerland

Securities Law Information. The MSUs are not intended to be publicly offered in or from Switzerland. Because the offer of MSUs is considered a private offering, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the MSUs constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the MSUs may be publicly distributed nor otherwise made publicly available in Switzerland.

Taiwan

Securities Law Information. The offer of participation in the Plan is available only for employees of the Company and its subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. You may remit foreign currency (including proceeds from the sale of Common Stock) into or out of Taiwan up to US\$5,000,000 per year without special permission. If the transaction amount is TWD500,000 or more in a single transaction, you must submit a Foreign Exchange Transaction Form to the remitting bank and provide supporting documentation to the satisfaction of the remitting bank.

Thailand

Exchange Control Information. If the proceeds from the sale of shares of Common Stock or the receipt of dividends are equal to or greater than US\$50,000 or more in a single transaction, you must repatriate the proceeds to Thailand immediately upon receipt and convert the funds to Thai Baht or deposit the proceeds in a foreign currency deposit account maintained by a bank in Thailand within 360 days of remitting the proceeds to Thailand. In addition you must report the inward remittance to the Bank of Thailand on a foreign exchange transaction form. If you fail to comply with these obligations, you may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, you should consult your personal advisor before selling shares of Common Stock to ensure compliance with current regulations. You are responsible for ensuring compliance with all exchange control laws in Thailand, and neither the Company nor any of its subsidiaries will be liable for any fines or penalties resulting from your failure to comply with applicable laws.

Tunisia

Securities Law Information. All proceeds from the sale of shares of Common Stock or the receipt of dividends must be repatriated to Tunisia. You should consult your personal advisor before taking action with respect to remittance of proceeds into Tunisia. You are responsible for ensuring compliance with all exchange control laws in Tunisia. In addition, if you hold assets abroad in excess of a certain amount, you must report the assets to the Central Bank of Tunisia.

Turkey

Securities Law Information. Under Turkish law, you are not permitted to sell shares of Common Stock acquired under the Plan in Turkey. The shares of Common Stock are currently traded on the New York Stock Exchange, which is located outside of Turkey, under the ticker symbol “BMY” and the shares of Common Stock may be sold through this exchange.

Exchange Control Information. In certain circumstances, Turkish residents are permitted to sell shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, you may be required to appoint a Turkish broker to assist with the sale of the shares of Common Stock acquired under the Plan. You should consult your personal legal advisor before selling any shares of Common Stock acquired under the Plan to confirm the applicability of this requirement.

United Arab Emirates

Securities Law Information. The Plan is only being offered to qualified employees and is in the nature of providing equity incentives to employees of the Company or its subsidiary or affiliate in the UAE. Any documents related to the Plan, including the Plan, Plan prospectus and other grant documents (“Plan Documents”), are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of the Plan Documents, you should consult an authorized financial adviser.

The Emirates Securities and Commodities Authority has no responsibility for reviewing or verifying any Plan Documents nor taken steps to verify the information set out in them, and thus, are not responsible for such documents.

United Kingdom

Responsibility for Taxes. This provision supplements Section 4 of the Agreement:

You agree that, if you do not pay or the Employer or the Company does not withhold from you the full amount of income tax due in connection with the MSUs within 90 days after the end of the U.K. year in which the taxable event occurs, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, (the “Due Date”) then the amount of income tax that should have been withheld shall constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at Her Majesty’s Revenue & Customs’ (“HMRC”) official rate and will be immediately due and repayable by you, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in Section 4 of the Agreement.

Notwithstanding the foregoing, if you are a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that you are a director or executive officer and the income tax that is due is not collected from or paid by you by the Due Date, the amount of any uncollected income tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You may be responsible for reporting and paying any income tax due on this additional benefit directly to the HMRC under the self-assessment regime and for reimbursing the Company or the Employer (as appropriate) for the value of any employee national insurance contributions due on this additional benefit, which the Company or the Employer may recover from you by any means referred to in Section 4 of the Agreement.

Venezuela

Securities Law Information. The MSUs granted under the Plan and the shares of Common Stock issued under the Plan are offered as a personal, private, exclusive transaction and are not subject to Venezuelan securities regulations.

Exchange Control Information. Exchange control restrictions may limit the ability to remit funds out of Venezuela in order to receive shares of Common Stock upon vesting of the MSUs, or remit funds into Venezuela following the sale of shares of Common Stock acquired upon vesting of the MSUs. The Company reserves the right to restrict settlement of the MSUs or to amend or cancel the MSUs at any time in order to comply with applicable exchange control laws in Venezuela. Any shares of Common Stock acquired under the Plan are intended to be an investment rather than for the resale and conversion of the shares into foreign currency. You are responsible for complying with exchange control laws in Venezuela and neither the Company nor the Employer will be liable for any fines or penalties resulting from your failure to comply with applicable laws. Because exchange control laws and regulations change frequently and without notice, you should consult with your personal legal advisor before accepting the MSUs and before selling any shares of Common Stock acquired upon vesting of the MSUs to ensure compliance with current regulations.

BRISTOL-MYERS SQUIBB COMPANY
1987 DEFERRED COMPENSATION PLAN
FOR NON-EMPLOYEE DIRECTORS

AS AMENDED AND RESTATED EFFECTIVE JANUARY 20, 2015

Section 1. **Effective Date.**

The effective date of this Bristol-Myers Squibb Company 1987 Deferred Compensation Plan for Non-Employee Directors (the "Plan") is January 20, 1987, except the provisions of Section 12 are effective as of January 1, 2005. The Plan was amended on December 17, 2009, and the Plan was amended and restated on January 20, 2015 (the "2015 Amended Plan").

Section 2. **Eligibility.**

Any Director of Bristol-Myers Squibb Company (the "Company") who is not an officer or employee of the Company or a subsidiary thereof is eligible to participate in the Plan.

Section 3. **Deferred Compensation Account.**

(a) **General.** There shall be established on the books of the Company for each participant a deferred compensation account in the participant's name. At the time a participant commences participation in the Plan, he or she shall elect to have the amounts deferred under Section 4 credited to his or her account among the notional investments then available under Sections 3(b) and (c) below. In accordance with the procedures set forth by the Corporate Secretary's Office of the Company, (i) a participant may elect to change the allocation of future deferrals among the notional investments, and (ii) during the deferral period, a participant may reallocate amounts previously deferred among the notional investments; provided, however, that the elections under clauses (i) and (ii) do not apply to mandatory deferrals under Section 4(a) or discretionary deferrals under Section 4(c) and the election under clause (ii) does not apply to any deferral account balance in the form of Stock-Settled Share Units (as defined below).

(b) **Notional Investments - Cash Denominated.** One or more notional investments providing for a return on cash balances will be available under the Plan for deferrals. The Corporate Secretary's Office of the Company may establish such cash-denominated notional investments, and may discontinue any existing notional investment, provided that (A) at least one such cash-denominated notional investment is available under the Plan; (B) each notional investment is expected to result in returns that will not be deemed to be "preferential" or "above-market" within the meaning of Item 402(c)(2)(viii)(B) of Regulation S-K; and (C) existing account balances are transferred from any discontinued notional investment to such other then available notional investment as the Corporate Secretary's Office determines is most similar in character to the discontinued notional investment. For periods prior to the effectiveness of the 2015 Amended Plan and initially under the 2015 Amended Plan, the cash-denominated notional investments under the Plan were and are "Treasury Units" and "Dollar Units," defined as follows:

- i. **Treasury Units.** The amount credited to a participant's deferred compensation account as Treasury Units shall be credited with interest at a rate equal to six-month United States Treasury bill yield for the end of the calendar quarter.
- ii. **Dollar Units.** The amount credited to a participant's deferred compensation account as Dollar Units shall be credited with interest at a rate that is equal to the Company's weighted average return on cash investment during the current calendar quarter.

(c) **Notional Investments - Share Units.** A notional investment in the form of "Share Units" will be available under the Plan, as follows:

- i. The amount credited to a participant's deferred compensation account as Share Units shall be credited in shares of the Company's common stock equal to the number of shares of the Company's common stock which could have been purchased with the amounts deferred determined by dividing the dollar value of the amounts deferred by the Fair Market Value of a share of the Company's common stock on the effective date of such deferral.

- ii. Upon payment by the Company of dividends on its common stock, additional Share Units shall be credited to a participant's deferred compensation account equal to the number of Share Units in the participant's account as of the record date multiplied by the amount paid per share in such dividend or distribution divided by the Fair Market Value of a share of common stock at the payment date of such dividend. For purposes of this Plan, "Fair Market Value" shall have the meaning as defined and applied under the 2012 Stock Award and Incentive Plan (the "2012 SAIP"); this definition applies for all purposes under the Plan.
- iii. The amount of Share Units in a participant's deferred compensation account shall be adjusted to take into account a merger, consolidation, reorganization, recapitalization, stock split, other change in corporate structure or capitalization affecting the Company's common stock, or other equity restructuring (as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718), with such adjustment to preserve without enlarging the rights of a participant with respect to such Share Units. The manner of such adjustment shall be in the discretion of the Corporate Secretary's Office of the Company.
- iv. Except as provided in Section 6(b) below, Share Units credited before December 17, 2009 are settleable solely in cash, and are referred to herein as "Cash-Settled Share Units," and Share Units credited on or after December 17, 2009 (and converted Share Units, as provided in Section 6(b) below) are settleable solely by delivery of whole shares of Common Stock, and are referred to herein as "Stock-Settled Share Units."

Section 4. Participant Deferrals.

(a) Mandatory Deferrals. The Board of Directors shall determine the number of Share Units payable, as of February 1 of each year, to the participant in payment for membership and service on the Board of Directors. A new member of the Board of Directors who is eligible to participate in the Plan shall receive, on the date the Director joins the Board, a pro rata number of Share Units based on the number of Share Units payable to participants as of the prior February 1. For this purpose, the pro rata portion shall be determined in accordance with the procedures set forth by the Corporate Secretary's Office of the Company. Such Share Units shall be deferred and credited to such participant's deferred compensation account pursuant to Section 3. In addition, twenty-five (25) percent of the retainer fee payable to the participant for membership on the Board of Directors shall be deferred and credited to such participant's deferred compensation account as Share Units until the end of the earliest calendar year at which the participant has met a guideline level of Share Unit or Company common stock ownership as determined by the Board of Directors and then in effect.

(b) Elective Deferrals. A participant may elect, by filing the appropriate form pursuant to Section 8, to defer receipt for any calendar year of either (1) all of the compensation payable to the participant for serving on the Board of Directors and any committee thereof, (2) only the retainer fee payable to the participant for service on the Board of Directors, or (3) any percentage, equal to or exceeding twenty-five percent of the compensation payable to the participant specified in clause (1) hereof.

(c) Discretionary Deferrals. The Board of Directors may, in its sole discretion, provide additional compensation to eligible directors in the form of Share Units, with such Share Units being deferred and credited to the participant's deferred compensation account pursuant to Section 3.

Section 5. Period of Deferral.

A participant may elect to defer receipt of compensation either (1) until a specified year in the future, but in no event more than five years after termination of service, (2) until the cessation of the participant's service as a Director or (3) until after the end of the calendar year in which the cessation of the participant's service as a Director occurs. If alternative (1) is elected, payment will be made or will commence on February 1 of the year specified; if alternative (2) is elected, payment will be made or will commence on the date that is sixty days after the cessation of the participant's service as a director; and if alternative (3) is elected, payment will be made or will commence on February 1 after the end of the calendar year in which the cessation of the participant's service as a Director occurs. Installment payments under the Plan will be made on the anniversary of the applicable commencement date. If any payment date specified under the Plan is not a business day, the payment will be made on the first business day thereafter. For purposes of this Plan, cessation of service as a Director means a "separation from service" as defined in Treasury Regulation § 1.409A-1(h).

Section 6. Form of Payment.

(a) *Lump-Sum or Installments* . A participant may elect to receive distributions of the deferred compensation under the Plan in either (1) a lump sum or (2) a number of annual installments, not more than ten, as specified by the participant. If installment payments are elected, the amount of each installment shall be equal to the balance in the participant's deferred compensation account divided by the number of installments remaining to be paid (including the installment in question). Elections under this Section 6(a) shall be made by the applicable deadline under Section 8, except as otherwise permitted under Section 12.

(b) *Settlement in Cash or Shares* . Cash-Settled Share Units and other deferrals, but not Stock-Settled Share Units, will be settled in cash. Stock-Settled Share Units will be settled by delivery of one share of Common Stock for each whole Share Unit being settled. The Corporate Secretary may agree with a participant to convert Cash-Settled Share Units into Stock-Settled Share Units at a date designated by the Secretary for such conversion, if the participant previously has filed an election to make such conversion as to all of the Participant's then outstanding Cash-Settled Share Units. Until the conversion date, the Company shall be under no obligation to make such conversion, and the Corporate Secretary shall retain discretion not to accept participants' offers to convert the Cash-Settled Share Units to Stock-Settled Share Units. Upon conversion, the Share Units will be settleable solely by delivery of shares of Common Stock, and the participant shall have no right to a cash settlement of the Share Units (except as may be provided in connection with an adjustment under Section 3(c)(iii) or cash in lieu of a fractional share). Stock-Settled Share Units will be deemed to be Stock Units granted under Section 6(e) of the 2012 SAIP, and this Plan shall be deemed a sub-plan under the 2012 SAIP (or any successor plan to the 2012 SAIP then in effect) such that shares issued in settlement of those Stock-Settled Share Units will be drawn from the 2012 SAIP (or such successor Plan) (prior to the effectiveness of the 2012 SAIP, Stock-Settled Share Units were granted under the 2007 Stock Award and Incentive Plan). For any settlement of Cash-Settled Share Units, the dollar value of the Cash-Settled Share Units shall be determined by multiplying the number of such Share Units credited to a participant's deferred compensation account on the date of such settlement by the Fair Market Value on such date.

Section 7. Death of Participant.

A participant may elect that, in the event he or she dies prior to receipt of any or all of the amounts payable pursuant to this Plan, any amounts remaining in the participant's deferred compensation account shall be paid to the participant's estate in either (1) a lump sum paid on the 60th day following the participant's death or (2) a number of annual installments, not more than ten, as specified by the participant. If alternative (2) is elected and payment to the participant pursuant to clause (2) of Section 6(a) has not commenced prior to death, the initial installment payment hereunder shall be made sixty days after the participant's death, with subsequent installment payments on the anniversary of the commencement date, and the amount of each such installment shall be determined as provided in the second sentence of Section 6. If alternative (2) is elected and payment to the participant pursuant to clause (2) of Section 6(a) had commenced prior to death, the installment payments to the participant's estate shall be made at the same time and in the same amount as such payments would have been made to the participant had he or she survived. For purposes of this Section 7, the dollar value of Cash-Settled Share Units (but not Stock-Settled Share Units) shall be determined by multiplying the number of Share Units credited to a participant's deferred compensation account on the designated valuation date by the Fair Market Value on such date. The Corporate Secretary's Office will designate the valuation date at a date as near as administratively practicable to the payment date applicable under this Section 7. Any election permitted under this Section 7 must be made prior to the year of deferral, except that an election may be made not later than December 31, 2008 to the extent permitted under applicable rules under Section 409A of the Internal Revenue Code of 1986 (the "Code").

Section 8. Time of Election of Deferral.

An election to defer compensation may be made by (i) a first-time nominee for election as a Director prior to his/her election for the remainder of the calendar year in which he/she is being elected (except that a person newly elected a Director by the Board of Directors may make an election to defer compensation within 30 days after his/her election as a Director, in which event such election to defer compensation shall be effective only with respect to compensation paid for services performed after the election to defer compensation is made) and (ii) a person then currently serving as a Director for the next succeeding calendar year no later than the preceding December 31. This election will be deemed to be an election to defer compensation under this Plan for each succeeding calendar year, unless (1) the participant elects, in accordance with Section 11, to discontinue the deferral, (2) the Board of Directors discontinues the Plan in accordance with Code Section 409A, or (3) the election is stated, in writing, to apply only to the first calendar year applicable under (i) or (ii) above.

Section 9 [Reserved].

Section 10. Manner of Electing Deferral.

A participant may elect to defer compensation by giving written notice to the Corporate Secretary's Office of the Company on a form provided by the Company, which notice shall include the amount to be deferred, the notional investments in which the amount deferred is to be credited, the period of deferral, and the form of payment (including the number of installments, if any).

Section 11. Effect of Election.

An election to defer compensation, including the period of deferral and form of payment, shall be irrevocable by the participant once the calendar year to which it applies has commenced. An election may be discontinued or modified by the participant with respect to calendar years not yet begun by notifying the Corporate Secretary's Office of the Company in writing no later than December 31st of the preceding year. The following default rules will apply if no valid election is on file specifying the matter or the intent of the participant with respect to the matter is not clearly indicated in the applicable election that is on file;

- (i) The default allocation of deferred amounts will be to the cash-denominated notional investment that most nearly corresponds to a money market fund under Section 3(b), as determined by the Corporate Secretary's Office;
- (ii) The default period of deferral under Section 5 will be until the cessation of the participant's service as a Director;
- (iii) The default form of payment under Section 6(a) will be a lump sum; and
- (iv) The default distribution payable upon the death of participant will be as a lump sum paid on the 60th day following the participant's death.

Section 12. Further Election.

The participant shall have the one-time right with regard to compensation previously deferred (under Section 4(a), (b) or (c)) to elect a further deferral of the payment of such deferred compensation by delivering to the Corporate Secretary's Office a written statement in a form provided by the Company specifying the further period of deferral and the form of payment, including the number of installments, if any, subject to the following rules:

- (i) Any such election may not take effect until at least 12 months after the date on which the election is made;
- (ii) If any such election relates to payments that are subject to alternatives under Section 5, the first payment with respect to such election shall be made not earlier than five years after the date payment would have been made absent the further deferral election under this Section 12; and
- (iii) Any such election relating to a payment subject to alternative (1) under Section 5 shall not be effective if made fewer than 12 months before the date of the first scheduled payment (including the earliest of a series of installment payments).

The foregoing notwithstanding, and subject to any rules or limitations that may be imposed by the Corporate Secretary's Office of the Company, deferrals and redeferrals may be permitted by the Corporate Secretary's Office of the Company in accordance with the rules set forth on Exhibit A.

Section 13. Participant's Rights Unsecured.

The right of any Participant to receive future payments under the provisions of the Plan shall be an unsecured claim against the general assets of the Company.

Section 14. Statement of Account.

A statement will be sent to each participant at least annually as to the value of his/her deferred compensation account as of the end of the preceding year; provided, however, that the Company may elect to discontinue such statements if all participants are provided with on-line accounts maintained by a third-party provider showing real-time account information.

Section 15. Assignability.

No right to receive payments hereunder shall be transferable or assignable by a participant, except by will or under the laws of descent and distribution, or subject to anticipation, alienation, sale, pledge, encumbrance, attachment, or garnishment by creditors of the participant or the participant's beneficiary.

Section 16. Administration.

This Plan will be administered by the Corporate Secretary's Office of the Company, which shall have the authority to adopt rules and regulations to carry out the Plan and to interpret, construe and implement the provisions of the Plan; to resolve questions arising in the administration of the Plan; and to adopt such rules and procedures as it may deem advisable for the administration of the Plan.

Section 17. Amendment.

This Plan may at any time or from time to time be amended, modified or terminated by the Board of Directors. The Board may delegate its authority under this Section 17 to the Committee on Directors and Corporate Governance. No amendment, modification or termination shall, without the consent of the participant, materially and adversely affect such participant's accruals in his/her deferred compensation account as of the date of amendment, modification or termination.

Section 18. Compliance with Code Section 409A.

Other provisions of this Plan notwithstanding, deferrals under this Plan shall comply with the requirements under the Code, including without limitation Code Section 409A, and Treasury Regulations (including any applicable guidance thereunder) as presently in effect or hereafter implemented: (i) If the timing of any payment under this Plan would result in a participant's constructive receipt of income prior to such payment, the payment will be the earliest date after the specified payment date that distribution can be effected without resulting in such constructive receipt; (ii) the Company shall have no authority to accelerate any payment hereunder except as permitted under Section 409A and regulations thereunder; and (iii) any rights of the participant or retained authority of the Company with respect to deferrals hereunder shall be automatically modified and limited to the extent necessary so that a participant will not be deemed to be in constructive receipt of income relating to the deferrals prior to the payment to ensure that the participant shall not be subject to any penalty under Code Section 409A. In the event that a participant has become "key employee" (as defined in Code Section 416(i) without regard to paragraph (5) thereof) and any of the Company's stock is publicly traded on an established securities market or otherwise, a distribution under the Plan triggered by a separation from service (within the meaning of Treasury Regulation § 1.409A-1(h)) and which would be within six months after such separation shall instead occur at the expiration of the six-month period under Section 409A(a)(2)(B)(i). In the case of installments, this delay shall not affect the timing of any installment otherwise payable after the six-month delay period.

Deferral Election Rules

If a participant in a plan, program or other compensatory arrangement (a "plan") of Bristol-Myers Squibb Company (the "Company") is permitted to elect to defer awards or other compensation, any such election relating to compensation deferred under the applicable plan must be received by the Company prior to the date specified by or at the direction of the administrator of such plan (the "Administrator"). For purposes of compliance with Section 409A of the Internal Revenue Code (the "Code"), any such election to defer shall be subject to the rules set forth below, subject to any additional restrictions as may be specified by the Administrator. Under no circumstances may a participant elect to defer compensation to which he or she has attained, at the time of deferral, a legally enforceable right to current receipt of such compensation.

- (1) Initial Deferral Elections . Any initial election to defer compensation (including the election as to the type and amount of compensation to be deferred and the time and manner of settlement of the deferral) must be made (and shall be irrevocable) no later than December 31 of the year before the participant's services are performed which will result in the earning of the compensation, except as follows:
- Initial deferral elections with respect to compensation that, absent the election, constitutes a short-term deferral may be made in accordance with Treasury Regulation § 1.409A-2(a)(4) and (b);
 - Initial deferral elections with respect to compensation that remains subject to a requirement that the participant provide services for at least 12 months (a "forfeitable right" under Treasury Regulation § 1.409A-2(a)(5)) may be made on or before the 30th day after the participant obtains the legally binding right to the compensation, provided that the election is made at least 12 months before the earliest date at which the forfeiture condition could lapse and otherwise in compliance with Treasury Regulation § 1.409A-2(a)(5);
 - Initial deferral elections by a participant in his or her first year of eligibility may be made within 30 days after the date the participant becomes eligible to participate in the applicable plan, with respect to compensation paid for services to be performed after the election and in compliance with Treasury Regulation § 1.409A-2(a)(7);
 - Initial deferral elections by a participant with respect to performance-based compensation (as defined under Treasury Regulation § 1.409A-1(e)) may be made on or before the date that is six months before the end of the performance period, provided that (i) the participant continuously served as a director from either the beginning of the performance period or the later date on which the performance goal was established, (ii) the election to defer is made before such compensation has become readily ascertainable (i.e., substantially certain to be paid), (iii) the performance period is at least 12 months in length and the performance goal was established no later than 90 days after the commencement of the service period to which the performance goal relates, (iv) the performance-based compensation is not payable in the absence of performance except due to death, disability, a 409A Ownership/Control Change (as defined in Section 11(k) of the 2007 Stock Award and Incentive Plan) or as otherwise permitted under Treasury Regulation § 1.409A-1(e), and (v) this initial deferral election must in any event comply with Treasury Regulation § 1.409A-2(a)(8);
 - Initial deferral elections resulting in Company matching contributions may be made in compliance with Treasury Regulation § 1.409A-2(a)(9);
 - Initial deferral elections may be made to the fullest permitted under other applicable provisions of Treasury Regulation § 1.409A-2(a); and

- (2) Further Deferral Elections. The foregoing notwithstanding, for any election to further defer an amount that is deemed to be a deferral of compensation subject to Code Section 409A (to the extent permitted under Company plans, programs and arrangements), any further deferral election made under the plan shall be subject to the following, provided that deferral elections in 2007 and 2008 may be made under applicable transition rules under Section 409A:
- The further deferral election will not take effect until at least 12 months after the date on which the election is made;
 - If the election relates to a distribution event other than a Disability (as defined in Treasury Regulation § 1.409A-3(i)(4)), death, or Unforeseeable Emergency (as defined in Treasury Regulation § 1.409A-3(i)(3)), the payment with respect to which such election is made must be deferred for a period of not less than five years from the date such payment would otherwise have been paid (or in the case of a life annuity or installment payments treated as a single payment, five years from the date the first amount was scheduled to be paid), to the extent required under Treasury Regulation § 1.409A-2(b);
 - The requirement that the further deferral election be made at least 12 months before the original deferral amount would be first payable may not be waived by the Administrator, and shall apply to a payment at a specified time or pursuant to a fixed schedule (and in the case of a life annuity or installment payments treated as a single payment, 12 months before the date that the first amount was scheduled to be paid);
 - The further deferral election shall be irrevocable when filed with the Company; and
 - The further deferral election otherwise shall comply with the applicable requirements of Treasury Regulation § 1.409A-2(b).
- (3) Transition Rules. Initial deferral elections and elections to change any existing deferred date for distribution of compensation in any transition period designated under Department of the Treasury and IRS regulations may be permitted by the Company to the fullest extent authorized under transition rules and other applicable guidance under Code Section 409A (including transition rules in effect in the period 2005 - 2008).

Computation of Earnings to Fixed Charges

Ratio of Earnings to Fixed Charges:

	Year Ended December 31,				
	2014	2013	2012	2011	2010
Dollars in Millions					
Earnings					
Earnings from continuing operations before income taxes	\$ 2,381	\$ 2,891	\$ 2,340	\$ 6,981	\$ 6,071
Less:					
Noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges	38	36	844	2,323	2,074
Equity in net income of affiliates	107	166	183	281	313
Capitalized interest	3	—	—	—	8
Adjusted Income	2,233	2,689	1,313	4,377	3,676
Add:					
Fixed charges	254	255	227	190	201
Distributed income of equity investments	153	149	229	283	313
Total Earnings	\$ 2,640	\$ 3,093	\$ 1,769	\$ 4,850	\$ 4,190
Fixed Charges					
Interest expense	\$ 203	\$ 199	\$ 182	\$ 145	\$ 145
Capitalized interest	3	—	—	—	8
One-third of rental expense ⁽¹⁾	48	56	45	45	48
Total Fixed Charges	\$ 254	\$ 255	\$ 227	\$ 190	\$ 201
Ratio of Earnings to Fixed Charges	10.39	12.13	7.79	25.53	20.85

(1) Rents included in the computation consist of one-third of rental expense which the Company believes to be a reasonable estimate of an interest factor in its leases.

Subsidiaries of Bristol-Myers Squibb Company

345 Park LLC
A.G. Medical Services, P.A.
Adnexus, a Bristol-Myers Squibb R&D Company
Allard Labs Acquisition G.P.
Amira Pharmaceuticals, Inc.
Apothecon LLC
Blisa Acquisition G.P.
BMS Benelux Holdings B.V.
BMS Bermuda Nominees L.L.C.
BMS Data Acquisition Company LLC
BMS Forex Company
B-MS GeneRx
BMS Holdings
BMS Holdings Spain, S.L.
BMS International Insurance Company Limited
BMS Investco SAS
BMS Korea Holdings L.L.C.
BMS Latin American Nominees L.L.C.
BMS Luxembourg Partners L.L.C.
BMS Omega Bermuda Holdings Finance Ltd.
BMS Pharmaceutical Korea Limited
BMS Pharmaceuticals Germany Holdings B.V.
BMS Pharmaceuticals International Holdings Netherlands B.V.
BMS Pharmaceuticals Korea Holdings B.V.
BMS Pharmaceuticals Mexico Holdings B.V.
BMS Pharmaceuticals Netherlands Holdings B.V.
BMS Real Estate LLC
BMS Spain Investments LLC
Bristol (Iran) S.A.
Bristol Iran Private Company Limited
Bristol Laboratories Inc.
Bristol Laboratories International, S.A.
Bristol Laboratories Medical Information Systems Inc.
Bristol-Myers (Andes) L.L.C.
Bristol-Myers (Private) Limited
Bristol-Myers de Venezuela S.C.A.
Bristol-Myers K.K.
Bristol-Myers Middle East S.A.L.
Bristol-Myers Overseas Corporation
Bristol-Myers Squibb & Gilead Sciences, LLC
Bristol-Myers Squibb (China) Investment Co., Ltd.
Bristol-Myers Squibb (China) Pharmaceuticals Co., Ltd.
Bristol-Myers Squibb (Israel) Ltd.
Bristol-Myers Squibb (NZ) Limited
Bristol-Myers Squibb (Proprietary) Limited
Bristol-Myers Squibb (Shanghai) Trading Co. Ltd.
Bristol-Myers Squibb (Singapore) Pte. Limited
Bristol-Myers Squibb (Taiwan) Ltd.
Bristol-Myers Squibb (West Indies) Ltd.

Bristol-Myers Squibb A.E.
Bristol-Myers Squibb Aktiebolag
Bristol-Myers Squibb and Gilead Sciences Limited
Bristol-Myers Squibb Argentina S. R. L.
Bristol-Myers Squibb Australia Pty. Ltd.
Bristol-Myers Squibb Axia Limited

Bristol-Myers Squibb B.V.
Bristol-Myers Squibb Belgium S.A.
Bristol-Myers Squibb Business Services Limited
Bristol-Myers Squibb Canada Co.
Bristol-Myers Squibb Canada International Limited
Bristol-Myers Squibb de Colombia S.A.
Bristol-Myers Squibb de Costa Rica Sociedad Anonima
Bristol-Myers Squibb de Guatemala, S.A.
Bristol-Myers Squibb de Mexico, S. de R.L. de C.V.
Bristol-Myers Squibb Delta Company Limited
Bristol-Myers Squibb Egypt, LLC
Bristol-Myers Squibb EMEA Sarl
Bristol-Myers Squibb Epsilon Holdings
Bristol-Myers Squibb Farmaceutica Portuguesa S.A.
Bristol-Myers Squibb Farmaceutica S.A.
Bristol-Myers Squibb GesmbH
Bristol-Myers Squibb GmbH & Co. KGaA
Bristol-Myers Squibb Holding Germany GmbH & Co. KG
Bristol-Myers Squibb Holdings 2002 Limited
Bristol-Myers Squibb Holdings Germany Verwaltungs GmbH
Bristol-Myers Squibb Holdings Ireland
Bristol-Myers Squibb Holdings Limited
Bristol-Myers Squibb Holdings Pharma Ltd. Liability Company
Bristol-Myers Squibb Ilaclari, Inc.
Bristol-Myers Squibb India Pvt. Limited
Bristol-Myers Squibb International Company
Bristol-Myers Squibb International Corporation
Bristol-Myers Squibb Investco, L.L.C.
Bristol-Myers Squibb Luxembourg International S.C.A.
Bristol-Myers Squibb Luxembourg S.a.r.l.
Bristol-Myers Squibb Manufacturing Company
Bristol-Myers Squibb Marketing Services S.R.L.
Bristol-Myers Squibb MEA GmbH
Bristol-Myers Squibb Middle East & Africa FZ-LLC
Bristol-Myers Squibb Norway Ltd.
Bristol-Myers Squibb Nutricionales de Mexico, S. de R.L. de C.V.
Bristol-Myers Squibb Peru S.A.
Bristol-Myers Squibb Pharma (HK) Ltd
Bristol-Myers Squibb Pharma (Thailand) Limited
Bristol-Myers Squibb Pharma Company
Bristol-Myers Squibb Pharma EEIG
Bristol-Myers Squibb Pharma Holding Company, LLC
Bristol-Myers Squibb Pharma Ventures Corporation
Bristol-Myers Squibb Pharmaceutical Trading Ltd.
Bristol-Myers Squibb Pharmaceuticals
Bristol-Myers Squibb Pharmaceuticals Limited
Bristol-Myers Squibb Polska Sp. z o.o.
Bristol-Myers Squibb Products S.A.
Bristol-Myers Squibb Puerto Rico, Inc.
Bristol-Myers Squibb Puerto Rico/Sanofi Pharmaceutical Partnership Puerto Rico
Bristol-Myers Squibb S.r.l.
Bristol-Myers Squibb SA

Bristol-Myers Squibb Sanofi Pharmaceuticals Holding Partnership
Bristol-Myers Squibb Sarl
Bristol-Myers Squibb Service Ltd.
Bristol-Myers Squibb Services Sp. z o.o.
Bristol-Myers Squibb spol. s r.o.
Bristol-Myers Squibb Trustees Limited
Bristol-Myers Squibb Verwaltungs GmbH

Bristol-Myers Squibb, S.A.U.
Bristol-Myers Squibb/Astrazeneca EEIG
Bristol-Myers Squibb/Pfizer EEIG
Bristol-Myers Squibb/Sanofi Pharmaceuticals Partnership
Compania Bristol-Myers Squibb de Centro America
E. R. Squibb & Sons Inter-American Corporation
E. R. Squibb & Sons Limited
E. R. Squibb & Sons, L.L.C.
EWI Corporation
FermaVir Pharmaceuticals, L.L.C.
FermaVir Research, L.L.C.
GenPharm International, L.L.C.
Grove Insurance Company Ltd.
Heyden Farmaceutica Portuguesa Limitada
Inhibitex, L.L.C.
iPierian, Inc.
Kosan Biosciences Incorporated
Linson Investments Limited
Mead Johnson (Manufacturing) Jamaica Limited
Mead Johnson Jamaica Ltd.
O.o.o. Bristol-Myers Squibb
O.o.o. Bristol-Myers Squibb Manufacturing
Oy Bristol-Myers Squibb (Finland) AB
Princeton Pharmaceutical Products, Inc.
Route 22 Real Estate Holding Corporation
Sanofi Clir
Sino-American Shanghai Squibb Pharmaceuticals Limited
Societe Francaise de Complements Alimentaires(S.O.F.C.A.)
Squibb Manufacturing Company
Squibb Middle East S.A.
Swords Laboratories
Tri-Supply Limited
Unterstützungskasse Bristol-Myers Squibb GmbH
UPSA SAS
Westwood-Intrafin SA
Westwood-Squibb Pharmaceuticals, Inc.
ZymoGenetics Paymaster, LLC
ZymoGenetics, Inc.
ZymoGenetics, LLC

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 33-33682, 33-62496, 333-114107, 333-117818, 333-150471 and 333-182852 on Form S-3, and Nos. 33-30856, 33-38411, 33-38587, 33-44788, 333-47403, 33-52691, 33-30756-02, 33-58187, 333-02873, 333-65424, 333-107414 and 333-182405 on Form S-8 of our reports dated February 13, 2015, relating to the consolidated financial statements of Bristol-Myers Squibb Company and subsidiaries (the “Company”) and the effectiveness of the Company’s internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2014.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey
February 13, 2015

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lamberto Andreotti, certify that:

1. I have reviewed this annual report on Form 10-K of Bristol-Myers Squibb Company;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2015

/s/ LAMBERTO ANDREOTTI

Lamberto Andreotti
Chief Executive Officer

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Charles Bancroft, certify that:

1. I have reviewed this annual report on Form 10-K of Bristol-Myers Squibb Company;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2015

/s/ CHARLES BANCROFT

Charles Bancroft
Chief Financial Officer

**Certification by the Chief Executive Officer Pursuant to 18 U. S. C. Section 1350, as
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U. S. C. Section 1350, I, Lamberto Andreotti, hereby certify that, to the best of my knowledge, Bristol-Myers Squibb Company's Annual Report on Form 10-K for the year ended December 31, 2014 (the Report), as filed with the Securities and Exchange Commission on February 13, 2015, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Bristol-Myers Squibb Company.

/s/ LAMBERTO ANDREOTTI

Lamberto Andreotti
Chief Executive Officer
February 13, 2015

**Certification by the Chief Financial Officer Pursuant to 18 U. S. C. Section 1350, as
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U. S. C. Section 1350, I, Charles Bancroft, hereby certify that, to the best of my knowledge, Bristol-Myers Squibb Company's Annual Report on Form 10-K for the year ended December 31, 2014 (the Report), as filed with the Securities and Exchange Commission on February 13, 2015, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Bristol-Myers Squibb Company.

/s/ CHARLES BANCROFT

Charles Bancroft
Chief Financial Officer
February 13, 2015