

GILEAD SCIENCES INC  
Form PRE 14A  
March 11, 2011  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

**Schedule 14A Information**

**Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934**

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

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

**GILEAD SCIENCES, INC.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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.. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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To our stockholders:

We are pleased to invite you to attend the 2011 annual meeting of stockholders of Gilead Sciences, Inc., to be held on Thursday, May 12, 2011 at 10:00 a.m. local time at the Westin San Francisco Airport in Millbrae, California.

Details regarding admission to the meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement.

Your vote is very important. Whether or not you attend the annual meeting, we hope you will vote as soon as possible. There are three ways that you can cast your ballot by telephone, by Internet or by mailing the proxy card. Please review the instructions on the proxy card regarding each of these voting options.

Thank you for your ongoing support of and continued interest in Gilead Sciences, Inc. We look forward to seeing you at the annual meeting.

Sincerely,

John C. Martin

*Chairman and Chief Executive Officer*

March \_\_, 2011

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**GILEAD SCIENCES, INC.**

**333 Lakeside Drive**

**Foster City, California 94404**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 12, 2011**

**TO THE STOCKHOLDERS OF GILEAD SCIENCES, INC.:**

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Gilead Sciences, Inc., a Delaware corporation ( Gilead ), will be held on Thursday, May 12, 2011 at 10:00 a.m. local time at the Westin San Francisco Airport, 1 Old Bayshore Highway, Millbrae, California 94030 for the following purposes:

1. To elect twelve directors to serve for the next year and until their successors are elected and qualified.
2. To ratify the selection of Ernst & Young LLP by the Audit Committee of the Board of Directors as the independent registered public accounting firm of Gilead for the fiscal year ending December 31, 2011.
3. To approve the Amended and Restated Gilead Sciences, Inc. Code Section 162(m) Bonus Plan and certain performance-based provisions thereunder.
4. To approve amendments to Gilead s Restated Certificate of Incorporation to adopt majority voting standards.
5. To approve amendments to Gilead s Amended and Restated Bylaws to permit holders of at least 20% of the voting power of the outstanding capital stock to call a special meeting of stockholders.
6. To vote on an advisory resolution to approve the compensation of our named executive officers as presented in this proxy statement.
7. To vote on an advisory basis as to the frequency with which executive compensation will be subject to future advisory stockholder votes.
8. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice.

The Board of Directors has fixed the close of business on March 16, 2011 as the record date for the determination of stockholders entitled to notice of and to vote at this Annual Meeting of Stockholders and at any adjournment or postponement thereof.

By Order of the Board of Directors,

Gregg H. Alton  
*Secretary*

Foster City, California

March \_\_, 2011

**All stockholders are invited to attend the meeting in person. Whether or not you expect to attend the meeting, please grant a proxy to vote by telephone or the internet or complete, date, sign and return the proxy mailed to you as promptly as possible in order to ensure your representation at the meeting. Even if you have given your proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must bring to the meeting a letter from the broker, bank or other nominee confirming your beneficial ownership of the shares and a proxy issued in your name from the record holder.**

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**QUESTIONS AND ANSWERS**

**1. Why did I receive a notice regarding the availability of proxy materials on the Internet?**

Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to our stockholders of record. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or to request a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice.

We intend to mail the Notice on or about March 25, 2011 to all stockholders of record entitled to vote at the annual meeting.

**2. What information is contained in this proxy statement?**

The information in this proxy statement relates to the proposals to be voted on at the Annual Meeting, the voting process, our Board and Board committees, the compensation of directors and certain executive officers and other required information.

**3. How may I obtain a copy of Gilead's Annual Report on Form 10-K and other financial information?**

A copy of our 2010 Annual Report, which includes our Form 10-K for the year ended December 31, 2010, is available at <http://www.gilead.com/proxy> or may be requested from our Investor Relations department as described elsewhere in this proxy statement. Our 2010 Annual Report is not incorporated into this proxy statement and shall not be considered proxy solicitation material.

**4. Who is entitled to vote at the Annual Meeting?**

Only holders of our common stock at the close of business on March 16, 2011 are entitled to receive this Notice and to vote their shares at the Annual Meeting. As of that date, there were [ ] shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter to be voted upon at the Annual Meeting.

**5. What items of business will be voted on at the Annual Meeting?**

The items of business scheduled to be voted on at the Annual Meeting are:

to elect twelve directors to serve for the next year and until their successors are elected and qualified;

to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;

to approve the Amended and Restated Gilead Sciences, Inc. Code Section 162(m) Bonus Plan and certain performance-based provisions thereunder;

to approve amendments to Gilead's Restated Certificate of Incorporation to adopt majority voting standards;

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to approve amendments to Gilead's Amended and Restated Bylaws to permit holders of at least 20% of the voting power of the outstanding capital stock to call a special meeting of stockholders;

to approve an advisory resolution to approve the compensation of our named executive officers as presented in this proxy statement; and

to vote on an advisory basis as to the frequency with which executive compensation will be subject to future advisory stockholder votes.

We will also consider any other business that properly comes before the Annual Meeting. See question 11, "Could other matters be decided at the Annual Meeting?" below.

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**6. How does the Board recommend that I vote?**

Our Board recommends that you vote your shares:

FOR each of the nominees to the Board;

FOR the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;

FOR the approval of the Amended and Restated Gilead Sciences, Inc. Code Section 162(m) Bonus Plan and certain performance-based provisions thereunder;

FOR the approval of amendments to Gilead's Restated Certificate of Incorporation to adopt majority voting standards;

FOR the approval of amendments to Gilead's Amended and Restated Bylaws to permit holders of at least 20% of the voting power of the outstanding capital stock to call a special meeting of stockholders;

FOR the approval of the advisory resolution approving the compensation of our named executive officers as presented in this proxy statement; and

for the choice of once every ONE YEAR as the frequency with which executive compensation will be subject to future advisory stockholder votes.

**7. What are the voting requirements to elect the directors and to approve each of the proposals discussed in this proxy statement?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if a majority of the outstanding shares is represented by votes present at the meeting in person or by proxy. Shares represented by proxies marked "abstain" and "broker non-votes" are counted in determining whether a quorum is present. A "broker non-vote" is a proxy submitted by a broker that does not indicate a vote for some of the proposals because the broker does not have discretionary voting authority on certain types of proposals and has not received instructions from its client as to how to vote on a particular proposal.

**Proposal**

Proposal 1 Election of twelve directors to serve for the next year and until their successors are elected and qualified

Proposal 2 Ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011

Proposal 3 Approval of the Amended and Restated Gilead Sciences, Inc. Code Section 162(m) Bonus Plan and certain performance-based provisions thereunder

Proposal 4 Approval of amendments to Gilead's Restated Certificate of Incorporation to adopt majority voting standards

**Vote Required**

Majority of votes cast (number of shares voted "For" a director must exceed the number of votes "Withheld" from that director)

Majority of the shares entitled to vote and present in person or represented by proxy

Majority of the shares entitled to vote and present in person or represented by proxy

66 2/3% of the outstanding shares entitled to vote

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Proposal 5 Approval of amendments to Gilead's Amended and Restated Bylaws to permit holders of at least 20% of the voting power of the outstanding capital stock to call a special meeting of stockholders 66 2/3% of the outstanding shares entitled to vote

Proposal 6 Approval of an advisory resolution to approve the compensation of our named executive officers as presented in this proxy statement Majority of the shares entitled to vote and present in person or represented by proxy

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**Proposal**

Proposal 7 Advisory vote as to the frequency with which executive compensation will be subject to future advisory stockholder votes

**Vote Required**

Majority of the shares entitled to vote and present in person or represented by proxy. However, should none of the specified frequencies receive such a majority vote, then the frequency that receives the plurality of votes cast on Proposal 7 will be implemented, unless our Board decides otherwise.

If your shares are held by a broker and you do not indicate how you wish to vote, your broker is permitted to exercise its discretion to vote your shares only on certain routine matters. Proposal 2 is a routine matter. As a result, your broker is permitted to exercise discretionary voting authority to vote your shares for this proposal. Your broker may not exercise discretionary voting authority and may not vote your shares with respect to the other proposals unless you provide your broker with voting instructions.

With respect to Proposal 1, abstentions will not have an effect on the outcome of the vote. With respect to Proposals 2, 3, 4, 5, 6 and 7, abstentions will have the same effect as an against vote. Broker non-votes will have no effect on Proposals 1, 2, 3, 6 and 7 but will have the same effect as an against vote on Proposals 4 and 5.

**8. How do I vote?**

You may vote in person by attending the meeting or by completing and returning a proxy by mail, by telephone or electronically, using the Internet.

***By mail***

To vote your proxy by mail, be sure to complete, sign and date the proxy card or voting instruction card that may be delivered to you and return it in the envelope provided. If you return your signed proxy card but do not indicate your voting preferences, the persons named on the proxy card will vote the shares represented by that proxy as recommended by our Board.

***By Internet or the telephone***

If your shares are registered directly in your name with Gilead's transfer agent, BNY Mellon Shareowner Services, you are considered a stockholder of record. Stockholders of record may go to <http://www.proxyvote.com> to vote their shares. You will be required to provide the control number printed on your Notice. Stockholders of record using a touch-tone telephone may vote their shares by calling (800) 690-6903 and following the recorded instructions.

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. Street name holders may vote on the Internet by accessing <http://www.proxyvote.com>. You will be required to provide the control number printed on your Notice. Street name holders using a touch-tone telephone may vote their shares by calling (800) 454-8683 and following the recorded instructions.

Internet and telephone voting for stockholders of record and street name holders will be available 24 hours a day, and will close at 11:59 p.m., Eastern Standard Time on May 11, 2011.

***In person at the Annual Meeting***

All stockholders may vote in person at the Annual Meeting. You may also be represented by another person at the meeting by executing a proper proxy designating that person. If you hold your shares in street name or otherwise have beneficial but not record ownership of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspector of election with your ballot to be able to vote at the meeting.

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Your vote is important. You can save us the expense of a second mailing by voting promptly.

### **9. What can I do if I change my mind after I vote my shares?**

If you are a stockholder of record, you can revoke your proxy before it is exercised by:

written notice to our Corporate Secretary;

timely delivery of a valid, later-dated proxy or a later-dated vote by telephone or on the Internet; or

voting by ballot at the Annual Meeting.

If you are a beneficial owner of shares, you may revoke your proxy or submit new voting instructions by contacting your bank, broker or other holder of record. You may also vote in person at the Annual Meeting as described in the answer to the preceding question.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting.

### **10. What is the deadline for voting my shares by proxy, via the Internet or by telephone?**

Votes by proxy must be received before the polls close at the Annual Meeting. Votes submitted via the Internet or by telephone must be received by 11:59 p.m., Eastern Standard Time on May 11, 2011.

### **11. Could other matters be decided at the Annual Meeting?**

On the date this proxy statement went to press, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this proxy statement. If other matters are properly presented at the Annual Meeting for consideration and you execute and deliver a proxy, then John C. Martin and John F. Milligan, the persons named on your proxy card, will have the discretion to vote on those matters for you.

### **12. Is my vote confidential?**

Yes. Proxy cards, ballots and voting tabulations that identify stockholders by name are kept confidential. There are exceptions for contested proxy solicitations or when necessary to meet legal requirements. Veaco Group, the independent proxy tabulator that we have engaged, will count the votes and act as the inspector of election for the meeting.

### **13. Where can I find the voting results of the Annual Meeting?**

We will announce preliminary voting results at the Annual Meeting and publish final results in a Current Report on Form 8-K within four business days after the Annual Meeting.

### **14. Who will pay for the cost of this proxy solicitation?**

We will pay the cost of soliciting proxies, including preparation, assembly, printing and mailing of the Notice and this proxy statement and any additional information furnished to stockholders. We may reimburse banks, brokerage houses, fiduciaries and custodians for their out-of-pocket expenses for forwarding solicitation materials to beneficial owners. We have hired Phoenix Advisory Partners to act as our proxy solicitor. We

will pay Phoenix Advisory Partners a fee of \$8,500, plus reasonable expenses, for these services.

**15. When are the stockholder proposals for Gilead's 2012 Annual Meeting due?**

You may submit proposals for consideration at future stockholder meetings. For a stockholder proposal to be considered for inclusion in our proxy statement for the annual meeting next year, the Corporate Secretary must receive the written proposal at our principal executive offices no later than November 26, 2011. Such proposals also must comply with Securities and Exchange Commission ( SEC ) regulations under Rule 14a-8

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under the Securities Exchange Act of 1934, as amended, regarding the inclusion of stockholder proposals in company proxy materials. Proposals should be addressed to:

Corporate Secretary  
Gilead Sciences, Inc.  
333 Lakeside Drive  
Foster City, California 94404  
Fax: (650) 578-9264

Stockholders wishing to submit proposals or director nominations that are not to be included in such proxy statement must give timely notice to the Corporate Secretary in accordance with our Bylaws, which require that the notice be received by the Corporate Secretary:

not earlier than the close of business on January 13, 2012; and

not later than the close of business on February 12, 2012.

If the date of the stockholder meeting is moved to a date more than 30 days before or 30 days after May 12, 2012, then notice of a stockholder proposal that is not intended to be included in our proxy statement under Rule 14a-8 must be delivered not earlier than the close of business on the 120th day prior to the annual meeting and not later than the close of business on the later of the following two dates:

90 days prior to the meeting; or

10 days after public announcement of the meeting date.

**16. Where can I get information related to future stockholder meetings of Gilead?**

To request a copy of the proxy statement, annual report and form of proxy related to all of our future stockholder meetings, you may log on to [www.proxyvote.com](http://www.proxyvote.com) or contact Investor Relations at:

Gilead Sciences, Inc.  
Attention: Investor Relations  
333 Lakeside Drive  
Foster City, CA 94404  
(800) 445-3235  
Email: [investor\\_relations@gilead.com](mailto:investor_relations@gilead.com)



**17. I want to attend the Annual Meeting and vote in person. From whom can I obtain directions to the Annual Meeting?**

You may contact Investor Relations at (800) 445-3235 or investor\_relations@gilead.com to obtain directions to the Annual Meeting.

**18. If I have additional questions, whom can I contact?**

If you have any questions about the Annual Meeting or how to vote or revoke your proxy, you should contact our proxy solicitor:

Phoenix Advisory Partners

110 Wall Street, 27th Floor

New York, NY 10005

In the United States: (877) 478-5038 for registered stockholder inquiries

From outside the United States: (212) 493-3910

Banks and brokers (call our proxy solicitor collect): (212) 493-3910

Email: info@phoenixadvisorypartners.com (for general inquiries)

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**GILEAD SCIENCES, INC.**

**333 Lakeside Drive**

**Foster City, California 94404**

**PROXY STATEMENT**

**FOR THE ANNUAL MEETING OF STOCKHOLDERS**

**MAY 12, 2011**

**INFORMATION CONCERNING SOLICITATION AND VOTING**

**General**

The proxy is solicited on behalf of the Board of Directors (the Board) of Gilead Sciences, Inc., a Delaware corporation (Gilead, we, our or us) for use at the Annual Meeting of Stockholders to be held on Thursday, May 12, 2011 at 10:00 a.m. local time (the Annual Meeting), or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting will be held at the Westin San Francisco Airport, 1 Old Bayshore Highway, Millbrae, California 94030.

**Solicitation**

We will bear the entire cost of soliciting proxies including preparation, assembly, printing and mailing of this proxy statement and any additional information furnished by us to stockholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names, shares of our common stock beneficially owned by others, to forward to such beneficial owners. We may reimburse persons representing beneficial owners of common stock for their out-of-pocket expenses for forwarding solicitation materials to such beneficial owners. In addition, we have retained Phoenix Advisory Partners to act as a proxy solicitor in conjunction with the Annual Meeting. We have agreed to pay Phoenix Advisory Partners a fee of \$8,500, plus reasonable out-of-pocket expenses, for their proxy solicitation services. Our solicitation of proxies by mail may be supplemented by telephone, facsimile, electronic mail or personal solicitation by directors, officers or other of our employees. No additional compensation will be paid to directors, officers or other employees for such solicitation services performed by them.

We intend to mail this proxy statement and the accompanying proxy card on or about March 25, 2011 to all stockholders entitled to vote at our Annual Meeting.

**Stockholder Proposals**

The deadline for submitting a stockholder proposal for inclusion in our proxy statement and form of proxy for our 2012 Annual Meeting of Stockholders pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the Exchange Act), is November 26, 2011. Stockholders wishing to submit proposals or director nominations that are not to be included in such proxy statement and proxy must do so no earlier than January 13, 2012 and no later than February 12, 2012, as currently scheduled. However, in the event that the date of the annual meeting of stockholders is advanced to a date that is more than 30 days prior to or delayed to a date that is more than 30 days after May 12, 2012, then notice by the stockholder must be delivered not earlier than the close of business on the 120th day prior to such annual meeting of stockholders and not later than the close of business on the later of the 90th day prior to the date of our 2012 annual meeting or the 10th day following the day on which public announcement of the date of the meeting is first made. Stockholders wishing to submit any such proposal are also advised to review Rule 14a-8 under the Exchange Act or our Bylaws, as applicable, which contain additional requirements, including advance notice procedures and other requirements, concerning stockholder proposals and director nominations. The chairperson of our annual meeting has the sole authority to determine whether any nomination or other business has been properly brought before the meeting in accordance with our Bylaws and to declare that any such nomination or other business not properly brought before our annual meeting shall not be transacted.

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### **Voting Rights and Outstanding Shares**

Only stockholders of record at the close of business on the record date, March 16, 2011, will be entitled to notice of and to vote at the Annual Meeting. Each stockholder of record on the record date will be entitled to one vote for each share of common stock held as of the record date on all matters to be voted upon at the Annual Meeting. At the close of business on March 16, 2011, we had outstanding and entitled to vote [ ] shares of common stock.

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if a majority of the outstanding shares is represented by votes present at the meeting in person or by proxy. The inspector of election appointed for the meeting will tabulate all votes, and will separately tabulate for and withheld votes, against votes, abstentions and broker non-votes. With respect to Proposal 1, abstentions will not have an effect on the outcome of the vote. With respect to Proposals 2, 3, 4, 5, 6 and 7, abstentions will have the same effect as an against vote. A broker non-vote is a proxy submitted by a broker that does not indicate a vote for some of the proposals because the broker does not have discretionary voting authority on certain types of proposals and has not received instructions from its client as to how to vote on a particular proposal. Broker non-votes are counted toward a quorum. Broker non-votes will have no effect on Proposals 1, 2, 3, 6 and 7, but will have the same effect as an against vote on Proposals 4 and 5.

### **Voting in Person or by Mail**

#### *Stockholder of Record: Shares Registered in Your Name*

Stockholders of record may vote in person at the Annual Meeting or vote by proxy using a proxy card that they may request. Whether or not a stockholder plans to attend the meeting, the stockholder should vote by proxy to ensure his or her vote is counted. A stockholder may still attend the meeting and vote in person if he or she has already voted by proxy. To vote in person, a stockholder may come to the Annual Meeting and we will provide the stockholder with a ballot when he or she arrives. To vote using the proxy card, simply complete, sign and date the proxy card and return it promptly in the envelope provided to you. If a stockholder returns a signed proxy card to us before the Annual Meeting, we will vote the stockholder's shares as he or she directs.

#### *For Shares Registered in the Name of a Bank, Broker or Other Nominee*

Most beneficial owners whose stock is held in the name of a bank, broker or other nominee receive instructions for granting proxies from their banks, brokers or other nominees, rather than our proxy card. You can vote your shares held through a bank, broker or other nominee by following the voting instructions sent to you by that institution.

### **Voting Via the Internet or by Telephone**

Stockholders may also vote their shares using the Internet or telephone. The law of the State of Delaware, under which we are incorporated, specifically permits electronically transmitted proxies so long as each such proxy contains or is submitted with information from which the inspector of election can determine that such proxy was authorized by the stockholder.

The Internet and telephone voting procedures below are designed to authenticate stockholders' identities, to allow stockholders to vote their shares and to confirm that stockholders' instructions have been recorded properly. Stockholders voting shares via the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, which must be borne by the stockholder.

#### *For Shares Registered in Your Name*

Stockholders of record may go to <http://www.proxyvote.com> to vote their shares by means of the Internet. They will be required to provide the control number contained on the Notice. The votes represented by such

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proxy will be generated on the computer screen and the voter will be prompted to submit or revise them as desired. Any stockholder using a touch-tone telephone may also grant a proxy to vote shares by calling (800) 690-6903 and following the recorded instructions.

### *For Shares Registered in the Name of a Bank, Broker or Other Nominee*

Most stockholders who hold their stock through a bank, broker or other nominee receive instructions for granting proxies from their bank, broker or other nominee, rather than from us. A number of brokers and banks are participating in a program that offers the ability to grant proxies to vote shares over the telephone and Internet. If your shares are held in an account with a participating broker or bank, you may vote on the Internet by accessing <http://www.proxyvote.com>. You will be required to provide the control number printed on your Notice. Street name holders using a touch-tone telephone may vote their shares by calling (800) 454-8683 and following the recorded instructions.

### *General Information for All Shares Voted Via the Internet or by Telephone*

Proxies submitted via the Internet or by telephone must be received by 11:59 p.m., Eastern Standard Time on May 11, 2011. Submitting your proxy via the Internet or by telephone will not affect your right to vote in person should you decide to attend the Annual Meeting.

## **Revocability of Proxies**

Any stockholder giving a proxy pursuant to this solicitation has the power to revoke it at any time before the shares are voted. A stockholder of record may revoke its proxy by filing with our Corporate Secretary at our principal executive office, 333 Lakeside Drive, Foster City, California 94404, a written notice of revocation, or it may be revoked by submitting a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person. A stockholder who holds its stock through a bank, broker or other nominee may revoke its proxy or submit new voting instructions by contacting the bank, broker or other nominee. Stockholders may also vote in person at the Annual Meeting. Attendance at the meeting will not, by itself, revoke a proxy.

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**PROPOSAL 1**

**ELECTION OF DIRECTORS**

We currently have thirteen directors on our Board. Paul Berg will not stand for re-election and will retire as of this year's annual meeting. Immediately upon Mr. Berg's retirement, the size of the Board will be reduced from thirteen to twelve so that there will be no vacancies on our Board. As a result, effective as the annual meeting, our Board will consist of twelve directors, and there are twelve nominees for our twelve Board positions. Proxies cannot be voted for a greater number of persons than the number of nominees standing for election. Directors are elected by a majority of the votes cast (number of shares voted For a director must exceed the number of votes Withheld from that director) with respect to the election of each director at the Annual Meeting. Each director who is elected will hold office until the next annual meeting of stockholders and until his or her successor is elected and qualified, or until such director's earlier death, resignation or removal. Each nominee listed below is currently a director of Gilead. Each nominee was previously elected by the stockholders at the 2010 annual meeting of stockholders.

Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the twelve nominees named below. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as our Board may propose. Each person nominated for election has agreed to serve if elected and our Board and management have no reason to believe that any nominee will be unable to serve.

Our Nominating and Corporate Governance Committee recommended each of the nominees listed below to our Board for nomination. Each member of our Nominating and Corporate Governance Committee meets the definition of independent director as defined in Rule 5605 of The NASDAQ Stock Market (NASDAQ) Marketplace Rules, as determined affirmatively by our Board.

*Majority Vote Standard for Election of Directors*

As part of our continuing efforts to enhance corporate governance procedures, in December 2006, our Board approved an amendment to our Bylaws to require directors to be elected by the majority of the votes cast with respect to such director in uncontested elections (number of shares voted for a director must exceed the number of votes withheld from that director). In a contested election (a situation in which the number of nominees for director exceeds the number of directors to be elected), the standard for election of directors will be a plurality of the shares represented in person or by proxy at any such meeting, in which a quorum is present, and entitled to vote on the election of directors. Under our Board Guidelines, any director who fails to receive at least a majority of the votes cast in an uncontested election must tender his or her resignation to our Board. Our Nominating and Corporate Governance Committee would then evaluate the tendered resignation and make a recommendation to our Board whether to accept or reject the resignation or whether other action should be taken. Our Board will act on our Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision and the rationale for such decision within 90 days from the date the election results are certified. The director who tenders his or her resignation will not participate in our Board's decision. If a nominee who was not already serving as a director does not receive at least a majority of the votes cast for such director at the annual meeting, under Delaware law, that nominee will not become a director.

Our Board has adopted certain corporate governance principles to promote the functioning of the Board and its committees, to promote the interests of stockholders and to set forth a common set of expectations as to how the Board, its various committees and individual directors should perform their functions. Our Board Guidelines are available on our website at <http://www.gilead.com> in the Investors section under Corporate Governance.

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**THE BOARD RECOMMENDS A VOTE FOR EACH NAMED NOMINEE.**

**Nominees**

The names of the nominees, in alphabetical order and certain information about them as of March 25, 2011, are set forth below:

John F. Cogan, age 63, joined our Board in July 2005. Dr. Cogan is currently the Leonard and Shirley Ely Senior Fellow at the Hoover Institution and a Professor in the Public Policy Program at Stanford University, where he has had a continuing appointment since 1980. Dr. Cogan's current research is focused on U.S. budget and fiscal policy, social security and healthcare. Dr. Cogan has held a number of positions in the U.S. government, including Assistant Secretary for Policy in the U.S. Department of Labor and Associate Director and Deputy Director in the U.S. Office of Management and Budget. Dr. Cogan is a director of Venture Lending and Leasing Funds II and IV, Inc. and the Charles Schwab Family of Funds. He previously served as a director of Monaco Coach Corporation.

Etienne F. Davignon, age 78, joined our Board in September 1990. He is currently Minister of State and serves as Chairman of Recticel, CMB, SN Air Holding and Genfina and as a director of Sofina. Previously, he served as Vice Chairman of Suez-Tractebel and Chairman of Société Générale de Belgique. Mr. Davignon has served as the European Community's Commissioner for Industry and International Markets and as the European Community's Vice President for Research, Industry and Energy Policies. He previously served as a director of Accor.

James M. Denny, age 78, joined our Board in 1996 and has served as the lead independent director of our Board since May 2008. He served as Chairman of our Board from 2001 to May 2008. Previously, he served as the Chief Financial Officer and subsequently Vice Chairman of Sears, Roebuck & Co., then a retailing and financial services conglomerate, with oversight responsibility for many of the company's operations and staff functions. He previously served as Executive Vice President and Chief Financial and Planning Officer of G.D. Searle & Co., Chairman of Pearle Health Services, Inc., Senior Advisor at William Blair Capital Partners, Treasurer at the Firestone Tire & Rubber Co., and associate counsel at Dewey Ballantine Bushby, Palmer and Wood in New York and Paris. Mr. Denny is currently Chairman of a privately-held healthcare technology company. He is a past Chairman of Northwestern Memorial Hospital and the Northwestern Memorial Foundation and has held directorships at Astra AB, ChoicePoint, Inc., GATX Corporation, The Principal Financial Group, The Allstate Corporation, and General Instruments, Inc.

Carla A. Hills, age 77, joined our Board in January 2007. Since 1993, she has served as the Chair and Chief Executive Officer of Hills & Company, a firm providing advice to U.S. businesses on investment, trade and risk assessment issues outside the United States. Mrs. Hills served as U.S. Trade Representative from 1989 to 1993, and was principal advisor on international trade to President George H. W. Bush. Under President Gerald R. Ford, she served as Secretary of Housing and Urban Development. Mrs. Hills is a director of TCW Group, Inc. and serves on the international advisory boards of J.P. Morgan Chase, Rolls Royce and the Coca-Cola Company. Mrs. Hills previously served as a director of American International Group, Inc., Chevron Corporation and Time Warner, Inc. She is also Chair of the National Committee on U.S.-China Relations and Co-Chair of the Inter-American Dialogue, the Council on Foreign Relations, and the International Advisory Board of the Center for Strategic and International Studies. She is also a member of the Executive Committee of the Peterson Institute for International Economics and of the Trilateral Commission, and a member of the board of the International Crisis Group.

Kevin E. Lofton, age 56, joined our Board in July 2009. He is currently the President and Chief Executive Officer of Catholic Health Initiatives, a Denver-based healthcare system operating the full continuum of services from hospitals to home health agencies throughout the nation. He previously served as Chief Executive Officer of two university hospitals, the University of Alabama at Birmingham Hospital and Howard University Hospital in Washington, D.C. In 2007, Mr. Lofton served as Chairman of the Board of the American Hospital Association,

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the nation's largest hospital trade association. Mr. Lofton also serves on the Board of Directors of the Morehouse School of Medicine, Atlanta, and the Georgia State University J. Mack Robinson College of Business, also in Atlanta.

John W. Madigan, age 73, joined our Board in December 2005. He is the retired Chairman and Chief Executive Officer of Tribune Company, a media company, operating businesses in broadcasting, publishing and on the Internet. He is also a director and former Chairman of the Robert R. McCormick Foundation and a director of Boise Cascade Holdings, L.L.C. Mr. Madigan is a former director of Morgan Stanley, a former member of the Defense Business Board of the Department of Defense, an advisor to Madison Dearborn Partners and a director and former Chairman of The Chicago Counsel on Global Affairs. He also serves as a trustee of Northwestern University, Rush University Medical Center and the Paley Center for Media in New York. Mr. Madigan is a member of the Council on Foreign Relations in New York, a member and former Chairman of The Commercial Club of Chicago and a director of the Renaissance School Funds.

John C. Martin, age 59, was appointed as Chairman of our Board in May 2008 and has served as our Chief Executive Officer and a member of our Board since April 1996. Prior to joining us in 1990, Dr. Martin held several leadership positions at Bristol-Myers Squibb Company and Syntex Corporation. He is a member of the Board of Directors of the California Healthcare Institute and Gen-Probe Incorporated. He also serves on the University of Southern California Board of Trustees. Dr. Martin previously served as President of the International Society for Antiviral Research, Chairman of the Board of Directors of BayBio and Chairman of the Board of Directors of the California Healthcare Institute. He served on the National Institute of Allergy and Infectious Diseases Council, the Board of Directors of the Biotechnology Industry Organization, the Board of Trustees of the University of Chicago, the Board of Trustees of Golden Gate University and the external scientific advisory board of the University of California School of Global Health. Additionally, Dr. Martin served on the Centers for Disease Control/Health Resources and Services Administrations Advisory Committee on HIV and STD Prevention and Treatment and was a member of the Presidential Advisory Council on HIV/AIDS. He has received the Isbell Award from the American Chemical Society and the Gertrude B. Elion Award for Scientific Excellence from the International Society for Antiviral Research. In 2008, Dr. Martin was inducted into the National Academy of Engineering of the National Academies.

Gordon E. Moore, age 82, joined our Board in January 1996, and served as a member of our Business Advisory Board from July 1991 until January 1996. Dr. Moore retired from Intel Corporation, the world's largest semiconductor chip maker, where he was a co-founder and previously served as Chairman, President and Chief Executive Officer. Dr. Moore is a former Chairman and now Life Trustee of the California Institute of Technology, a member of the National Academy of Engineering and a Fellow of the Royal Society of Engineering (UK). Among his awards, he received the National Medal of Technology and the Presidential Medal of Freedom.

Nicholas G. Moore, age 69, joined our Board in March 2004. Mr. Moore is the retired global Chairman of PricewaterhouseCoopers LLP, a professional services firm formed in 1998 by the merger of Coopers & Lybrand and Price Waterhouse. Prior to the merger, Mr. Moore was elected Chairman and Chief Executive Officer of Coopers & Lybrand (U.S.) in 1994 and Coopers & Lybrand International in 1997. Mr. Moore is the lead independent director of NetApp, Inc. and a director of Bechtel Group, Inc., Wells Fargo & Company and a private venture capital-backed, technology company. He previously served as a director of Brocade Communication Systems, Inc. and Hudson Highland Group, Inc. He also has served as Chairman of the Board of Trustees of St. Mary's College of California. Mr. Moore is an inactive member of the American Institute of Certified Public Accountants, the California Bar Association and the California and New York Society of Certified Public Accountants.

Richard J. Whitley, age 65, joined our Board in July 2008. He also serves as the Distinguished Professor, Loeb Scholar Chair in Pediatrics; Director, Division of Pediatric Infectious Diseases; Vice Chair, Department of Pediatrics; Senior Scientist, Department of Gene Therapy; Senior Scientist, Cancer Research and Training Center; Associate Director for Clinical Studies, Center for AIDS Research; and Co-Director, Center for

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Emerging Infections and Emergency Preparedness (CEIEP) for the University of Alabama at Birmingham. Dr. Whitley has held responsibility for the National Institute of Allergy and Infectious Diseases Collaborative Antiviral Study Group, is a past President of the International Society of Antiviral Research, chairs the Board of Scientific Councilors for the National Center for Infectious Diseases of the U.S. Centers for Disease Control and Prevention and is President of the Board of the Infectious Disease Society of America.

Gayle E. Wilson, age 68, joined our Board in October 2001. Mrs. Wilson served as California's First Lady from 1991 to 1999. She is Chair of the Ralph M. Parsons Foundation, a non-profit organization that provides higher education, social impact, civic, cultural and health issues. She is also the Chair Emeritus of the Advisory Board of the California State Summer School for Math and Science, a member of the board of trustees of the California Institute of Technology, as well a member of the board of the Society for Science and the Public and the Sanford Burnham Institute for Medical Research.

Per Wold-Olsen, age 63, joined our Board in January 2010, after serving as the Chair of our Health Policy Advisory Board since 2007. From 2005 to 2006, he served as President of the Human Health Intercontinental Division of Merck & Co., Inc., a global pharmaceutical company. From 1997 until 2005, he served as President of Human Health Europe, Middle East/Africa and Worldwide Human Health Marketing for Merck. Mr. Wold-Olsen is currently Chairman of the Board of Lundbeck A/S and GN Store Nord A/S. He also serves as a director of Exiqon A/S. Mr. Wold-Olsen is a member of the Board of the Medicines for Malaria Venture (MMV), a non-profit initiative dedicated to the discovery, development and delivery of new medicines for the treatment of malaria.

There is no family relationship between Dr. Gordon Moore and Mr. Nicholas Moore, or between any of our other directors.

### **Director Not Standing For Re-election**

In November 2010, we announced that Paul Berg will not stand for re-election as a director of Gilead as of this annual meeting.

Paul Berg, age 84, joined our Board in April 1998. He served as Professor and Chairman of the Department of Biochemistry at Stanford University School of Medicine and was, until 2000, Director of the Beckman Center for Molecular and Genetic Medicine at the Stanford University School of Medicine. He is also a director and scientific advisor to Affymetrix Inc. He is a member of the U.S. National Academy of Sciences and was awarded the Nobel Prize in 1980 for his fundamental studies of the biochemistry of nucleic acids and the National Medal of Science in 1983.

### **Director Emeritus**

In January 2006, our Board appointed Dr. George P. Shultz, one of our former directors, to serve as Director Emeritus. As an advisor to our Board, Dr. Shultz may attend Board meetings, including meetings of the Audit Committee and the Nominating and Corporate Governance Committee, the committees on which he served prior to his retirement, in a non-voting capacity.

Dr. Shultz served on our Board from January 1996 to January 2006. Dr. Shultz currently serves as Distinguished Fellow at the Hoover Institution and as a director of Fremont Group and Accretive Health. Dr. Shultz served as U.S. Secretary of State from 1982 to 1989 and earlier served as Secretary of Labor, Director of the Office of Management and Budget and Secretary of the Treasury. Previously, he served as Dean of the Graduate School of Business at the University of Chicago and as President of Bechtel Group, Inc. In 1989, Dr. Shultz was awarded the Presidential Medal of Freedom.



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**Qualifications of Directors**

The specific expertise, qualifications, attributes and skills of Dr. Berg that led our Nominating and Corporate Governance Committee to conclude that Dr. Berg should have served as a director are summarized below:

Director Not Standing  
for Re-election

**Relevant Experience and Qualifications**

Paul Berg

Significant scientific experience, including previously serving as Professor and Chairman of the Department of Biochemistry and Director of the Beckman Center for Molecular and Genetic Medicine at the Stanford University School of Medicine and receiving the Nobel Prize for his fundamental studies of the biochemistry of nucleic acids. Breadth of knowledge about Gilead's business as a result of service on Gilead's Board since 1998.

Our Nominating and Corporate Governance Committee has evaluated and recommended each of the twelve directors currently standing for election at the Annual Meeting.

The following table summarizes the specific experience, qualifications, attributes or skills of the director nominees that led our Nominating and Corporate Governance Committee to conclude that the nominee should serve as a director of Gilead:

Nominees

**Relevant Experience and Qualifications**

John F. Cogan

Significant experience in economic healthcare policy, including serving as the Leonard and Shirley Ely Senior Fellow at the Hoover Institution, Stanford University, where his research is focused on U.S. budget and fiscal policy, social security and healthcare. Significant policy-making and government experience, including previously serving as Assistant Secretary for Policy in the U.S. Department of Labor and Associate Director and Deputy Director in the U.S. Office of Management and Budget.

Etienne F. Davignon

Significant leadership and business experience, including serving as Chairman of Recticel, CMB, SN Air Holding and Genfina and previously serving as Vice Chairman of Suez-Tractebel and Chairman of Société Générale de Belgique. International background and significant policy-making and government experience, including previously serving as the European Community's Commissioner for Industry and International Markets and as the European Community's Vice President for Research, Industry and Energy Policies. Breadth of knowledge about Gilead's business as a result of service on Gilead's Board since 1990.

James M. Denny

Significant leadership, business and financial experience, including previously serving as Chief Financial Officer and Vice Chair at Sears, Roebuck & Co., Executive Vice President and Chief Financial and Planning Officer at G.D. Searle & Co., Chairman of Pearle Health Services, Inc. and a member of the board of Astra AB. Breadth of knowledge about Gilead's business given service on Gilead's Board since 1996, including service as Chairman of the Board from 2001 until 2008 and current service as the lead independent director.

Carla A. Hills

Significant international trade policy and business experience, including serving as the Chair and Chief Executive Officer of Hills & Company, International Consultants, a firm providing counsel to U.S. businesses on investment, trade and risk assessment issues abroad. Significant policy-making experience and government service, including previously serving as U.S. Trade Representative and the principal advisor on international trade to President George H. W. Bush.

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Nominees	Relevant Experience and Qualifications
Kevin E. Lofton	Significant leadership experience, including serving as the President and Chief executive officer of Catholic Health Initiatives, a healthcare system operating the full continuum of services from hospitals to home health agencies across the United States. Expertise and knowledge in hospital administration and patient care. Demonstrated commitment to ensuring that patients have access to medical services.
John W. Madigan	Significant leadership experience and broad knowledge of business, including previously serving as the Chairman and Chief Executive Officer of Tribune Company, a media industry leader with operations in major markets throughout the United States. Significant financial expertise, including experience as an investment banker with Salomon Brothers and Paine, Webber, Jackson & Curtis.
John C. Martin	Significant leadership and business experience, including serving as Gilead's Chief Executive Officer and Chairman since May 2008 and previously serving as President and Chief Executive Officer from 1996 through May 2008. Significant scientific experience, as he holds a Ph.D. in organic chemistry and previously served as a member of the Presidential Advisory Council on HIV/AIDS from 2006 to 2009. Breadth of knowledge about Gilead's business as a result of employment at Gilead since 1990 in numerous leadership positions.
Gordon E. Moore	Significant leadership and business experience, including co-founding Intel Corporation where he served as Chairman, President and Chief Executive Officer. Breadth of knowledge about Gilead's business as a result of service on Gilead's Business Advisory Board from 1991 to 1996 and service on Gilead's Board since 1996.
Nicholas G. Moore	Significant leadership and business experience across a range of industries, including previously serving as Chairman of PricewaterhouseCoopers and serving as the lead independent director of NetApp, Inc. and a director of Bechtel Group, Inc., Wells Fargo & Company and a private venture capital-backed, technology company. Significant financial expertise as he is an inactive member of the American Institute of CPAs and the New York Society of CPAs.
Richard J. Whitley	Significant medical expertise, including serving as the Distinguished Professor, Loeb Scholar Chair in Pediatrics at the University of Alabama at Birmingham. Significant health policy experience, including chairing the Board of Scientific Councilors for the National Center for Infectious Diseases of the U.S. Centers for Disease Control and Prevention, serving as the President of the Board of the Infectious Disease Society of America, previously holding responsibility for the National Institute of Allergy and Infectious Diseases Collaborative Antiviral Study Group and serving as a past President of the International Society of Antiviral Research. Extensive experience in the field of antiviral medicine. Breadth of knowledge about Gilead's business as a result of service on Gilead's Scientific Advisory Board from 2003 to 2008.
Gayle E. Wilson	Significant experience in education, public policy and science and technology, including previously serving as the California's First Lady from 1991 to 1999, currently serving as a member of the board of trustees of the California Institute of Technology, Chair Emeritus of the Advisory Board of the California State Summer School for Math and Science and as a member of the board of the Society for Science and the Public and the Sanford Burnham Institute for Medical Research. Breadth of knowledge about Gilead's business as a result of service on Gilead's Board since 2001.
Per Wold-Olsen	Significant leadership and international business experience at Merck & Co., Inc., including previously serving as President of the Human Health Intercontinental Division. Breadth of knowledge about Gilead's business as a result of service as Chair of Gilead's Health Policy Advisory Board from 2007 to 2009.

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### **Board Committees and Meetings**

#### *Independence of the Board of Directors*

The NASDAQ listing standards require that a majority of the members of a listed company's board of directors must qualify as independent as affirmatively determined by our Board. After review of all relevant transactions and relationships between each director, and his or her family members, and us, our senior management and independent registered public accounting firm, our Board has determined that ten of our twelve nominees for director are independent directors as defined in Rule 5605 of the NASDAQ Marketplace Rules. Dr. Martin, our Chairman and Chief Executive Officer and Mr. Wold-Olsen are not independent directors within the meaning of the NASDAQ Marketplace Rules. In reviewing the independence of Dr. Whitley, our Board reviewed Dr. Whitley's partial ownership (approximately 7%) of a development-stage, biopharmaceutical company that received a \$200,000 investment from Gilead. Our Board considered various factors, including that Dr. Whitley did not receive any funds invested by Gilead and is not a director, employee or consultant of this company. Our Board also considered that in order for Dr. Whitley's shares in the company to have any value, substantial additional investment from others would be necessary and determined that, other than this investment, Gilead and the company do not have a business relationship that could lead to a conflict of interest. For the foregoing reasons, our Board determined that Dr. Whitley is an independent director because the investment would not affect Dr. Whitley's ability to exercise independent judgment on behalf of Gilead.

#### *Board Leadership Structure*

Dr. Martin, our Chief Executive Officer, has served as Chairman of the Board since May 2008. Our Board Guidelines provide that the independent directors will designate a lead independent director when the positions of Chairman and Chief Executive Officer are held by the same person. Mr. Denny has served as the lead independent director since May 2008.

The lead independent director has specifically enumerated duties and responsibilities, which include:

advising and consulting with the Chairman regarding the information, agendas and schedules of Board and Board Committee meetings;

advising the Chairman as to the quality, quantity and timeliness of the information submitted by management to the independent directors;

recommending to the Board and the Board Committees the retention of advisers and consultants to report directly to the Board;

calling meetings of the independent directors, as appropriate, and serving as chairman of such meetings;

serving as principal liaison between the independent directors and the Chairman and between the independent directors and senior management;

ensuring that independent directors have adequate opportunities to meet and discuss issues in sessions of the independent directors without management being present;

communicating to management, as appropriate, the results of private discussions among independent directors;

chairing the meetings of the Board when the Chairman is not present; and

responding directly to stockholder and other stakeholder questions and comments that are directed to the lead independent director or to the independent directors as a group.

The defined role of lead independent director at Gilead is closely aligned with the role of an independent Chairman. We believe that our current Board leadership structure provides effective oversight of management and strong leadership of the independent directors. As lead independent director, Mr. Denny regularly attends meetings of the Audit Committee, Nominating and Corporate Governance Committee and Compensation

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Committee in a non-voting capacity. In addition, Mr. Denny conducts an annual self-assessment of the Board and committees of the Board to evaluate their effectiveness. Further, we believe there is a benefit to having Dr. Martin serve as both Chairman and Chief Executive Officer. As the individual with primary responsibility for managing our day-to-day operations, he is best positioned to chair regular Board meetings and ensure that key business issues and risks are brought to our Board or Audit Committee's attention.

Our Audit Committee, comprised solely of independent directors, has traditionally undertaken the role of assessing our efforts to manage risks associated with Gilead's business. At one or more regular meetings of the Audit Committee, our Audit Committee reviews risks associated with our financial and accounting systems, accounting policies and investment strategies, in addition to regulatory compliance and other matters that have significant elements of risk associated with them. In addition, our Audit Committee regularly meets in executive session and in private sessions with Gilead's independent registered public accounting firm, internal audit and the Chief Financial Officer to discuss, among other things, risks to Gilead's business. Further, as discussed in more detail under Executive Compensation Risk Assessment of Compensation Programs beginning on page 62, our Compensation Committee evaluates Gilead's compensation policies and practices for its employees to help ensure that these policies and practices do not incentivize employees to take risks that are reasonably likely to have a material adverse effect on Gilead. In late 2010, our Board reviewed its oversight of risk management and determined that non-financial and non-compensation related risks should be overseen by our Nominating and Corporate Governance Committee. Therefore, beginning in 2011, our Nominating and Corporate Governance Committee will be responsible for reviewing our management of risks in areas such as regulatory, clinical trials, manufacturing, product promotion and human resources. The Nominating and Corporate Governance Committee will meet periodically with senior employees of Gilead responsible for managing risk in these areas. The Nominating and Corporate Governance Committee will periodically report to the Board of Directors on its risk oversight activities. We do not believe our Board's leadership structure adversely affects the Board's ability to evaluate and manage risk.

The Lead Independent Director Charter is available on our website at <http://www.gilead.com> in the Investors section under Corporate Governance.

### *Executive Sessions*

As required under applicable NASDAQ listing standards, our independent directors meet in regularly scheduled executive sessions at which only they are present. Mr. Denny, our lead independent director, presides over these executive sessions. Additionally, executive sessions may be convened by the lead independent director at his discretion and will be convened if requested by any other independent director.

**Table of Contents***Meetings of our Board of Directors; Attendance at Annual Meetings*

Our Board has an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and a Scientific Committee. All directors attended at least 75% of the aggregate of all meetings of our Board and of the committees on which they served during the year ended December 31, 2010, except for Dr. Gordon Moore, whose attendance at our Board and Compensation Committee meetings was temporarily restricted due to illness. As a result, he attended 64% of the aggregate Board and Compensation Committee meetings during 2010. Current committee membership and the number of meetings of our full Board and committees held in 2010 are shown in the table below:

	<b>Board</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating and Corporate Governance Committee</b>	<b>Scientific Committee</b>
Paul Berg	Member			Member	Chair
John F. Cogan	Member	Member			Member
Etienne F. Davignon	Member			Member	
James M. Denny	Lead Independent Director	*	*	*	*
Carla A. Hills	Member			Member	
Kevin E. Lofton	Member		Member		
John W. Madigan	Member	Member	Chair		
John C. Martin	Chair				
Gordon E. Moore	Member		Member		
Nicholas G. Moore	Member	Chair	Member		
Richard J. Whitley	Member			Member	Member
Gayle E. Wilson	Member			Chair	Member
Per Wold-Olsen	Member				Member
Number of 2010 Meetings	7	11	7	3	3

\* Ex-officio, non-voting participant

Our Board expects our directors to attend our annual meetings of our stockholders. Ten of the then-current Board members attended our 2010 annual meeting of stockholders.

*Committees of our Board of Directors**Audit Committee*

Our Board has determined that all members of our Audit Committee are independent directors as defined in Rule 5605 of the NASDAQ Marketplace Rules. Our Board has determined that Mr. Nicholas Moore and Mr. Madigan are audit committee financial experts, as defined in applicable SEC rules.

Our Audit Committee oversees, on behalf of our Board, our corporate accounting, financial reporting process and systems of internal accounting and financial controls. For this purpose, our Audit Committee performs several functions. Among other things, our Audit Committee:

evaluates the performance, independence and qualifications of the independent registered public accounting firm;

determines the engagement of the independent registered public accounting firm;

determines whether to retain or terminate the existing independent registered public accounting firm or to appoint and engage a new independent registered public accounting firm;

reviews and approves the retention and compensation of the independent registered public accounting firm to perform any proposed audit and proposed permissible non-audit services;

reviews and approves, in advance, all related person transactions;

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monitors the rotation of partners of the independent registered public accounting firm on our engagement team as required by SEC rules;

reviews with the independent registered public accounting firm the scope, adequacy and effectiveness of, and compliance with, our accounting and financial controls and systems of internal controls;

reviews the financial statements to be included in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q; and

discusses with management and the independent registered public accounting firm the results of the annual audit and the results of their review of our quarterly financial statements.

Our Audit Committee is also responsible for establishing and maintaining procedures for receiving, reviewing and responding to complaints regarding accounting, internal accounting controls or auditing matters under the Complaint and Non-Retaliation Policy, which procedures are summarized on our website at

<http://www.gilead.com> in the Investors section under Corporate Governance.

The Audit Committee Charter is available on our website at <http://www.gilead.com> in the Investors section under Corporate Governance.

### *Compensation Committee*

Our Board has determined that all members of our Compensation Committee are independent directors as defined in Rule 5605 of the NASDAQ Marketplace Rules. The members of our Compensation Committee are outside directors as determined under Section 162(m) of the Internal Revenue Code.

Our Compensation Committee has overall responsibility for approving and evaluating our executive officer compensation plans, policies and programs. These duties include:

setting the compensation philosophy for executive officers, including the compensation objectives, target pay levels and the peer group for executive compensation and performance benchmarking;

evaluating the performance of Dr. Martin, our Chief Executive Officer, and reviewing and approving his compensation, subject to ratification by the independent directors of the Board, each year;

reviewing and approving the compensation arrangements for our other executive officers;

overseeing the administration of our compensation plans, including our 2004 Equity Incentive Plan, Employee Stock Purchase Plan, corporate bonus plan, deferred compensation program and our Internal Revenue Code Section 162(m) Executive Bonus Plan;

establishing the stock ownership guidelines applicable to executive officers; and

reviewing and discussing the Compensation Discussion and Analysis beginning on page 39.

Our Compensation Committee operates pursuant to a charter that outlines its specific authority, duties and responsibilities. On May 11, 2010, our Board amended the charter, which is available on our website at



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<http://www.gilead.com> in the Investors section under Corporate Governance.

Our Compensation Committee has the authority to engage the services of its own outside advisors to assist it in determining the compensation of our executive officers. Our Compensation Committee has retained Frederic W. Cook & Co. ( FWC ) as its independent compensation consultant. FWC's role in the compensation process for the 2010 fiscal year included advice and recommendations on the following matters:

the executive compensation philosophy, program structure and selection of peer companies;

the compensation arrangement for Dr. Martin;

the compensation analyses and recommendations developed by management for the other executive officers; and

the compensation arrangements for our non-employee Board members.

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FWC provides consulting services solely to our Compensation Committee and does not receive professional fees from us for any other services.

### *Nominating and Corporate Governance Committee*

Our Board has determined that all members of the Nominating and Corporate Governance Committee are independent directors as defined in Rule 5605 of the NASDAQ Marketplace Rules.

Our Nominating and Corporate Governance Committee performs several functions. Among other things, our Nominating and Corporate Governance Committee:

identifies, evaluates and recommends directors for consideration by our full Board;

establishes criteria for Board and committee membership;

reviews and recommends changes to our corporate governance policies and procedures; and

beginning in 2011, oversees Gilead's management of non-financial or non-compensation policies-related risks.

In identifying potential director nominees, the Nominating and Corporate Governance Committee considers Board candidates through a variety of methods and sources. These include suggestions from current Board members, senior management, stockholders, professional search firms and other sources. Our Nominating and Corporate Governance Committee reviews all candidates in the same manner regardless of the source of the recommendation.

In evaluating candidates for membership on the Board, our Nominating and Corporate Governance Committee considers the candidate's relevant experience, the number and nature of other board memberships held and possible conflicts of interest. In addition, our Nominating and Corporate Governance Committee will consider whether the candidate assists in achieving a mix of members that represents a diversity of backgrounds and experience, including with respect to age, gender, international background, race and specialized experience. Each year, our Nominating and Corporate Governance Committee reviews its Board membership criteria and assesses the composition of the Board against the criteria.

Our Nominating and Corporate Governance Committees will also consider all factors it considers appropriate to meeting the needs of the Board at that particular time. According to the Board membership criteria established by our Nominating and Corporate Governance Committee, candidates nominated for election or reelection to the Board should possess the following qualifications:

highest standards of personal and professional integrity;

ability and judgment to serve the long-term interest of our stockholders;

experience and expertise relevant to our business and which will contribute to the overall effectiveness and diversity of the Board;

broad business and social perspective;

ability to communicate openly with other directors, to meaningfully and civilly participate in the Board's decision making process;

commitment to serve on the Board for an extended period of time to ensure continuity and to develop knowledge about Gilead's business, and willingness to devote appropriate time and effort to fulfilling the duties and responsibilities of a Board member;

independence from any particular constituency; and

ability and willingness to objectively appraise the performance of management.

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It is the policy of our Nominating and Corporate Governance Committee to consider properly submitted stockholder recommendations of new director candidates. Any stockholder recommendation must include the candidate's name and qualifications for Board membership, the candidate's age, business address, residence address, principal occupation or employment, the number of shares beneficially owned by the candidate and all other information that would be required to solicit a proxy under federal securities law. In addition, the recommendation must include the stockholder's name, address and the number of shares beneficially owned. The recommendation should be sent to the Corporate Secretary, Gilead Sciences, Inc., 333 Lakeside Drive, Foster City, California 94404. The recommendation must be delivered to the Corporate Secretary prior to the applicable deadline described under "Stockholder Proposals" above.

The Nominating and Corporate Governance Committee Charter is available on our website at

<http://www.gilead.com> in the Investors section under "Corporate Governance."

### *Scientific Committee*

Our Scientific Committee was formed in January 2004 to advise our Board regarding our research strategies, the scientific merit of technology or products involved in licensing and acquisition opportunities and emerging science and technology issues. The charter of our Scientific Committee is available on our website at <http://www.gilead.com> in the Investors section under "Corporate Governance."

### *Stockholder Communications with our Board of Directors*

Stockholders may communicate with our Board by sending a letter to the Corporate Secretary, Gilead Sciences, Inc., 333 Lakeside Drive, Foster City, California 94404. Our Corporate Secretary reviews all communications from stockholders, but may, in his sole discretion, disregard any communication that he believes is not:

related to our business;

within the scope of our responsibility;

credible; or

material or potentially material.

If deemed an appropriate communication, the Corporate Secretary will submit a stockholder communication to our lead independent director.

### *Code of Ethics*

Our written Code of Ethics applies to all of our directors and employees, including our executive officers. The Code of Ethics is available on our website at <http://www.gilead.com> in the Investors section under "Corporate Governance." Changes to or waivers of the Code of Ethics will be disclosed on the same website. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding any amendment to, or waiver of, any provision of the Code of Ethics by disclosing such information on the same website.

### **Executive Officers**

The names of our executive officers who are not also directors of Gilead and certain information about each of them as of March 25, 2011 are set forth below.

Gregg H. Alton, age 45, is our Executive Vice President, Corporate and Medical Affairs. Mr. Alton joined us in 1999, and served as General Counsel from 2000 to 2009. In his current role, Mr. Alton is responsible for legal affairs, corporate compliance and quality, government affairs, medical affairs, public affairs and international access activities. Prior to joining us, Mr. Alton was an attorney at the law firm of Cooley Godward Kronish LLP, where he specialized in mergers and acquisitions, corporate partnerships and corporate finance transactions for

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healthcare and information technology companies. Mr. Alton is a member of the board of the AIDS Healthcare Foundation, a member of the board of Oculus Innovative Sciences, Inc. and a member of the

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board of BayBio, a San Francisco Bay Area life sciences industry organization. He received his B.A. in Legal Studies from the University of California at Berkeley and his J.D. from Stanford University.

Norbert W. Bischofberger, age 55, is our Executive Vice President, Research and Development and Chief Scientific Officer. Dr. Bischofberger joined us in 1990 and has served as Executive Vice President, Research and Development since 2000 and Chief Scientific Officer since 2007. Prior to joining us, Dr. Bischofberger was a Senior Scientist in Genentech, Inc.'s DNA Synthesis group from 1986 to 1990. He received his B.S. in Chemistry at the University of Innsbruck in Austria and his Ph.D. in Organic Chemistry at the Eidgenossische Technische Hochschule (ETH) in Zurich, Switzerland and performed postdoctoral work at Harvard University.

Kristen M. Metza, age 51, is our Senior Vice President, Human Resources. Ms. Metza joined us as Vice President, Human Resources in 2006 and was promoted to her current role in July 2007. Prior to joining us, Ms. Metza was Senior Vice President of Human Resources for Abgenix and Vice President of Human Resources for Applied Biosystems and Quantum Corporation. Ms. Metza received a B.A. in history and business administration, and completed her graduate work in industrial relations and organizational psychology at the University of Minnesota, Carlson School of Management.

John F. Milligan, age 50, is our President and Chief Operating Officer. Dr. Milligan joined us in 1990 as a Research Scientist and became Director of Project Management and Project Team Leader for our collaboration with Hoffmann-La Roche Ltd on Tamiflu® in 1996. In 2002, Dr. Milligan was appointed Chief Financial Officer. He was promoted to Chief Operating Officer in 2007 and President in 2008. Dr. Milligan is a member of the board of Biotechnology Industry Organization (BIO), the largest biotechnology industry organization, and a trustee of Ohio Wesleyan University. Dr. Milligan received his B.A. in chemistry from Ohio Wesleyan University and his Ph.D. in biochemistry from the University of Illinois and was an American Cancer Society postdoctoral fellow at the University of California at San Francisco.

Robin Washington, age 48, is our Senior Vice President and Chief Financial Officer. Ms. Washington joined us in 2008. Prior to joining us, Ms. Washington served as Chief Financial Officer of Hyperion Solutions, an enterprise software company that was acquired by Oracle Corporation in 2007. Ms. Washington also spent nearly 10 years at PeopleSoft, a provider of enterprise application software, most recently in the role of Senior Vice President and Corporate Controller. She previously was a Director of Finance for Tandem Computers, an Accounting Analyst for the Federal Reserve Bank of Chicago and a Senior Auditor for Deloitte & Touche. She currently serves on the board of MIPS Technologies, Inc. and the Children's Discovery Museum of San Jose. Ms. Washington holds a bachelor's degree in business administration from the University of Michigan and an MBA from Pepperdine University.

Kevin Young, age 53, is our Executive Vice President, Commercial Operations. Mr. Young joined us in 2004 as Executive Vice President of Commercial Operations. Mr. Young has over 25 years of experience in the biopharmaceutical industry, holding positions previously at Amgen, Inc. and Zeneca Pharmaceuticals (formerly ICI Pharmaceuticals). During his 12 years at Amgen, Mr. Young held a number of positions in Europe and the United States, most recently as Head of the U.S. Inflammation Business Unit, leading the re-launch of Enbrel® following the acquisition of Immunex Corporation. He is a member of the board of ReSurge, the first international humanitarian organization to provide free reconstructive plastic surgery in developing countries. Mr. Young has undergraduate and graduate degrees in sports science and exercise from Liverpool John Moores University and Nottingham University in England and has completed the Executive Program at the University of Michigan.

**Table of Contents****PROPOSAL 2****RATIFICATION OF THE SELECTION OF INDEPENDENT****REGISTERED PUBLIC ACCOUNTING FIRM**

Our Audit Committee has selected Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011 and has further directed that we submit the selection of our independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. Our Audit Committee has determined that the rendering of non-audit services by Ernst & Young LLP during the fiscal year ended December 31, 2010 was compatible with maintaining their independence. Ernst & Young LLP has audited our financial statements since our inception in 1987. Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Stockholder ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm is not required by our Bylaws or otherwise. However, our Board is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, our Audit Committee will reconsider whether or not to retain Ernst & Young LLP. Even if the selection is ratified, our Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of our stockholders and us.

**Principal Accountant Fees and Services**

The aggregate fees billed by Ernst & Young LLP for the years ended December 31, 2010 and 2009 for the professional services described below are as follows:

	<b>2010</b>	<b>2009</b>
Audit Fees <sup>(1)</sup>	\$ 4,455,000	\$ 4,600,000
Audit-Related Fees <sup>(2)</sup>	393,000	17,000
Tax Fees <sup>(3)</sup>	1,166,000	1,125,000
All Other Fees <sup>(4)</sup>	232,000	2,000
<b>Total</b>	<b>\$ 6,246,000</b>	<b>\$ 5,744,000</b>

- (1) Represents fees incurred for the integrated audit of our consolidated financial statements and of our internal control over financial reporting and review of the interim condensed consolidated financial statements, as well as fees incurred for audit services that are normally provided by Ernst & Young LLP in connection with other statutory or regulatory filings or engagements. During 2010, these fees also included accounting consultation services related to our acquisition of CGI Pharmaceuticals, Inc. and the issuance of our convertible senior notes due in 2014 and 2016. During 2009, these fees also included accounting consultation services related to our acquisition of CV Therapeutics, Inc.
- (2) Represents fees incurred for assurance and related services that are traditionally performed by Ernst & Young LLP, are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under Audit Fees. During 2010, audit-related fees consisted of fees incurred primarily in connection with the implementation of our enterprise resource planning system. During both 2010 and 2009, audit-related fees also consisted of fees incurred in connection with specified procedures performed by Ernst & Young LLP in relation to user-defined reports.
- (3) Represents fees primarily incurred in connection with domestic and international tax compliance and tax consultation services.
- (4) For 2010, fees for other professional services were related to the program overview performed on our enterprise resource planning system implementation. During both 2010 and 2009, fees for other professional services were also related to accessing Ernst & Young LLP's online research database.

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All of the services described above were pre-approved by our Audit Committee.

**Pre-Approval Policy and Procedures**

Our Audit Committee has adopted a policy and procedures for the pre-approval of audit and permissible non-audit services rendered by our independent registered public accounting firm, Ernst & Young LLP. Under this policy, our Audit Committee must pre-approve all services to be provided by the independent registered public accounting firm, and the policy prohibits the engagement of the independent registered public accounting firm for certain specified services. The policy permits the engagement of the independent registered public accounting firm for services that are approved by our Audit Committee in defined categories such as audit services, audit-related services and tax services. The policy also permits engagement of the independent registered public accounting firm for other services approved by our Audit Committee if there is a persuasive business reason for using the independent registered public accounting firm over other providers. The policy provides that as a general rule of thumb, the fees for these other services should be below 25% of total audit fees. Pre-approval may be given as part of our Audit Committee's approval of the scope of the engagement of the independent registered public accounting firm or on an individual explicit case-by-case basis before the independent registered public accounting firm is engaged to provide each service. The pre-approval of services may be delegated by our Audit Committee to a member of the Audit Committee. Our Audit Committee receives quarterly reports on the scope of services provided to date and planned to be provided by the independent registered public accounting firm in the future.

**THE BOARD RECOMMENDS A VOTE FOR PROPOSAL 2.**



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**PROPOSAL 3**

**APPROVAL OF THE AMENDED AND RESTATED GILEAD SCIENCES, INC.**

**CODE SECTION 162(m) BONUS PLAN AND SPECIFIC APPROVAL OF**

**PERFORMANCE-BASED PROVISIONS**

In May 2006, we adopted the Gilead Sciences, Inc. Code Section 162(m) Plan. In order for payments under the plan to continue to qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code (the Code) and be fully deductible by us for federal income tax purposes, our Board is submitting the Amended and Restated Gilead Sciences, Inc. Code Section 162(m) Bonus Plan (the Restated 162(m) to the stockholders for approval. The Restated 162(m) Plan was approved by our Board in January 2011 and is intend to serve the following purposes:

extend the term of such plan for an additional five (5)-year period through the date of the annual meeting of the stockholders in the 2016 calendar year;

re-affirm the eligible employees who may participate in the plan;

re-affirm the various performance criteria upon which performance targets may be established as the condition for vesting in one or more annual bonus awards made under the plan;

re-affirm the allowable adjustments that may be made to the performance targets established for each performance period under the plan; and

increase the limit on the maximum bonus amount that can be paid per participant under the plan for each twelve-month period within the applicable performance period from \$5,000,000 to \$7,000,000.

Stockholders are requested in this Proposal 3 to approve the Restated 162(m) Bonus Plan, including its performance-based provisions, in substantially the form attached hereto as Appendix A. If the stockholders fail to approve this proposal, then the Restated 162(m) Bonus Plan will not become effective, and participants therein will not be entitled to receive any bonus under the Restated 162(m) Bonus Plan or under our Corporate Bonus Plan (the Corporate Bonus Plan) in which all other employees of Gilead participate with respect to their annual cash bonus opportunity.

The essential features of the Restated 162(m) Bonus Plan are outlined below. This summary does not purport to be a complete description of all the provisions of the Restated 162(m) Bonus Plan and is qualified in its entirety by reference to the provisions of the Restated 162(m) Bonus Plan itself, which is attached as Appendix A to this proxy statement.

**Purpose**

The purpose of the Restated 162(m) Bonus Plan is to provide our executive officers with the opportunity to earn incentive bonuses tied to the achievement of specific goals based on financial and/or non-financial performance metrics. Provided certain requirements are satisfied, the bonuses paid under the Restated 162(m) Bonus Plan will qualify as performance-based compensation that is not subject to the limitations on income tax deductibility imposed under Section 162(m) of the Code.

Generally, Section 162(m) prevents a company from receiving a federal income tax deduction for compensation paid to certain executive officers in excess of \$1 million per covered officer for any year, unless that compensation is performance-based. One of the requirements of such performance-based compensation is that the compensation be paid pursuant to a plan that has been approved by the company's stockholders.

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If the Restated 162(m) Bonus Plan is approved by our stockholders, then the compensation paid under the plan will not be subject to the corporate compensation deduction limits set forth in Section 162(m) of the Code. If the Restated 162(m) Bonus Plan is not approved by the stockholders, then the participating officers will not be eligible to receive bonuses under the Restated 162(m) Bonus Plan or the Corporate Bonus Plan. However,

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we reserve the right to pay bonuses to its officers and employees outside of the scope of the Restated 162(m) Bonus Plan and the Corporate Bonus Plan, should circumstances develop that warrant those bonuses and so long as those bonuses would not adversely affect the status of the Restated 162(m) Bonus Plan as a performance-based compensation program under Section 162(m) of the Code. However, no participant in the Restated 162(m) Bonus Plan will have any right to receive any such discretionary bonus as a substitute for a bonus under the Restated 162(m) Bonus Plan in the event the applicable performance goals for a particular bonus opportunity under such plan are not attained or in the event the stockholders fail to approve the Restated 162(m) Bonus Plan.

**Eligible Employees**

Participation in the Restated 162(m) Bonus Plan is limited to executive officers who hold the title or position of Senior Vice President or above. Such executive officers are not eligible to participate in the Corporate Bonus Plan, but the administration of the bonuses to which they become entitled under the Restated 162(m) Bonus Plan will be governed by reference to the terms and conditions of the Corporate Bonus Plan, provided that:

no such bonuses will be paid unless we achieve the applicable performance goal or goals established for the performance period in advance under the Restated 162(m) Bonus Plan