

BIOGEN INC.
Form DEF 14A
April 30, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE
SECURITIES EXCHANGE ACT OF 1934

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

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

BIOGEN 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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**NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS
AND PROXY STATEMENT**

**To be held on June 10, 2015 at our offices located at
115 Broadway, Cambridge, Massachusetts 02142**

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Notice of 2015 Annual Meeting of Stockholders

Date: Wednesday, June 10, 2015

Time: 9:00 a.m., local time

Place: Biogen Inc.
115 Broadway

Cambridge, Massachusetts 02142

Record Date: Only Biogen stockholders of record at the close of business on April 15, 2015 will be entitled to vote at the meeting.

- Items of Business:**
1. To elect the eleven nominees identified in this proxy statement to our Board of Directors to serve for a one-year term extending until the 2016 annual meeting of stockholders and their successors are duly elected and qualified.
 2. To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.
 3. To hold an advisory vote on executive compensation.
 4. To approve our 2015 Employee Stock Purchase Plan.
 5. To approve an amendment to our 2006 Non-Employee Directors Equity Plan to extend the term of the plan.
 6. To transact such other business as may be properly brought before the meeting and any adjournments or postponements.

Our Board of Directors recommends voting FOR the election of all of the director nominees listed in Proposal 1 and FOR Proposals 2, 3, 4 and 5.

Your vote is extremely important regardless of the number of shares you own. Whether or not you expect to attend the annual meeting in person, we urge you to vote as promptly as possible by telephone or by Internet or by signing, dating and returning a printed proxy card or voting instruction form, as applicable.

This notice and proxy statement are first being sent to stockholders on or about April 30, 2015. Our Annual Report on Form 10-K is being sent with this notice and proxy statement.

By Order of Our Board of Directors,

SUSAN H. ALEXANDER,

Secretary

225 Binney Street

Cambridge, Massachusetts 02142

April 30, 2015

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2015 PROXY STATEMENT

General Information About the Meeting and Voting

Biogen Inc.

225 Binney Street

Cambridge, Massachusetts 02142

The Board of Directors of Biogen Inc. is soliciting your proxy to vote at our 2015 annual meeting of stockholders (Annual Meeting) to be held at 9:00 a.m., local time, on Wednesday, June 10, 2015 at our offices located at 115 Broadway, Cambridge, Massachusetts 02142 for the purposes summarized in the accompanying Notice of 2015 Annual Meeting of Stockholders. Our 2014 Annual Report on Form 10-K is also available with this Proxy Statement.

In March 2015, we changed our corporate legal name from Biogen Idec Inc. to Biogen Inc. References in this Proxy Statement to Biogen or the Company, we, us and our refer to Biogen Inc.

Who can vote?

Each share of our common stock that you own as of the close of business on the record date of April 15, 2015 (Record Date) entitles you to one vote on each matter to be voted upon at the Annual Meeting. As of the Record Date, 235,230,221 shares of our common stock were outstanding and entitled to vote. We are making this Proxy Statement and other Annual Meeting materials available on the Internet or, upon request, sending printed versions of these materials on or about April 30, 2015 to all stockholders of record as of the Record Date. For 10 days before the Annual Meeting, a list of stockholders entitled to vote will be available for inspection at our offices located at 225 Binney Street, Cambridge, Massachusetts 02142. If you would like to review the list, please call our Investor Relations department at (781) 464-2442.

Who can attend the Annual Meeting?

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

How do proxies work?

Our Board of Directors is asking for your proxy authorizing the individuals named as proxies to vote your shares at the Annual Meeting in the manner you direct. You may abstain from voting on any matter. If you submit your proxy without specifying your voting instructions, we will vote your shares as follows:

Proposal 1: Election of Directors: FOR the election of each of our director nominees;

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Proposal 2: Ratification of PricewaterhouseCoopers LLP: FOR the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015;

Proposal 3: Advisory Vote on Executive Compensation: FOR the advisory vote on executive compensation;

Proposal 4: Approval of our 2015 Employee Stock Purchase Plan: FOR the approval of our 2015 Employee Stock Purchase Plan;

Proposal 5: Approval of an Amendment to our 2006 Non-Employee Directors Equity Plan: FOR the approval of the amendment to our 2006 Non-Employee Directors Equity Plan to extend the term of the plan until June 10, 2025; and

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

Shares represented by valid proxies received in time for the Annual Meeting and not revoked before the Annual Meeting will be voted at the Annual Meeting. You can revoke your proxy and change your vote in the manner described below (under the heading [How can I change my vote?](#)). If your shares are held through a bank, broker or other nominee, please follow the instructions that you were provided by your bank, broker or other nominee.

[How do I vote?](#)

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

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General Information About the Meeting and Voting (continued)

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

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

Internet: By going to the Internet website indicated on your Notice of Internet Availability of Proxy Materials or proxy card. As with telephone voting, you can confirm that your instructions have been properly recorded.

Mail: By signing, dating and returning a printed proxy card.

In Person: By submitting a written ballot in person at the Annual Meeting. To obtain directions to attend the Annual Meeting, please contact our Investor Relations department at (781) 464-2442. We will pass out ballots at the Annual Meeting to anyone who wishes to vote in person.

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

Why did I receive a one-page notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

We have elected to provide access to our proxy materials on the Internet, consistent with the rules of the Securities and Exchange Commission (SEC). Accordingly, in most instances we are mailing a Notice of Internet Availability of Proxy Materials to our stockholders. You can access our proxy materials on the website referred to in the Notice of Internet Availability of Proxy Materials or you may request printed versions of our proxy materials for the Annual Meeting. Instructions on how to access our proxy materials on the Internet or to request printed versions are provided in the Notice of Internet Availability of Proxy Materials. In addition, you may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

What does it mean if I receive more than one notice regarding the Internet availability of proxy materials or more than one set of printed proxy materials?

If you hold your shares in more than one account, you may receive a separate Notice of Internet Availability of Proxy Materials or a separate set of printed proxy materials, including a separate proxy card or voting instruction form, for each account. To ensure that all of your shares are voted, please vote by telephone or by Internet or sign, date and return a proxy card or voting instruction form for each account.

How can I change my vote?

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

Re-voting by telephone or by Internet as instructed above.

Signing and dating a new proxy card or voting instruction form and submitting it as instructed above.

Delivering timely written notice of revocation to the Secretary, Biogen Inc., 225 Binney Street, Cambridge, Massachusetts 02142 if your shares are registered in your name.

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

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

Will my shares be counted if I do not vote?

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

If you are the beneficial owner of shares held in street name, your bank, broker or other nominee, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If no voting instructions are provided, these record holders can vote your shares only on discretionary, or routine, matters and not on non-discretionary, or non-routine, matters. Uninstructed shares whose votes cannot be counted on non-routine matters result in what are commonly referred to as broker non-votes.

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General Information About the Meeting and Voting (continued)

The proposal to ratify the selection of our independent registered public accounting firm is a routine matter and our other proposals are non-routine matters. If you do not give your broker voting instructions, your broker (1) will be entitled to vote your shares on the proposal to ratify the selection of our independent registered public accounting firm and (2) will not be entitled to vote your shares on the other proposals. We urge you to provide instructions to your bank, broker or other nominee so that your votes may be counted on all of these important matters.

You should vote your shares by telephone or by Internet according to the instructions provided by your bank, broker or other nominee or by signing, dating and returning a printed voting instruction form to your bank, broker or other nominee to ensure that your shares are voted on your behalf.

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

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

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

Proposal 1: Election of Directors: Directors are elected by majority vote—that is, if more votes are cast for that director's election than against. Abstentions and broker non-votes, if any, are not counted for purposes of electing directors and will have no effect on the results of this vote.

Proposal 2: Ratification of PricewaterhouseCoopers LLP: The affirmative vote of a majority of shares present in person or represented by proxy and having voting power at the Annual Meeting is required to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. Abstentions will have the effect of votes against this proposal. Brokers generally have discretionary authority to vote on the ratification of the selection of our independent registered public accounting firm, thus we do not expect any broker non-votes on this proposal.

Proposal 3: Advisory Vote on Executive Compensation: Because this proposal asks for a non-binding, advisory vote, there is no required vote that would constitute approval. We value the opinions expressed by our stockholders in this advisory vote, and our Compensation and Management Development Committee of our Board of Directors (referred to in this Proxy Statement as the Compensation Committee), which is responsible for overseeing and administering our executive compensation programs, will consider the outcome of the vote when designing our compensation programs and making future compensation decisions for our named executive officers. Abstentions and broker non-votes, if any, will not have any effect on the results of those deliberations.

Proposal 4: Approval of our 2015 Employee Stock Purchase Plan: The affirmative vote of a majority of shares present in person or represented by proxy and having voting power at the Annual Meeting is required to approve our 2015 Employee Stock Purchase Plan. Abstentions will have the effect of votes against this proposal and broker non-votes will not have any effect on the results of this proposal.

Proposal 5: Approval of an Amendment to our 2006 Non-Employee Directors Equity Plan: The affirmative vote of a majority of shares present in person or represented by proxy and having voting power at the Annual Meeting is required to approve the amendment to our 2006 Non-Employee Directors Equity Plan to extend the term of the plan until June 10, 2025. Abstentions will have the effect of votes against this proposal and broker non-votes will not have any effect on the results of this proposal.

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

We do not know of any other matters that may come before the Annual Meeting. If any other matters are properly presented at the Annual Meeting, your proxy authorizes the individuals named as proxies to vote, or otherwise act, in accordance with their best judgment.

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

We will publish the voting results of the Annual Meeting in a Current Report on Form 8-K filed with the SEC within four

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General Information About the Meeting and Voting (continued)

business days after the end of the Annual Meeting. You may request a copy of this Form 8-K by contacting Investor Relations, Biogen Inc., 225 Binney Street, Cambridge, Massachusetts 02142, (781) 464-2442. You will also be able to find a copy of this Form 8-K on the Internet through the SEC's electronic data system called EDGAR at www.sec.gov or through the Investors section of our website, www.biogen.com.

Who should I call if I have any questions?

If you have any questions or require any assistance with voting your shares, please contact your bank, broker or other nominee holding your shares, or our Investor Relations department at (781) 464-2442.

Important Notice Regarding the Availability of Proxy Materials for Annual Meeting of Stockholders

To Be Held on June 10, 2015:

The Notice of 2015 Annual Meeting of Stockholders, Proxy Statement, and 2014 Annual Report on Form 10-K are available at the following website: www.edocumentview.com/BIIB.

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2015 PROXY STATEMENT

PROPOSAL 1 ELECTION OF DIRECTORS

Our Board of Directors currently consists of the following directors, each serving a one-year term extending until the Annual Meeting and until their successors are duly elected and qualified:

Alexander J. Denner
Caroline D. Dorsa
Nancy L. Leaming
Richard C. Mulligan

Robert W. Pangia
Stelios Papadopoulos
Brian S. Posner
Eric K. Rowinsky

George A. Scangos
Lynn Schenk
Stephen A. Sherwin

All current directors are standing for reelection to serve a one-year term extending until the 2016 annual meeting of stockholders and until their successors are duly elected and qualified, unless they resign or are removed. Our Board of Directors has nominated these eleven directors for reelection based on its carefully considered judgment that the experience, qualifications, attributes and skills of our nominees qualify them to serve on our Board of Directors. As described in detail below, our nominees have considerable professional and business expertise.

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

Our Nominees for Director**Alexander J. Denner, Ph.D.****Age:** 45**Committee Memberships:**

Corporate Governance (Chair), Finance,
Risk

Qualifications: Dr. Denner has significant experience overseeing the operations and research and development of healthcare companies and evaluating corporate governance matters. He also has extensive experience as an investor, particularly with respect to healthcare companies, and possesses broad healthcare industry knowledge.

Dr. Denner has served as one of our directors since 2009. Dr. Denner is a founding partner and Chief Investment Officer of Sarissa Capital Management LP, a registered investment advisor formed in 2012. Sarissa Capital focuses on improving the strategies of companies to better provide shareholder value. From 2006 to 2011, Dr. Denner served as a Senior Managing Director at Icahn Capital, an entity through which Carl C. Icahn conducts his investment activities. Prior to that, he served as a portfolio manager at Viking Global Investors, a private investment fund, and Morgan Stanley Investment Management, a global asset management firm. Dr. Denner is also a director of VIVUS, Inc. and ARIAD Pharmaceuticals, Inc., both healthcare companies.

During the past five years, Dr. Denner has also served as a director of the following healthcare companies: Amylin Pharmaceuticals, Inc., Enzon Pharmaceuticals, Inc. and ImClone Systems Incorporated, where he also served as Chairman of the Executive Committee.

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PROPOSAL 1 ELECTION OF DIRECTORS(continued)**Caroline D. Dorsa****Age:** 56**Committee Memberships:** Audit (Chair), Compensation and Management Development, Risk**Qualifications:** Ms. Dorsa has financial and accounting expertise and a deep knowledge of the pharmaceutical industry. Her strategic perspective on the industry is particularly valuable to our Board of Directors as it oversees our growth initiatives and reviews both internal development projects and external opportunities.**Nancy L. Leaming****Age:** 67**Committee Memberships:** Audit, Risk**Qualifications:** Ms. Leaming has well-developed leadership skills and financial acumen and provides insights into the healthcare reimbursement and payor market, where she served for 20 years in senior operational, financial and managerial roles.**Richard C. Mulligan, Ph.D.****Age:** 60**Committee Memberships:** Compensation and Management Development, Science and Technology (Chair)**Qualifications:** Dr. Mulligan has scientific expertise in the areas of molecular biology, genetics, gene therapy, and biotechnology, as well as extensive experience within the healthcare industry, including overseeing the operations and research and development of healthcare companies.

Ms. Dorsa has served as one of our directors since 2010. Ms. Dorsa has been the Executive Vice President and Chief Financial Officer of Public Service Enterprise Group Incorporated, a diversified energy company, since April 2009 and served on its board of directors from 2003 to April 2009. From February 2008 to April 2009, she served as Senior Vice President, Global Human Health, Strategy and Integration at Merck & Co., Inc., a pharmaceutical company. From November 2007 to January 2008, Ms. Dorsa served as Senior Vice President and Chief Financial Officer of Gilead Sciences, Inc., a life sciences company. From February 2007 to November 2007, she served as Senior Vice President and Chief Financial Officer of Avaya, Inc., a telecommunications company. From 1987 to January 2007, Ms. Dorsa held various financial and operational positions at Merck & Co., Inc., including Vice President and Treasurer, Executive Director of U.S. Customer Marketing and Executive Director of U.S. Pricing and Strategic Planning.

Ms. Leaming has served as one of our directors since 2008. Ms. Leaming has been an independent consultant since 2005. From 2003 to 2005, she served as the Chief Executive Officer and President of Tufts Health Plan, a provider of healthcare insurance. From 1986 to 2003, Ms. Leaming served in several executive positions at Tufts Health Plan, including President, Chief Operating Officer and Chief Financial Officer.

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

Dr. Mulligan has served as one of our directors since 2009. Dr. Mulligan is a founding partner of Sarissa Capital Management LP, a registered investment advisor formed in 2012. Sarissa Capital focuses on improving the strategies of companies to better provide shareholder value. In 2013, Dr. Mulligan became the Mallinckrodt Professor of Genetics, Emeritus, at Harvard Medical School, after serving as the Mallinckrodt Professor of Genetics and Director of the Harvard Gene Therapy Initiative since 1996. Prior to that, he was Professor of Molecular Biology at the Massachusetts Institute of Technology, a member of the Whitehead Institute for Biomedical Research, and the Chief Scientific Officer of Somatix Therapy Corporation, a drug discovery and development company that he founded. Dr. Mulligan was named a MacArthur Foundation Fellow in 1981.

During the past five years, Dr. Mulligan has served as a director of Collectis SA, Enzon Pharmaceuticals, Inc. and ImClone Systems Incorporated, all healthcare companies.

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2015 PROXY STATEMENT

PROPOSAL 1 ELECTION OF DIRECTORS(continued)**Robert W. Pangia****Age:** 63**Committee Memberships:** Compensation and Management Development (Chair), Finance**Qualifications:** Mr. Pangia has significant financial acumen and breadth of expertise within the healthcare industry.

Mr. Pangia served as a director of the Company from 1997 to 2003 during the period the Company was operated as IDEC Pharmaceuticals, and has served as a director since 2003 following IDEC's merger with Biogen Inc. Mr. Pangia has been the Chief Executive Officer of Ivy Sports Medicine, LLC, a medical device company, since July 2011. He has also been a partner in Ivy Capital Partners, LLC, the general partner of Ivy Healthcare Capital, L.P., a private equity fund specializing in healthcare investments, since 2003. From October 2007 to October 2009, he served as the Chief Executive Officer of Highlands Acquisition Corp., a special purpose acquisition company. From 1996 to 2003, Mr. Pangia was self-employed as an investment banker. From 1987 to 1996, he held various senior management positions at PaineWebber, a financial services company, including Executive Vice President and Director of Investment Banking for PaineWebber Incorporated of New York, member of the board of directors of PaineWebber, Inc., Chairman of PaineWebber Properties, Inc., and member of several of PaineWebber's executive and operating committees.

During the past five years, Mr. Pangia has served as a director of McAfee, Inc., a security technology company.

Stelios Papadopoulos, Ph.D.**Age:** 66**Committee Memberships:** Audit, Finance, Science and Technology**Qualifications:** Having founded multiple life sciences companies and worked as an investment banker focused on the life sciences industry, Dr. Papadopoulos brings to our Board of Directors a first-hand understanding of the demands of establishing, growing and running life sciences businesses.

Dr. Papadopoulos has served as one of our directors since 2008 and as our independent Chairman since June 2014. Dr. Papadopoulos also serves as the Chairman of Exelixis, Inc., a drug discovery and development company that he co-founded in 1994. Previously, he was an investment banker with Cowen & Co., LLC, a financial services company, focusing on the biotechnology and pharmaceutical sectors, from 2000 until his retirement as Vice Chairman in August 2006. Prior to joining Cowen & Co., Dr. Papadopoulos served for 13 years as an investment banker at PaineWebber, Inc., a financial services company, where he was most recently Chairman of PaineWebber Development Corp., a PaineWebber subsidiary focusing on biotechnology.

Dr. Papadopoulos is also a member of the board of directors of BG Medicine, Inc. and is Chairman of Regulus Therapeutics, Inc., both life sciences companies. During the past five years, Dr. Papadopoulos has also served as a director of Anadys Pharmaceuticals, Inc., a biopharmaceutical company.

Brian S. Posner**Age:** 53**Committee Memberships:** Audit, Corporate Governance, Finance (Chair)**Qualifications:** Given his substantial experience as a leading institutional investment manager and advisor, Mr. Posner brings a professional investor's perspective and financial expertise that is valuable to our Board of Directors as it

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

oversees our strategy for enhancing shareholder value.

Mr. Posner is a member of the board of directors of Arch Capital Group Ltd., an insurance company and is a member of the board of trustees of AQR Mutual Funds, an investment fund. During the past five years, Mr. Posner has also served as a director of Anadys Pharmaceuticals, Inc., a biopharmaceutical company, and as a trustee of RiverPark Funds, an investment fund.

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2015 PROXY STATEMENT

PROPOSAL 1 ELECTION OF DIRECTORS(continued)**Eric K. Rowinsky, M.D.****Age:** 58**Committee Memberships:** Compensation and Management Development, Corporate Governance, Science and Technology**Qualifications:** Dr. Rowinsky has extensive research and drug development experience, oncology expertise, and broad scientific and medical knowledge.

Dr. Rowinsky has served as one of our directors since 2010. Dr. Rowinsky has been the Head of Research and Development and Chief Medical Officer of Stemline Therapeutics, Inc., a biotechnology company focusing on the discovery and development of therapeutics targeting cancer stem cells, since January 2012. Dr. Rowinsky is also an Adjunct Professor of Medicine at New York University and has been an independent consultant since January 2010. Prior to that, he was the Chief Medical Officer of Primrose Therapeutics, Inc., a start-up biotechnology company focusing on the development of therapeutics for polycystic kidney disease, from August 2010 until its acquisition in September 2011. From 2005 to December 2009, he served as the Chief Medical Officer and Executive Vice President of ImClone Systems Incorporated, a life sciences company. From 1996 to 2004, Dr. Rowinsky held several positions at the Cancer Therapy & Research Center's Institute for Drug Development, including Director of the Institute and Director of Clinical Research. During that time, he held the SBC Endowed Chair for Early Drug Development and Clinical Professor of Medicine at the University of Texas Health Science Center at San Antonio. From 1988 to 1996, Dr. Rowinsky was an Associate Professor of Oncology at the Johns Hopkins School of Medicine and on the staff of the Johns Hopkins Hospital.

George A. Scangos, Ph.D.**Age:** 67**Qualifications:** Dr. Scangos has extensive training as a scientist, significant knowledge and experience with respect to the biotechnology, healthcare and pharmaceutical industries, and a comprehensive leadership background resulting from service on various boards of directors and as an executive in the pharmaceutical industry.

Dr. Rowinsky is a member of the boards of directors of Coronado Biosciences, Inc., Navidea Biopharmaceuticals, Inc. and BIND Therapeutics, Inc., all life sciences companies. During the past five years, Dr. Rowinsky has also served as a director of Mast Therapeutics, Inc. (formerly Adventrx Pharmaceuticals, Inc.), a life sciences company.

Dr. Scangos is our Chief Executive Officer and has served in this position since July 2010. From 1996 to July 2010, Dr. Scangos served as the President and Chief Executive Officer of Exelixis, Inc., a drug discovery and development company, where he continues to serve on the board. From 1993 to 1996, Dr. Scangos served as President of Bayer Biotechnology, where he was responsible for research, business development, process development, manufacturing, engineering and quality assurance of Bayer's biological products. Before joining Bayer in 1987, Dr. Scangos was a Professor of Biology at Johns Hopkins University for six years. Dr. Scangos served as non-executive Chairman of Anadys Pharmaceuticals, Inc., a biopharmaceutical company, from 2005 to July 2010 and was a director of the company from 2003 to July 2010. Dr. Scangos served as the Chair of the California Healthcare Institute in 2010 and was a member of the Board of the Global Alliance for TB Drug Development until 2010.

Dr. Scangos is a member of the board of directors of Agilent Technologies, Inc., a provider of bioanalytical and electronic measurement solutions. He is also Chairman-elect of the board of directors of Pharmaceutical Research and Manufacturers of America (PhRMA), a member of the Board of Trustees of the Boston Museum of Science and the Biomedical Science Careers Program, and a member of the National Board of Advisors of the University of California, Davis School of Medicine. Dr. Scangos is currently an Adjunct Professor of Biology at Johns Hopkins University.

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2015 PROXY STATEMENT

PROPOSAL 1 ELECTION OF DIRECTORS(continued)**Lynn Schenk****Age:** 70**Committee Memberships:** Compensation and Management Development, Corporate Governance, Risk (Chair)**Qualifications:** Ms. Schenk's strong public policy, government, legal and private sector experience provides vital insights to our Board of Directors about significant issues affecting the highly regulated life sciences industry. She brings public sector operations and management expertise to our Board of Directors.

Ms. Schenk served as a director of the Company from 1995 to 2003 during the period the Company was operated as IDEC Pharmaceuticals, and has served as a director since 2003 following IDEC's merger with Biogen Inc. Ms. Schenk is an attorney and consultant in private practice with extensive public policy and business experience. She is also a trustee of the Scripps Research Institute, a director of the California High Speed Rail Authority Board and a trustee of the University of California, San Diego Foundation. From 1999 to 2003, she served as Chief of Staff to the Governor of California, during which time she led the effort to create the Institutes for Science and Innovation at the University of California. From 1993 to 1995, Ms. Schenk was a Member of the United States House of Representatives, representing San Diego, California and served on the House Energy & Commerce Committee with a special emphasis on biotechnology. From 1980 to 1983, she was the California Secretary of Business, Transportation and Housing during which she formed the California Commission on Industrial Innovation. During the California energy crisis and post-9/11/2001, Ms. Schenk headed the risk management team for the State of California's Executive Branch.

Ms. Schenk is a member of the board of directors of Sempra Energy, an energy services and development company, and serves on both the Audit and Environmental Health, Safety and Technology committees of Sempra Energy.

Stephen A. Sherwin, M.D.**Age:** 66**Committee Memberships:** Finance, Risk, Science and Technology**Qualifications:** Dr. Sherwin has extensive knowledge of the life sciences industry and brings more than 30 years of experience in senior leadership positions at large and small publicly traded life sciences companies to our Board of Directors.

Dr. Sherwin has served as one of our directors since 2010. Dr. Sherwin currently divides his time between advisory work in the life sciences industry and patient care and teaching in his specialty of medical oncology. He is a Clinical Professor of Medicine at the University of California, San Francisco, and a volunteer Attending Physician in Hematology-Oncology at San Francisco General Hospital. Dr. Sherwin previously served as the Chairman of Ceregene, Inc., a life sciences company that he co-founded, from 2001 until its acquisition by Sangamo Biosciences, Inc. in 2013. He was also a co-founder and chairman of Abgenix, Inc., an antibody company which was acquired by Amgen Inc. in 2006. From 1990 to October 2009, he served as the Chief Executive Officer of Cell Genesys, Inc., a life sciences company, and was its Chairman from 1994 until the company's merger with BioSante Pharmaceuticals, Inc. in October 2009. Prior to that, he held various positions at Genentech, Inc., a life sciences company, most recently as Vice President, Clinical Research. Dr. Sherwin is board certified in internal medicine and medical oncology and currently serves as a Clinical Professor of Medicine at the University of California, San Francisco.

Dr. Sherwin is a member of the boards of directors of Neurocrine Biosciences, Inc., Rigel Pharmaceuticals, Inc., Verastem, Inc. and Vical Inc., all of which are clinical-stage life sciences companies. He is also Chairman Emeritus of the Biotechnology Industry Organization. During the past five years, Dr. Sherwin also served as a director of BioSante Pharmaceuticals until its merger with ANI Pharmaceuticals, Inc. in September 2013.

OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ELECTION OF EACH DIRECTOR NOMINEE NAMED ABOVE.

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2015 PROXY STATEMENT

PROPOSAL 2 RATIFICATION OF THE SELECTION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit our financial statements. The Audit Committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. PricewaterhouseCoopers has served as our independent registered public accounting firm since 2003. In order to assure continuing auditor independence, the Audit Committee periodically considers whether there should be a rotation of the independent registered public accounting firm. Further, in conjunction with the rotation of the auditing firm's lead engagement partner required by applicable SEC rules, the Audit Committee and its chairperson are directly involved in the selection of PricewaterhouseCoopers' new lead engagement partner. The Audit Committee believes that the continued retention of PricewaterhouseCoopers at this time is in the best interest of Biogen and its stockholders.

Although stockholder approval of the Audit Committee's selection of PricewaterhouseCoopers is not required, our Board of Directors believes that it is a matter of good corporate practice to solicit stockholder ratification of this selection. If our stockholders do not ratify the selection of PricewaterhouseCoopers as our independent registered public accounting firm, the Audit Committee will reconsider its selection. Even if the selection is ratified, the Audit Committee always has the ability to change the engagement of PricewaterhouseCoopers if it considers that a change is in Biogen's best interest. Representatives of PricewaterhouseCoopers will attend the Annual Meeting, have the opportunity to make a statement if they so desire, and be available to respond to appropriate questions.

Audit and Other Fees

The following table shows fees for professional audit services billed to us by PricewaterhouseCoopers for the audit of our annual consolidated financial statements for the years ended December 31, 2014 and December 31, 2013, and fees billed to us by PricewaterhouseCoopers for other services provided during 2014 and 2013:

Fees	2014	2013
Audit fees	\$ 4,436,942	\$ 5,055,320
Audit-related fees	43,032	50,607
Tax fees*	476,520	869,239
All other fees	18,161	7,100
Total	\$ 4,974,654	\$ 5,982,266

* Includes tax compliance fees of \$216,108 in 2014 and \$311,401 in 2013.

Audit fees are fees for the audit of our 2014 and 2013 consolidated financial statements included in our Annual Reports on Form 10-K, reviews of our condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q, review of the consolidated financial statements incorporated by reference into our outstanding registration statements, and statutory audit fees in overseas jurisdictions.

Audit-related fees are fees that principally relate to assurance and related services that are reasonably related to the performance of the audits and reviews of our consolidated financial statements, including audits of employee benefit plan information.

Tax fees are fees for tax compliance and planning services.

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All other fees in 2014 include \$11,061 of fees incurred for services provided in assessing the technical structure and format of reports submitted to government authorities to ensure compliance with applicable regulations (Technical Compliance Services). All other fees also include license fees for a web-based accounting research tool, which totaled \$7,100 in 2014 and 2013, respectively.

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2015 PROXY STATEMENT

PROPOSAL 2 RATIFICATION OF THE SELECTION OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM(continued)**Policy on Pre-Approval of Audit and Non-Audit Services**

The Audit Committee has the sole authority to approve the scope of the audit and any audit-related services as well as all audit fees and terms. The Audit Committee must pre-approve any audit and non-audit services provided by our independent registered public accounting firm. The Audit Committee will not approve the engagement of the independent registered public accounting firm to perform any services that the independent registered public accounting firm would be prohibited from providing under applicable securities laws, The NASDAQ Stock Market, Inc. (NASDAQ) requirements or Public Company Accounting Oversight Board rules. In assessing whether to approve the use of our independent registered public accounting firm to provide permitted non-audit services, the Audit Committee tries to minimize relationships that could appear to impair the objectivity of our independent registered public accounting firm. The Audit Committee will approve permitted non-audit services by our independent registered public accounting firm only when it will be more effective or economical to have such services provided by our independent registered public accounting firm than by another firm.

The Audit Committee annually reviews and pre-approves the audit, audit-related, tax, and other permissible non-audit services that can be provided by the independent registered public accounting firm. After the annual review, any proposed services exceeding pre-set levels or amounts or additional services not previously approved requires separate pre-approval by the Audit Committee or the Chair of the Audit Committee. Any pre-approval decision made by the Chair of the Audit Committee is reported to the Audit Committee at the next regularly scheduled Audit Committee meeting. Our Chief Accounting Officer and Chief Financial Officer can approve up to an additional \$50,000 in the aggregate per calendar year for categories of services that the Audit Committee (or the Chair through its delegated authority) has pre-approved.

All of the services provided by PricewaterhouseCoopers during 2014 were pre-approved in accordance with this policy, except for \$11,061 of fees for Technical Compliance Services described above under the caption *All other fees*, which were subsequently ratified by the Audit Committee.

***OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE RATIFICATION OF
THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015.***

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2015 PROXY STATEMENT

PROPOSAL 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION

Our Compensation Discussion and Analysis, which appears later in this Proxy Statement, describes our executive compensation program and the compensation decisions that the Compensation Committee and our Board of Directors made with respect to the 2014 compensation of our named executive officers (listed in the Summary Compensation Table). As required pursuant to Section 14A of the Securities Exchange Act, our Board of Directors is asking that stockholders cast a non-binding, advisory vote FOR the following resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.

As we describe in our Compensation Discussion and Analysis, our executive compensation program embodies a pay-for-performance philosophy that supports our business strategy and aligns the interests of our executives with our stockholders. In particular, our compensation program rewards financial, strategic and operational performance and the goals set for each performance category support our long-range plans. In addition, to discourage excessive risk taking, we maintain policies for share ownership and

recoupment of compensation, we cap payments under our annual bonus plan, and we require multi-year vesting of long-term incentive awards.

In light of our strong performance in 2014, we believe that the compensation paid to our named executive officers was appropriate. Highlights of our 2014 performance include: our revenue, adjusted free cash flow and non-GAAP earnings per share for 2014 exceeded the targets we set for our compensation programs; and common stock price performance, a key determinant of payouts under our market stock units, increased 21% in 2014.

For the foregoing reasons, our Board of Directors is asking that stockholders support this proposal. Although the vote you are being asked to cast is non-binding, we value the views of our stockholders, and the Compensation Committee and our Board of Directors will consider the outcome of the vote when making future compensation decisions for our named executive officers.

We will hold a non-binding, advisory vote of our stockholders on the compensation of our named executive officers every year until the next required stockholder vote on the frequency of such advisory vote. The next stockholder vote on the frequency of such advisory vote currently is expected to be held at the 2017 annual meeting of stockholders.

OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE ADVISORY VOTE ON EXECUTIVE COMPENSATION.

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2015 PROXY STATEMENT

PROPOSAL 4 APPROVAL OF OUR 2015 EMPLOYEE STOCK PURCHASE PLAN

At the Annual Meeting, stockholders will be asked to approve the adoption of our 2015 Employee Stock Purchase Plan (ESPP). The ESPP was adopted by our Board of Directors on December 10, 2014 and will become effective upon receiving stockholder approval at our Annual Meeting.

The purpose of the ESPP is to enable eligible employees of the Company and certain of its subsidiaries to use payroll deductions to purchase shares of our common stock and thereby acquire an ownership interest in the Company. The ESPP is intended to qualify as an employee stock purchase plan meeting the requirements of Section 423 of the Internal Revenue Code. If approved, the ESPP would replace the Biogen Idec Inc. 1995 Employee Stock Purchase Plan, which terminates on June 30, 2015.

The maximum aggregate number of shares of our common stock that may be purchased under the ESPP will be 6,200,000 (ESPP Share Pool), subject to adjustment as provided for in the ESPP. The ESPP Share Pool represents 2.64% of the total number of shares of our common stock outstanding as of April 10, 2015. In establishing the ESPP Share Pool, our Board of Directors considered the potential dilutive impact to stockholders, the projected participation rate over the ten-year term of the plan based on historic rates of participation under our existing employee stock purchase plan, equity plan guidelines established by certain proxy advisory firms and advice provided by Frederic W. Cook & Co., Inc., the compensation consultant to the Compensation Committee. For information about options and restricted stock units outstanding under our existing equity plans and the number of shares available for issuance under these plans, each as of December 31, 2014, please see Equity Compensation Plan Information elsewhere in this Proxy Statement.

The full text of the ESPP is set forth in [Appendix A](#). The following description of certain features of the ESPP is qualified in its entirety by reference to the full text of the ESPP.

Summary of the ESPP

Administration. The ESPP will be administered by the Compensation Committee, which will have the authority to interpret and determine eligibility under the plan, prescribe forms, rules and procedures relating to the plan, and otherwise do all things necessary or appropriate to carry out the purposes of the plan. The Compensation Committee may

delegate its authority under the ESPP to a subcommittee comprised of one or more of its members, to members of our Board of Directors, or to officers or employees of the Company to the extent permitted by law.

Shares Subject to the Plan. As noted above, the ESPP Share Pool consists of 6,200,000 shares of our common stock, subject to adjustment, as described below. Shares delivered upon exercise of purchase rights under the ESPP may be either shares of authorized but unissued common stock, treasury stock, or common stock acquired in an open-market transaction. In the event of any change in our outstanding common stock by reason of a stock dividend, stock split, reverse stock split, split-up, recapitalization, merger, consolidation, reorganization, or other capital change, the aggregate number and type of shares available for purchase under the ESPP, the number and type of shares granted or purchasable during an offering period, and the purchase price per share under an outstanding purchase right will be appropriately adjusted in a manner that complies with Section 423 of the Internal Revenue Code.

If any purchase right granted under the ESPP expires or terminates for any reason without having been exercised in full or ceases for any reason to be exercisable in whole or in part, the unpurchased shares of common stock will again be available for purchase pursuant to offerings under the ESPP.

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Eligibility. Participation in the ESPP will be limited to employees of Biogen and any of its designated subsidiaries (a) whose customary employment is for more than five months per calendar year, (b) who customarily work 20 hours or more per week, and (c) who satisfy the procedural enrollment and other requirements set forth in the ESPP. Under the ESPP, designated subsidiaries include any subsidiary (within the meaning of Section 424(f) of the Internal Revenue Code) of Biogen that has been designated by our Board of Directors or the Compensation Committee as eligible to participate in the plan.

No employee may be granted a purchase right under the ESPP if, immediately after the purchase right is granted, the employee would own (or, under applicable statutory attribution rules, would be deemed to own) stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any of its subsidiaries. In addition, employees who are citizens or residents of a foreign jurisdiction will not be eligible to participate in the

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2015 PROXY STATEMENT

PROPOSAL 4 APPROVAL OF OUR 2015 EMPLOYEE STOCK PURCHASE PLAN(continued)

ESPP if the grant of a purchase right under the plan is prohibited under the laws of the foreign jurisdiction or compliance with the laws of the foreign jurisdiction would cause the plan to violate the requirements of Section 423 of the Internal Revenue Code. The Compensation Committee may establish additional eligibility requirements for offering periods that have not yet commenced that are not inconsistent with Section 423 of the Internal Revenue Code.

As of April 10, 2015, approximately 7,600 employees would be eligible to participate in the ESPP, including all of our executive officers.

General Terms of Participation.

Offering Periods. The ESPP allows eligible employees to purchase shares of our common stock during certain offering periods, which generally will consist of successive three-month periods commencing on the first business day of each calendar quarter, anticipated to be on or around January 1, April 1, July 1 and October 1 of each year, and ending on the last business day of each calendar quarter, anticipated to be on or around March 31, June 30, September 30 and December 31, as applicable, of each year. The Compensation Committee may change the commencement date, the ending date and the duration of the offering periods to the extent permitted by Section 423 of the Internal Revenue Code. If the ESPP is approved at the Annual Meeting, the first offering period under the plan will commence on July 1, 2015 and end on September 30, 2015.

Method of Participation. Shares will be purchased under the ESPP on the last day of each offering period (a purchase date) using accumulated payroll deductions, unless the Compensation Committee provides otherwise with respect to the employees of a designated subsidiary in a manner consistent with Section 423 of the Internal Revenue Code. In order to participate in the ESPP, an eligible employee must complete and submit to the administrator of the ESPP a payroll deduction and participant authorization form in accordance with procedures and prior to the deadlines prescribed by the administrator of the ESPP. Participation will be effective as of the first day of an offering period.

Participants may elect payroll deductions between 1% and 10% of the participant's total eligible earnings per payroll period within an offering period. Eligible earnings include regular base salary, overtime, shift differentials, annual bonuses, commissions and other sales incentives. A participant's payroll deduction authorization will remain in effect for subsequent offering periods unless the participant's participation in the ESPP terminates, as described below, or the participant cancels the authorization or submits a new payroll deduction and participant authorization form within the time specified by the administrator of the ESPP prior to the start of the subsequent offering period. During an offering period, a participant may reduce the amount of his or her payroll deduction authorization one time, but may not increase it. If a participant's payroll deduction authorization is reduced to zero percent (0%) during an offering period, payroll deductions previously accumulated during that offering period will be applied to purchase shares of our common stock on the purchase date for that offering period and the participant's participation in the plan will then terminate. Upon cancellation, any amount withheld from a participant's compensation will be returned to the participant, without interest, as soon as administratively practicable.

Grant and Exercise of Purchase Rights. On the first day of each offering period, each participant automatically will be granted a right to purchase shares of our common stock on the last day of the offering period, subject to the limitations set forth in the ESPP. On the last day of each offering period, the payroll deductions accumulated by each participant during the offering period will be applied automatically to the purchase of shares of our common stock at the purchase price in effect for that offering period. However, no participant may, on any purchase date, purchase more than 2,500 shares of our common stock (or such lesser number as the Compensation Committee may prescribe). In addition, no participant will be granted a purchase right under the ESPP that would permit the participant's right to purchase shares of our common stock under the ESPP to accrue at a rate that exceeds \$25,000 in fair market value for each calendar year, determined in accordance with Section 423 of the Internal Revenue Code.

Purchase Price. The purchase price per share of our common stock applicable to purchases during each offering period under the ESPP will be eighty-five percent (85%) (or such greater percentage as the Compensation Committee may designate) of the lower of (i) the fair market value per share of our common stock on the first day of the offering period or (ii) the fair market value per

share of our common stock on the purchase date.

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2015 PROXY STATEMENT

PROPOSAL 4 APPROVAL OF OUR 2015 EMPLOYEE STOCK PURCHASE PLAN(continued)

Termination of Purchase Rights. Upon the termination of a participant's employment with the Company or a designated subsidiary, or in the event the participant otherwise ceases to qualify as an eligible employee, any purchase right then held by the participant will be canceled. Payroll deductions accumulated by the participant during the offering period in which such purchase right terminates will be returned to the participant (or his or her designated beneficiary or legal representative), without interest, as soon as practicable thereafter, and the participant will have no further rights under the ESPP.

Stockholder Rights. No participant will have any stockholder rights with respect to the shares of common stock covered by his or her purchase right until the shares are actually purchased on the participant's behalf. No adjustment will be made for dividends, distributions or other rights for which the record date is prior to the date of such purchase.

Transferability. Purchase rights granted to participants under the ESPP are not assignable or transferable and may be exercised only by the participant during his or her lifetime.

Amendment and Termination of the ESPP. Our Board of Directors has the right to amend the ESPP to any extent and in any manner it may deem advisable, provided that any amendment that would be treated as the adoption of a new plan for purposes of Section 423 of the Internal Revenue Code will require stockholder approval.

Our Board of Directors also has the right at any time to suspend or terminate the ESPP. In connection with such a termination or suspension, our Board of Directors may provide, in its discretion, either that the outstanding purchase rights will be exercisable on the purchase date for the applicable offering period (or such earlier date as the Board of Directors may specify), or that each participant's accumulated payroll deductions will be returned to the participant without interest.

Sub-Plans. Consistent with the requirements of Section 423 of the Internal Revenue Code, the Compensation Committee may amend the terms of the ESPP, or an offering, or provide for separate offerings under the ESPP to, among other things, reflect the impact of local law outside of the United States as applied to one or more eligible employees of a designated subsidiary and may, where appropriate, establish one or more sub-plans to reflect such amended provisions.

Effective Date and Term. If the ESPP is approved by stockholders at the Annual Meeting, the ESPP will become effective on the date of the Annual Meeting. No purchase rights will be granted under the ESPP after the earliest to occur of (i) the day before the 10-year anniversary of the effective date of the plan, (ii) the date on which all shares available for issuance under the ESPP have been issued or (iii) the termination of the ESPP by the Company.

Corporate Transactions. In the event of a consolidation, merger or similar transaction, a sale or transfer of all or substantially all of the Company's assets, or a dissolution or liquidation of the Company, the Compensation Committee may, in its discretion, provide that each outstanding purchase right will be assumed or substituted for a right granted by the acquiror or successor corporation or by a parent or subsidiary of such entity, or will be cancelled with accumulated payroll deductions returned to each participant, or that the offering period will end before the date of the proposed sale, merger or similar transaction.

New Plan Benefits. Benefits and purchases of shares of our common stock under the ESPP depend on elections made by employees and the fair market value of our common stock on dates in the future. As a result, it is not possible to determine the benefits that will be received by executive officers and other employees in the future under the ESPP. As described above, no employee may purchase shares under the ESPP at a rate that exceeds \$25,000 in fair market value in any calendar year.

U.S. Federal Income Tax Consequences Relating to the ESPP

The following is a summary of certain material federal income tax consequences associated with the grant and exercise of purchase rights under the ESPP under current federal tax laws and certain other tax considerations associated with purchase rights under the ESPP. The summary does not address tax rates or non-U.S., state or local tax consequences, nor does it address employment tax or other federal tax consequences except as noted.

The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code. In general, an employee will not recognize U.S. taxable income until the sale or other disposition of the shares of our common stock purchased under the ESPP (ESPP Shares). Upon such sale or disposition, the

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2015 PROXY STATEMENT

PROPOSAL 4 APPROVAL OF OUR 2015 EMPLOYEE STOCK PURCHASE PLAN(continued)

employee will generally be subject to tax in an amount that depends on the employee's holding period with respect to the ESPP Shares.

If the ESPP Shares are sold or disposed of more than one year from the date of purchase and more than two years after the first day of the offering period in which they were purchased, or upon the employee's death while owning the ESPP Shares, the employee will recognize ordinary income in an amount generally equal to the lesser of: (i) an amount equal to 15% of the fair market value of the ESPP Shares on the first day of the offering period (or such other percentage equal to the applicable purchase price discount), and (ii) the excess of the sale price of the ESPP Shares over the purchase price. Any additional gain will be treated as long-term capital gain. If the ESPP Shares held for the periods described above are sold and the sale price is less than the purchase price, then the employee will recognize a long-term capital loss in an amount equal to the excess of the purchase price over the sale price of the ESPP Shares.

If the ESPP Shares are sold or otherwise disposed of before the expiration of the holding periods described above, other than following the employee's death while owning the ESPP Shares, the employee generally will recognize as ordinary income an amount equal to the excess of the fair market value of the ESPP Shares on the date the ESPP Shares were purchased over the purchase price. Any additional gain or loss on such sale or disposition will be long-term or short-term capital gain or loss, depending on the employee's holding period with respect to the ESPP Shares.

We are not entitled to a deduction for amounts taxed as ordinary income or capital gain to an employee except to the extent of ordinary income recognized upon a sale or disposition of ESPP Shares prior to the expiration of the holding periods described above.

OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE APPROVAL OF OUR 2015 EMPLOYEE STOCK PURCHASE PLAN.

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2015 PROXY STATEMENT

PROPOSAL 5 APPROVAL OF AN AMENDMENT TO OUR 2006 NON-EMPLOYEE DIRECTORS EQUITY PLAN

At the Annual Meeting, stockholders will be asked to approve an amendment to our 2006 Non-Employee Directors Equity Plan (Directors Plan) to extend the term of the plan. Only our non-employee directors may participate in this plan.

We believe that the ability to grant stock awards to our non-employee directors is critical to our efforts to attract and retain key talent on our Board of Directors and to encourage ownership of shares of our common stock by our non-employee directors. We currently grant stock awards to our non-employee directors under our Directors Plan, which originally was adopted by our Board of Directors on April 5, 2006 and approved by stockholders on May 25, 2006. Stockholders subsequently approved an amendment to the Directors Plan to increase the maximum number of shares of our common stock authorized for issuance under the plan by an additional 750,000 shares, from 850,000 to 1,600,000 shares on June 9, 2010.

The Directors Plan expires by its terms on May 25, 2016 and no further awards may be made under the plan after that date. Accordingly, on March 27, 2015 our Board of Directors amended the Directors Plan to extend the term of the plan for an additional ten years from the date of the Annual Meeting, subject to obtaining stockholder approval of the amendment at this Annual Meeting.

We are not asking stockholders to approve an increase to the number of shares of our common stock that may be issued under the Directors Plan. As of April 10, 2015, 745,250 shares of our common stock remained available for issuance under the Directors Plan. For information about options and restricted stock units outstanding under our existing equity plans, including the Directors Plan, and the number of shares available for issuance under these plans, each, as of December 31, 2014, please see [Equity Compensation Plan Information](#) elsewhere in this Proxy Statement.

The full text of the Directors Plan, as amended to date and as proposed to be amended, is set forth in [Appendix B](#). The following description of certain features of the Directors Plan, as proposed to be amended, is qualified in its entirety by reference to the full text of the Directors Plan.

Summary of the Directors Plan

Administration and Awards. The Directors Plan is administered by the Compensation Committee, which has

the authority to exercise all powers and authorities granted to it under the plan, including the authority to grant awards; to determine the type and number of awards to be granted, the number of shares of our common stock underlying an award and the terms, conditions and restrictions relating to any award; to determine whether, to what extent and under what circumstances an award may be settled, cancelled, forfeited, exchanged or surrendered; to construe and interpret the plan and any award; to prescribe, amend and rescind rules and regulations relating to the plan; to determine the terms and provisions of award agreements; and to make all other determinations deemed necessary or advisable for the administration of the plan. The Compensation Committee may also waive or amend the operation of plan provisions related to the exercise of awards after a participant's service on our Board of Directors terminates and, except as otherwise provided in the plan, accelerate or adjust the date on which any award becomes exercisable or vested, so long as the Compensation Committee determines that such acceleration, waiver or adjustment is necessary or desirable.

The Compensation Committee may grant stock options, stock appreciation rights, restricted stock units and other equity-based awards, including dividend equivalent rights, under the Directors Plan, subject to the limitations described below.

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Awards upon Initial Election. Upon initial election to our Board of Directors, non-employee directors may be granted, on the date of such initial election, an initial award with respect to a number of shares of our common stock as determined by the Compensation Committee, up to a maximum of 35,000 shares (or 50,000 shares in the case of a non-employee director's initial election as Non-Executive Chairman of our Board of Directors).

Annual Awards. Non-employee directors are granted annual awards on the date of each annual meeting of stockholders with respect to a number of shares of our common stock as determined by the Compensation Committee (which number of shares is prorated in the case of a non-employee director elected to our Board of Directors other than at an annual meeting of stockholders), up to a maximum of 17,500 shares (or 30,000 shares in the case of the Non-Executive Chairman of our Board of Directors). Annual grants vest on the one-year anniversary of the date of grant or over such longer period and in such increments as the Compensation Committee may otherwise determine.

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PROPOSAL 5 APPROVAL OF AN AMENDMENT TO OUR 2006 NON-EMPLOYEE DIRECTORS EQUITY PLAN (continued)

Maximum Awards. The maximum number of shares of our common stock that may be granted under initial awards and annual awards under the Directors Plan are calculated in accordance with the share counting formula described below (under the heading “Shares Subject to Plan; Share Counting”).

Retainers and Meeting Fees. To the extent permitted by the Compensation Committee, a non-employee director may elect to receive annual retainer and/or meeting fees in the form of awards under the Directors Plan.

Termination of Service on our Board of Directors. Awards are subject to accelerated vesting upon the termination of a non-employee director’s service on our Board of Directors by reason of death, disability or retirement and upon a change in control of the Company (as such terms are defined in the Directors Plan). In addition, awards will become fully vested upon an involuntary termination (as defined in the Directors Plan) of a non-employee director’s service on our Board of Directors within two years following certain corporate transactions (as defined in the Directors Plan). In the case of the termination of a non-employee director’s service on our Board of Directors for any other reason, unvested awards then held by the director will be forfeited and, in the case of a termination for cause (as defined in the Directors Plan), stock options and stock appreciation rights (whether then vested or unvested) will be cancelled and forfeited. In general (and except upon a termination for cause), stock options will remain exercisable following the termination of a non-employee director’s service on our Board of Directors for three years, subject to earlier termination upon the expiration of the applicable term of the stock option, and stock appreciation rights will remain exercisable for three years following retirement, one year following death or disability, or six months following any other termination, subject, in each case, to earlier termination upon the expiration of the applicable term of the stock appreciation right. In the event of a non-employee director’s death within six months following a termination of service other than for cause, stock appreciation rights that were vested and outstanding at the time of such death will remain exercisable for one year following the date of such death, subject to earlier termination upon the expiration of the applicable term of the stock appreciation right.

Restrictions on Repricing. Except in connection with certain corporate transactions involving the Company, outstanding stock options and stock appreciation rights may not be repriced, regranted or otherwise amended to reduce the applicable exercise price without prior stockholder approval.

Eligibility. All non-employee directors of Biogen who are independent under applicable NASDAQ rules are eligible to participate in the Directors Plan. As of April 10, 2015, 10 non-employee directors were eligible to participate in the Directors Plan.

Shares Subject to the Plan; Share Counting. Subject to adjustment as described in the plan, the maximum aggregate number of shares of our common stock reserved for issuance under the Directors Plan is 1,600,000 shares. Each share underlying an award other than a stock option or a stock appreciation right reduces the number of shares of our common stock available for issuance under the Directors Plan by 1.5 shares, and each share underlying a stock option or a stock appreciation right reduces the number of available shares under the Directors Plan by one share (even if fewer shares are actually issued upon exercise of the stock appreciation right). Shares subject to an award that remain unissued upon the cancellation, surrender, exchange or termination of the award generally may again become available for issuance under the Directors Plan in an amount calculated in accordance with the share counting formula described in the preceding sentence. In the event of a dividend or other distribution or any recapitalization, reclassification, reorganization, merger, share exchange or other similar corporate transaction or event, unless otherwise determined by the Compensation Committee with respect to certain distributions, the number and kind of shares of stock that may be issued in connection with awards, the number and kind of shares of stock or other property issuable in connection with outstanding awards, the exercise price or purchase price relating to outstanding awards and the limits on awards under the Directors Plan will be equitably adjusted. On April 10, 2015, the closing price of our common stock as reflected on the NASDAQ Global Select Market was \$425.65.

Types of Awards

Stock Options. The Compensation Committee may grant non-qualified stock options under the Directors Plan. The exercise price of a stock option will be equal to the fair market value of a share of our common stock on the date the stock option is granted and the term of a stock option

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may not exceed 10 years. Payment of the exercise price may be made in cash or by check or, to the extent permitted by the Compensation Committee, in shares of our common stock, through broker-assisted cashless exercise or by such other method as the Compensation Committee may permit. Any stock option with an exercise price less than the fair market value of a share of our common stock on the last day on which the stock option is exercisable will be deemed to have been exercised on a net share settlement basis at the close of business on that day.

Stock Appreciation Rights. Stock appreciation rights may be awarded under the Directors Plan. The exercise price of a stock appreciation right will be equal to the fair market value of a share of our common stock on the date it is granted (or such greater amount as determined by the Compensation Committee) and the term of a stock appreciation right may not exceed 10 years. Upon exercise of a stock appreciation right, a non-employee director will be entitled to receive a payment in an amount determined by multiplying the excess of the fair market value of a share of our common stock on the date of exercise over the exercise price of the stock appreciation right by the number of shares with respect to which the stock appreciation right is exercised. The payment may be made in cash or shares of our common stock, at the discretion of the Compensation Committee. The Compensation Committee may also grant stock appreciation rights in tandem with stock options, subject to such terms and conditions as the Compensation Committee may establish.

Restricted Stock and Restricted Stock Units. Restricted stock and restricted stock units may be awarded under such terms and conditions as shall be established by the Compensation Committee. The Compensation Committee will determine the price, if any, to be paid by a non-employee director for each share of restricted stock granted. Any dividends paid on shares of restricted stock will be held in escrow until all restrictions or conditions to the vesting of such shares have lapsed. Settlement of vested restricted stock units may be made in the form of cash, shares of our common stock or a combination thereof, as determined by the Compensation Committee.

Other Awards. The Compensation Committee may grant other awards valued in whole or in part by reference to, or otherwise based on, shares of our common stock, on terms and conditions as determined by the Compensation Committee.

Dividend Equivalent Rights. The Compensation Committee may provide for dividend equivalent rights with respect to any award.

Transferability. Awards under the Directors Plan may not be transferred other than by will or the laws of descent and distribution, pursuant to a qualified domestic relations order, or as otherwise determined by the Compensation Committee in its discretion. Awards may be exercisable during a non-employee director's lifetime only by the director (or by his or her legal representative).

Corporate Transactions; Change in Control. In the event of certain mergers or consolidations of the Company, the liquidation or dissolution of the Company or the sale or disposition of all or substantially all of the Company's assets, the Compensation Committee will provide for either the assumption or substitution of awards by the successor corporation or its parent, the acceleration of the vesting or exercisability of awards or, following the acceleration of the vesting or exercisability of awards, provide for the cash-out of awards or, upon notice to participants, for the termination of stock options and stock appreciation rights to the extent not exercised by a specified date. Unless otherwise determined by the Compensation Committee, in the event of a change in control of the Company, all awards will become fully vested.

Amendment and Termination. The Board of Directors may amend, suspend, modify or terminate the Directors Plan at any time, subject to stockholder approval to the extent such approval is appropriate or required by the NASDAQ rules or other applicable law. No amendment or termination of the Directors Plan may reduce a non-employee director's rights under any outstanding award without the consent of the affected director.

Term. If approved by stockholders, the term of the Directors Plan will be extended for an additional ten years from the date of the Annual Meeting and no award may be granted under the Directors Plan after June 10, 2025.

New Plan Benefits. Our Board of Directors has not granted any awards under the Directors Plan subject to stockholder approval of this Proposal 5. Subject to the limitations set

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PROPOSAL 5 APPROVAL OF AN AMENDMENT TO OUR 2006 NON-EMPLOYEE DIRECTORS EQUITY PLAN(continued)

forth in the plan, the Compensation Committee has full discretion to determine the number of shares subject to awards to be granted under the Directors Plan. As a result, future benefits or amounts that would be received under the Directors Plan are not determinable at this time. For information regarding equity awards granted to our non-employee directors during our most recently completed fiscal year please see Director Compensation elsewhere in this Proxy Statement.

Other Information. If stockholders do not approve this Proposal 5, the Directors Plan will continue in accordance with its terms and no awards may be granted under the Directors Plan after May 25, 2016.

U.S. Federal Income Tax Consequences Relating to the Directors Plan

The following is a summary of certain material federal income tax consequences with respect to awards that may be granted under to the Directors Plan under current federal tax laws and certain other tax considerations associated with awards under the Directors Plan. The summary does not address tax rates or non-U.S., state or local tax consequences, nor does it address employment tax or other federal tax consequences except as noted.

Stock Options. Stock options granted under the Directors Plan will be non-statutory options (i.e., stock options that are not eligible for incentive stock option treatment under the Internal Revenue Code). In general, a director will not be taxed at the time a stock option is granted, but will recognize ordinary income in connection with the exercise of the stock option equal to the excess (at the time of exercise) of the fair market value of the shares acquired upon exercise over the exercise price. A corresponding deduction will generally be available to us. Upon a subsequent disposition of the shares purchased, any recognized gain or loss is treated as a capital gain or loss, depending on the director's holding period with respect to the shares purchased.

Stock Appreciation Rights. In general, a director will not be taxed at the time a stock appreciation right is granted, but will recognize ordinary income in connection with the exercise of the stock appreciation right in an amount equal to the cash or the fair market value of the shares received on the exercise date. A corresponding deduction will generally be available to us.

Restricted Stock. In general, a director who has received restricted stock subject to a substantial risk of forfeiture will not recognize income until the risk of forfeiture lapses. When the risk of forfeiture lapses, the director will recognize ordinary income in an amount equal to the excess of the fair market value of the shares at that time over the purchase price, if any. However, a director may make an election under Section 83(b) of the Internal Revenue Code to be taxed on restricted stock when it is acquired rather than later, when the substantial risk of forfeiture lapses. A director who makes an effective 83(b) election will realize ordinary income in an amount equal to the fair market value of the shares as of the time of acquisition less any price paid for the shares. If a director makes an effective 83(b) election, no additional income results by reason of the lapsing of the restrictions. We are generally entitled to a deduction at the time that the director is required to recognize ordinary income.

For purposes of determining capital gain or loss on a sale of shares awarded under the Directors Plan, the holding period in the shares begins when the director realizes taxable income with respect to the transfer of the shares. The director's tax basis in the shares equals the amount paid for the shares plus any income realized with respect to the transfer. If a director makes an effective 83(b) election and later forfeits the shares, the tax loss realized as a result of the forfeiture is limited to the excess of what the participant paid for the shares (if anything) over the amount (if any) realized in connection with the forfeiture.

Restricted Stock Units. In general, a director who is awarded restricted stock units will not recognize income, and we will not be allowed a deduction, at the time the award is made. Instead, the director will generally recognize ordinary income at the time the restricted stock units vest and are settled (and a corresponding deduction is generally available to us).

Section 409A. Section 409A of the Internal Revenue Code imposes an additional 20% income tax, plus, in some cases, a further income tax in the nature of interest, on nonqualified deferred compensation that does not comply with deferral, payment-timing and other formal and operational requirements specified in Section 409A of the Internal Revenue Code and related regulations and that is not exempt from those requirements. Stock options and stock appreciation rights granted under the

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PROPOSAL 5 APPROVAL OF AN AMENDMENT TO OUR 2006 NON-EMPLOYEE DIRECTORS EQUITY PLAN(continued)

Directors Plan are intended to be exempt from Section 409A of the Internal Revenue Code. The Directors Plan gives the Compensation Committee the flexibility to prescribe terms for other awards that are consistent with the requirements of, or an exemption from, Section 409A of the Internal Revenue Code.

Certain Change of Control Payments. Under Section 280G of the Internal Revenue Code, the vesting or accelerated exercisability of stock options or the vesting and payment of other awards in connection with a change of control of a corporation may be required to be valued and taken into account in determining whether participants have received compensatory payments contingent on the change in control in excess of certain limits. If these limits are exceeded, a substantial portion of amounts payable to the participant, including income recognized by reason of the grant, vesting or exercise of awards, may be subject to an additional 20% federal tax and may be non-deductible to us.

OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE **FOR** THE APPROVAL OF AN AMENDMENT TO OUR 2006 NON-EMPLOYEE DIRECTORS EQUITY PLAN.

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STOCK OWNERSHIP

The following table and accompanying notes provide information about the beneficial ownership of our common stock by:

- each stockholder known by us to be the beneficial owner of more than 5% of our common stock;
- each of our named executive officers (listed in the Summary Compensation Table);
- each of our directors and nominees for director; and
- all of our directors and executive officers as a group.

Except as otherwise noted, the persons identified have sole voting and investment power with respect to the shares of our common stock beneficially owned. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to the shares. Except as otherwise noted, the information below is as of April 10, 2015 (Ownership Date).

Name	Shares Owned ⁽¹⁾	Shares Subject to Options and Stock Units ⁽²⁾	Total Number of Shares Beneficially Owned	Percentage of Outstanding Shares ⁽³⁾
FMR LLC ⁽⁴⁾	19,788,112		19,788,112	8.41%
245 Summer Street				
Boston, MA 02110				
PRIMECAP Management Company ⁽⁵⁾	17,170,693		17,170,693	7.30%
225 South Lake Avenue				
Suite 400				
Pasadena, CA 91101				
BlackRock, Inc. ⁽⁶⁾	15,356,403		15,356,403	6.53%
55 East 52nd Street				
New York, NY 10022				
The Vanguard Group ⁽⁷⁾	12,730,694		12,730,694	5.41%
100 Vanguard Boulevard				
Malvern, PA 19355				
T. Rowe Price ⁽⁸⁾	12,176,548		12,176,548	5.17%

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100 E. Pratt Street				
Baltimore, MD 20201				
Paul J. Clancy	22,257		22,257	*
Alexander J. Denner	6,325		6,325	*
Caroline D. Dorsa	14,468	27,570	42,038	*
Adriana Karaboutis				*
Adam M. Koppel ⁽⁹⁾	130	3,612	3,742	*
Nancy L. Leaming	6,359		6,359	*
Richard C. Mulligan	6,325		6,325	*
Robert W. Pangia	14,003	17,125	31,128	*
Stelios Papadopoulos	14,235		14,235	*
Brian S. Posner	4,580		4,580	*
Eric K. Rowinsky	10,440		10,440	*
Alfred W. Sandrock				*
George A. Scangos ⁽¹⁰⁾	54,570		54,570	*
Lynn Schenk ⁽¹¹⁾	6,425		6,425	*
Stephen A. Sherwin	3,280	12,000	15,280	*
Executive officers and directors as a group (23 persons) ⁽⁹⁾⁽¹²⁾	248,290	77,384	325,674	*

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STOCK OWNERSHIP (continued)

* Represents beneficial ownership of less than 1% of our outstanding shares of common stock.

- (1) The shares described as owned are shares of our common stock directly or indirectly owned by each listed person.
- (2) Includes options that are or will become exercisable and restricted stock units that will vest within 60 days of the Ownership Date.
- (3) The calculation of percentages is based upon 235,230,221 shares outstanding on the Ownership Date, plus for each of the individuals listed above the shares subject to options and restricted stock units reflected in the column under the heading Shares Subject to Options and Restricted Stock Units.
- (4) Based solely on information as of December 31, 2014 contained in a Schedule 13G/A filed with the SEC by FMR LLC, Edward C. Johnson III and Abigail P. Johnson on February 13, 2015, which also indicates that FMR LLC, Edward C. Johnson III and Abigail P. Johnson each have sole dispositive power over 19,788,112 shares and FMR LLC has sole voting power over 863,387 shares.
- (5) Based solely on information as of December 31, 2014 contained in a Schedule 13G/A filed with the SEC by PRIMECAP Management Company on February 13, 2015, which also indicates that it has sole voting power over 3,286,734 shares and sole dispositive power over 17,170,693 shares.
- (6) Based solely on information as of December 31, 2014 contained in a Schedule 13G/A filed with the SEC by BlackRock, Inc. on January 29, 2015, which also indicates that it has sole voting power with respect to 13,270,498 shares, sole dispositive power with respect to 15,339,351 shares and shared voting and dispositive power with respect to 17,052 shares.
- (7) Based solely on information as of December 31, 2014 contained in a Schedule 13G filed with the SEC by The Vanguard Group on February 11, 2015, which also indicates that it has sole voting power with respect to 409,652 shares, sole dispositive power with respect to 12,344,242 shares and shared dispositive power with respect to 386,452 shares.
- (8) Based solely on information as of December 31, 2014 contained in a Schedule 13G filed with the SEC by T. Rowe Price on February 12, 2015, which also indicates that it has sole voting power with respect to 3,978,108 shares and sole dispositive power with respect to 12,176,548 shares.
- (9) Includes shares underlying market stock units that will vest within 60 days of the Ownership Date, assuming the maximum possible number of shares that are eligible for vesting on the vesting date.
- (10) Includes 10,756 shares held in a trust of which Dr. Scangos is a trustee.
- (11) Includes 3,100 shares held in a trust of which Ms. Schenk is a trustee.
- (12) Includes 13,856 shares held indirectly through trusts.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires our executive officers, directors and greater than 10% stockholders to file initial reports of ownership and changes of ownership of our common stock. As a practical matter, we assist our directors and executive officers by monitoring transactions and completing and filing Section 16 forms on their behalf. Based solely on information provided to us by our directors and executive officers, we believe that during 2014 all such parties complied with all applicable filing requirements.

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CORPORATE GOVERNANCE**Corporate Governance Highlights**

We strive to maintain effective corporate governance practices to ensure that our company is managed for the long-term benefit of our stockholders.

We review our corporate governance principles and practices on a regular basis. Since our last annual meeting of stockholders in 2014, we placed significant focus on our board committees and rights of our stockholders, and have enacted the following changes:

Board Committee Changes: We reviewed the composition and rotated the members of certain of our committees, realigned the risk oversight responsibilities of our board committees, established a separate Risk Committee of the Board to assist the Board of Directors in overseeing risk associated with our business and operations, and established a separate Finance Committee of the Board to assist the Board of Directors in overseeing our financial strategy, policies and practices.

Proxy Access. We adopted a proxy access bylaw effective for our 2016 annual meeting of stockholders, which permits a stockholder, or a group of up to 20 stockholders, owning 3% or more of our outstanding common stock continuously for at least three years to nominate and include in our proxy materials nominees for director constituting up to 25% of the Board of Directors, subject to the requirements set forth in our Bylaws.

In addition to our recent board committee changes and implementation of proxy access, we believe that our overall governance features include a number of practices and policies that are favorable to our Company and stockholders, including the following:

Our full Board of Directors is elected annually.

Ten of our eleven directors are independent directors. Dr. Scangos is not considered independent because he is an executive officer of the Company.

All committees of the Board of Directors consist of independent directors.

We have an independent Chairman of the Board.

We separate the role of Chief Executive Officer from that of Chairman of the Board.

We do not have a stockholder rights plan (sometimes called a "poison pill").

We require any nominee for director who does not receive a majority vote in an uncontested election to tender his or her resignation to the Board of Directors, which the Board will consider whether to accept such resignation.

We allow stockholders holding an aggregate of at least 25% of our outstanding shares to call a special meeting of stockholders, subject to the terms and conditions set forth in our Bylaws.

Our stockholders are permitted to act by written consent in lieu of a meeting.

We have corporate governance principles, which are published on our website.

We have stock ownership guidelines for our executive officers and directors.

Our insider trading policy prohibits our employees and directors from hedging or pledging our securities or otherwise engaging in derivative transactions.

Director Independence

Board of Directors. All of our directors and nominees for director, other than Dr. Scangos, our Chief Executive Officer, satisfy the independence requirements of NASDAQ. In determining that Dr. Papadopoulos is independent, our Board of Directors considered that Dr. Papadopoulos is a director or advisor to certain companies with which we collaborate.

Committees. The committees of our Board of Directors consist solely of independent directors, as defined by NASDAQ rules. The members of the Audit Committee also meet the additional SEC and NASDAQ independence and experience requirements applicable specifically to audit

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committee members. In addition, all of the members of the Compensation Committee are non-employee directors within the meaning of the rules under Section 16 of the Securities Exchange Act and outside directors for purposes of Section 162(m) of the Internal Revenue Code, and the Board of Directors has affirmatively determined that the members of our Compensation Committee satisfy the additional independence requirements specifically applicable to compensation committee members.

Leadership Structure. We currently separate the roles of Chairman of the Board of Directors and Chief Executive Officer. Stelios Papadopoulos, an independent director, is

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2015 PROXY STATEMENT

CORPORATE GOVERNANCE (continued)

Chairman of the Board and has served as such since June 2014. Among other responsibilities, our Chairman:

presides at meetings of our Board of Directors, executive sessions of our independent directors and our annual meetings of stockholders; reviews and assists in setting the agenda and schedule for our Board of Directors meetings in collaboration with our Chief Executive Officer; advises the committee chairs in fulfilling their responsibilities to the Board of Directors; recommends to the Board of Directors the retention of any advisors who report directly to the Board of Directors; serves as a liaison for stockholder communications with the Board of Directors; leads the process of evaluating our Chief Executive Officer; and discharges such other responsibilities as the Board of Directors may assign from time to time.

We believe that having an independent Chairman promotes a greater role for the independent directors in the oversight of the Company, including oversight of material risks facing the Company, encourages active participation by the independent directors in the work of our Board of Directors, enhances our Board of Directors' role of representing stockholders' interests, and improves our Board of Directors' ability to supervise and evaluate our Chief Executive Officer and other executive officers.

Nominating Processes

The Corporate Governance Committee is responsible for identifying individuals qualified to become members of our Board of Directors and reviewing candidates recommended by stockholders. Stockholders may recommend nominees for consideration by the Corporate Governance Committee by submitting the names and supporting information to the Secretary, Biogen Inc., 225 Binney Street, Cambridge, Massachusetts 02142. Any such recommendation should include at a minimum the name(s) and address(es) of the stockholder(s) making the recommendation and appropriate biographical information for the proposed nominee(s). Candidates who are recommended by stockholders will be considered in the same manner as candidates from other sources. For all potential candidates, the Corporate Governance Committee will consider all factors it deems relevant, including at a minimum those listed below in the subsection

titled *Director Qualification Standards and Diversity*. Director nominations are recommended by the Corporate Governance Committee to our Board of Directors and must be approved by a majority of independent directors.

In addition, our Bylaws contain provisions that address the process by which a stockholder may nominate an individual to stand for election to our Board of Directors at an annual meeting of stockholders.

Stockholder Nominations Not for Inclusion in Company's Proxy Statement. In order to nominate a director candidate for election at an annual meeting of stockholders, a stockholder must give timely notice in writing to our Secretary at our principal executive offices and otherwise comply with the provisions of our Bylaws. To be timely, our Bylaws provide that we must have received a stockholder's notice not less than 90 days and not more than 120 days in advance of the first anniversary of the date our proxy statement was released to our stockholders in connection with the previous year's annual meeting of stockholders. However, if no annual meeting of stockholders was held in the previous year or the date of the annual meeting of stockholders is more than 30 days before or more than 60 days after the first anniversary of the previous year's annual meeting of stockholders, we must receive a stockholder's notice not earlier than the close of business on the 120th day prior to such annual meeting of stockholders and not later than the close of business on the later of (1) the 90th day prior to such annual meeting of stockholders and (2) the 10th day following the day on which public announcement of the date of such annual meeting of stockholders is first made.

Information required by our Bylaws to be in the notice includes, among other things, the name, contact information and security ownership information for the candidate and the person making the nomination, any voting commitment by the candidate, whether the person making the nomination is part of a group that intends to deliver a proxy statement or solicit proxies, and other information about the proposed nominee that must be disclosed in proxy solicitations under Section 14 of the Securities Exchange Act and the related rules and regulations under that Section. The Corporate Governance Committee may also require any proposed nominee to furnish such other information as may be reasonably required to determine the eligibility of such proposed nominee to serve on our Board of Directors.

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CORPORATE GOVERNANCE (continued)

Stockholder Nominations Under Proxy Access Bylaw. Our Bylaws provide that under certain circumstances, a stockholder, or group of up to 20 stockholders, who have maintained continuous ownership of at least 3% of our common stock for at least 3 years may nominate and include a specified number of director nominees in our annual meeting proxy statement.

- Ø *Number of Stockholder-Nominated Candidates.* The number of stockholder-nominated candidates appearing in our annual meeting proxy statement cannot exceed 25% of the number of directors then serving on the Board. If 25% is not a whole number, the maximum number of stockholder-nominated candidates would be the closest whole number below 25%. The following persons will be considered stockholder-nominated candidates and counted against the 25% maximum: (i) stockholder-nominated candidates that the Board of Directors determines to include in the Company's proxy materials as Board-nominated candidates, (ii) any stockholder-nominated candidate that is subsequently withdrawn, and (iii) any director who had been a stockholder-nominated candidate at any of the three preceding annual meetings of stockholders and whose reelection at the upcoming annual meeting is being recommended by the Board. Nominating stockholders are required to provide a list of their proposed nominees in rank order. If the number of stockholder-nominated candidates exceeds 25%, the highest ranking qualified individual from the list proposed by each nominating stockholder, beginning with the nominating stockholder with the largest qualifying ownership and proceeding through the list of nominating stockholders in descending order of qualifying ownership, will be selected for inclusion in the Company proxy materials until the maximum number is reached. If the maximum number of stockholder-nominated candidates is not reached after the highest ranking qualified individual has been selected, this process will continue as many times as necessary, following the same order each time, until the maximum number is reached.
- Ø *Nominating Procedure.* Requests to include stockholder-nominated candidates in the Company's proxy materials must be received no earlier than 150 days and no later than 120 days before the anniversary of the date that the Company issued its proxy statement for the previous year's annual meeting of stockholders. However, if no annual meeting of stockholders was held in the previous year or the date of the annual meeting of stockholders is more than 30 days before or later than the first anniversary of the previous year's annual meeting of stockholders, we must receive the request not later than the close of business on the earlier of (i) the 60th day prior to the date we issue our proxy statement in connection with such annual meeting of stockholders or (2) the 10th day after public announcement of the date of such annual meeting of stockholders is first made. The nominating stockholder or group of stockholders also must deliver the information required by our Bylaws, and each nominee must meet the qualifications required by our Bylaws.
- Ø *Supporting Statement.* Nominating stockholders are permitted to include in the proxy statement a 500-word statement in support of their nominee(s). The Company may omit any information or statement that it, in good faith, believes would violate any applicable law or regulation.

Annual Elections and Majority Voting

Our directors are elected annually to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. Our directors must be elected by a majority of votes cast in uncontested elections (meaning any election for which the number of directors nominated does not exceed the number of directors to be elected at such meeting), and by a plurality of votes cast in contested elections (meaning any election for which the number of directors nominated exceeds the number of directors to be elected at such meeting, regardless of whether such nominees were proposed by the Company or by stockholders). In addition, following their appointment or election by stockholders to our Board of Directors, directors must submit an irrevocable resignation that will be effective upon (1) the failure to receive the required number of votes for reelection at the next annual meeting of stockholders at which they face reelection and (2) acceptance of such resignation by our Board of Directors. If an incumbent director fails to receive the number of votes required for reelection, our Board of Directors (excluding the director in question) will, within 90 days after certification of the election results, decide whether to accept the director's resignation taking into account such factors as it deems relevant. Such factors may include the stated reasons why stockholders voted against such director's reelection, the qualifications of the director and whether

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CORPORATE GOVERNANCE (continued)

accepting the resignation would cause us to fail to meet any applicable listing standards or would violate state law. Our Board of Directors will promptly disclose its decision in a filing with the SEC.

Director Qualification Standards and Diversity

Our Corporate Governance Principles provide that directors should possess the highest personal and professional ethics and integrity, understand and be aligned with our core values, and be committed to representing the long-term interests of our stockholders. Our directors must also be inquisitive and objective and have practical wisdom and mature judgment. In accordance with our Corporate Governance Principles, we endeavor to have a Board of Directors that collectively represents diverse experience at strategic and policy-making levels in business, government, education, healthcare, science and technology, and the international arena, and collectively has knowledge and expertise in the functional areas of accounting and finance, risk management and compliance, strategic and business planning, corporate governance, human resources, marketing and commercial, and research and development. Consistent with our Corporate Governance Principles, in selecting nominees to our Board of Directors, the Corporate Governance Committee considers the diversity of skills and experience that a potential nominee possesses and the extent to which such diversity would enhance the perspective, background, knowledge and experience of our Board of Directors as a whole. The Board of Directors considers personal diversity, including gender, ethnic and racial diversity, as an additional benefit to the Board of Directors as a whole.

Our directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively. We

ask directors not to serve on more than six boards of public companies including ours. In addition, our Chief Executive Officer may not serve on more than two boards of directors of public companies in addition to ours.

Our Board of Directors does not believe that arbitrary term limits on directors' service are appropriate, nor does it believe that directors should expect to be re-nominated. Regular evaluations are an important determinant for continued tenure, and, to that end, our Board of Directors and its committees perform a self-evaluation on a regular basis and as may be required by applicable laws, rules and regulations. Our Corporate Governance Principles provide that directors should offer their resignation in the event of any significant change in personal circumstances, including a significant change in principal job responsibilities or any circumstances that may adversely affect their ability to effectively carry out their duties and responsibilities or in the case of a significant conflict of interest that cannot otherwise be resolved. Our directors are also expected, but not required, to offer their resignation to our Board of Directors effective at the annual meeting of stockholders in the year of their 75th birthday.

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CORPORATE GOVERNANCE (continued)**Committees and Meetings**

Our Board of Directors has six standing committees, which are described in the table below. The chair of each committee periodically reports to our Board of Directors on committee deliberations and decisions. Each committee's charter is posted on our website, www.biogen.com, under the Corporate Governance subsection of the Investors section of the website. Also posted there are our Corporate Governance Principles which, together with our committee charters, comprise our governance framework.

Committee	Function	Members	Meetings in 2014
Audit	Assists our Board of Directors in its oversight of: <ul style="list-style-type: none"> the integrity of our financial statements; our accounting and financial reporting processes; the independence, qualifications and performance of our independent registered public accounting firm; our tax strategy; and our internal audit and corporate compliance functions. <p>The Audit Committee has the sole authority and direct responsibility for the appointment, compensation, retention, evaluation and oversight of the work of our independent registered public accounting firm. The Audit Committee Report is set forth below.</p>	Caroline D. Dorsa (Chair) Nancy L. Leaming Stelios Papadopoulos Brian S. Posner	10
Compensation and Management Development	Assists our Board of Directors with oversight of executive compensation and management development, including: <ul style="list-style-type: none"> recommending to our Board of Directors the compensation for our Chief Executive Officer, and approving the compensation for our other executive officers; administration of our equity and other management incentive plans; executive and senior management development programs (including succession plans for executives and senior management); and recommending to our Board of Directors the compensation of our independent directors. <p>The Compensation and Management Development Committee Report is set forth in the section titled Executive Compensation and Related</p>	Robert W. Pangia (Chair) Caroline D. Dorsa Richard C. Mulligan Eric K. Rowinsky Lynn Schenk	9

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	Information.		
Corporate Governance	Assists our Board of Directors in assuring sound corporate governance practices and identifying qualified nominees to our Board of Directors and its committees.	Alexander J. Denner (Chair) Brian S. Posner Eric K. Rowinsky Lynn Schenk	5
Finance	Assists our Board of Directors with oversight of our financial strategy, policies and practices.	Brian S. Posner (Chair) Alexander J. Denner Robert W. Pangia Stelios Papadopoulos Stephen A. Sherwin	3
Risk	Assists our Board of Directors with oversight of management's exercise of its responsibility to assess and manage risks associated with our business and operations. For more information on our Board oversight of risks, please see Risk Oversight below.	Lynn Schenk (Chair) Alexander J. Denner Caroline D. Dorsa Nancy L. Leaming Stephen A. Sherwin	3
Science and Technology	Assists our Board of Directors with oversight of our key strategic decisions involving research and development matters and our intellectual property portfolio.	Richard C. Mulligan (Chair) Stelios Papadopoulos Eric K. Rowinsky Stephen A. Sherwin	5

Determined by our Board of Directors to be an audit committee financial expert.

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2015 PROXY STATEMENT

CORPORATE GOVERNANCE (continued)

Our Board of Directors met 10 times in 2014. No current director attended fewer than 75% of the total number of meetings of our Board of Directors and the committees on which he or she served during 2014. Under our Corporate Governance Principles, our independent directors are required to meet without management present at least four times each year. Independent directors may also meet without management present at such other times as determined by our Chairman, or if requested by at least two other directors. In 2014, our independent directors met without management present four times. In addition, we expect all of our directors and director nominees to attend our annual meetings of stockholders. All of our directors attended our 2014 annual meeting of stockholders.

Risk Oversight

Our Board of Directors provides oversight of material risks facing the Company. Our Board of Directors regularly receives information about our material strategic, operational, financial and compliance risks and management's

response to, and mitigation of, such risks. In addition, our risk management systems, including our risk assessment processes, internal controls over financial reporting, compliance programs and internal and external auditing procedures are designed, in part, to inform management and our Board of Directors about our material risks. As part of its risk oversight function, our Board of Directors and its committees review this framework, its operation and our strategies for generating long-term value for our stockholders to ensure that such strategies will not motivate management to take excessive risks.

In determining the allocation of risk oversight responsibilities, our Board of Directors and its committees generally oversee material risks within their identified area of concern. The Board and each committee meet regularly with management to ensure that management has identified relevant risks and is adequately assessing, monitoring, and taking appropriate action to mitigate risk. A summary of the key areas of risk oversight responsibility of the Board and each of its committees is set forth below:

Board or Committee	Area of Risk Oversight
Board	Management's exercise of its responsibility to assess and manage risks related to corporate and commercial strategy and execution, pricing and reimbursement, competition, information technology and cybersecurity, and other material risks.
Audit	Management's exercise of its responsibility to assess and manage risks associated with the Company's financial, accounting, disclosure, corporate compliance and anti-bribery and anti-corruption matters.
Compensation and Management	Management's exercise of its responsibility to assess and manage risks related to our workforce and compensation matters.
Development Corporate Governance	Risks associated with corporate governance and board succession, and review of director independence, potential conflicts of interest and related party transactions involving directors and executive officers.
Finance	Management's exercise of its responsibility to assess and manage financial, capital and credit risks.
Risk	The Company's risk governance framework and infrastructure designed to identify, assess, manage and monitor the Company's material risks;

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The risk management policies, guidelines and practices implemented by Company management;

The allocation of risk oversight responsibilities to the Board and its committees;

Management's exercise of its responsibility to identify, assess and manage material risks not allocated to the Board or another committee; and

Management's exercise of its responsibility to manage material government and other investigations.

Science and

Technology

Management's exercise of its responsibility to assess and manage risks associated with the Company's research and development activities, clinical development and intellectual property.

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CORPORATE GOVERNANCE (continued)**Compensation Risk Assessment**

The Compensation Discussion and Analysis (CD&A) section of this Proxy Statement describes our compensation policies, programs and practices for our executive officers. Our goal-setting, performance assessment and compensation decision-making processes described in the CD&A apply to all employees. Our long-term incentive program provides different forms of awards depending upon an employee's level, but is otherwise consistent throughout the Company. We offer a limited number of cash incentive plans, with employees eligible for either our annual cash incentive plan or a sales incentive compensation plan; no employee is eligible to participate in more than one cash incentive plan at any time. Our annual cash incentive plan is consistent for all participants globally, with the same Company performance goals, payout curves and administrative provisions regardless of the participant's job level, location or function in the Company. In the CD&A, we describe the risk-mitigation controls for our compensation programs, including the role of our Compensation Committee to review and approve the design, goals and payouts under our annual cash incentive plan and long-term incentive program as well as approving each executive officer's compensation. In addition, we have reviewed the processes, controls and design of our sales incentive compensation plans. Based on our assessment, we believe that our compensation policies, programs and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

Audit Committee Report

The Audit Committee's role is to act on behalf of our Board of Directors in the oversight of all aspects of Biogen's financial reporting, internal control and audit functions. The roles and responsibilities of the Audit Committee are set forth in the written charter adopted by our Board of Directors, which is posted on our website, www.biogen.com, under the Corporate Governance subsection of the Investors section of the site. Management has primary responsibility for the financial statements and the reporting process, including the systems of internal controls.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited consolidated financial statements contained in Biogen's 2014 Annual Report on Form 10-K. The Audit Committee discussed with PricewaterhouseCoopers LLP, Biogen's independent registered public accounting firm, the overall scope and plans for the audit. The Audit Committee met with PricewaterhouseCoopers, with and without management present, to discuss the results of its examination,

management's response to any significant findings, its observations of Biogen's internal controls, the overall quality of Biogen's financial reporting, the selection, application and disclosure of critical accounting policies, new accounting developments and accounting-related disclosure, the key accounting judgments and assumptions made in preparing the financial statements and whether the financial statements would have materially changed had different judgments and assumptions been made, and other pertinent items related to Biogen's accounting, internal controls and financial reporting. The Audit Committee also discussed with representatives of Biogen's corporate internal audit staff their purpose and authority and their audit plan.

The Audit Committee also reviewed and discussed with PricewaterhouseCoopers the matters required to be discussed with the Audit Committee under generally accepted auditing standards (including Public Company Accounting Oversight Board Auditing Standard No. 16). In addition, the Audit Committee discussed with PricewaterhouseCoopers the independence of PricewaterhouseCoopers from management and Biogen, including the written disclosures and letter concerning independence received from PricewaterhouseCoopers required by applicable requirements of the Public Company Accounting Oversight Board. The Audit Committee has determined that the provision of non-audit services to Biogen by PricewaterhouseCoopers is compatible with its independence.

During 2014, the Audit Committee provided oversight and advice to management in connection with Biogen's system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. In connection with this oversight, the Audit Committee reviewed a report by management on the effectiveness of Biogen's internal control over financial reporting. The Audit Committee also reviewed PricewaterhouseCoopers' Report of Independent Registered Public Accounting Firm included in Biogen's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 related to its audit of the effectiveness of internal control over financial reporting.

In reliance on these reviews and discussions, the Audit Committee recommended to our Board of Directors that the audited consolidated financial statements be included in Biogen's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 for filing with the SEC.

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The Audit Committee of our Board of Directors:

Caroline D. Dorsa (Chair)

Nancy L. Leaming

Stelios Papadopoulos

Brian S. Posner

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EXECUTIVE COMPENSATION AND RELATED INFORMATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) describes the compensation strategy, philosophy, policies, and practices underlying our executive compensation program for 2014. It also provides information regarding the manner and context in which compensation was earned by and awarded to our 2014 named executive officers listed below, whom we refer to collectively as **Named Executive Officers** or **NEOs**.

George Scangos, Ph.D.

Chief Executive Officer

Paul Clancy, M.B.A.

Executive Vice President,

Chief Financial Officer

Adriana Karaboutis, M.S.

Executive Vice President,

Technology & Business Solutions

Alfred Sandroock, M.D., Ph.D.

Group Senior Vice President,

Chief Medical Officer

Adam Koppel, M.B.A., M.D., Ph.D.

Senior Vice President,

Chief Strategy Officer

Executive Summary

2014 Highlights

2014 was a very good year for Biogen and the patients we serve, as we reached or exceeded many of our financial, operational and strategic goals. We successfully launched four products in two distinct therapeutic markets, advanced several potential therapeutic options across a broad set of disease areas, enhanced our pipeline through strategic transactions and collaborations, strengthened our research and development and leadership teams, and continued our leadership in a number of social and environmental initiatives.

Stockholder Alignment - Total Shareholder Return

Our stock price increased from \$279.57 to \$339.45 per share during 2014, reflecting strong stock price appreciation and a one-year total shareholder return (TSR) of 21%. This compares to our peer group median one-year TSR of 31% and the Standard & Poor's 500 (S&P 500) one-year TSR of 15%. Our three-year TSR is 46% compared with our peer group median three-year TSR of 38% and the three-year S&P 500 TSR of 22%. Our peer group is described below under External Market Competitiveness and Peer Group .

Financial Performance

Significant financial growth was achieved in 2014 when compared to another year of strong performance in 2013, as demonstrated by our increase in revenues, net income and diluted earnings per share (EPS), as shown below.

A reconciliation of our GAAP to non-GAAP financial measures is provided in [Appendix C](#) to this Proxy Statement.

Product and Pipeline Developments

We solidified our leadership position in multiple sclerosis (MS), expanded our portfolio of therapies for patients and strengthened our research and development organization as described below.

TECFIDERA[®] was approved in the European Union (EU) and launched in more than 10 countries. It is now the number one prescribed oral MS therapy in the U.S. and Germany.

PLEGRIDY[®] was approved and launched in the EU and U.S. for the treatment of relapsing MS. Developed by our own scientists, PLEGRIDY is an important part of our strategy to maintain a leadership position in the interferon class of MS treatments.

ZINBRYTA[®], a monoclonal antibody being tested in relapsing remitting MS, had positive top-line Phase 3 results. We believe ZINBRYTA has the potential to

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

become another important treatment option for the diverse needs of MS patients. 2014 also marked an important milestone for our company as we launched treatments for hemophilia following the US approvals of ALPROLIX® for hemophilia B and ELOCTATE® for hemophilia A. These longer-acting therapies represent the first meaningful innovation in the treatment of hemophilia in many years. In furtherance of our commitment to the hemophilia community, we and our collaborator, Swedish Orphan Biovitrum AB, announced plans to donate up to one billion international units of ALPROLIX and ELOCTATE for humanitarian aid programs in the developing world. This reflects our mission to help provide underserved patients with access to our therapies.

We also advanced a number of programs in our pipeline and remained focused on bringing forward the next-generation of potential treatments.

We announced positive top-line results from our Phase 1b trial of BIIB037 in patients with Alzheimer's disease. Based on these results, we have started planning for a Phase 3 trial.

Our Phase 2 results for anti-LINGO in acute optic neuritis showed evidence of biological repair of the visual system. We believe these data suggest that our anti-LINGO antibody induced remyelination, and we are now focused on the data from our anti-LINGO trial in MS.

Our collaborator, Isis Pharmaceuticals, advanced the spinal muscular atrophy program, SMN_{RX}, to Phase 3 in both infant and childhood forms of the disease.

We also increased the number of promising assets in our pipeline through strategic acquisitions and collaborations, including our agreement with Sangamo BioSciences to develop and commercialize product candidates using gene editing technologies for the treatment of two inherited blood disorders, sickle cell disease and beta-thalassemia, and our agreement with Eisai Co., Ltd. to jointly develop and commercialize two Eisai product candidates in Alzheimer's Disease.

Through our biosimilar joint venture, Samsung Bioepis, we made important progress toward our objective of becoming active in the development of biosimilar pharmaceuticals. Samsung Bioepis' marketing authorization application for a biosimilar version of Enbrel® (etanercept) was recently accepted for review by the European Medicines Agency. It

is our belief that biosimilars will become increasingly important in the role of healthcare and we believe we are well positioned to contribute to this evolution.

Finally, during the year, we strengthened our research and development organization through the hiring of leading researchers to join our internal research team.

Leadership Team

At the core of what we do are our people and our leaders. As a result, our goal is to find top-tier talent with the skills necessary to imagine and lead us into the future. We advanced this goal in 2014 with the addition of two key members to our leadership team.

Adriana Karaboutis, EVP, Technology & Business Solutions. We strengthened our executive team with the addition of Ms. Karaboutis, a highly experienced, technology executive. Ms. Karaboutis joined us in September 2014 from Dell Inc., where she was vice president and chief information officer with responsibility for Dell's overall IT enterprise and customer service. As the pace of digital innovation accelerates, we expect Ms. Karaboutis will play a critical role in our mission by leveraging data and information as a new approach to gain insights in improving research and achieving business goals.

Adam Koppel, SVP and Chief Strategy Officer. Dr. Koppel joined us in May 2014 to lead our corporate strategy and portfolio management efforts. He brings a unique perspective and experience to our organization and the executive team as a physician, scientist and executive, and

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as a leading industry investor and consultant to pharmaceutical and biotechnology companies. We believe his background and expertise will help us to bolster our position at the intersection of medicine, science and economics.

In determining the compensation of Ms. Karaboutis and Dr. Koppel, the Compensation Committee followed the same compensation philosophy and objectives described below and also took into consideration the value of compensation forfeited at their prior employment when determining their compensation and one-time sign-on awards. Each of Ms. Karaboutis and Dr. Koppel are Named Executive Officers in 2014, due primarily to the sign-on awards granted to each of them in connection with their hire.

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EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

Other Achievements

In 2014, we received a number of accolades for our workplace and community efforts and involvement, including the following:

Recognized as one of the top places to work in The Boston Globe's annual workplace survey.

Awarded the Star of STEM (Science Technology Engineering Mathematics) by The Museum of Science, Boston, in recognition of our broad support of STEM education.

Named as the Global Biotechnology Industry Leader on the Dow Jones Sustainability World Index, an index that tracks the economic, environmental and social strategy and performance of the 2,500 largest companies in the S&P Global Broad Market IndexSM.

Recognized as number two on Corporate Knights' Global 100 Most Sustainable Corporations in the World index.

The Compensation Committee considered the foregoing achievements when it reviewed and assessed each of the pay-for-performance compensation elements for each of the Named Executive Officers in 2014.

2014 Executive Compensation Programs

We believe our executive compensation programs are effectively designed and have worked well to implement a pay-for-performance culture that is aligned with the interests of our stockholders.

In 2014, our executive compensation programs consisted of base salary, short- and long-term incentives and other benefits. Approximately 81% of our compensation programs were performance-based and pay-at-risk for our NEOs

(other than Ms. Karaboutis and Dr. Koppel, who were not employed by us for the full year):

In 2013, we undertook a comprehensive review of our total rewards offerings to ensure that they were optimized not only in the dollars invested but also in the perceived value of the programs by all our employees including the NEOs. Our review indicated that the investment we make in our overall compensation programs correlates well with the perceived value of these programs by our employees.

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

In 2014, we made the following modest changes to our executive compensation programs to further align our programs with our peer group and general market practices, and to simplify our incentives to make it easier for our executives to stay focused on achieving our short- and long-term Company goals.

Description	2014 Compensation Changes
Long-term Incentives	The terms of our Market Stock Units (MSUs) were amended to align them more generally with our Cash-Settled Performance Units (CSPUs). MSUs granted in 2014: <ul style="list-style-type: none"> vest in three annual installments, compared to four annual installments for MSUs granted in 2013; and have a maximum award opportunity of 200% of target for achievement of maximum stretch goals, compared to a maximum of 150% of target for MSUs granted in 2013.
Share Ownership Guidelines	We now use a 30-day average stock price to convert CSPUs into a cash value and to set the start and end prices in determining stock performance for MSUs, which we believe better aligns the value of the awards with stock price performance close to the vesting date.
Share Ownership Guidelines	To better align with our peer group and prevalent market practice in the general industry, our share ownership guidelines are now based on a multiple of salary.
Executive Physicals	The reimbursement benefit we offered for financial planning services was expanded to cover reimbursement for executive physicals, which we believe emphasizes the importance of health and wellness. The maximum limit for reimbursement remains unchanged but an executive now has flexibility to choose which benefit will be reimbursed.
Severance	We enhanced the starting severance coverage for NEOs who are executive vice presidents from nine months for up to one year of service to 12 months for up to one year of service. We believe this will enhance our ability to attract leading executives given that this level of severance is common in the market. The maximum severance coverage remains unchanged at 21 months.

Other key decisions in recognition of the Company's strong achievements against the 2014 pre-established performance goals can be found below under the heading 2014 Performance-Based Plans.

2014 Advisory Vote on Executive Compensation

At our 2014 annual meeting of stockholders, 97% of the votes cast were in favor of the compensation of our Named Executive Officers in our annual Say on Pay proposal. The Compensation Committee viewed this as very positive support for our executive compensation programs and their alignment with long-term stockholder value creation and took note that the Company's executive compensation programs have been effective in implementing the Company's stated compensation philosophy and objectives.

Our Compensation Committee is committed to continually reviewing our executive compensation programs on a proactive basis to ensure the ongoing alignment of our Company and stockholders as discussed above.

Roles & Responsibilities**Role of the Compensation Committee**

The Compensation Committee oversees and administers our executive compensation programs. The roles and responsibilities of the Compensation Committee are set forth in its written charter adopted by our Board of Directors, which can be found on our website,

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www.biogen.com, under the Corporate Governance subsection of the Investors section of the site.

Role of the Independent Compensation Consultant

The Compensation Committee believes that independent advice is important in developing Biogen's executive compensation programs. Frederic W. Cook & Co., Inc. (FWC) is currently engaged as the Compensation Committee's independent compensation consultant. FWC does not provide any other services to Biogen.

Reporting directly to the Compensation Committee, FWC provides guidance on trends in CEO, executive and non-employee director compensation, the development of specific executive compensation programs, and the composition of the Company's compensation peer group. Additionally, FWC prepares a report on CEO pay that compares each element of

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EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

compensation to chief executive officers in comparable positions at companies in our peer group. Using this and other similar information, the Compensation Committee recommends, and our Board of Directors approves, the elements and target levels of our CEO's compensation. FWC also engages in other matters as needed and as directed solely by the Compensation Committee.

During 2014, the Company paid FWC approximately \$196,490 in consulting fees directly related to these services. The Compensation Committee assesses FWC's independence annually and, in accordance with applicable SEC and NASDAQ rules, confirmed in December 2014 that FWC's work did not raise any conflict of interest and that FWC remains independent under applicable rules.

Role of our CEO

Each year, our CEO provides an assessment of each executive officer's performance during the prior year and recommends to the Compensation Committee the compensation to be awarded to each executive officer other than for himself. The recommended compensation is based on numerous factors including: Company, team and individual performance; potential for future contributions; leadership behaviors; external market competitiveness; internal pay comparisons; and other factors deemed relevant.

To understand external market competitiveness of the compensation for our executive officers, our CEO and the Compensation Committee review a report analyzing publicly available information and surveys prepared by our internal compensation group and reviewed by FWC. The report compares the compensation of each executive officer, other than our CEO, relative to data for comparable positions at companies in our peer group, by compensation element (see **External Market Competitiveness and Peer Group** below for further details). The Compensation Committee considers all of the information presented, discusses the recommendations with our CEO and with FWC, and applies its judgment to determine the elements of compensation and target compensation levels for each executive officer.

Our CEO also provides a self-assessment of his achievements for the prior year. The Compensation Committee reviews and considers this in determining the CEO's performance and in recommending for approval by the Board of Directors the compensation of our CEO. Our CEO does not participate in the deliberations regarding his own compensation.

Executive Compensation Philosophy and Objectives

Our executive compensation programs are designed to drive the creation of long-term stockholder value by delivering performance-based compensation that is competitive with our peer group in order to attract and retain extraordinary leaders who can perform effectively and succeed in a demanding business environment. We achieve this by designing programs that are:

Mission Focused and Business Driven. Our executive compensation programs support the relentless pursuit of delivering meaningful and innovative therapies to patients by providing our executives with incentives to achieve the near and long-term objectives of the business. Substantially all of our executive rewards programs are tied directly, and meaningfully, to Company performance. Our objective is to emphasize the importance of achieving short-term goals while building and sustaining a foundation for long-term success.

Competitively Advantageous. We benchmark our executive compensation programs against a peer group of biotechnology and pharmaceutical companies that we believe are representative of the companies we primarily compete with for talent, balanced with factors such as business scope and size, including revenue and market capitalization, business focus, and geographic scope of operations. We consider peer group practices as one of many factors taken into account in developing programs that we believe are most meaningful to our leaders and the Company, and which enable us to recruit, retain and inspire our leadership team to achieve their best for Biogen and our stockholders.

Performance Differentiated. We believe strongly in pay-for-performance and endeavor to significantly differentiate rewards by delivering the highest rewards to our best performers and little or no rewards to those who do not perform at pre-established levels.

Ownership Aligned. At Biogen, we believe every employee contributes to the success of the Company and, as such, every employee has a vested interest in the Company's success. To reinforce this alignment with our stockholders, we strongly encourage stock ownership through our equity-based compensation programs. For members of our executive team, who set and lead the future strategic direction of our Company, we ensure that a significant portion of their total pay opportunity is

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EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

equity-based to maintain alignment between the interests of our executive officers and our stockholders.

Flexible. We are committed to providing flexible benefits designed to allow our diverse global workforce to choose reward opportunities that meet their varied needs so that they are inspired to perform their very best on behalf of patients and stockholders each day.

External Market Competitiveness and Peer Group

Market practices are one of our considerations when determining the executive compensation levels and program designs at Biogen. While we review external market practices to ensure that we provide programs designed to attract, retain and inspire extraordinary talent, we do not target a specific market percentile or simply replicate the market practice. Instead, we strive to provide meaningful rewards that are tied to our mission of delivering innovative therapies to our patients so that our leaders are inspired and rewarded appropriately for their achievements.

Each year our compensation consultant reviews the external market landscape and evaluates the composition of our peer group for appropriateness. Our peer group is primarily composed of biotechnology and pharmaceutical companies, as we compete with companies in both of these sectors for executive talent. Also included is a life sciences tools and services company, Life Technologies, as it meets our size criteria, is in a similar industry code, and has been selected by proxy advisory firms as a comparator. The companies included in the peer group used in connection with our compensation decisions in February 2014 were the following:

Biotech Peers

Amgen

Celgene

Gilead Sciences

Vertex Pharmaceuticals

Pharmaceutical Peers

Actavis*

Allergan

Bristol-Myers Squibb

Eli Lilly

Endo Health Solutions

Forest Laboratories*

Mylan

Merck

Life Sciences Tools & Services

Life Technologies**

* Actavis plc acquired Forest Laboratories in July 2014.

** Thermo Fisher Scientific acquired Life Technologies in early 2014.

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The Compensation Committee selects our peer group based on comparable companies that approximate (1) our scope of business, including revenue and market capitalization, (2) our global geographical reach, (3) our research-based business with multiple marketed products, and (4) a comparable pool of talent for which we compete.

As of March 2013, at the time the Compensation Committee reviewed and set Biogen's peer group that was used as a reference when making compensation decisions in February 2014, Biogen compared to its peer group in the following financial metrics as follows:

Data Source: Standard & Poor's Research Insight

(1) As of December 31, 2012 Biogen's revenue was \$5,516M.

(2) Biogen's market cap was \$39,353M as of March 2013.

(3) As of the fiscal years ended December 31, 2010, 2011 and 2012, Biogen's percentage of R&D expense to revenue for the three year period was 25%.

(4) As of December 31, 2012, Biogen's net income was \$1,380M.

In March 2014, after compensation decisions for the prior year were determined, the Compensation Committee conducted a comprehensive review of our peer group and determined that AbbVie would be added to the peer group going forward due to the consolidation of companies in the peer group due to then pending acquisitions of Life Technologies and Forest Laboratories.

For each of the companies in our peer group, we analyze the company's Compensation Discussion and Analysis and other data publicly filed during the prior year to identify the executives at such companies whose positions are comparable to those held by our executive officers. We then compile and analyze the data for each comparable position. Our competitive analysis includes the structure and design of the compensation programs as well as the targeted value of the compensation.

For our NEOs other than our Chief Executive Officer, we also use compensation surveys to assess competitive

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

practices and levels of compensation as the data available in publicly available filings of companies in our peer group addresses only a limited number of our executive positions. For 2014, consistent with past years, we used the *Towers Watson U.S. CDB Pharmaceutical Executive Compensation Database* survey (Towers Watson). We chose this survey because of the number of companies in our peer group that participate in it, the number of positions reported by the survey which continue to be comparable to our executive positions, and the high standards under which we understand the survey is conducted (including data collection and analysis methodologies). All of the companies in our peer group are represented in a special cross-section of the survey focused on our peer group, other than Life Technologies due to its 2014 acquisition by Thermo Fisher Scientific.

Compensation Elements

The Compensation Committee determines the elements of compensation we provide to our executive officers. The elements of our executive compensation programs and their objectives are as follows:

Element	Objective(s)
Base	Provides a fixed level of compensation that is competitive with the external market and reflects each executive's contributions, experience, responsibilities and potential to contribute to our future success.
Salary	
Annual Bonus Plan	Aligns short-term compensation with the annual goals of the Company. Motivates and rewards the achievement of annual goals that support short- and long-term value creation.
Long-term Incentives	Aligns executives' interests with the long-term interests of our stockholders by linking awards to increases in our stock price. Motivates and rewards the achievement of stock price growth and pre-established financial goals. Promotes executive retention and stock ownership, and focuses executives on enhancing stockholder value.
Benefits	Promotes health and wellness.
	Provides financial protection in the event of disability or death.
	Provides tax-beneficial ways for executives to save towards their retirement, and encourages savings through competitive matches to executives' retirement savings.

Compensation Pay Mix

The Compensation Committee determines the general mix of the elements of our executive compensation programs. It does not target a specific mix of value for our compensation elements in either the program design or pay decisions. Rather, the Compensation Committee reviews the pay mix to ensure an appropriate level of performance-based compensation is apportioned to the short-term and even more to the long-term to ensure alignment with our business goals and performance.

Additionally, the Compensation Committee believes the greater the leadership responsibilities, the greater the impact an individual will have on Biogen's future strategic direction. Therefore, for our executive officers, additional emphasis is placed on performance-based compensation, with a particular emphasis on long-term incentives.

The 2014 pay mix for our CEO and our other Named Executive Officers is set forth below:

* Reflects salary, target bonus and approximate LTI grant date value received in 2014. NEO pay mix excludes Ms. Karaboutis and Dr. Koppel due to partial year employment with Biogen in 2014.

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EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)**Performance Goals and Target Setting Process**

Early each year, the Compensation Committee reviews and establishes the pay level of each element of total compensation for our executive officers. Total compensation is comprised of base salary, target annual bonus and long-term incentives. A summary of the process the Compensation Committee follows in setting compensation is described below:

Target Setting

The Compensation Committee assesses the outcomes of the prior year to ensure that the intended behaviors and results were achieved with the incentives.

The Compensation Committee and the CEO discuss potential goals for the upcoming year that are tied to the short and longer-term strategic goals of the Company.

The annual business plan for the year is approved by the Board of Directors and incentive goals and targets are aligned.

Payout curves are established for each goal and is approved by the Compensation Committee. The goals are then cascaded to the executives so that there is full Company alignment to the critical objectives that have been set forth for the year.

Other actions include the review of base salaries, bonus and LTI targets, plan designs, benefits, and peer group.

Monitoring & Tracking

The Compensation Committee closely monitors the progress against the performance goals throughout the year and engages in dialogue with management on such progress.

Results & Awards: Compensation**Committee Actions**

Reviews and certifies the annual Company results against the pre-established goals for the performance-based plans.

Reviews and discusses the performance of the CEO.

Reviews and discusses the Company, team, and individual performance of each executive officer as assessed by the CEO.

Reviews and discusses the CEO's recommended compensation levels for each executive officer other than his own in the context of such executive officer's contributions to the Company and his or her potential.

Approves the final executive officer compensation for each NEO other than the CEO, including base salary, bonus and long term incentive awards.

Reviews CEO compensation and recommends to the Board of Directors for approval the compensation of the CEO, including base salary,

bonus and long-term incentive
awards.

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)**2014 Base Salary**

In 2014, in determining Dr. Scangos' base salary, the Board of Directors reviewed the base salaries of comparable chief executive officer positions in our peer group and considered Dr. Scangos' pay mix, capabilities, performance and future expected contributions. Based on their review, Dr. Scangos' base salary remained the same. The Compensation Committee undertook a similar review when approving the base salaries for Mr. Clancy and Dr. Sandrock, and approved a 5.0% and 3.0% increase compared to 2013 for each of Mr. Clancy and Dr. Sandrock, respectively. Ms. Karaboutis' and Dr. Koppel's base salaries were determined at the time they were hired based on similar considerations. Base salaries in 2014 positioned our CEO and our other Named Executive Officers on average, at the median, compared to persons with comparable jobs within our peer group. The base salary of each of our Named Executive Officers in 2014 compared to 2013 was as follows:

Name	2013 Salary	2014 Salary	% Increase
G. Scangos	\$ 1,375,000	\$ 1,375,000	No change
P. Clancy	\$ 671,652	\$ 701,876	5.0%
A. Karaboutis ⁽¹⁾	n/a	\$ 600,000	n/a
A. Sandrock	\$ 550,000	\$ 566,500	3.0%
A. Koppel ⁽¹⁾	n/a	\$ 525,000	n/a

(1) The executive was hired in 2014.

2014 Performance-Based Plans

Our executive compensation programs place a heavy emphasis on performance-based rewards. We maintain a short-term incentive plan, known as our annual bonus plan, as well as a long-term incentive plan. Awards to our NEOs under our annual bonus plan are made under our 2008 Performance-Based Management Incentive Plan, and awards under our long-term incentive plan are granted under our 2008 Omnibus Equity Plan. Awards under our annual bonus plan are directly tied to the achievement of our annual operating goals, which are aligned with the Company's short- and long-term strategic plans. Our long-term incentives are directly tied to the performance of the price of shares of our common stock, which align our executives' long-term interests with the interests of our stockholders.

In setting our annual goals, in addition to our internal forecasts, we consider analysts' projections for our performance and the performance of companies in our peer group, as well as broad economic and industry trends. We establish

challenging targets that result in payouts at target levels only when Company performance warrants it. The Compensation Committee is responsible for reviewing and approving our annual Company goals, targets and levels of payout (e.g., threshold, target and maximum) and for reviewing and determining actual performance results at the end of the performance period.

In setting and approving the performance goals for our executive officers and for the Company under both the short- and long-term plans, the Compensation Committee considers the alignment of such goals to our business plan and the degree of difficulty of attainment and the potential for the goals to encourage inappropriate risk-taking. The Compensation Committee has determined that the structures of our executive compensation programs do not put our patients, investors or the Company at any material risk.

Annual Bonus Plan

Our annual bonus plan is a cash incentive plan that rewards near-term financial, strategic and operational performance. The Compensation Committee reviews our annual target bonus opportunities by job level each year to ensure they are competitive. The target annual bonus

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opportunity as a percent of year-end base salary for each of our Named Executive Officers in 2014 compared to 2013 was follows:

Name	2013 Target %	2014 Target %	% Increase
G. Scangos	140%	140%	No change
P. Clancy	55%	55%	No change
A. Karaboutis ⁽¹⁾	n/a	55%	n/a
A. Sandrock	50%	50%	No change
A. Koppel ⁽¹⁾	n/a	40%	n/a

(1) The executive was hired in 2014.

The approved target bonus opportunities for 2014 were below the median target amounts provided by companies in our peer group. On average, the 2014 target total cash compensation (e.g., base salary plus annual bonus at target performance) for our Named Executive Officers, aside from the CEO, was below the median of our peer group given our heavier focus on long-term incentives. Our CEO's target total cash compensation was slightly above the median of our peer group.

2014 Annual Bonus Plan Design

For our 2014 annual bonus plan, awards for our Named Executive Officers were based solely on the achievement of

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

Company goals. Identical to last year's plan design, to further reinforce the importance of achieving the Company's 2014 goals as an integrated leadership team, each executive officer's individual goals were identical to the Company goals. Accordingly, the corresponding Individual Multiplier and Company Multiplier percentages are the same.

The 2014 annual bonus plan provided for a payout ranging from 0% to 150% for each Company goal, which, after the determination of the level of achievement of each goal and application of the weighting assigned to each goal (discussed below under "2014 Company Performance Goals and Results") determined the Company Multiplier and the Individual Multiplier. The Company Multiplier and Individual Multiplier also ranged from 0% to 150% as follows:

Performance	Below Threshold	Threshold	Target	Max
Company	0%	50%	100%	150%
Individual	0%	50%	100%	150%

We determined the individual annual bonus payments for 2014 using the following calculation:

The 2014 annual bonus plan provided that if the Company Multiplier was 0%, there would be no payout. Further, because the Individual Multiplier was the same as the Company Multiplier for 2014, the combined multiplier, and therefore the annual bonus multiplier of each Named Executive Officer, cannot exceed 225%.

2014 Company Performance Goals and Results

Company goals were established at the start of 2014 with assigned weights that reflected the Company's focus on the following priorities:

Strengthen **Financial** performance results;

Capitalize on the value of our commercial portfolio; and

Extend our capabilities and portfolio to catalyze future value through our pipeline.

The goals and weights we selected reflect the importance of linking reward opportunities to both near-term results and our progress in achieving longer-term results. The goals we selected in 2014 were designed to measure the achievement of our annual strategic priorities relating to our commercial opportunities and pipeline progress. Our financial performance targets were based on the annual operating plan and long-range plan approved by our Board of Directors and with reference to analyst consensus for Biogen revenue and non-GAAP EPS based on the most current analyst reports at the time we set our targets.

The following table presents our financial targets relative to analyst consensus for 2014:

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)**2014 Annual Bonus Plan Company Target and Results Table**

Set forth below is a summary of the Company's goals and weights that the Compensation Committee established for the 2014 annual bonus plan and the degree to which we attained these goals. As described below, the Company Performance Multiplier was 145%, which included a six percentage point upward adjustment. The Compensation Committee increased the performance multiplier beyond the original payout reflected in our annual operating plan in recognition of the continued exceptional performance and effort across the entire business evidenced by the management of growth, global execution of new product introductions, and the successful clinical readouts and significant value increase to our pipeline. Because the Individual Multiplier was the same as the Company Multiplier for 2014, the combined annual bonus multiplier was 210.25% for each Named Executive Officer.

Company Goals	Weight	Performance Range			Results	Payout
		Threshold	Target	Max		
FINANCIAL						
EPS	25%	\$ 10.16	\$ 11.58	\$ 13.00	\$ 13.23 ⁽¹⁾	150%
Revenue	25%	\$ 8,365M	\$ 8,870M	\$ 9,375M	\$ 9,471M ⁽¹⁾	150%
CAPITALIZE						
Expand MS Franchise	20%	Patient numbers are not disclosed for competitive reasons			Above	
					Goal	150%
					At	
Launch and Optimize Hemophilia Franchise	5%				Goal ⁽²⁾	100%
EXTEND						
Build and Advance Total Pipeline	25%	Increase pipeline value based on the shape of the pipeline and the economic value			Above Goal ⁽³⁾	117%
Weighted Company Performance Multiplier						139%*
Exceptional Performance Adjustment						+6%
FINAL Company Performance Multiplier						145%

*Numbers may not foot due to rounding.

Notes to 2014 Annual Bonus Plan Company Targets and Results Table

(1) These financial measures were based on our publicly reported revenue of \$9,703 million and our publicly announced non-GAAP diluted EPS of \$13.83. For purposes of the 2014 annual bonus plan, revenue and EPS were reduced to account for the overall impact on revenue net of cost of goods sold above plan related to the Hemophilia launch; the inventory build above plan related to US interferon, US Tysabri and US/EU+ Tecfidera and unplanned revenue related to US Government pricing. In addition, the impact of foreign exchange rate fluctuations was neutralized. Note: Adjusted results do not include the financial impact of the exceptional performance adjustment of six percentage points applied to the annual bonus plan Company performance multiplier as mentioned above.

(2) We adjusted our metric relating to our Hemophilia franchise to exclude the additional net patients that exceeded the number of net patient additions used in our annual operating plan for purposes of the calculation of the bonus multiplier. Specific details are not disclosed for competitive reasons.

(3)

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The Company continued to expand and re-shape its pipeline of promising pre-clinical and clinical stage programs, through advancement of internal programs, entering into multiple external collaborations, and exceeding expectations of the level of confidence in and momentum of its clinical stage portfolio. Specific details are not disclosed for competitive reasons.

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)*2014 Annual Bonus Plan Awards*

Based on the Compensation Committee's evaluation and our Board of Directors' evaluation of Dr. Scangos and the other Named Executive Officers, it was determined that the final bonus awards under the 2014 annual bonus plan were as follows:

Name ⁽¹⁾	Year-end		Overall	Bonus Award
	Salary	Target Bonus %	Multiplier	
	(A) x	(B) x	(C) =	(D)
G. Scangos	\$ 1,375,000	140%	210.25%	\$ 4,047,313
P. Clancy	\$ 701,876	55%	210.25%	\$ 811,632
A. Karaboutis	\$ 600,000	55%	210.25%	\$ 188,165
A. Sandrock	\$ 566,500	50%	210.25%	\$ 595,533
A. Koppel	\$ 525,000	40%	210.25%	\$ 279,441

Notes to the 2014 Annual Bonus Plan Awards Table

(1) Bonus awards for Ms. Karaboutis and Dr. Koppel were pro-rated to reflect active service upon joining Biogen in 2014. The start dates for Ms. Karaboutis and Dr. Koppel were September 24, 2014, and May 15, 2014, respectively.

Long-Term Incentives (LTI)

All annual LTI awards granted to our executives are performance-based and are designed to reward long-term Company performance. Our executive LTI program consists primarily of Cash-Settled Performance Units (CSPUs) and Market Stock Units (MSUs). The award is equally weighted between the two LTI vehicles. We still grant time-based restricted stock units (RSUs) to executives, but only in lieu of CSPUs at the time of hire for executives who start employment after June 30th, as the performance period for CSPUs is substantially in progress at their time of hire.

Our LTI planning range is set so that our overall total compensation approximates the median of our peer group and allows for individual LTI award differentiation. Our LTI grant values are differentiated based on an executive's individual performance, potential future contributions, market competitiveness, as well as other factors. We also review overall total compensation of our executive officers against our peer group due to our heavier weighting in pay mix towards long-term incentives. On average, our LTI grant values for our Named Executive Officers for 2014 position their overall compensation just above the median values of our peer group in cases where there are comparable positions at the peer companies.

We have an established annual grant practice that follows the completion of our internal performance reviews of our executive officers as well as our external market review of

equity practices of our peer group, including the data from the Towers Watson survey described earlier. Since 2004, we have made our annual LTI grants in February of each year following our annual earnings release. The date of each annual LTI grant coincides with grants to the CEO, which is granted upon the approval by our Board of Directors. Other grants, such as those made in connection with a new hire, are granted on the first trading day of the month following the date of hire.

In 2014, the overall approximate LTI grant date values based on the planned and approved LTI values were as follows:

Name	Annual LTI Value
G. Scangos	\$ 11,800,000
P. Clancy	\$ 2,750,000
A. Karaboutis ⁽¹⁾	n/a
A. Sandrock ⁽²⁾	\$ 1,500,000
A. Koppel ⁽¹⁾	n/a

Notes to the 2014 Annual Long-Term Incentives Awards Table

- (1) Ms. Karaboutis and Dr. Koppel received a one-time LTI grant in connection with the commencement of their employment (see Summary Compensation Table for further details).
- (2) In 2013, the Compensation Committee approved a one-time LTI award to be granted in 2014 to encourage Dr. Sandrock's continued employment. The amount of this retention grant was \$5 million, divided equally between RSUs and MSUs. This grant will vest in equal tranches over four years starting in 2016 and is not subject to any accelerated vesting upon retirement.

The actual value that will be realized from the CSPUs depends on our 2014 revenue, non-GAAP EPS performance, adjusted free cash flow and the 30-day average common stock price on each of the dates they vest. The actual value that will be realized from the MSUs depends on our 30-day average common stock price growth between the grant date and each of the dates they vest. Our common stock price is influenced by the Company's performance as well as external market factors.

2014 CSPUs

CSPUs are performance-based restricted stock units that are subject to a one-year performance period. Our 2014 CSPU awards are eligible to vest upon the achievement of an equal weighting of revenue, non-GAAP EPS, and adjusted free cash flow results when compared to pre-established goals set at the start of the performance period by the Compensation Committee. Revenue and EPS meas-

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

ures were selected as in past years, and are the same financial measures utilized in the determination of the 2014 annual cash bonuses which were paid in 2015. We selected these measures to reinforce the importance of achieving and exceeding our financial goals and to provide further incentive to achieve such results. In order to further motivate the executives to work toward the achievement of these goals, we allowed a higher maximum payout (200%) for results above the maximum of the same

performance goals set for the bonus plan. An adjusted free cash flow measure was also selected, similar to past years, because it is viewed as a critical measure to align the interests of management with those of our shareholders as it reflects net cash flows provided by operating activities less capital expenditures. The long-term cash flow generation of a company most reflects the intrinsic value of an enterprise. As such, cash flow encourages management to optimize capital expenditures, invest prudently in high return projects, and optimize working capital.

2014 Cash-Settled Performance Units Company Target and Results Table

The final CSPU performance multiplier was determined by the Compensation Committee and applied to the target units granted to determine the actual units earned. The following chart shows the pre-established performance goals and the actual results that comprise the final CSPU Multiplier for 2014:

Company Goals ⁽¹⁾	Weight	Target Performance Range			Results	Payout
	%	Threshold	Target	Max		
EPS	33.3%	\$10.16	\$11.58	\$13.44	\$13.23	176.3%
Revenue	33.3%	\$8,365M	\$8,870M	\$9,525M	\$9,471M	182.0%
Adjusted Free Cash Flow	33.3%	\$2,374M	\$2,715M	\$3,163M	\$3,093M	167.6%
Weighted CSPU Performance Multiplier						175%*

*Numbers may not foot due to rounding.

Notes to 2014 Cash-Settled Performance Units Company Targets and Results Table

(1) See Notes to 2014 Annual Bonus Plan Company Targets and Results Table for definitions and adjustments related to EPS and Revenue goals and results. These adjustments also impacted Adjusted Free Cash Flow resulting in a reduction of \$148M.

The 2014 CSPUs were also subject to stock price performance and service-based vesting over three years from the grant date, in furtherance of the Company's long-term pay-for-performance philosophy and to encourage employee retention. Once vested, the CSPUs were converted to cash, except that, with respect to the 2014 grants to the executive officers, the Compensation Committee may settle such grants in shares of our common stock or in cash at its discretion. Starting in 2014, in order to better align the value of the cash award with stock price performance close to the date of vest, the conversion factor was changed from a 60-day to a 30-day average stock price on the applicable vesting date.

CSPU Illustration:

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)*2014 MSUs*

MSUs are performance-based restricted stock units that are earned based on the growth of our common stock price from the date of grant to each of the annual vesting dates. Starting in 2014, MSUs vest in three annual installments. On each vesting date, the performance multiplier is derived based on the stock price growth rate between the 30-day average stock price on the grant date and the 30-day average stock price leading up to and including each of the three annual vesting dates. The performance multiplier will continue to be calculated using a 60-day average stock price for MSUs granted prior to 2014.

Starting in 2014, the maximum payout of MSUs increased from 150% to 200% of the target grant, consistent with the CSPU plan design. Based on Monte-Carlo valuation simulations, the increased potential value derived by this change will generally be offset by the reduced performance period with shares vesting equally over three years. Once the performance multiplier is determined, it is then applied to the target number of units granted to each executive and can increase or decrease the overall number of actual shares earned based on stock price performance.

	Below			
	Threshold	Threshold	Target	Max
Stock Price Growth			0%	
	< -50%	-50%	(no change)	+100%
Performance Multiplier	0%	50%	100%	200%

They are then scheduled to vest on the applicable vesting date.

MSU Illustration:

The vesting period ties executive compensation even more directly to our common stock price performance. On each vesting date, the earned awards are settled in shares of our common stock.

The following table shows the vesting date, performance period and performance multiplier applied for MSUs vesting in 2014 and 2015:

Grant Date	Vest Date	Performance Period	Performance Multiplier
2/2014	2/2015	1 year	122%
2/2013	2/2014	1 year	150%
	2/2015	2 years	150%
2/2012	2/2014	2 years	150%
	2/2015	3 years	150%
2/2011	2/2014	3 years	150%
	2/2015	4 years	150%

Retirement Plans

We maintain a Supplemental Savings Plan (SSP), which is a non-qualified deferred compensation plan covering our executive officers and other management employees in the U.S. We offer this plan as part of the retirement savings component of our benefits program. We designed the SSP to be competitive with the nonqualified deferred compensation plans offered by companies in our peer group. Details of the SSP are presented in the narrative preceding the 2014 Non-Qualified Deferred Compensation Table below.

Other Benefits

In addition to eligibility for the benefit programs generally provided to all employees, such as our employee stock purchase plan and medical, dental, vision, life and disability insurance, we provide certain supplemental benefits to executives. These benefits include:

Life Insurance

All of our U.S. executives, including our Named Executive Officers, receive Company-paid term life insurance equal to three times annual base salary, up to a maximum benefit of \$1,500,000. Employees who are not executives receive Company-paid term life insurance equal to two times their annual base salary. The additional value of Company-provided life insurance for our executive officers reflects competitive practices and is consistent with our philosophy to provide appropriate levels of financial security for our employees based on their positions within the Company. The cost of Company-paid life insurance in excess of a \$50,000 insurance level is taxable income to U.S. employees and is not grossed up by the Company.

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)*Executive Physicals, Tax Preparation, Financial and Estate Planning*

Our executive officers, other than our CEO, are eligible for reimbursement of expenses incurred for tax preparation, financial and estate planning services, as well as the purchase of tax preparation and financial planning software, subject to annual expense limits of \$7,500 for executive vice presidents and \$5,500 for senior vice presidents. Such reimbursements are taxable income to our executives and are not grossed up.

Starting in 2014, all of our executive officers, including our CEO, became eligible for reimbursement for the cost of their executive physicals, subject to the annual expense limit noted directly above. This additional benefit provides our executives with additional flexibility to proactively manage their health and wellness.

Post-termination Compensation and Benefits

We provide severance benefits to all of our executives if they are terminated without cause or in certain other instances following a corporate transaction or a corporate change in control. The terms of these arrangements and the amounts payable under them are described below for each Named Executive Officer in the subsection titled Potential Payments Upon Termination or Change in Control. We provide these benefits because we believe that some severance protection is necessary to help our executives maintain their focus on the best interests of the Company when providing advice to the Company and making strategic decisions about a potential corporate transaction or change in control, and encourages effective leadership in the closing and integration of approved transactions.

Share Ownership Guidelines

We maintain share ownership guidelines for our executive officers to strengthen and reinforce the link our compensation programs create between our executives and our stockholders. A summary of our share ownership guidelines are set forth below.

Level	Number of Shares Equal in Value to:
CEO	6x salary
EVP/Group SVP	3x salary
SVP	2x salary

Executive officers have five years from their initial appointment to meet the requirement. In the event the requirement

is not met within that time, 100% of vested shares are required to be held until the requirement is satisfied. Only shares owned outright or otherwise earned are credited toward the share ownership requirement. Unvested time-vested restricted stock units are not included in the calculation. All of our executive officers currently meet the share ownership requirement or are still within the five-year period to meet such requirement.

Recoupment of Compensation

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

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current long-term incentive plan, the 2008 Omnibus Equity Plan, also provides for the cancellation of LTI grants in these circumstances. In addition, cash sign-on bonuses to our NEOs may be forfeited if they voluntarily resign from the Company within a pre-determined period of time.

Insider Trading, Hedging and Pledging Policy Prohibitions

We maintain a Global Insider Trading Policy that prohibits our employees and directors from, among other things, engaging in hedging or derivative transactions with respect to the Company's equity securities, purchasing Company stock on margin or pledging Company securities as collateral for a loan, or engaging in short sales of the Company's securities.

Tax-Deductibility of Compensation

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

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

Management regularly reviews the provisions of our plans and programs, monitors legal developments and works with the Compensation Committee and its consultant to review and consider Section 162(m) tax deductibility of compensation payments. Our Compensation Committee, however, believes that a compensation program that attracts, retains and rewards executive talent and achievement is necessary for our success and, therefore, is in the best interests of the Company and our stockholders and that, in establishing the cash and equity incentive compensation program for the Company's executive officers, the potential deductibility of the compensation payable under that program should only be one of a number of relevant factors taken into consideration. Consequently, our Compensation Committee may pay or provide, and has paid or provided, compensation in excess of \$1 million that is not exempt from the deduction limitations under Section 162(m).

Amounts of base salary above \$1 million are not deductible by the Company. Our annual bonus plan payouts in 2015 for our 2014 plan year and our 2014 LTI grants of CSPUs and MSUs are intended to fall within the exception for qualifying performance-based compensation (and therefore to be tax-deductible compensation) under Section 162(m).

Sign-on bonuses such as those paid to Ms. Karaboutis and Dr. Koppel in connection with their initial employment, and RSUs, as currently structured, are not considered

performance-based for purposes of Section 162(m). Therefore, the value of those equity awards at the time they vest or are settled, in combination with the amount of salary and certain other elements of compensation, in excess of \$1 million paid to our Chief Executive Officer and the three highest paid executive officers, other than the Chief Financial Officer, is not tax deductible by us.

Compensation and Management Development Committee Report

The Compensation and Management Development Committee furnishes the following report:

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

Submitted by,

Robert W. Pangia (Chair)

Caroline D. Dorsa

Richard C. Mulligan

Eric K. Rowinsky

Lynn Schenk

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)**Summary Compensation Table**

The following table shows the compensation paid to or earned by our Named Executive Officers during the years ended December 31, 2012, December 31, 2013 and December 31, 2014, for the year(s) in which they were a named executive officer.

Name and Principal Position	Year	Salary	Bonus ⁽¹⁾	Stock Awards ⁽²⁾	Non-Equity Incentive Plan Compensation ⁽³⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings ⁽⁴⁾	All Other Compensation ⁽⁵⁾	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
George A. Scangos Chief Executive Officer	2014	\$ 1,375,000		\$ 12,120,939	\$ 4,047,313	\$ 86,634	\$ 1,001,483	\$ 18,631,369
	2013	\$ 1,498,462		\$ 9,195,217	\$ 3,560,480	\$ 89,477	\$ 671,511	\$ 15,015,147
	2012	\$ 1,294,231		\$ 7,955,654	\$ 3,785,600	\$ 38,787	\$ 377,530	\$ 13,451,802
Paul J. Clancy EVP, Chief Financial Officer	2014	\$ 698,389		\$ 2,824,497	\$ 811,632	\$ 25,454	\$ 330,045	\$ 4,690,017
	2013	\$ 745,223		\$ 2,808,961	\$ 683,258	\$ 27,771	\$ 221,043	\$ 4,486,256
	2012	\$ 635,820		\$ 2,287,448	\$ 607,941	\$ 18,702	\$ 141,584	\$ 3,691,495
Alfred W. Sandrock Group SVP, Chief Medical Officer	2014	\$ 564,596		\$ 6,820,257	\$ 595,533	\$ 25,042	\$ 163,955	\$ 8,169,383
Adriana Karaboutis EVP, Technology and Business Solutions	2014	\$ 133,846	\$ 2,000,000	\$ 5,265,820	\$ 188,165		\$ 159,026	\$ 7,746,857
Adam M. Koppel SVP, Chief Strategy Officer	2014	\$ 306,923	\$ 2,000,000	\$ 4,109,423	\$ 279,441		\$ 16,810	\$ 6,712,597

Notes to the Summary Compensation Table

- (1) The amounts in column (d) for Ms. Karaboutis and Dr. Koppel reflect a one-time time-restricted cash payment made to them in 2014 at the time they commenced employment with the Company to account for forfeitures of certain compensation from their prior employer. Ms. Karaboutis joined us in September 2014 and Dr. Koppel joined us in May 2014.
- (2) The amounts in column (e) reflect the grant date fair value computed in accordance with FASB ASC Topic 718 for awards granted during 2014, 2013 and 2012, excluding the effect of estimated forfeitures. The amount for Dr. Sandrock represents grants of MSUs, CSPUs and RSUs. The amount for Ms. Karaboutis represents grants of MSUs and RSUs. The amounts for all other Named Executive Officers for 2014, 2013 and 2012 represent grants of MSUs and CSPUs. The fair value for MSU grants are estimated as of the date of grant using a lattice model with a Monte Carlo simulation. Assumptions used in this calculation are included on page F-39 in footnote 16 of our 2014 Annual Report on Form 10-K. The MSU and CSPU grants are estimated based on target performance. Further details on these awards and how the grant date fair values are determined can be found in the 2014 Grants of Plan-Based Awards Table. The table below shows the target and maximum payouts possible for the 2014, 2013 and 2012 MSU and CSPU awards based on the value at the date of grant and the payout ranges.

Executive Officer	2014		2013		2012	
	Target Payout	Maximum Payout	Target Payout	Maximum Payout	Target Payout	Maximum Payout
Dr. Scangos	\$ 12,120,939	\$ 24,241,878	\$ 9,195,217	\$ 16,042,945	\$ 7,955,654	\$ 13,933,385
Mr. Clancy	\$ 2,824,497	\$ 5,648,994	\$ 2,808,961	\$ 4,900,886	\$ 2,287,448	\$ 4,006,149

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Dr. Sandrock	\$ 4,319,927	\$ 8,639,854
Ms. Karaboutis	\$ 2,530,175	\$ 5,060,351
Dr. Koppel	\$ 4,109,423	\$ 8,218,845

(3) The amounts in column (f) reflect actual bonuses paid under our annual bonus plan.

(4) The amounts in column (g) reflect earnings in the Supplemental Savings Plan (SSP) that are in excess of 120% of the applicable federal long-term rate. The federal long-term rates applied in this calculation are 4.11%, 2.74%, and 3.15% for 2014, 2013 and 2012, respectively. A description of the SSP is presented in the narrative preceding the 2014 Non-Qualified Deferred Compensation Table.

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)

(5) The amounts in column (h) for 2014 reflect the following:

Executive Officer	Company Matching Contribution to 401(k) Plan Account	Company Contribution to SSP Account	Personal Health & Wellness, Financial and Tax Planning Reimbursement ⁽⁶⁾	Value of Company- Paid Life Insurance Premiums	Other ⁽⁷⁾
Dr. Scangos		\$ 1,000,529		\$ 954	
Mr. Clancy	\$ 15,600	\$ 311,228	\$ 1,936	\$ 1,282	
Dr. Sandrock	\$ 15,600	\$ 136,306	\$ 11,000	\$ 1,049	
Ms. Karaboutis				\$ 191	\$ 158,835
Dr. Koppel	\$ 13,327	\$ 2,815		\$ 668	

(6) Dr. Scangos is only eligible to participate in the executive physical element of the reimbursement program. The amount for Dr. Sandrock includes the 2014 benefit of \$5,500 and reimbursement during 2014 of the 2013 benefit of \$5,500.

(7) The amount for Ms. Karaboutis reflects relocation benefits under our executive relocation policy. This amount includes a tax gross-up of \$54,021.

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2015 PROXY STATEMENT

EXECUTIVE COMPENSATION AND RELATED INFORMATION (continued)**2014 Grants of Plan-Based Awards**

The following table shows additional information regarding all grants of plan-based awards made to our Named Executive Officers for the year ended December 31, 2014.

Name	Grant Date	Notes	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards (#) ⁽¹⁾			All Other Stock Awards: Number of Shares or Units (#)	Grant Date Fair Value of Stock Awards ⁽²⁾
			Threshold	Target	Maximum	Threshold	Target	Maximum	(i)	(j)
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
George A. Scangos	2/12/2014	(3)				7,873	15,745	31,490		\$ 6,220,613
	2/12/2014	(4)				9,133	18,265	36,530		\$ 5,900,326
	2/12/2014	(5)	\$ 481,250	\$ 1,925,000	\$ 4,331,250					
Paul J. Clancy	2/12/2014	(3)				1,835	3,670	7,340		\$ 1,449,962
	2/12/2014	(4)				2,128	4,255	8,510		\$ 1,374,535
	2/12/2014	(5)	\$ 96,508	\$ 386,032	\$ 868,572					
Alfred W. Sandrock	2/12/2014	(3)				1,000	2,000	4,000		\$ 790,198
	2/12/2014	(4)				1,160	2,320	4,640		\$ 749,453
	2/12/2014	(6)				3,335	6,670	13,340		\$ 2,780,276
	2/12/2014	(7)							7,740	\$ 2,500,330
	2/12/2014	(5)	\$ 70,813	\$ 283,250	\$ 637,313					
Adriana Karaboutis	10/01/2014	(3)				3,198	6,395	12,790		\$ 2,530,175
	10/01/2014	(8)							7,420	\$ 2,400,370
	10/01/2014	(5)	\$ 82,500	\$ 330,000	\$ 742,500					
	12/01/2014	(8)							(10,195)	
Expense of stock options			910		910					
Exercise of stock options	45	45	268		313					
Dividend paid			(3,174)		(3,174)					
Stock issued to directors as compensation	10	10	104		114					
Purchase of stock	(112)	(112)	(808)		(920)					

Balances at December 27, 2008	12,616	\$12,616	\$63,050	\$3,124	\$78,790
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Comprehensive
income

Net income			1,657		1,657
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Foreign currency translation adjustment				1,642	1,642
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Total comprehensive income					3,299
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Expense of stock options			588		588
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Settlement of restricted stock units	7	7	(7)		—
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Stock issued to directors as compensation	34	34	53		87
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Balances at December 26, 2009	12,657	\$12,657	\$65,341	\$4,766	\$82,764
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Comprehensive
income

Net income			6,059		6,059
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Foreign currency translation adjustment				(845)	(845)
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Total comprehensive income					5,214
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Expense of stock options			177		177
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Exercise of stock options	75	75	(17)		58
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Settlement of restricted stock units	12	12	(12)		—
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Stock option forfeiture			(32)		(32)
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Dividend paid			(1,285)		(1,285)
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Stock issued to directors as	36	36	98		134
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compensation

Balances at December 25, 2010	12,780	\$12,780	\$70,329	\$3,921	\$87,030
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See notes to consolidated financial statements.

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Escalade, Incorporated and Subsidiaries
Consolidated Statements of Cash Flows

All Amounts in Thousands	Years Ended December 25, 2010	December 26, 2009	December 27, 2008
Operating Activities			
Net income (loss)	\$ 6,059	\$ 1,657	\$ (7,496)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	4,330	5,965	5,539
Long-lived asset impairment charges	—	—	2,623
Available for sale securities impairment charges	—	—	884
Provision for doubtful accounts	(247)	362	525
Stock option expense	177	641	910
Equity in net income of joint venture investments	(1,963)	(1,598)	(1,054)
Deferred income taxes	1,401	2,175	(1,488)
Provision for deferred compensation	—	110	101
(Gain) loss on disposals of assets	(1)	(408)	731
Changes in			
Accounts receivable	(1,752)	3,661	3,028
Inventories	(2,411)	9,059	2,639
Prepays	435	210	(1,715)
Other assets	(16)	(503)	3,504
Income tax payable	(55)	2,739	(4,225)
Accounts payable and accrued expenses	2,895	(5,757)	(6,418)
Net cash provided by (used in) operating activities	8,852	18,313	(1,912)
Investing Activities			
Purchase of property and equipment	(1,778)	(1,894)	(9,484)
Purchase of short-term time deposits	(500)	(750)	—
Acquisitions, net of cash acquired	—	—	(467)
Proceeds from sale of property and equipment	13	269	33
Proceeds from sale of investments	—	1,645	1,501
Net cash used in investing activities	(2,265)	(730)	(8,417)
Financing Activities			
Net increase (decrease) in notes payable—bank	(8,237)	(18,880)	33,491
Net increase (decrease) in overdraft facility	1,406	—	—
Proceeds from exercise of stock options	58	—	313
Stock option forfeiture	(32)	—	—
Reduction of long-term debt	(500)	—	(19,135)

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Purchase of stock	—	—	(920)
Cash dividend paid	(1,285)	—	(3,174)
Directors compensation	134	33	114
Net cash provided by (used in) financing activities	(8,456)	(18,847)	10,689
Effect of Exchange Rate Changes on Cash and Cash Equivalents	366	686	449
Increase (Decrease) in Cash and Cash Equivalents	(1,503)	(578)	809
Cash and Cash Equivalents, Beginning of Year	3,039	3,617	2,808
Cash and Cash Equivalents, End of Year	\$ 1,536	\$ 3,039	\$ 3,617
Supplemental Cash Flows Information			
Interest paid	\$ 1,161	\$ 1,802	\$ 2,024
Income taxes paid	\$ 1,832	\$ 184	\$ 2,167

See notes to consolidated financial statements.

Note 1 —
Nature of
Operations
and Summary
of Significant
Accounting
Policies

Nature of Operations

Escalade, Incorporated and its wholly owned subsidiaries (the “Company”) are engaged in the manufacture and sale of sporting goods and information security and print finishing products. The Company is headquartered in Evansville, Indiana and has manufacturing facilities in the United States of America, Mexico and Germany. The Company sells products to customers throughout the world.

Principles of Consolidation

The consolidated financial statements include the accounts of Escalade, Incorporated and its wholly-owned subsidiaries. All material inter-company accounts and transactions have been eliminated.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The books and records of Subsidiaries located in foreign countries are maintained according to generally accepted accounting principles in those countries. Upon consolidation, the Company evaluates the differences in accounting principles and determines whether adjustments are necessary to convert the foreign financial statements to the accounting principles upon which the consolidated financial statements are based. As a result of this evaluation no material adjustments were identified.

Fiscal Year End

The Company’s fiscal year is a 52 or 53 week period ending on the last Saturday in December. Fiscal 2010, 2009 and 2008 were 52 weeks long ending on December 25, 2010, December 26, 2009 and December 27, 2008 respectively.

Cash and Cash Equivalents

Highly liquid financial instruments with insignificant interest rate risk and with original maturities of three months or less are classified as cash and cash equivalents.

Accounts Receivable

Revenue from the sale of the Company’s products is recognized as products are shipped to customers and accounts receivable are stated at the amount billed to customers. Interest and late charges billed to customers are not material and because collection is uncertain, are not recognized until collected and are therefore not included in accounts receivable. The Company does not offer the right of return on any of its sales and the Company does not engage in consignment or contingency sales. The Company provides an allowance for doubtful accounts which is described in Note 2 – Certain Significant Estimates.

Inventories

Inventory cost is computed on a currently adjusted standard cost basis (which approximates actual cost on a current average or first-in, first-out basis). Work in process and finished goods inventory are determined to be saleable based on a demand forecast within a specific time horizon, generally one year or less. Inventory in excess of saleable amounts is reserved, and the remaining inventory is valued at the lower cost or market. This inventory valuation reserve totaled \$1.8 million and \$3.2 million at fiscal year-end 2010 and 2009, respectively. Inventories, net of the valuation reserve, at fiscal year-ends were as follows:

In Thousands	2010	2009
Raw materials	\$5,973	\$6,357
Work in process	2,497	1,142
Finished goods	14,418	13,406
	\$22,888	\$20,905

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation and amortization are computed for financial reporting purposes principally using the straight-line method over the following estimated useful lives: buildings, 20-30 years; leasehold improvements, term of the lease; machinery and equipment, 5-15 years; and tooling, dies and molds, 2-4 years. Property, plant and equipment consist of the following:

In Thousands	2010	2009
Land	\$2,381	\$2,485
Buildings and leasehold improvements	20,672	20,446
Machinery and equipment	30,581	31,057
Total cost	53,634	53,988
Accumulated depreciation and amortization	(33,790)	(32,495)
	\$19,844	\$21,493

The Company evaluates the recoverability of certain long-lived assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Estimates of future cash flows used to test recoverability of long-lived assets include separately identifiable undiscounted cash flows expected to arise from the use and eventual disposition of the assets. Where estimated future cash flows are less than the carrying value of the assets, impairment losses are recognized based on the amount by which the carrying value exceeds the fair value of the assets. During 2008, the Company's Sporting Goods segment recognized an impairment loss of \$2.6 million related to the Reynosa, Mexico facility and equipment. This loss is included in the long lived asset impairment charges line of the statement of operations for that year.

Investments

Investments are composed of the following:

In Thousands	2010	2009
Non-marketable equity investments (equity method)	\$11,624	\$9,156

Non-Marketable Equity Investments: The Company has minority equity positions in companies strategically related to the Company's business, but does not have control over these companies. The accounting method employed is dependent on the level of ownership and degree of influence the Company can exert on operations. Where the equity interest is less than 20% and the degree of influence is not significant, the cost method of accounting is employed. Where the equity interest is greater than 20% but not more than 50%, the equity method of accounting is utilized. Under the equity method, the Company's proportionate share of net income (loss) is recorded in other income on the consolidated statement of income. The proportionate share of net income was \$2.0 million, \$1.6 million and \$1.1 million in 2010, 2009 and 2008, respectively. Total cash dividends received from these equity investments amounted to \$0, \$32 thousand, and \$49 thousand in 2010, 2009 and 2008, respectively. The Company considers whether the fair value of any of its equity investments have declined below their carrying value whenever adverse events or changes in circumstances indicate that recorded values may not be recoverable. If the Company considered any such decline to be other than temporary (based on various factors, including historical financial results, product development activities and overall health of the investments' industry), a write-down is recorded to estimated fair value. There was no impairment loss recognized on equity method investments in 2010, 2009 or 2008.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over fair value of net tangible and identifiable intangible assets of acquired businesses. Intangible assets consist of patents, consulting agreements, non-compete agreements, customer

lists, and trademarks. Goodwill and trademarks are deemed to have indefinite lives and are not amortized, but are subject to impairment testing annually in accordance with guidance included in FASB ASC 350, Intangibles – Goodwill and Other. Other intangible assets are amortized using the straight-line method over the following lives: consulting agreements, the life of the agreement; non-compete agreements, the lesser of the term or 5 years; and patents, the lesser of the remaining life or 5 to 8 years. No impairment has been recognized on goodwill or intangible assets in 2010, 2009 or 2008.

Employee Incentive Plan

During 2007, the Company replaced two stock-based compensation plans with a new incentive plan more fully explained in Note 11. The Company accounts for this plan under the recognition and measurement principles of FASB ASC 505, Equity Based Payments.

Foreign Currency Translation

The functional currency for the foreign operations of Escalade is the local currency. The translation of foreign currencies into U.S. dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet dates and for revenue and expense accounts using a weighted average exchange rate during the year. The gains or losses resulting from the translation are included in Accumulated Other Comprehensive Income in the Consolidated Statements of Stockholders' Equity and are excluded from net income (loss). Gains or losses resulting from foreign currency transactions are included in selling, general and administrative expense in the Consolidated Statements of Operations and were insignificant in fiscal years 2010, 2009, and 2008.

Cost of Products Sold

Cost of products sold are comprised of those costs directly associated with or allocated to the products sold and include materials, labor and factory overhead.

Other Income (Expense)

The components of Other Income (Expense) are as follows:

In Thousands	2010	2009	2008
Income from non-marketable equity investments accounted for on the equity method	\$ 1,963	\$ 1,598	\$ 1,054
Dividend and interest income from marketable equity securities available for sale	—	48	264
Gain (loss) on sale of marketable equity securities available for sale	—	432	(505)
Royalty income from patents	79	50	127
Impairment write-down on marketable securities available for sale	—	—	(884)
Other	8	142	(90)
	\$ 2,050	\$ 2,270	\$ (34)

Income Taxes

Income tax in the consolidated statement of operations includes deferred income tax provisions or benefits for all significant temporary differences in recognizing income and expenses for financial reporting and income tax purposes. A valuation allowance is established if it is more likely than not that a deferred tax asset will not be realized.

Research and Development

Research and development costs are charged to expense as incurred. Research and development costs incurred during 2010, 2009 and 2008 were approximately \$1.9 million, \$2.0 million, and \$2.3 million, respectively.

Reclassifications

Certain reclassifications have been made to prior year financial statements to conform to the current year financial statement presentation. These reclassifications had no effect on net earnings.

New Accounting Pronouncements

In December 2009, FASB issued Accounting Standards Update 2009-17, Improvements to Financial Reporting by Enterprises with Variable Interest Entities, to incorporate the changes made by FASB Statement No. 167 into the FASB Codification. The guidance in this update was effective for periods beginning after November 15, 2009 and thus was effective for the Company's first quarter reporting in 2010. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In December 2009, FASB issued Accounting Standards Update 2010-02, Consolidation (Topic 810) – Accounting and Reporting for Decreases in Ownership of a Subsidiary – A Scope Clarification, which expands the disclosure requirements about deconsolidation of a subsidiary or derecognition of a group of assets. The guidance in this update was effective for periods beginning in the first interim or annual reporting period ending on or after December 15, 2009 and thus was effective for the Company’s first quarter reporting in 2010. The adoption of this standard did not have a material impact on the Company’s consolidated financial statements.

Note 2 —
Certain
Significant
Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the consolidated financial statements; and the reported amounts of revenues and expenses during the reporting period. These estimates and judgments are evaluated on an ongoing basis and are based on experience; current and expected future conditions; third party evaluations; and various other assumptions believed reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and liabilities. Actual results may differ from the estimates and assumptions used in the financial statements and related notes.

Listed below are certain significant estimates and assumptions related to the preparation of the consolidated financial statements:

Product Warranty

The Company provides limited warranties on certain of its products, for varying periods. Generally, the warranty periods range from 90 days to one year. However, some products carry extended warranties of seven-year, ten-year, and lifetime warranties. The Company records an accrued liability and reduction in sales for estimated future warranty claims based upon historical experience and management’s estimate of the level of future claims. Changes in the estimated amounts recognized in prior years are recorded as an adjustment to the accrued liability and sales in the current year. A reconciliation of the liability is as follows:

In Thousands	2010	2009	2008
Beginning balance	\$737	\$896	\$1,208
Additions	357	232	113
Deductions	(438)	(391)	(425)
Ending balance	\$656	\$737	\$896

Inventory Valuation Reserves

The Company evaluates inventory for obsolescence and excess quantities based on demand forecasts based on specified time frames; usually one year. The demand forecast is based on historical usage, sales forecasts and current as well as anticipated market conditions. All amounts in excess of the demand forecast are deemed to be excess or obsolete and a reserve is established based on the anticipated net realizable value. A reconciliation of the reserve is as follows:

In Thousands	2010	2009	2008
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Beginning balance	\$3,152	\$3,943	\$3,573
Additions	189	1,042	1,786
Deductions	(1,502)	(1,833)	(1,416)
Ending balance	\$1,839	\$3,152	\$3,943

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Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due between 30 and 60 days after the issuance of the invoice. Accounts are considered delinquent when more than 90 days past due.

Delinquent receivables are reserved or written off based on individual credit evaluation and specific circumstances of the customer. A reconciliation of the allowance is as follows:

In Thousands	2010	2009	2008
Beginning balance	\$1,485	\$1,114	\$1,087
Additions	654	1,224	525
Deductions	(935)	(853)	(498)
Ending balance	\$1,204	\$1,485	\$1,114

Advertising Subsidies

The Company enters agreements with certain retailers to pay for direct advertising programs and/or provide in-store display units. These agreements are not based on retailer purchase volumes and do not obligate the retailer to continue carrying the Company's products. The Company determines the value of the advertising services based on its own research and history of providing such services. The Company expenses these costs in the period in which they are incurred as a reduction of sales. A reconciliation of the liability is as follows:

In Thousands	2010	2009	2008
Beginning balance	\$138	\$504	\$1,508
Additions	150	170	498
Deductions	(224)	(536)	(1,502)
Ending balance	\$64	\$138	\$504

CO-OP Advertising

The Company offers co-operative advertising allowances to certain retailers to encourage product promotions. These agreements are typically based on a percentage of retailer purchases up to a maximum allowance and the Company is never directly involved with the media provider. The Company accrues the estimated cost of these programs based on the sales volume of the retailer and historical trends. As costs are accrued they are recorded as a reduction in sales. A reconciliation of the liability is as follows:

In Thousands	2010	2009	2008
Beginning balance	\$1,322	\$2,648	\$3,323
Additions	2,637	1,816	2,999
Deductions	(2,643)	(3,142)	(3,674)
Ending balance	\$1,316	\$1,322	\$2,648

Volume Rebates

The Company has various rebate programs with its retailers that are based on purchase volume. Typically these programs are based on achieving specified sales volumes and the rebate is calculated as a percentage of purchases. Based on the terms of the agreement, purchase levels and historical trends the Company accrues the cost of these programs and records the same as a reduction in sales. A reconciliation of the liability is as follows:

In Thousands	2010	2009	2008
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Beginning balance	\$926	\$939	\$862
Additions	1,023	1,582	1,673
Deductions	(1,259)	(1,595)	(1,596)
Ending balance	\$690	\$926	\$939

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Catalog Allowances

A number of large office supply dealers operate through catalogs distributed to businesses globally. Product content is decided by the dealer each time a new catalog is issued, typically once a year. Catalog allowances are required by the dealer as an inducement to include the Company's products. The allowance is based on a fixed cost per page and/or a percentage of purchases by the dealer. The fixed portion of the allowance is often paid when the catalog is distributed and is recognized in the period incurred and the variable portion is accrued based on dealer purchases and historical trends. Catalog allowances are recorded as a reduction in sales. A reconciliation of the liability is as follows:

In Thousands	2010	2009	2008
Beginning balance	\$363	\$532	\$449
Additions	1,236	2,010	1,274
Deductions	(1,271)	(2,179)	(1,191)
Ending balance	\$328	\$363	\$532

Note 3 —
Accrued
Liabilities

Accrued liabilities consist of the following:

In Thousands	2010	2009
Employee compensation	\$4,696	\$3,419
Customer related allowances and accruals	3,982	4,867
Other accrued items	7,042	4,452
	\$15,720	\$12,738

Note 4 —
Operating
Leases

The Company leases warehouse and office space under non-cancelable operating leases that expire at various dates through 2014. Terms of the leases, including renewals, taxes, utilities, and maintenance, vary by lease. Total rental expense included in the results of operations relating to all leases was \$1.5 million, \$1.7 million, and \$1.7 million in 2010, 2009, and 2008, respectively.

At December 25, 2010, minimum rental payments under non-cancelable leases with terms of more than one year were as follows:

In Thousands	Amount
2011	\$ 873
2012	348
2013	104
2014	66
2015	—
	\$ 1,391

Note 5 —
Acquired
Intangible
Assets and
Goodwill

The carrying basis and accumulated amortization of recognized intangible assets are summarized in the following table:

In Thousands	2010		2009	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Patents	\$22,369	\$ 11,978	\$22,369	\$ 10,978
Consulting agreements	976	976	976	976
Non-compete agreements	2,197	2,073	2,197	2,015
Customer list	1,821	1,582	1,971	1,465
Trademarks	5,046	122	5,224	122
	\$32,409	\$ 16,731	\$32,737	\$ 15,556

Amortization expense was \$1.3 million, \$2.3 million and \$2.2 million for 2010, 2009 and 2008, respectively.

Estimated future amortization expense for each reporting segment is summarized in the following table:

In Thousands	2011	2012	2013	2014	2015	Thereafter
Sporting Goods	\$ 1,729	\$ 1,713	\$ 1,688	\$ 1,552	\$ 1,546	\$ 2,304
Information Security and Print Finishing	131	74	18	—	—	—
	\$ 1,860	\$ 1,787	\$ 1,706	\$ 1,552	\$ 1,546	\$ 2,304

The changes in the carrying amount of goodwill were:

In Thousands	Sporting Goods	Information Security and Print Finishing	Total
Balance at December 27, 2008	\$ 12,017	\$ 13,794	\$25,811
Purchase price adjustment	—	191	191
Foreign currency translation adjustment	—	213	213
Balance at December 26, 2009	12,017	14,198	26,215
Foreign currency translation adjustment	—	(818)	(818)
Balance at December 25, 2010	\$ 12,017	\$ 13,380	\$25,397

Note 6 —
Equity
Interest
Investments

The Company has a 50% interest in a joint venture, Stiga Sports AB (Stiga). The joint venture is accounted for under the equity method of accounting. Stiga, located in Sweden, is a global sporting goods company producing table tennis equipment and game products. Financial information for Stiga reflected in the table below has been translated from local currency to U.S. dollars using exchange rates in effect at the respective year-end for balance sheet amounts and using average exchange rates for income statement amounts. Certain differences exist between U.S. GAAP and local GAAP in Sweden, and the impact of these differences is not reflected in the summarized information reflected in the table below. The most significant difference relates to the accounting for goodwill for Stiga which is amortized over eight years in Sweden but is not amortized for U.S. GAAP reporting purposes. The effect on Stiga's net assets resulting from the amortization of goodwill for the years ended 2010 and 2009 are addbacks of \$7.6 million and \$5.6 million, respectively. These net differences are comprised of cumulative goodwill adjustments of \$10.6 million offset by the related cumulative tax effect of \$3.0 million as of December 25, 2010 and cumulative goodwill adjustments of \$7.9 million offset by the related cumulative tax effect of \$2.3 million as of December 26, 2009. The income statement impact of these goodwill and tax adjustments and other individually insignificant U.S. GAAP adjustments for the years ended December 25, 2010, December 26, 2009, and December 27, 2008 are to increase total Stiga net income by approximately \$1.7 million, \$1.3 million, and \$1.7 million, respectively.

In addition, the Company has a 50% interest in two joint ventures, Escalade International, Ltd. in the United Kingdom, and Neoteric Industries Inc. in Taiwan. Escalade International Ltd. is a sporting goods wholesaler, specializing in table tennis, game tables and archery products. The income and assets of Neoteric have no material impact on the Company's financial reporting. The Company's 50% portion of net income for Escalade International for

the years ended December 25, 2010, December 26, 2009, and December 27, 2008 was \$87 thousand, \$123 thousand, and \$58 thousand respectively, and is included in other income on the Company's statement of operations. Additional information regarding these entities is considered immaterial and has not been included in the combined totals listed below.

In accordance with Rule 3-09 of Regulation S-X, the applicable financial statements and accompanying notes of Stiga will be filed subsequently as an amendment to this Form 10-K.

Summarized financial information for Stiga Sports AB balance sheets as of December 31, 2010 and 2009, and statements of operations for the years ended December 31, 2010, 2009 and 2008 is as follows:

In Thousands	2010	2009	
Current assets	\$ 19,384	\$ 15,085	
Non-current assets	11,338	11,826	
Total assets	30,722	26,911	
Current liabilities	9,599	7,508	
Non-current liabilities	8,918	9,864	
Total liabilities	18,517	17,372	
Net assets	\$ 12,205	\$ 9,539	
	2010	2009	2008
Net sales	\$ 30,826	\$25,833	\$27,519
Gross profit	13,953	12,166	11,295
Net income	2,044	1,615	244

Note 7 —
Borrowings

On May 31, 2010 the Company entered into the Sixth Amendment to its Credit Agreement with its issuing bank, JP Morgan Chase Bank, N.A. (Chase). The Sixth Amendment amends the Credit Agreement dated as of April 30, 2009, which had a maturity date of May 31, 2010. The Amendment provides for a multi-year loan facility. As amended, the Credit Agreement now makes available to the Company a senior revolving credit facility in the maximum principal amount of up to \$27 million with a maturity date of May 31, 2012 and a term loan in the principal amount of \$10 million with a maturity date of May 31, 2015. The term loan agreement requires the Company to make repayment of the principal balance in equal installments of \$0.5 million per quarter beginning in September 2010. The Amendment also provides a Euro 2.0 million (approximately \$2.6 million) overdraft facility to replace the previous Euro 1.0 million (approximately \$1.3 million) overdraft facility and the revolving Euro credit facility. As of December 25, 2010 and December 26, 2009, the total amount outstanding on the overdraft facility was \$1.6 million and \$0.2 million, respectively. Such amounts are included in accrued liabilities on the consolidated balance sheets. A portion of the credit facility not in excess of \$5 million is available for the issuance of commercial or standby letters of credit to be issued by Chase.

Short-Term Debt

Short-term debt at fiscal year-ends was as follows:

In Thousands	2010	2009
Senior secured revolving credit facility of \$27.0 million with a maturity of May 31, 2012. The loan bears an interest rate of the Alternative Base Rate plus or minus the applicable ABR spread, or LIBOR plus the applicable LIBOR Spread, determined quarterly and based on the Company's leverage ratio. Secured by substantially all assets of the Company. The interest rates at December 25, 2010 ranged between 2.5% and 3.0%.	\$6,707	\$22,067
Senior secured revolving credit facility of Euro 3.0 million (approximately \$4.1 million), the balance due on May 31, 2010 was eliminated with the execution of the Sixth Amendment to the Credit Agreement.	—	2,877
Short-term debt	4,700	2,700
	\$11,407	\$27,644

Long-Term Debt

Long-term debt at fiscal year-ends was as follows:

In Thousands	2010	2009
Revolving term loan of \$10.0 million, executed on May 31, 2010 with a term of 5 years, with payments of \$0.5 million quarterly beginning with the calendar quarter ended September 30, 2010. The loan bears an interest rate of Alternative Base Rate plus or minus the applicable ABR Spread, or LIBOR plus the applicable LIBOR Spread, determined quarterly. The interest rate at December 25, 2010, was 2.76%.	\$9,500	\$—
Mortgage payable (Wabash, Indiana Adjustable Rate Economic Development Revenue Refunding Bonds), annual installments are optional, interest varies with short-term rates and is adjustable weekly based on market conditions, maximum rate is 10.00%, rate at December 25, 2010 is 0.72%, due September 2028, secured by plant facility, machinery and equipment, and a stand-by letter of credit	2,700	2,700
	12,200	2,700
Portion classified as short-term debt	(4,700)	(2,700)
	\$7,500	\$—

Maturities of long-term debt outstanding at December 25, 2010 are as follows: \$4.7 million in 2011, \$2.0 million in 2012, \$2.0 million in 2013, \$2.0 million in 2014 and \$1.5 million in 2015.

Note 8 —
Earnings Per
Share

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The shares used in the computation of the Company's basic and diluted earnings per common share are as follows:

In Thousands	2010	2009	2008
Weighted average common shares outstanding	12,726	12,632	12,637
Dilutive effect of stock options	515	239	47
Weighted average common shares outstanding, assuming dilution	13,241	12,871	12,684
Number of anti-dilutive stock options	—	30	391

Weighted average common shares outstanding, assuming dilution, includes the incremental shares that would be issued upon the assumed exercise of stock options outstanding.

Note 9 —
Employee
Benefit Plans

The Company has an employee profit-sharing salary reduction plan, pursuant to the provisions of Section 401(k) of the Internal Revenue Code, for non-union employees. The Company's contribution is a matching percentage of the employee contribution as determined by the Board of Directors annually. The Company's expense for the plan was \$0.18 million, \$0.13 million and \$0.54 million for 2010, 2009 and 2008, respectively.

Note 10 —
Deferred
Compensation
Plan

In October 1985, the Board of Directors approved the adoption of a Contributory Deferred Compensation Plan pursuant to which some recipients of incentive compensation could elect to defer receipt thereof. For each dollar of deferred compensation, the Company provided a 75% matching amount. All deferrals allowed under this plan have been made and amounts deferred earn interest at the rate of 9%. Mr. Robert Griffin, Chairman of the Board, was the only remaining participant in the Plan at the beginning of 2010. During 2010, the entire balance owed to Mr. Griffin was disbursed in cash. The payment of this liability was recognized as an expense for tax purposes in the current year.

Note 11 — Stock
Compensation
Plans

In April 2007, Shareholders approved the Escalade, Incorporated 2007 Incentive Plan ("2007 Incentive Plan"), which is an incentive plan for key employees, directors and consultants with various equity-based incentives as described in the plan document. The 2007 Incentive Plan is a replacement for the 1997 Incentive Stock Option Plan and the 1997 Director Stock Compensation and Option Plan which expired at the end of April 2007. All options issued and outstanding under the expired plans will remain in effect until exercised, expired or forfeited.

The 2007 Incentive Plan is administered by the Board of Directors or a committee thereof, which is authorized to determine, among other things, the key employees, directors or consultants who will receive awards under the plan, the amount and type of award, exercise prices or performance criteria, if applicable, and vesting schedules. Subject to various restrictions contained in the plan document, the total number of shares of common stock which may be issued pursuant to awards under the Plan may not exceed 1,405,491 shares.

Restricted Stock Units

In 2009, 2008, and 2007, the Company granted restricted stock units to certain officers and directors of the Company at fair market value on the date of grant. The restricted stock units granted to employees of the Company vest over three to four years and are dependent on certain market criteria. The restricted stock units granted to directors vest immediately or within two years. All restricted stock units are payable in shares of the Company's common stock upon vesting, subject to the deferral election arrangement, and are subject to forfeiture if on the vesting date the employee is not employed or the director no longer holds a position with the Company.

The Company issued no restricted stock units to employees or directors in 2010, and no restricted stock units to employees in 2009 and 54,103 restricted stock units to directors in 2009. The following table presents a summary of non-vested restricted stock units granted to employees and directors as of December 25, 2010, and changes during the year ended December 25, 2010:

	Number of Shares	Weighted- Average Grant Date Fair Value
Non-vested restricted stock units as of December 26, 2009	185,250	\$ 5.76
Granted	—	\$ —
Vested	—	\$ —
Forfeited	(102,542)	\$ 5.75
Non-vested restricted stock units as of December 25, 2010	82,708	\$ 5.78
Vested but unsettled	73,840	
Outstanding restricted stock units as of December 25, 2010	156,548	

When vesting is dependent on certain market criteria, the fair value of restricted stock units is determined by the use of Monte Carlo techniques. The market price of the Company's stock on the grant date is used to value restricted stock units where vesting is not contingent on market criteria. In 2010, the Company recorded the impact of pre-vesting forfeitures of certain restricted stock units. The impact of these pre-vesting forfeitures was to reduce the stock compensation expense by \$259 thousand. In 2010 and 2009, the Company recognized (\$48) thousand and \$504 thousand, respectively in compensation expense related to restricted stock units and as of December 25, 2010 and December 26, 2009, there was \$35 thousand and \$354 thousand, for 2010 and 2009, respectively of unrecognized compensation expense related to restricted stock units.

Stock Options

Total compensation expense recorded in the statement of operations for 2010, 2009 and 2008 relating to stock options was \$224 thousand, \$84 thousand and \$414 thousand, respectively.

At the February 23, 2010 meeting of the Board of Directors, the Board voted to approve director stock options of 30,000, and employee incentive stock options of 299,000. The director and employee options have a one year vesting and four year-tiered vesting, respectively, and all options expire in five years.

The following table summarizes option activity for each of the three years ended 2010:

	Incentive Stock Options		Director Stock Options	
	Granted	Outstanding	Granted	Outstanding
2010	299,000	877,500	30,000	51,524
2009	682,000	791,000	30,000	51,600
2008	—	366,500	—	24,367

The fair value of each option grant award is estimated on the grant date using the Black-Scholes-Merton option valuation model using the following assumptions:

	2010	2009	2008
Risk-free interest rates	1.36%	1.15% to 1.38%	—
Dividend yields	0%	0%	—
Volatility factors of expected market price of common stock	97.64% to 116.63%	81.34% to 94.93%	—
Weighted average expected life of the options	1-4 years	1-3 years	—

The following table summarizes stock option transactions for the three years ended 2010:

	2010		2009		2008	
	Shares	Option Price	Shares	Option Price	Shares	Option Price
Outstanding at beginning of year	842,600	\$0.64 to \$13.40	390,867	\$6.99 to \$19.21	446,343	\$6.99 to \$19.21
Issued during year	329,000	\$2.56	712,000	\$0.64 to \$0.89	—	—
Canceled or expired	(167,576)		(260,267)		(10,726)	
Exercised during year	(75,000)	\$0.64 to \$0.89	—		(44,750)	\$6.99 to \$9.03
Outstanding at end of year	929,024	\$0.64 to \$11.26	842,600	\$0.64 to \$13.40	390,867	\$6.99 to \$19.21
Exercisable at end of year	87,524		191,850		314,117	
Weighted-average fair value of options granted during the year	\$ 1.80		\$ 0.38		\$ —	

The following table summarizes information about stock options outstanding at December 25, 2010:

Range of Exercise Prices	Number of Shares	Options Outstanding		Options Exercisable	
		Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
\$0.64 - \$0.89	522,000	3.3 years	\$ 0.64	5,000	\$ 0.89
\$2.56	324,500	4.2 years	\$ 2.56	—	\$ —
\$9.35 - \$11.26	82,524	0.3 years	\$10.97	82,524	\$10.97
	929,024			87,524	

Note 12 — Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) and related tax effects were as follows:

In Thousands	2010	2009	2008
	\$—	\$—	\$(320)

Realization of previously unrealized gains on available-for-sale investments net of tax of \$0, \$0, and \$210 in 2010, 2009 and 2008, respectively			
Change in foreign currency translation adjustment	(845)	1,642	(2,344)
Change in unrealized loss on interest rate swap agreement net of tax of \$0, \$0, and \$23, in 2010, 2009 and 2008, respectively	—	—	(35)
	\$ (845)	\$ 1,642	\$ (2,699)

The components of accumulated other comprehensive income, net of tax, were as follows:

In Thousands	2010	2009	2008
Foreign currency translation adjustment	3,921	4,766	3,124
	\$3,921	\$4,766	\$3,124

Note 13 —
Provision for
Taxes

Income before taxes and the provision for taxes consisted of the following:

In Thousands	2010	2009	2008
Income (loss) before taxes:			
United States of America (USA)	\$10,919	\$3,359	\$(10,106)
Non USA	(1,843)	(754)	(74)
	\$9,076	\$2,605	\$(10,180)
Provision for taxes:			
Current			
Federal	\$118	\$(906)	\$(2,575)
State	180	(685)	804
International	(194)	364	575
	104	(1,227)	(1,196)
Deferred			
Federal	2,802	1,686	(774)
State	59	964	(714)
International	52	(475)	—
	2,913	2,175	(1,488)
	\$3,017	\$948	\$(2,684)

The Company has not provided for USA deferred taxes or foreign withholding taxes on undistributed earnings for non-USA subsidiaries where the Company intends to reinvest these earnings indefinitely in operations outside the USA.

The provision for income taxes was computed based on financial statement income. A reconciliation of the provision for income taxes to the amount computed using the statutory rate follows:

In Thousands	2010	2009	2008
Income tax at statutory rate	\$3,086	\$886	\$(3,461)
Increase (decrease) in income tax resulting from			
Permanent differences (investment income, dividends, and captive insurance earnings)	(368)	(162)	117
State tax expense, net of federal effect	158	184	(125)
Effect of foreign tax rates	484	(188)	391
Other	(343)	228	394
Recorded provision for income taxes	\$3,017	\$948	\$(2,684)

The provision for income taxes was computed based on financial statement income. In accordance with FASB ASC 740, the Company has recorded the following changes in uncertain tax positions:

In Thousands	2010	2009
Balance, beginning of year	\$ 536	\$ 954
Additions for current year tax positions	—	—
Additions for prior year tax positions	—	—
Settlements	(263)	—
Reductions settlements	—	—
Reductions for prior year tax positions	(53)	(418)
Balance, end of year	\$ 220	\$ 536

Interest costs and penalties related to income taxes are classified as interest expense and selling, general and administrative costs, respectively in the Company's financial statements. The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and multiple state and foreign jurisdictions. The Company is subject to future examinations by federal, state and other tax authorities for all years after 2006.

The components of the net deferred tax assets are as follows:

In Thousands	2010	2009
Assets		
Employee benefits	\$58	\$29
Valuation reserves	1,727	2,034
Deferred compensation	—	507
Property and equipment	—	24
Stock based compensation	268	469
Federal and state credits	375	507
Net operating loss carry forward	7,584	6,914
Total assets	10,012	10,484
Liabilities		
Unrealized equity investment income	(1,627)	(1,225)
Goodwill and intangible assets	(2,184)	(1,631)
Property and equipment	(218)	—
Total liabilities	(4,029)	(2,856)
Valuation Allowance		
Beginning balance	(6,855)	(1,301)
Increase (decrease) during period	229	(5,554)
Ending balance	(6,626)	(6,855)
	\$(643)	\$773

Deferred tax assets are included in the consolidated balance sheets as follows:

In Thousands	2010	2009
Deferred income tax asset - current	\$1,502	\$1,999
Deferred income tax asset (liability) – long-term	(2,145)	(1,226)
	\$(643)	\$773

The Company has U.S. federal unused net operating loss carry-forwards of approximately \$1.8 million and state unused net operating losses of approximately \$7.3 million. All operating loss carry-forwards expire in various amounts through 2029. In addition, the Company has foreign unused net operating loss carry-forwards of approximately \$19.9 million of which an estimated \$18.5 million has been reserved as the Company does not expect to be able to utilize these carryforwards.

Note 14 —
Operating
Segment and
Geographic
Information

The following table presents certain operating segment information.

In Thousands	2010	2009	2008
Sporting Goods			
Net revenue	\$85,815	\$76,807	\$98,039
Operating income (loss)	9,171	4,610	(6,250)
Interest expense	1,655	2,673	1,568
Provision (benefit) for taxes	2,993	715	(3,054)
Net income (loss)	4,601	1,273	(5,428)
Identifiable assets	68,047	67,528	78,593
Non-marketable equity investments (equity method)	—	—	—
Depreciation & amortization	2,461	3,217	3,784
Capital expenditures	517	792	2,261
Information Security and Print Finishing			
Net revenue	34,841	39,192	50,647
Operating income	926	1,780	3,930
Interest expense	203	(208)	(256)
Provision for taxes	913	988	2,037
Net income (loss)	(187)	1,077	1,835
Identifiable assets	37,713	40,105	44,306
Non-marketable equity investments (equity method)	321	341	336
Depreciation & amortization	1,114	1,576	1,755
Capital expenditures	1,261	640	582
All Other			
Net revenue	—	—	—
Operating income (loss)	(1,908)	(4,390)	(5,801)
Interest expense	(695)	(800)	713
Provision (benefit) for taxes	(889)	(755)	(1,667)
Net income (loss)	1,645	(693)	(3,903)
Identifiable assets	21,793	19,605	24,802
Non-marketable equity investments (equity method)	11,303	8,815	6,584
Depreciation & amortization	755	1,172	—
Capital expenditures	—	462	6,641
Total			
Net revenue	120,656	115,999	148,686
Operating income (loss)	8,189	2,000	(8,121)
Interest expense	1,163	1,665	2,025
Provision (benefit)for taxes	3,017	948	(2,684)
Net income (loss)	6,059	1,657	(7,496)

Identifiable assets	127,553	127,238	147,701
Non-marketable equity investments (equity method)	11,624	9,156	6,920
Depreciation & amortization	4,330	5,965	5,539
Capital expenditures	1,778	1,894	9,484

Each operating segment is individually managed and has separate financial results that are reviewed by the Company's management. Each segment contains closely related products that are unique to the particular segment. There were no changes to the composition of segments in 2010. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

The Sporting Goods segment consists of home entertainment products such as table tennis tables and accessories; basketball goals; pool tables and accessories; outdoor playsets; soccer and hockey tables; archery equipment and accessories; and fitness, arcade and darting products. Customers include retailers, dealers and wholesalers located throughout the United States and Europe.

The Information Security and Print Finishing segment consists of products such as high-security data shredders, disintegrators and deguassers and office machinery used in the office and graphic arts environment. Office environment products include folding machines; and paper trimmers and cutters. Customers include end-users, as well as, retailers, wholesalers, catalogs, specialty dealers and business partners.

All other segments consist of general and administrative expenses not specifically related to the operating business segments and includes investment income from equity investments.

Interest expense is allocated to operating segments based on working capital usage and the provision for taxes is allocated based on a combined federal and state statutory rate of 36% adjusted for actual taxes on foreign income. Permanent tax adjustments and timing differences are included in the all other segment.

Identifiable assets are principally those assets used in each segment. The assets in the all other segment are principally cash and cash equivalents; deferred tax assets; and investments.

The Company has one customer in 2010 in the Sporting Goods segment who accounted for 15% of consolidated total revenues and one customer in 2009 and 2008 who accounted for 15% and 6% of consolidated total revenues, respectively. No other customers accounted for 10% or more of consolidated revenues. Within the Sporting Goods segment these customers accounted for 21%, 22% and 9% of total revenues in 2010, 2009 and 2008, respectively.

As of December 25, 2010, approximately 14 employees of the Company's labor force were covered by a collective bargaining agreement that expires April 30, 2012.

Raw materials for Escalade's various product lines consist of wood, particleboard, slate, standard grades of steel, steel tubing, plastic, vinyl, steel cables, fiberglass and packaging. Escalade relies upon suppliers in Europe and Brazil for its requirement of billiard balls and slate utilized in the production of home pool tables and upon various Asian manufacturers for certain of its table tennis needs and other items. Escalade sources some of its game table product line in China.

Revenues by geographic region/country were as follows:

In Thousands	2010	2009	2008
North America	\$ 100,921	\$ 95,723	\$ 122,530
Europe	11,486	13,033	19,566
Other	8,249	7,243	6,590
	\$ 120,656	\$ 115,999	\$ 148,686

Revenues are attributed to country based on location of customer and are for continuing operations.

Identified assets by geographic region/country were as follows:

In Thousands	2010	2009	2008
North America	\$ 103,277	\$ 100,643	\$ 119,417
Europe	24,276	26,595	28,284
	\$ 127,553	\$ 127,238	\$ 147,701

Note 15 —
Summary of
Quarterly
Results

In thousands, except per share data (unaudited)	March 20	July 10	October 2	December 25
2010				
Net sales	\$25,169	\$35,737	\$28,565	\$31,185
Operating income	1,409	3,450	2,359	971
Net income (loss)	802	1,862	1,172	2,223
Basic earnings per share	\$0.06	\$0.15	\$0.09	\$0.18

In thousands, except per share data (unaudited)	March 21	July 11	October 3	December 26
2009				
Net sales	\$24,958	\$35,641	\$26,358	\$29,042
Operating income (loss)	(628)	1,374	612	642
Net income (loss)	(439)	366	618	1,112
Basic earnings per share	\$(0.03)	\$0.03	\$0.05	\$0.08

Note 16 —
Acquisitions

All of the Company's acquisitions have been accounted for using the purchase method of accounting.

2008

In March 2008, in addition to the 50% ownership already held by the Company, the Company acquired the remaining 50% stock shares of Action Group, which is a dealer of office supplies in South Africa. The total price of \$125 thousand was paid in cash using the Company's revolving credit lines and was composed of customer lists and goodwill.

In June 2008, the Company acquired 100% of the stock shares of Safe Tech Sweden AB, which is a distributor of office supplies. The total price of \$342 thousand was paid in cash using the Company's revolving credit lines and was composed of customer lists, goodwill and other assets.

Note 17 —
Commitments
and
Contingencies

The Company has obtained a letter of credit for the benefit of a certain mortgage holder. At December 25, 2010, the balance of the letter of credit was \$2.7 million. It is to be used in the event of a default in either interest or principal payments.

In the second quarter of 2010, the Company was made aware of a potential financial obligation relating to an 8,600 square foot facility the Company is sub-leasing in Spain. At this time, management is unable to estimate the potential exposure related to this matter, if any, but does not believe this will create a material adverse impact on the Company's consolidated financial conditions.

The Company is involved in litigation arising in the normal course of its business. The Company does not believe that the disposition or ultimate resolution of existing claims or lawsuits will have a material adverse effect on the business or financial condition of the Company.

The Company has entered into various agreements whereby it is required to make royalty and license payments. At December 25, 2010, the Company had future estimated minimum non-cancelable royalty and license payments as follows:

In Thousands	Amount
2011	\$ 430
2012	530
2013	350
2014	375
2015	375
Thereafter	1,125
	\$ 3,185

Note 18 — Fair
Values of
Financial
Instruments

The following methods were used to estimate the fair value of all financial instruments recognized in the accompanying balance sheets at amounts other than fair values.

Cash and Cash Equivalents and Time Deposits

Fair values of cash and cash equivalents and time deposits approximate cost due to the short period of time to maturity.

Notes Payable and Long-term Debt

The Company believes the carrying value of short-term debt, including current portion of long-term debt, and long-term debt adequately reflects the fair value of these instruments.

The following table presents estimated fair values of the Company's financial instruments in accordance with FASB ASC 480 at December 25, 2010 and December 26, 2009.

In Thousands	2010 Carrying Amount	Fair Value	2009 Carrying Amount	Fair Value
Financial assets				
Cash and cash equivalents	\$1,536	\$1,536	\$3,039	\$3,039
Time deposits	\$1,250	\$1,250	\$750	\$750
Financial liabilities				
Note payable and Short-term debt	\$9,407	\$9,407	\$27,644	\$27,644
Current portion of Long-term debt	\$2,000	\$2,000	\$—	\$—
Long-term debt	\$7,500	\$7,500	\$—	\$—

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ESCALADE, INCORPORATED

By:

/s/ Robert. Keller Robert J. Keller President and Chief Executive Officer	March 1, 2011
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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Robert E. Griffin Robert E. Griffin	Chairman and Director	March 1, 2011
/s/ Edward E. Williams Edward E. Williams	Director	March 1, 2011
/s/ Richard D. White Richard D. White	Director	March 1, 2011
/s/ George Savitsky George Savitsky	Director	March 1, 2011
/s/ Richard Baalman, Jr. Richard Baalman, Jr.	Director	March 1, 2011
/s/ Patrick Griffin Patrick Griffin	Director and President Martin Yale Global	March 1, 2011
/s/ Robert J. Keller Robert J. Keller	Director and President and Chief Executive Officer (Principal Executive Officer)	March 1, 2011
/s/ Deborah J. Meinert Deborah J. Meinert	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 1, 2011