

AGILENT TECHNOLOGIES INC  
Form PRE 14A  
January 22, 2016

**Table of Contents**

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

**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO.        )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

**AGILENT TECHNOLOGIES, INC.**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

(1)	Title of each class of securities to which transaction applies:
(2)	Aggregate number of securities to which transaction applies:
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
(4)	Proposed maximum aggregate value of transaction:
(5)	Total fee paid:

Fee paid previously with preliminary materials.

Edgar Filing: AGILENT TECHNOLOGIES INC - Form PRE 14A

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

- |     |   |
|-----|---|
| (1) | Amount Previously Paid:                       |
| (2) | Form, Schedule or Registration Statement No.: |
| (3) | Filing Party:                                 |
| (4) | Date Filed:                                   |

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

---

**Table of Contents**

Agilent Technologies, Inc.  
5301 Stevens Creek Blvd.  
Santa Clara, California 95051

Michael R. McMullen  
Chief Executive Officer

February 2016

To our Stockholders:

I am pleased to invite you to attend the annual meeting of stockholders of Agilent Technologies, Inc. ( Agilent ) to be held on Wednesday, March 16, 2016 at 8:00 a.m., Pacific Standard Time, at Agilent s headquarters located at 5301 Stevens Creek Blvd., Building No. 5, Santa Clara, California (U.S.A.). Details regarding admission to the annual meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement.

If you are unable to attend the annual meeting in person, you may listen through the Internet or by telephone. To listen to the live webcast, log on at [www.investor.agilent.com](http://www.investor.agilent.com) and select the link for the webcast. To listen by telephone, please call (877) 312-5529 (international callers should dial (253) 237-1147). The meeting identification number is 94999805. The webcast will begin at 8:00 a.m. and will remain on Agilent s website for one year. You cannot record your vote or ask questions on this website or at this phone number.

We have elected to take advantage of Securities and Exchange Commission rules that allow issuers to furnish proxy materials to their stockholders on the Internet. We believe that the rules allow us to provide our stockholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of the annual meeting.

Your vote is important. Whether or not you plan to attend the annual meeting, I hope that you will vote as soon as possible. Please review the instructions on each of your voting options described in the Proxy Statement and the Notice of Internet Availability of Proxy Materials you received in the mail.

Thank you for your ongoing support of, and continued interest in, Agilent.

Sincerely,

Admission to the annual meeting will be limited to stockholders. You are entitled to attend the annual meeting only if you are a stockholder of record as of the close of business on January 19, 2016, the record date, or hold a valid proxy for the meeting. In order to be admitted to the annual meeting, you must present proof of ownership of Agilent stock on the record date. This can be a brokerage statement or letter from a bank or broker indicating ownership on January 19, 2016, the Notice of Internet Availability of Proxy Materials, a proxy card, or legal proxy or voting instruction card provided by your broker, bank or nominee. Any holder of a proxy from a stockholder must present the proxy card, properly executed, and a copy of the proof of ownership. Stockholders and proxyholders may also be asked to present a form of photo identification such as a driver s license or passport. Backpacks, cameras, cell phones with cameras, recording equipment and other electronic recording devices will not be permitted at the annual meeting. Agilent reserves the right to inspect any persons or proposals prior to their admission to the annual meeting. Failure to follow the meeting rules or permit inspection will be grounds for exclusion from the annual meeting.

---

**Table of Contents**

**AGILENT TECHNOLOGIES, INC.**

**5301 Stevens Creek Blvd.  
Santa Clara, California 95051  
(408) 553-2424**

**Notice of Annual Meeting of Stockholders**

TIME	8:00 a.m., Pacific Standard Time, on Wednesday, March 16, 2016
PLACE	Agilent's Headquarters 5301 Stevens Creek Boulevard, Building No. 5 Santa Clara, California (U.S.A.)
ITEMS OF BUSINESS	<p>(1) To elect three directors to a 3-year term. At the annual meeting, the Board of Directors intends to present the following nominees for election as directors:</p> <p>Paul N. Clark James G. Cullen; and Tadataka Yamada, M.D.</p> <p>(2) To ratify the Audit and Finance Committee's appointment of PricewaterhouseCoopers LLP as Agilent's independent registered public accounting firm.</p> <p>(3) To approve, on a non-binding advisory basis, the compensation of Agilent's named executive officers.</p> <p>(4) To approve amendments to our Amended and Restated Certificate of Incorporation and Bylaws to declassify the Board.</p> <p>(5) To consider such other business as may properly come before the annual meeting.</p>
RECORD DATE	You are entitled to vote at the annual meeting and at any adjournments or postponements thereof if you were a stockholder at the close of business on Tuesday, January 19, 2016.
ANNUAL MEETING ADMISSION	To be admitted to the annual meeting, you must present proof of ownership of Agilent stock as of the record date. This can be a brokerage statement or letter from a bank or broker indicating ownership on January 19, 2016, the Notice of Internet Availability of Proxy Materials, a proxy card, or legal proxy or voting or voting instruction card provided by your broker, bank or nominee. You may also be asked to present a form of photo identification such as a driver's license or passport. The annual meeting will begin promptly at 8:00 a.m. Limited seating is available on a first come, first served basis.
VOTING	For instructions on voting, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail or, if you received a hard copy of the Proxy Statement, on your enclosed proxy card.

By Order of the Board,  
MICHAEL TANG  
Senior Vice President, General Counsel and  
Secretary

*This Proxy Statement and the accompanying proxy card are being sent or made available  
on or about February 4, 2016.*

**Table of Contents****SUMMARY INFORMATION****CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement contains forward-looking statements as defined in the Securities Exchange Act of 1934 and is subject to the safe harbors created therein. The forward-looking statements contained herein are generally identified by the words believe, project, expect, anticipate, estimate, intend, strategy, future, opportunity, plan, may, should, will, would, likely result, and similar expressions. Forward-looking statements are based on the beliefs and assumptions of Agilent's management and on currently available information. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in our annual report on Form 10-K for the year ended October 31, 2015. Agilent undertakes no responsibility to publicly update or revise any forward-looking statement.

**PROXY SUMMARY**

The following is a summary which highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider, and you are urged to read the entire Proxy Statement carefully before voting.

**Voting Matters and Vote Recommendations**

There are four items of business which Agilent currently expects to be considered at the Annual Meeting. The following table lists those items of business and the Agilent Board's vote recommendation.

PROPOSAL			BOARD VOTE RECOMMENDATION
(1)	Election of Directors		For each director nominee
(2)	Ratification of the Independent Registered Public Accounting Firm		For
(3)	Advisory vote to approve Named Executive Officer Compensation		For
(4)	Amendments to our Amended and Restated Certificate of Incorporation and Bylaws to declassify the Board		For

**Director Nominees**

Agilent's Board is currently divided into three classes serving staggered three-year terms. The following table provides summary information about each of the three director nominees who are being voted on at the Annual Meeting.

NAME	AGE	DIRECTOR SINCE	OCCUPATION	INDE-PENDENT	COMMITTEE MEMBERSHIPS				OTHER PUBLIC BOARDS
					AC	CC	NCG	EC	
Paul N. Clark	68	2006	Strategic Advisory Board Member of Genstar Capital, LLC	Yes	M		M		2
James G. Cullen	73	2000	Retired President and Chief Operating Officer of Bell Atlantic Corporation (now known as Verizon)	Yes			C	C	4
Tadataka Yamada, M.D.	70	2011	Venture Partner, Life Sciences Team, and Senior Advisor, Growth Buyout Team, Frazier Healthcare	Yes		M	M		

Key: AC: Audit Committee; CC: Compensation Committee; NCG: Nominating/Corporate Governance Committee; EC: Executive Committee; C: Chairperson; M: Member



**Table of Contents****SUMMARY INFORMATION****New Executive Officer Compensation Program*****Listening to Our Shareholders***

Agilent has historically received over 90% shareholder support on our Say-on-Pay proposals along with support from the major shareholder advisory firms. However, early in 2015 the major shareholder advisory firms recommended an Against vote on our fiscal year 2014 Say on Pay proposal. In response, our Compensation Committee Chair and members of management met with 15 of our largest shareholders who own more than 40% of Agilent's outstanding shares to hear their concerns. While our fiscal year 2014 Say on Pay proposal passed with 60% shareholder support, we were disappointed with this result and commenced a full review of our programs. Following these meetings, the Compensation Committee, our independent Compensation Committee consultant, and Agilent management considered the feedback received from shareholders and proposed a number of changes to our executive compensation programs for fiscal year 2016. In August 2015, our Compensation Committee Chair and members of management met again with 8 of our largest shareholders to preview our proposed program design changes. The feedback on our proposals was positive and in September, the Compensation Committee approved the design changes set forth below and as more fully described in the Compensation Discussion and Analysis and Executive Compensation sections of the proxy statement to take effect in fiscal year 2016.

<b>Program</b>	<b>FY15 Design</b>	<b>FY16 Design</b>
Performance Period	Semi-Annual	Annual
Primary Financial Metrics	Operating Margin ( OM ) / Revenue	Return on Invested Capital ( ROIC ) / Revenue
Stock Options (Time-Based Vesting) LTPP Shares	50% of target LTI value	n/a
(Relative Total Shareholder Return ( TSR )) LTPP Shares	50% of target LTI value	30% of target LTI value
(Financial Metric: OM for FY16) RSUs	n/a	30% of target LTI value
(Time-Based Vesting) One Year Post-Vest Holding Period	n/a	40% of target LTI value
	None	Apply to LTPP and RSUs
Payout Caps	2X cap on LTPP shares No cap on payout dollar value	Lower of: 2X cap on # of shares 3X cap on payout dollar value

The Compensation Committee will continue to consider the outcome of the Company's say-on-pay votes when making future compensation decisions for the named executive officers.



**Table of Contents**

**SUMMARY INFORMATION**

**Business Highlights**

Fiscal Year 2015 was a momentous year for Agilent. We entered the year as a stand-alone Life Sciences, Diagnostics and Applied Markets company, having just completed the spin-off of Keysight Technologies. On March 18, 2015, we appointed Mike McMullen as Agilent's Chief Executive Officer, succeeding Bill Sullivan who announced his decision to retire last year. This year also marks Agilent's 50<sup>th</sup> anniversary in analytical instrumentation.

Agilent is a global leader in life sciences, diagnostics and applied chemical markets and the premier laboratory partner for a better world. Ultimately, our fiscal year 2015 results reflect the dedication and passion of over 12,000 employees worldwide, in more than 100 countries providing instruments, software, services and consumables for the entire laboratory workflow. A few of our most notable performance highlights include the following:

We closed the acquisitions of (a) Cartagenia, a provider of software solutions for variant assessment and reporting of clinical genomics data from next-generation sequencing and microarrays in May 2015 and (b) Seahorse Bioscience, a leading provider of instruments and assay kits for measuring cell metabolism and bioenergetics. Seahorse's unique technology is the perfect complement to Agilent's market-leading separations and mass spec solutions, in particular for metabolomics and disease research in pharma in November 2015.

We returned \$400 million to shareholders in the form of dividends and buybacks and generated \$491 million in operating cash flow.

Our Life Sciences and Applied Markets Group (LSAG) introduced the following new products:

The 5977B High Efficiency Source (HES) GC/MSD System, a tandem gas chromatograph and mass spectrometer that delivers lower limits of detection than any other instrument in its class.

The 4200 TapeStation system, a fully automated instrument that enables scientists to rapidly analyze up to 96 DNA samples at a time, and sets a new sample QC standard for next-gen sequencing; and

The 1290 Infinity II Vialsampler that shortens injection cycles, lowers carryover and enlarges sample capacity-at a pressure range of up to 1300 bar.

Our Diagnostics and Genomics Group (DGG) partnered with Merck & Co. and Bristol-Myers Squibb and received FDA approval of two new companion diagnostic tests for Merck's Keytruda and Bristol Myers Squibb's OPTDIVO therapies, both drugs targeted at treating non-small cell lung cancer.

**Table of Contents****TABLE OF CONTENTS**

**2016 ANNUAL MEETING OF STOCKHOLDERS  
NOTICE OF ANNUAL MEETING AND PROXY STATEMENT  
TABLE OF CONTENTS**

	<b>Page</b>
<b>PROPOSAL 1 ELECTION OF DIRECTORS</b>	<b>7</b>
Director Nomination Criteria: Qualifications and Experience	7
Director Nominees for Election to New Three-Year Terms That Will Expire in 2019	8
Continuing Directors Not Being Considered for Election at this Annual Meeting	9
Directors Whose Terms Will Expire in 2017	9
Directors Whose Terms Will Expire in 2018	11
<b>COMPENSATION OF NON-EMPLOYEE DIRECTORS</b>	<b>13</b>
Summary of Non-Employee Director Annual Compensation for the 2015 Plan Year	13
Non-Employee Director Compensation for Fiscal Year 2015	14
Non-Employee Director Reimbursement Practice for Fiscal Year 2015	15
Non-Employee Director Stock Ownership Guidelines	15
<b>CORPORATE GOVERNANCE MATTERS</b>	<b>16</b>
Board Leadership Structure	16
Board's Role in Risk Oversight	16
Majority Voting for Directors	16
Board Communications	17
Director Independence	17
Compensation Committee Independence	18
<b>COMMITTEES OF THE BOARD OF DIRECTORS</b>	<b>19</b>
Audit and Finance Committee	19
Compensation Committee	20
Nominating/Corporate Governance Committee	20
Executive Committee	21
<b>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</b>	<b>21</b>
<b>RELATED PERSON TRANSACTIONS POLICY AND PROCEDURES</b>	<b>21</b>
Transactions with Related Persons	22
<b>PROPOSAL 2 RATIFICATION OF THE INDEPENDENT REGISTERED PUBLIC</b>	
<b>ACCOUNTING FIRM</b>	<b>24</b>
Fees Paid to PricewaterhouseCoopers LLP	25
Policy on Audit and Finance Committee Preapproval of Audit and Permissible Non-Audit	
Services of Independent Registered Public Accounting Firm	25
<b>AUDIT AND FINANCE COMMITTEE REPORT</b>	<b>26</b>
<b>COMPENSATION DISCUSSION AND ANALYSIS</b>	<b>28</b>
Named Executive Officers for Fiscal Year 2015	28
Introduction	28
Executive Summary	29
Compensation Philosophy	32
Determining Executive Pay	34
Fiscal Year 2015 Compensation	36
Additional Information	44
<b>EXECUTIVE COMPENSATION</b>	<b>46</b>
Summary Compensation Table	46
Long-term Incentive Awards	47
Grants of Plan-Based Awards in Last Fiscal Year	48
Outstanding Equity Awards at Fiscal Year-End	49
Option Exercises and Stock Vested at Fiscal Year-End	51

**Table of Contents****TABLE OF CONTENTS**

**2016 ANNUAL MEETING OF STOCKHOLDERS  
NOTICE OF ANNUAL MEETING AND PROXY STATEMENT  
TABLE OF CONTENTS**

	<b>Page</b>
Pension Benefits	51
Retirement Plan	52
Deferred Profit-Sharing Plan	52
Supplemental Benefit Retirement Plan	52
Non-Qualified Deferred Compensation in Last Fiscal Year	53
Pension Plans	54
International Relocation Benefit Plan	54
Termination and Change of Control Arrangements	54
<b>COMPENSATION COMMITTEE REPORT</b>	<b>58</b>
<b>PROPOSAL 3 NON-BINDING ADVISORY VOTE TO APPROVE THE COMPENSATION OF AGILENT S NAMED EXECUTIVE OFFICERS</b>	<b>59</b>
<b>PROPOSAL 4 APPROVAL OF AMENDMENTS TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND BYLAWS TO DECLASSIFY THE BOARD</b>	<b>60</b>
<b>COMMON STOCK OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</b>	<b>61</b>
Beneficial Ownership Tables	61
Section 16(a) Beneficial Ownership Reporting Compliance	62
<b>GENERAL INFORMATION ABOUT THE MEETING</b>	<b>63</b>
<i>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?</i>	63
<i>Why am I receiving these materials?</i>	63
<i>Who is soliciting my proxy?</i>	63
<i>What is included in these materials?</i>	63
<i>What information is contained in these materials?</i>	63
<i>What shares owned by me can be voted?</i>	63
<i>What is the difference between holding shares as a stockholder of record and as a beneficial owner?</i>	63
<i>How can I vote my shares in person at the annual meeting?</i>	64
<i>How can I vote my shares without attending the annual meeting?</i>	64
<i>Can I revoke my proxy or change my vote?</i>	64
<i>How are votes counted?</i>	64
<i>What is the voting requirement to approve each of the proposals?</i>	65
<i>What does it mean if I receive more than one Notice, proxy or voting instruction card?</i>	65
<i>Where can I find the voting results of the annual meeting?</i>	65
<i>What happens if additional proposals are presented at the annual meeting?</i>	65
<i>What is the quorum requirement for the annual meeting?</i>	66
<i>Who will count the vote?</i>	66
<i>Is my vote confidential?</i>	66
<i>Who will bear the cost of soliciting votes for the annual meeting?</i>	66
<i>May I propose actions for consideration at next year s annual meeting of stockholders or nominate individuals to serve as directors?</i>	66
<i>How do I obtain a separate set of proxy materials if I share an address with other stockholders?</i>	67
<i>If I share an address with other stockholders of Agilent, how can we get only one set of voting materials for future meetings?</i>	67

**Table of Contents****ELECTION OF DIRECTORS****PROPOSAL 1 ELECTION OF DIRECTORS****Director Nomination Criteria: Qualifications and Experience**

The Nominating/Corporate Governance Committee (the Nominating Committee) performs an assessment of the skills and the experience needed to properly oversee the interests of the Company. Generally the Nominating Committee reviews both the short and long term strategies of the Company to determine what current and future skills and experience are required of the Board in exercising its oversight function. The Nominating Committee then compares those skills to the skills of the current directors and potential director candidates. The Nominating Committee conducts targeted efforts to identify and recruit individuals who have the qualifications identified through this process. The Nominating Committee looks for its current and potential directors collectively to have a mix of skills and qualifications, some of which are described below:

a reputation for personal and professional integrity and ethics;

executive or similar policy-making experience in relevant business or technology areas or national prominence in an academic, government or other relevant field;

breadth of experience;

soundness of judgment;

the ability to make independent, analytical inquiries;

the willingness and ability to devote the time required to perform Board activities adequately;

the ability to represent the total corporate interests of Agilent; and

the ability to represent the long-term interests of stockholders as a whole.

In addition to these minimum requirements, the Nominating Committee will also consider whether the candidate's skills are complementary to the existing Board members' skills; the diversity of the Board in factors such as age, experience in technology, manufacturing, finance and marketing, international experience and culture; and the Board's needs for specific operational, management or other expertise. The Nominating Committee from time to time reviews the appropriate skills and characteristics required of board members, including factors that it seeks in board members such as diversity of business experience, viewpoints and, personal background, and diversity of skills in technology, finance, marketing, international business, financial reporting and other areas that are expected to contribute to an effective Board of Directors. In evaluating potential candidates for the Board of Directors, the Nominating Committee considers these factors in the light of the specific needs of the Board of Directors at that time.

**Current Director Terms**

Agilent's Board is divided into three classes serving staggered three-year terms. Directors for each class are elected at the annual meeting of stockholders held in the year in which the term for their class expires. Agilent's Bylaws, as amended, allow the Board to fix the number of directors by resolution. Our Board currently consists of ten directors divided into three classes.

If Proposal 4 is approved by the requisite percentage of stockholders at the Annual Meeting, the Company will transition to a declassified structure under which the entire Board will stand for election annually beginning in 2019. As part of the transition, at the Annual Meetings of Stockholders in 2017 and 2018, each of the Class II and Class III directors, respectively, will begin standing for annual election. The proposed amendments will not affect the unexpired term of any director elected prior to the Annual Meeting of Stockholders in 2017.

The terms of the three director nominees will expire at this Annual Meeting. The current composition of the Board and the term expiration dates for each director is as follows:

Class	Directors	Term Expires
I	Paul N. Clark, James G. Cullen and Tadataka Yamada, M.D.	2016

Edgar Filing: AGILENT TECHNOLOGIES INC - Form PRE 14A

II Heidi Fields, Sue H. Rataj and George A. Scangos, Ph.D.

2017

III Robert J. Herbold, Koh Boon Hwee, Michael R. McMullen and Daniel K. Podolsky, M.D.

2018

Directors elected at the 2016 annual meeting will hold office for a three-year term expiring at the annual meeting in 2019 (or until their respective successors are elected and qualified, or until their earlier death, resignation or removal). All nominees are currently directors of Agilent. Information regarding each nominee is provided below as of December 31, 2015. There are no family relationships among Agilent's executive officers and directors.

**Table of Contents****ELECTION OF DIRECTORS****Director Nominees for Election to New Three-Year Terms That Will Expire in 2019****PAUL N. CLARK****Age:** 68**Director Since:**

May 2006

**Agilent Committees:**

Audit and Finance

Nominating/Corporate Governance

**Public Directorships:**

Biolase, Inc.

Keysight Technologies, Inc.

**Former Public Directorships Held During the Past Five Years:**

Amylin Pharmaceuticals, Inc.

Talecris Biotherapeutics Holdings Corp

Mr. Clark has been a Strategic Advisory Board member of Genstar Capital, LLC since August 2007 and was an Operating Partner from August 2007 to January 2013. Genstar Capital LLC is a middle market private equity firm that focuses on investments in selected segments of life sciences and healthcare services, industrial technology, business services and software. Prior to that, Mr. Clark was the Chief Executive Officer and President of ICOS Corporation, a biotherapeutics company, from June 1999 to January 2007, and the Chairman of the Board of Directors of ICOS from February 2000 to January 2007. From 1984 to December 1998, Mr. Clark worked in various capacities for Abbott Laboratories, a health care products manufacturer, retiring from Abbott Laboratories as Executive Vice President and a board member. His previous experience included senior positions with Marion Laboratories, a pharmaceutical company, and Sandoz Pharmaceuticals (now Novartis Corporation), a pharmaceutical company.

Mr. Clark has significant experience in the pharmaceutical and biotechnology industries, including his experience serving in senior management positions with ICOS Corporation (where he served as Chief Executive Officer and President), Abbott Laboratories, Marion Laboratories and Sandoz Pharmaceuticals. In addition, Mr. Clark brings considerable public company director experience and perspective on company management and governance issues and practices.

**JAMES G. CULLEN****Age:** 73**Director Since:**

April 2000

**Agilent Committees:**

Nominating/Corporate Governance (Chair)

Executive (Chair)

**Public Directorships:**

Avinger, Inc.

Keysight Technologies, Inc

Neustar, Inc.

Prudential Financial, Inc.

**Former Public Directorships Held During the Past Five Years:**

Johnson &amp; Johnson

Mr. Cullen has served as Non-Executive Chairman of our Board since March 2005. Mr. Cullen was President and Chief Operating Officer of Bell Atlantic Corporation (now known as Verizon) from 1997 to June 2000 and a member of the office of chairman from 1993 to June 2000. Prior to this appointment, Mr. Cullen was the President and Chief Executive Officer of the Telecom Group of Bell Atlantic from 1995 to 1997. Prior to the creation of Bell Atlantic on January 1, 1984, Mr. Cullen held management positions with New Jersey Bell from 1966 to 1981 and AT&T from 1981 to 1983.

Mr. Cullen has considerable managerial and operational experience and expertise from his senior leadership position with Bell Atlantic and its predecessors. In addition, Mr. Cullen brings significant public company director experience and perspective on public company management and governance. Mr. Cullen has a strong understanding of Agilent having served on the board for over 10 years, including more than 5 years as the non-executive chairman.

**Table of Contents****ELECTION OF DIRECTORS****TADATAKA YAMADA, M.D.****Age:** 70**Director Since:**

January 2011

**Agilent Committees:**

Compensation

Nominating/Corporate Governance

**Public Directorships:**

None

**Former Public Directorships Held During the Past Five Years:**

Covidien plc.

Takeda Pharmaceutical Co. Ltd.

Dr. Yamada is currently a Venture Partner on the Life Sciences team of Frazier Healthcare Partners, a healthcare-focused investment firm. From June 2011 to June 2015 Dr. Yamada served as the Chief Medical and Scientific Officer of Takeda Pharmaceuticals International, Inc., a research-based global pharmaceutical company. Dr. Yamada previously served as President of the Global Health Program of the Bill & Melinda Gates Foundation from June 2006 to June 2011. From 2000 to 2006, Dr. Yamada was Chairman of Research and Development for GlaxoSmithKline Inc. and prior to that, he held research and development positions at SmithKline Beecham. Prior to joining SmithKline Beecham, Dr. Yamada was Chairman of the Department of Internal Medicine at the University of Michigan Medical School and Physician-in-Chief of the University of Michigan Medical Center.

Dr. Yamada brings to our Board a unique perspective with his experience as the former President of the Global Health Program of the Bill & Melinda Gates Foundation as well as his significant research and development experience. Dr. Yamada's extensive pharmaceutical industry knowledge gives him an insight into a number of issues facing Agilent that other directors might not possess.

***Agilent's Board recommends a vote FOR the election to the Board of each of the foregoing nominees.***

**Continuing Directors Not Being Considered for Election at this Annual Meeting**

The Agilent directors whose terms are not expiring this year are listed below. They will continue to serve as directors for the remainder of their terms or such other date, in accordance with Agilent's Bylaws. Information regarding each of such directors is provided below.

**Directors Whose Terms Will Expire in 2017****HEIDI FIELDS****Age:** 61**Director Since:**

February 2000

**Agilent Committees:**

Audit and Finance (Chair)

Nominating/Corporate Governance

**Public Directorships:**

Financial Engines, Inc.

Halyard Health, Inc.

**Former Public Directorships Held During the Past Five Years:**

None

Ms. Fields served as Executive Vice President and Chief Financial Officer of Blue Shield of California from September 2003 through December 2012. She served as Executive Vice President and the Chief Financial Officer of Gap, Inc. from 1999 to January 2003. Prior to assuming that position, Ms. Fields served as the Chief Financial Officer of ITT Industries, Inc. from 1995 to 1999. From 1979 to 1995, she held senior financial management positions at General Motors Corporation, including Vice President and Treasurer.

Ms. Fields possesses significant experience and expertise in management and financial matters, having served as the Chief Financial Officer of both public and private companies, including at Blue Shield of California, Gap, Inc. and ITT Industries, Inc. Ms. Fields is the chairperson of our Audit and Finance Committee and is qualified as a financial expert under SEC guidelines. In

addition, Ms. Fields has considerable experience and expertise with Agilent having been a member of Agilent's board of directors for over 10 years.



**Table of Contents****ELECTION OF DIRECTORS****SUE H. RATAJ****Age:** 58**Director Since:**  
September 2015**Agilent Committees:**Compensation  
Nominating/Corporate Governance**Public Directorships:**Cabot Corporation  
Bayer A.G.**Former Public Directorships Held During the Past Five Years:**  
None

Ms. Rataj was Chief Executive, Petrochemicals for BP, a global energy company until she retired in April 2011. In this role, she held responsibility for all BP's global petrochemical operations. Prior to that, Ms. Rataj held a variety of senior management positions with BP, most recently serving as Group Vice President, Health, Safety, Operations and Technology for the Refining and Marketing Segment.

Ms. Rataj possesses significant leadership experience and business expertise from her executive positions with BP. Ms. Rataj has lived and worked extensively in the Asia Pacific and European regions, and brings a global perspective to the Agilent Board. In addition, Ms. Rataj brings public company director experience and knowledge of public company management and governance practices.

**GEORGE A. SCANGOS, Ph.D.****Age:** 67**Director Since:**  
September 2014**Agilent Committees:**Compensation  
Nominating/Corporate Governance**Public Directorships:**Biogen Inc.  
Exelixis, Inc.**Former Public Directorships Held During the Past Five Years:**  
Anadys Pharmaceuticals, Inc.

Dr. Scangos has served as the Chief Executive Officer and a director of Biogen Inc. 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. 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 from 2006 until 2010. He is also a member of the National Board of Visitors of the University of California, Davis School of Medicine and is currently an Adjunct Professor of Biology at Johns Hopkins University.

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.

**Table of Contents****ELECTION OF DIRECTORS****Directors Whose Terms will Expire in 2018****ROBERT J. HERBOLD****Age:** 73**Director Since:**  
June 2000**Agilent Committees:**Audit and Finance  
Nominating/Corporate Governance**Public Directorships:**

Neptune Orient Lines Limited

**Former Public Directorships Held During the Past Five Years:**  
None

Mr. Herbold has served as the Managing Director of the consulting firm The Herbold Group, LLC since 2003. He served as Executive Vice President and Chief Operating Officer of Microsoft Corporation from 1994 to April 2001 and served as an Executive Vice President (part-time) of Microsoft Corporation until June 2003. Prior to joining Microsoft, Mr. Herbold was employed by The Procter & Gamble Company for twenty-six years, and served as a Senior Vice President at The Procter & Gamble Company from 1990 to 1994.

Mr. Herbold possesses significant leadership experience and business expertise from his executive leadership positions with Microsoft Corporation and The Procter & Gamble Company. Having been a member of the Agilent board for over 10 years, Mr. Herbold has a strong knowledge of Agilent's business. In addition, Mr. Herbold brings considerable public and private company director experience and perspective on public company management and governance issues and practices.

**KOH BOON HWEE****Age:** 65**Director Since:**  
May 2003**Agilent Committees:**Compensation (Chair)  
Nominating/Corporate Governance**Public Directorships:**AAC Technologies Holdings, Inc.  
Sunningdale Tech, Ltd.  
Yeo Hiap Seng Ltd.  
Far East Orchard Ltd.**Former Public Directorships Held During the Past Five Years:**  
Yeo Hiap Seng (Malaysia) Bhd

Mr. Koh is the managing partner of Credence Capital Fund II (Cayman) Ltd., a private equity fund. Mr. Koh has served as the non-Executive Chairman of Sunningdale Tech Ltd. since January 2009 and previously served as its Executive Chairman and Chief Executive Officer from July 2005 to January 2009. He has served as the non-Executive Chairman of Yeo Hiap Seng Ltd. since April 2010, the non-Executive Chairman of Rippledote Capital Advisers Pte. Ltd. since February 2011 and the non-Executive Chairman of Far East Orchard Ltd. since April 2013. He served as Executive Director of MediaRing Limited from February 2002 to August 2009; Chairman of DBS Bank Ltd. from January 2006 to April 2010; Chairman of Singapore Airlines from July 2001 to December 2005 and Chairman of Singapore Telecom from April 1992 to August 2001. Mr. Koh spent fourteen years with Hewlett-Packard Company in its Asia Pacific region.

Mr. Koh possesses a strong mix of leadership and operational experience from his various senior positions with Sunningdale Tech, AAC Technologies, MediaRing Limited, DBS Bank, Singapore Airlines and Singapore Telecom. In addition, Mr. Koh has deep experience in the Asia Pacific region and brings that knowledge and perspective to the Board. Mr. Koh has extensive experience with Agilent and its predecessor, Hewlett-Packard, having served on the Agilent board for over 10 years and having spent 14 years with Hewlett-Packard.

**Table of Contents****ELECTION OF DIRECTORS****MICHAEL R. MCMULLEN**

**Age:** 54  
**Director Since:**  
 March 2015

**Agilent Committees:**  
 Executive Committee

**Public Directorships:**  
 None

**Former Public Directorships Held During the Past Five Years:**  
 None

Mr. McMullen has served as Chief Executive Officer since March 2015 and as President since September 2014. From September 2014 to March 2015 he also served as Chief Operating Officer. From September 2009 to September 2014 he served as Senior Vice President, Agilent and President, Chemical Analysis Group. From January 2002 to September 2009, he served as our Vice President and General Manager of the Chemical Analysis Solutions Unit of the Life Sciences and Chemical Analysis Group. Prior to assuming this position, from March 1999 to December 2001, Mr. McMullen served as Country Manager for Agilent's China, Japan and Korea Life Sciences and Chemical Analysis Group. Prior to this position, Mr. McMullen served as our Controller for the Hewlett-Packard Company and Yokogawa Electric Joint Venture from July 1996 to March 1999.

Mr. McMullen has broad and deep experience with Agilent and its businesses having been an employee of Agilent and its predecessor, Hewlett-Packard, for over 20 years. During the course of his career, he has developed considerable expertise in, and in-depth knowledge of, Agilent's businesses, having seen them as an individual contributor and at numerous levels of management. This perspective gives valuable insight to the Agilent board.

**DANIEL K. PODOLSKY, M.D.**

**Age:** 62  
**Director Since:**  
 July 2015

**Agilent Committees:**  
 Audit and Finance  
 Nominating/Corporate Governance

**Public Directorships:**  
 GlaxoSmithKline PLC

**Former Public Directorships Held During the Past Five Years:**  
 None

Dr. Podolsky has served as President of the University of Texas Southwestern Medical Center, a leading academic medical center, patient care provider and research institution, since September 2008. Previously Dr. Podolsky also served concurrently as Mallinckrodt Professor of Medicine at Harvard Medical School, the Chief of Gastroenterology at Massachusetts General Hospital. From 2005 to 2008, Dr. Podolsky served as Chief Academic Officer and Faculty Dean, Academic Programs of Partners Healthcare System, Inc., a non-profit health care system committed to patient care, research, teaching and service. Dr. Podolsky holds the Philip O Bryan Montgomery, Jr., M.D. Distinguished Presidential Chair in Academic Administration, and the Doris and Bryan Wildenthal Distinguished Chair in Medical Science. He is a member of the Institute of Medicine of the US National Academy of Sciences, member of the Board of the Southwestern Medical Foundation and is a member of the Scientific Advisory Board of Antibe Therapeutics, Inc., a company focused on the treatment of diseases characterized by inflammation, pain and/or vascular dysfunction. Dr. Podolsky is also a member of the National Academies of Sciences Board on Army Science and Technology.

Dr. Podolsky's current responsibilities in leading a large academic medical center give him relevant insight into healthcare delivery and bring scientific expertise to the Board.

**Table of Contents****NON-EMPLOYEE DIRECTOR COMPENSATION****COMPENSATION OF NON-EMPLOYEE DIRECTORS**

Directors who are employed by Agilent do not receive any compensation for their Board services. As a result, Mr. McMullen, an employee of Agilent, received no additional compensation for his Board services. The general policy of the Board is that compensation for non-employee directors should be a mix of cash and equity-based compensation that is competitive with the compensation paid to non-employee directors within Agilent's peer group. The non-employee director's compensation plan year begins on March 1 of each year (the Plan Year).

The table below sets forth the annual retainer, equity grants and committee premiums for the non-employee directors and the Non-Executive Chairman for the 2015 Plan Year:

**Summary of Non-Employee Director Annual Compensation for the 2015 Plan Year**

	Cash Retainer <sup>(1)</sup>	Equity Grant <sup>(2)</sup>	Committee Chair Premium <sup>(3)</sup>	Audit Committee Member Premium <sup>(4)</sup>
Non-employee director	\$90,000	Stock Grant with a value equivalent to \$180,000	\$15,000 - Audit and Finance Committee and Nominating/Corporate Governance Committee Chair	\$10,000
Non-Executive Chairman	\$245,000	Stock Grant with a value equivalent to \$180,000	\$20,000 - Compensation Committee Chair Not eligible	\$10,000

(1) Each non-employee director may elect to defer all or part of the cash compensation to the 2005 Deferred Compensation Plan for Non-Employee Directors. Any deferred cash compensation is converted into shares of Agilent common stock.

(2) The stock will be granted on the later of (i) March 1 or (ii) the first trading day after each Annual Meeting of Stockholders. The number of shares underlying the stock grant is determined by dividing \$180,000 by the average fair market value of Agilent's common stock over 20 consecutive trading days up to and including the day prior to the grant date. The stock grant vests immediately upon grant. Voluntary deferral is available as an option for the non-employee directors.

(3) Non-employee directors (excluding the Non-Executive Chairman) who serve as the chairperson of a Board committee receive a committee chair premium. The chair of the Audit Committee and Nominating/Corporate Governance Committee receive a premium of \$15,000 and the chair of the Compensation Committee receives a premium of \$20,000, payable in cash, at the beginning of each Plan Year.

(4) Non-employee directors (including the Non-Executive Chairman) who serve as a member of the Audit and Finance Committee receive an additional \$10,000 in cash, paid at the beginning of each Plan Year.

A non-employee director who joins the Board of Directors after the start of the Plan Year will have his or her cash retainer, equity grant and committee chair premium pro-rated based upon the remaining days in the Plan Year that the director will serve.

In September 2015, the Compensation Committee and the Board, based on the recommendation of the Compensation Committee's independent compensation consultant, F.W. Cook, concluded that the current non-employee director compensation is competitive with Agilent's peer group and would remain unchanged for the 2016 Plan Year, except that the annual Committee Chair Premium for the chair of the Compensation Committee was increased from \$15,000 to \$20,000, effective September 2015.

**Table of Contents****NON-EMPLOYEE DIRECTOR COMPENSATION****Non-Employee Director Compensation for Fiscal Year 2015**

The table below sets forth information regarding the compensation earned by each of Agilent's non-employee directors during the fiscal year ended October 31, 2015:

Non-Employee Director Compensation for Fiscal Year 2015					
	Cash	Committee	Audit Committee	Stock	
Name	Retainer	Chair Premium	Member Premium	Awards	Total
	(\$) <sup>(1)</sup>	(\$) <sup>(1)</sup>	(\$) <sup>(1)</sup>	(\$) <sup>(2),(3)</sup>	(\$)
Paul N. Clark	\$90,000		\$10,000	\$181,967	\$281,967
James G. Cullen <sup>(4)</sup>	\$245,000			\$181,967	\$426,967
Heidi Fields	\$90,000	\$15,000	\$10,000	\$181,967	\$296,967
Robert J. Herbold	\$90,000		\$10,000	\$181,967	\$281,967
Koh Boon Hwee	\$90,000	\$15,000		\$181,967	\$286,967
Daniel K. Podolsky, M.D. <sup>(5)</sup>	\$36,720		\$6,120	\$110,005	\$152,845
A. Barry Rand <sup>(6)</sup>	\$90,000			\$181,967	\$271,967
Sue H. Rataj <sup>(7)</sup>	\$20,656			\$82,784	\$103,440
George A. Scangos, Ph.D.	\$90,000			\$181,967	\$271,967
Tadataka Yamada, M.D.	\$90,000			\$181,967	\$271,967

(1) Reflects all cash compensation earned during fiscal year 2015, whether or not any of the cash compensation was deferred into Agilent common stock pursuant to the 2005 Deferred Compensation Plan for Non-Employee Directors. The number of shares of Agilent common stock received in lieu of cash is determined by dividing the dollar value of the deferred cash amount by the twenty (20) day average fair market value for the applicable deferral date. The aggregate number of shares of Agilent common stock deferred by each non-employee director is set forth in the footnotes to the Beneficial Ownership Table included in this proxy statement.

(2) Reflects the aggregate grant date fair value for stock awards granted in fiscal year 2015 calculated in accordance with FASB ASC Topic 718. The assumptions used by the Company in calculating these amounts are included in Note 4 under the heading "Valuation Assumptions" of the Notes to the Consolidated Financial Statements in the Company's 2015 Annual Report on Form 10-K.

(3) A supplemental table following these footnotes sets forth: (i) the aggregate number of stock awards and option awards outstanding at fiscal year-end; (ii) the aggregate number of stock awards granted during fiscal year 2015; and (iii) the grant date fair market value of equity awards granted by Agilent during fiscal year 2015 to each of our non-employee directors.

(4) Mr. Cullen has served as the Non-Executive Chairman of the Board since March 1, 2005.

(5) Dr. Podolsky joined the Board on July 21, 2015.

(6) Mr. Rand retired from the Board on October 31, 2015.

(7) Ms. Rataj joined the Board on September 15, 2015.

**Table of Contents****NON-EMPLOYEE DIRECTOR COMPENSATION****Additional Information With Respect to Director Equity Awards**

The following table provides additional information on the outstanding equity awards at fiscal year-end and awards granted during fiscal year 2015 for non-employee directors.

Name	Stock Awards	Option Awards	Stock Awards	Grant Date Fair
	Outstanding at	Outstanding at	Granted During	Value of
	Fiscal Year-End	Fiscal Year-End	Fiscal Year 2015	Stock
	(#) <sup>(1)</sup>	(#)	(#)	Awards Granted in
				Fiscal Year 2015
				(#) <sup>(1)(2)</sup>
				(\$) <sup>(1)(2)</sup>
Paul N. Clark			4,311	\$181,967
James G. Cullen		32,179	4,311	\$181,967
Heidi Fields		41,049	4,311	\$181,967
Robert J. Herbold		32,179	4,311	\$181,967
Koh Boon Hwee		32,179	4,311	\$181,967
Daniel K. Podolsky, M.D. <sup>(3)</sup>			2,780	\$110,005
A. Barry Rand <sup>(4)</sup>		32,179	4,311	\$181,967
Sue H. Rataj <sup>(5)</sup>			2,290	\$82,784
George A. Scangos, Ph.D.			4,311	\$181,967
Tadataka Yamada, M.D.			4,311	\$181,967

(1) Stock awards granted to non-employee directors vest immediately upon grant.

(2) Reflects the aggregate grant date fair value for stock awards granted in fiscal year 2015 calculated in accordance with FASB ASC Topic 718.

The assumptions used by the Company in calculating these amounts are included in Note 4 under the heading "Valuation Assumptions" of the Notes to the Consolidated Financial Statements in the Company's 2015 Annual Report on Form 10-K.

(3) Dr. Podolsky joined the Board on July 21, 2015.

(4) Mr. Rand retired from the Board on October 31, 2015.

(5) Ms. Rataj joined the Board on September 15, 2015.

**Non-Employee Director Reimbursement Practice for Fiscal Year 2015**

Non-employee directors are reimbursed for travel and other out-of-pocket expenses connected to Board travel.

**Non-Employee Director Stock Ownership Guidelines**

In 2005, the company adopted a policy that requires each non-employee director to own Agilent shares having a value of at least three times the annual cash retainer. In May 2010, the Compensation Committee, based on the recommendation of the Committee's independent compensation consultant, F.W. Cook, amended the guidelines to increase the alignment of the non-employee directors' interest with stockholder interests by requiring each non-employee director to own Agilent shares having a value of at least six times an amount equal to \$90,000 (for the 2014 Plan Year). The shares counted toward the ownership guidelines include shares owned outright and the shares of Agilent stock in the non-employee director's deferred compensation account. For recently appointed non-employee directors, these ownership levels must be attained within five years from the date of their initial election or appointment to the board of directors. As of September 2015, all of our incumbent non-employee directors had achieved the recommended ownership level except for: (1) Dr. Yamada who was appointed to the Board in January 2011 and has until January 2016 to meet the ownership requirements (2) Dr. Scangos who was appointed to the Board in September 2014 and has until September 2019 (3) Dr. Podolsky who was appointed to the Board in March 2015 and has until March 2020 to meet the ownership requirements, and (4) Ms. Rataj who was appointed to the Board in September 2015 and has until September 2020 to meet the ownership requirements.

**Table of Contents****CORPORATE GOVERNANCE****Corporate Governance Matters**

Agilent has had formal corporate governance standards in place since the Company's inception in 1999. We have reviewed internally and with the Board the provisions of the Sarbanes-Oxley Act of 2002 ( Sarbanes-Oxley Act ), the rules of the SEC and the NYSE's corporate governance listing standards regarding corporate governance policies and processes and are in compliance with the rules and listing standards.

We have adopted charters for our Compensation Committee, Audit and Finance Committee, Nominating/Corporate Governance Committee and Executive Committee consistent with the applicable rules and standards. Our committee charters, Amended and Restated Corporate Governance Standards and Standards of Business Conduct are located in the Investor Relations section of our website and can be accessed by clicking on Governance Policies in the Corporate Governance section of our web page at [www.investor.agilent.com](http://www.investor.agilent.com).

**Board Leadership Structure**

Agilent currently separates the positions of chief executive officer and chairman of the Board. Since March 2005, Mr. Cullen, one of our independent directors, has served as our chairman of the Board. The responsibilities of the chairman of the Board include: setting the agenda for each Board meeting, in consultation with the chief executive officer; chairing the meetings of independent directors; and facilitating and conducting, with the Nominating/Corporate Governance Committee, the annual self-assessments by the Board and each standing committee of the Board, including periodic performance reviews of individual directors. Separating the positions of chief executive officer and chairman of the Board allows our chief executive officer to focus on our day-to-day business, while allowing the chairman of the Board to lead the Board in its fundamental role of providing advice to and independent oversight of management. The Board believes that having an independent director serve as chairman of the Board is the appropriate leadership structure for Agilent at this time.

However, our Corporate Governance Standards permit the roles of the chairperson of the Board and the chief executive officer to be filled by the same or different individuals. This provides the Board with flexibility to determine whether the two roles should be combined in the future based on Agilent's needs and the Board's assessment of Agilent's leadership from time to time. Our Corporate Governance Standards provide that, in the event that the chairperson of the Board is also the chief executive officer, the Board may consider the election of an independent Board member as a lead independent director.

In 2014, we amended the Corporate Governance Standards to raise the mandatory retirement age for directors from 72 to 75.

The Board made the change in recognition of the contribution that experienced directors, with knowledge of the Company, bring to effective board oversight.

**Board's Role in Risk Oversight**

The Board executes its risk management responsibility directly and through its committees. The Audit and Finance Committee has primary responsibility for overseeing Agilent's enterprise risk management process. The Audit and Finance Committee receives updates and discusses individual and overall risk areas during its meetings, including the Company's financial risk assessments, risk management policies and major financial risk exposures and the steps management has taken to monitor and control such exposures. The Compensation Committee oversees risks associated with our compensation policies and practices with respect to both executive compensation and compensation generally.

The Compensation Committee receives reports and discusses whether Agilent's compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

The full Board is kept abreast of its committees' risk oversight and other activities via reports of the committee chairpersons to the full Board during Board meetings.

**Majority Voting for Directors**

Our Bylaws provide for majority voting of directors regarding director elections. In an uncontested election, any nominee for director shall be elected by the vote of a majority of the votes cast with respect to the director. A majority of the votes cast means that the number of shares voted FOR a director must exceed 50% of the votes cast with respect to that director. The votes cast shall include votes to withhold authority and exclude votes to ABSTAIN with respect to that director's election. If a director is not elected due to a failure to receive a majority of the votes cast and his or her successor is not otherwise elected and qualified, the director shall promptly tender his or her resignation following certification of the stockholder vote.

The Nominating/Corporate Governance Committee will consider the resignation offer and recommend to the Board whether to accept or reject it, or whether other action should be taken. The Board will act on the Nominating/Corporate Governance Committee's recommendation within 90 days following certification of the stockholder vote. Thereafter, the Board will promptly disclose their decision and the rationale behind it in a press release to be disseminated in the same manner as Company press releases typically are distributed.



## **Table of Contents**

### **CORPORATE GOVERNANCE**

Any director who tenders his or her resignation pursuant to this provision shall not participate in the Nominating/Corporate Governance Committee recommendation or Board action regarding whether to accept the resignation offer.

#### **Board Communications**

Stockholders and other interested parties may communicate with the Board and Agilent's Non-Executive Chairperson of the Board of Directors by filling out the form at [Contact Chairman](#) under [Corporate Governance](#) at [www.investor.agilent.com](http://www.investor.agilent.com) or by writing to James G. Cullen, c/o Agilent Technologies, Inc., General Counsel, 5301 Stevens Creek Blvd., MS 1A-11, Santa Clara, California 95051. The General Counsel will perform a legal review in the normal discharge of duties to ensure that communications forwarded to the Non-Executive Chairperson preserve the integrity of the process. For example, items that are unrelated to the duties and responsibilities of the Board such as spam, junk mail and mass mailings, product complaints, personal employee complaints, product inquiries, new product suggestions, resumes and other forms of job inquiries, surveys, business solicitations or advertisements (the [Unrelated Items](#)) will not be forwarded to the Non-Executive Chairperson. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will not be forwarded to the Non-Executive Chairperson.

Any communication that is relevant to the conduct of Agilent's business and is not forwarded will be retained for one year (other than [Unrelated Items](#)) and made available to the Non-Executive Chairperson and any other independent director on request. The independent directors grant the General Counsel discretion to decide what correspondence shall be shared with Agilent management and specifically instruct that any personal employee complaints be forwarded to Agilent's Human Resources Department.

#### **Director Independence**

Agilent adopted the following standards for director independence in compliance with the NYSE corporate governance listing standards:

1. No director qualifies as [independent](#) unless the Board affirmatively determines that the director has no material relationship with Agilent or any of its subsidiaries (either directly, or as a partner, stockholder or officer of an organization that has a relationship with Agilent). Agilent or any of its subsidiaries must identify which directors are independent and disclose the basis for that determination.

In addition, a director is not independent if:

2. The director is, or has been within the last three years, an employee of Agilent or any of its subsidiaries, or an immediate family member is, or has been within the last three years, an executive officer of Agilent or any of its subsidiaries.

3. The director has received, or has an immediate family member who has received, during any twelvemonth period within the last three years, more than \$120,000 in direct compensation from Agilent or any of its subsidiaries, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

4. (A) The director is a current partner or employee of a firm that is Agilent's internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on Agilent's audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on Agilent's or any of its subsidiaries' audit within that time.

5. The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of Agilent's or any of its subsidiaries' current executive officers at the same time serves or served on that company's compensation committee.

## Edgar Filing: AGILENT TECHNOLOGIES INC - Form PRE 14A

6. The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, Agilent or any of its subsidiaries for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

The Board determined that Paul N. Clark, James G. Cullen, Heidi Fields, Robert J. Herbold, Koh Boon Hwee, Daniel K. Podolsky, M.D., Sue H. Rataj, George A. Scangos, Ph.D., and Tadataka Yamada, M.D. met the aforementioned independence standards. Michael R. McMullen did not meet the independence standards because he is Agilent's President and Chief Executive Officer.

Agilent's non-employee directors meet at regularly scheduled executive sessions without management. As the Non-Executive Chairman of the Board, James G. Cullen was chosen to preside at executive sessions of the non-management directors.

**Table of Contents**

**Compensation Committee Member Independence**

Agilent has adopted standards for compensation committee member independence in compliance with the NYSE corporate governance listing standards. In affirmatively determining the independence of any director who will serve on the compensation committee, the board of directors considers all factors specifically relevant to determining whether such director has a relationship to Agilent or any of its subsidiaries which is material to such director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to:

- (A) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by Agilent to such director; and
- (B) whether such director is affiliated with Agilent, a subsidiary of Agilent or an affiliate of a subsidiary of Agilent.

**Table of Contents****CORPORATE GOVERNANCE****COMMITTEES OF THE BOARD OF DIRECTORS**

The Board has four standing committees as set forth in the table below. Each director attended at least 75% of the aggregate number of Board and applicable committee meetings held when the director was serving on the Board.

Director	Board	Audit and Finance	Compensation	Nominating/Corporate Governance	Executive
Paul N. Clark					
James G. Cullen	CHAIR			CHAIR	CHAIR
Heidi Fields		CHAIR			
Robert J. Herbold					
Koh Boon Hwee			CHAIR		
Michael R. McMullen					
Daniel K. Podolsky, M.D. <sup>(1)</sup>					
Sue H. Rataj <sup>(2)</sup>					
George A. Scangos, Ph.D.					
Tadataka Yamada, M.D.					
No. of Meetings in FY2015	12	12	7	6	0

(1) Dr. Podolsky joined our Board on July 21, 2015.

(2) Ms. Rataj joined our Board on September 15, 2015.

Agilent encourages, but does not require, its Board members to attend the annual meeting of stockholders. Last year, all of our directors who were serving at such time, attended the annual meeting of stockholders.

**Audit and Finance Committee**

The Audit and Finance Committee is responsible for the oversight of the quality and integrity of Agilent's consolidated financial statements, its compliance with legal and regulatory requirements, the qualifications and independence of its independent registered public accounting firm, the performance of its internal audit function and independent registered public accounting firm and other significant financial matters. In discharging its duties, the Audit and Finance Committee is expected to:

have the sole authority to appoint, retain, compensate, oversee, evaluate and replace the independent registered public accounting firm;

review and approve the scope of the annual internal and external audit;

review and pre-approve the engagement of Agilent's independent registered public accounting firm to perform audit and non-audit services and the related fees;

meet independently with Agilent's internal auditing staff, independent registered public accounting firm and senior management;

review the adequacy and effectiveness of the system of internal control over financial reporting and any significant changes in internal control over financial reporting;

review Agilent's consolidated financial statements and disclosures including Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's reports on Form 10-K or Form 10-Q;

establish and oversee procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (b) the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

review funding and investment policies, implementation of funding policies and investment performance of Agilent's benefit plans;

monitor compliance with Agilent's Standards of Business Conduct; and

review disclosures from Agilent's independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independence of accountant's communications with the audit committee.

## **Table of Contents**

### CORPORATE GOVERNANCE

#### **Compensation Committee**

The Compensation Committee reviews the performance of Agilent's elected officers and other key employees and determines, approves and reports to the Board on the elements of their compensation, including total cash compensation and long-term equity based incentives. In addition, the Compensation Committee:

approves and monitors Agilent's benefit plan offerings;

supervises and oversees the administration of Agilent's incentive compensation, variable pay and stock programs, including the impact of Agilent's compensation programs and arrangements on Company risk;

recommends to the Board the annual retainer fee as well as other compensation for non-employee directors;

establishes comparator peer group and compensation targets based on this peer group for the Company's named executive officers; and

has sole authority to retain and terminate executive compensation consultants.

For more information on the responsibilities and activities of the Compensation Committee, including the committee's processes for determining executive compensation, see Compensation Discussion and Analysis, Compensation Committee Report, Executive Compensation and the Compensation Committee's charter.

The Compensation Committee also helps determine compensation for non-employee directors. The process the Compensation Committee undertakes for setting non-employee director compensation is similar to that of setting executive officer compensation. The Compensation Committee is aided by an independent consultant, currently Frederic W. Cook & Co., Inc. ( F.W. Cook ), who is selected and retained by the Compensation Committee. The role of the independent consultant is to measure and benchmark our non-employee director compensation against a certain peer group of companies with respect to appropriate compensation levels for positions comparable in the market. The independent consultant recommends appropriate retainers, committee chair retainers, grant values and stock ownership guidelines to the Compensation Committee. This information is reviewed, discussed and finalized at a Compensation Committee meeting and a recommendation is made to the full Board. The full Board makes the final determination on non-employee director compensation.

#### **Nominating/Corporate Governance Committee**

The Nominating/Corporate Governance Committee proposes a slate of directors for election by Agilent's stockholders at each annual meeting and recommends to the Board candidates to fill any vacancies on the Board. It is also responsible for reviewing management succession plans, recommending to the Board the appropriate Board size and committee structure and developing and reviewing corporate governance principles applicable to Agilent.

The Nominating/Corporate Governance Committee will consider director candidates recommended for nomination by stockholders, provided that the recommendations are made in accordance with the procedures described in the section entitled General Information about the Meeting located at the end of this Proxy Statement. Candidates recommended for nomination by stockholders that comply with these procedures will receive the same consideration as other candidates recommended by the Nominating/Corporate Governance Committee.

Agilent typically hires a third party search firm to help identify and facilitate the screening and interview process of candidates for director. To be considered by the Nominating/Corporate Governance Committee, a director nominee must have:

a reputation for personal and professional integrity and ethics;

Edgar Filing: AGILENT TECHNOLOGIES INC - Form PRE 14A

executive or similar policy-making experience in relevant business or technology areas or national prominence in an academic, government or other relevant field;

breadth of experience;

soundness of judgment;

the ability to make independent, analytical inquiries;

the willingness and ability to devote the time required to perform Board activities adequately;

the ability to represent the total corporate interests of Agilent; and

the ability to represent the long-term interests of stockholders as a whole.

**Table of Contents****CORPORATE GOVERNANCE**

In addition to these minimum requirements, the Nominating/Corporate Governance Committee will also consider whether the candidate's skills are complementary to the existing Board members' skills; the diversity of the Board in factors such as age, experience in technology, manufacturing, finance and marketing, international experience and culture; and the Board's needs for specific operational, management or other expertise. The Nominating/Corporate Governance Committee from time to time reviews the appropriate skills and characteristics required of board members, including factors that it seeks in board members such as diversity of business experience, viewpoints and, personal background, and diversity of skills in technology, finance, marketing, international business, financial reporting and other areas that are expected to contribute to an effective Board of Directors. In evaluating potential candidates for the Board of Directors, the Nominating/Corporate Governance Committee considers these factors in the light of the specific needs of the Board of Directors at that time. The search firm screens the candidates, does reference checks, prepares a biography for each candidate for the Nominating/Corporate Governance Committee to review and helps set up interviews. The Nominating/Corporate Governance Committee and Agilent's Chief Executive Officer interview candidates that meet the criteria, and the Nominating/Corporate Governance Committee selects candidates that best suit the Board's needs. We do not use a third party to evaluate current Board members.

The Nominating/Corporate Governance Committee also administers Agilent's Related Person Transactions Policy and Procedures. See [Related Person Transactions Policy and Procedures](#) for more information.

**Executive Committee**

The Executive Committee meets or takes written action when the Board is not otherwise meeting. The Committee has full authority to act on behalf of the Board, except that it cannot amend Agilent's Bylaws, recommend any action that requires the approval of the stockholders, fill vacancies on the Board or any Board committee, fix director compensation, amend or repeal any non-amendable or non-repealable resolution of the Board, declare a distribution to the stockholders except at rates determined by the Board, appoint other committees or take any action not permitted under Delaware law to be delegated to a committee.

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

The members of the Compensation Committee are Koh Boon Hwee, Sue H. Rataj, George A. Scangos, Ph.D. and Tadataka Yamada, M.D. During the most recent fiscal year, no Agilent executive officer served on the compensation committee (or equivalent), or the board of directors, of another entity whose executive officer(s) served on Agilent's Compensation Committee.

The members of the Compensation Committee are considered independent under the Company's Board of Directors and Compensation Committee Independence Standards as set forth in the Company's Amended and Restated Corporate Governance Guidelines.

**RELATED PERSON TRANSACTIONS POLICY AND PROCEDURES**

The Company's Standards of Business Conduct and Director Code of Ethics require that all employees and directors avoid conflicts of interests that interfere with the performance of their duties or the best interests of the Company. In addition, the Company has adopted a written Related Person Transactions Policy and Procedures (the [Related Person Transactions Policy](#)) that prohibits any of the Company's executive officers, directors or any of their immediate family members from entering into a transaction with the Company, except in accordance with the policy. For purposes of the policy, a [related person transaction](#) includes any transaction (within the meaning of Item 404(a) of the Securities and Exchange Commission's Regulation S-K) involving the Company and any related person that would be required to be disclosed pursuant to Item 404(a) of the Securities and Exchange Commission's Regulation S-K.

Under our Related Person Transactions Policy, the General Counsel must advise the Nominating/Corporate Governance Committee of any related person transaction of which she becomes aware. The Nominating/Corporate Governance Committee must then either approve or reject the transaction in accordance with the terms of the policy. In the course of making this determination, the Nominating/Corporate Governance Committee shall consider all relevant information available to it and, as



appropriate, must take into consideration the following:

the size of the transaction and the amount payable to the related person;

the nature of the interest of the related person in the transaction;

whether the transaction may involve a conflict of interest; and

whether the transaction involved the provision of goods or services to the Company that are available from unaffiliated third parties and, if so, whether the transaction is on terms and made under circumstances that are at least as favorable to the Company as would be available in comparable transactions with or involving unaffiliated third parties.

**Table of Contents****CORPORATE GOVERNANCE**

Under the Related Person Transactions Policy, Company management screens for any potential related person transactions, primarily through the annual circulation of a Director and Officer Questionnaire ( D&O Questionnaire ) to each member of the Board of Directors and each officer of the Company that is a reporting person under Section 16 of the Securities Exchange Act of 1934. The D&O Questionnaire contains questions intended to identify related persons and transactions between the Company and related persons. If a related person transaction is identified, such transaction is brought to the attention of the Nominating/Corporate Governance Committee for its approval, ratification, revision, or rejection in consideration of all of the relevant facts and circumstances.

The Nominating/Corporate Governance Committee must approve or ratify each related person transaction in accordance with the policy. Absent this approval or ratification, no such transaction may be entered into by the Company with any related person.

In March 2008, the Nominating/Corporate Governance Committee amended the Related Person Transactions Policy to provide for standing pre-approval of limited transactions with related persons. Pre-approved transactions include:

- (a) Any transaction with another company at which a related person's only relationship is as an employee (other than an executive officer or an equivalent), director or beneficial owner of less than 10% of that company's shares, if the aggregate amount involved does not exceed the greater of (i) \$1,000,000, or (ii) 2 percent of that company's total annual revenues.
- (b) Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a related person's only relationship is as an employee (other than an executive officer or an equivalent), a director or a trustee, if the aggregate amount involved does not exceed the lesser of \$500,000, or 2 percent of the charitable organization's total annual receipts.

Agilent will disclose the terms of related person transactions in its filings with the SEC to the extent required.

**Transactions with Related Persons**

We purchase services, supplies, and equipment in the normal course of business from many suppliers and sell or lease products and services to many customers. In some instances, these transactions occur with companies with which members of our management or Board of Directors have relationships as directors or executive officers. For transactions entered into during fiscal year 2015, no related person had or will have a direct or indirect material interest. None of the fiscal year 2015 transactions exceeded or fell outside of the pre-approved thresholds set forth in our Related Party Transaction Policy except for the transactions with Biogen Inc. ( Biogen ) and University of Texas Southwestern Medical Center ( UTSW ). George A. Scangos, Ph.D. is the Chief Executive Officer of Biogen and Daniel K. Podolsky, M.D., is the President of UTSW. The members of the Nominating/Corporate Governance Committee, excluding Dr. Scangos and Dr. Podolsky for their respective transactions only, reviewed, approved and ratified the transactions with Biogen and UTSW in accordance with the policy.

The following list identifies which of these companies purchased from Agilent, or sold to Agilent, more than \$120,000 in products and/or services in fiscal 2015.

Biogen Inc. ( Biogen ). Mr. George A. Scangos, Ph.D. is the Chief Executive Officer and a director of Biogen. Biogen, or its affiliates, purchased from Agilent an aggregate of approximately \$2.6 million in products and/or services.

Bayer A.G. ( Bayer ). Ms. Sue H. Rataj is a director of Bayer. Bayer, or its affiliates, purchased from Agilent an aggregate of approximately \$17.9 million of products and/or services.

GlaxoSmithKline ( GSK ). Dr. Daniel K. Podolsky is a director of GSK. GSK, or its affiliates, purchased from Agilent an aggregate of approximately \$15.4 million of products and/or services.

Johns Hopkins University ( JHU ). Mr. George A. Scangos, Ph.D. is an adjunct professor with the JHU Department of Biology. JHU, or its affiliates, purchased from Agilent an aggregate of approximately \$2.9 million in products and/or services.



**Table of Contents****CORPORATE GOVERNANCE**

Keysight Technologies, Inc. ( Keysight ). Messrs. Paul N. Clark and James G. Cullen are directors of Keysight. Agilent, or its affiliates, purchased from Keysight an aggregate of approximately \$3.9 million of products and/or services and Keysight, or its affiliates, purchased from Agilent an aggregate of approximately \$67,000 in products and/or services. These amounts exclude payments for rents and utilities covered under certain cost sharing agreements between Agilent and Keysight which are set forth below under Agreements with Keysight .

Nanyang Technological University ( Nanyang ). Mr. Koh Boon Hwee is the Chair of the Board of Trustees of Nanyang. Nanyang, or its affiliates, purchased from Agilent an aggregate of approximately \$1.02 million of products and/or services.

Takeda Pharmaceutical Co. Ltd. and Takeda Pharmaceuticals International, Inc. (collectively, Takeda ). Dr. Tadataka Yamada served as a director of Takeda Pharmaceutical Co. Ltd. and as the Chief Medical and Scientific Officer of Takeda Pharmaceuticals International, Inc. until June 2015. Takeda or its affiliates, purchased from Agilent an aggregate of approximately \$3.7 million of products and/or services.

University of Texas Southwestern Medical Center ( UTSW ). Daniel K. Podolsky, Ph.D. is the President of UTSW. UTSW, or its affiliates, purchased from Agilent an aggregate of approximately \$297,000 of products and/or services.

**Agreements with Keysight**

On November 1, 2014, we completed the spin-off of Keysight Technologies, Inc. ( Keysight ), our electronic measurement business (the Spin-off ). Following the Spin-off, Agilent and Keysight have operated as separate publicly-traded companies and neither entity has any ownership interest in the other. However, two of our directors, James G. Cullen and Paul N. Clark, serve on the board of directors of Keysight. In connection with the Spin-off, Agilent and Keysight entered into various agreements, as described below.

Effective as of November 1, 2014, Agilent and Keysight each operate separately as independent publicly-traded companies. Agilent has entered into a separation and distribution agreement with Keysight, which is referred to in this proxy statement as the separation agreement or the separation and distribution agreement. In connection with the Spin-off, Agilent also entered into various other agreements to effect the Spin-off and provide a framework for its relationship with Keysight after the Spin-off, including a services agreement, a tax matters agreement, an employee matters agreement, an intellectual property matters agreement, a trademark license agreement and a real estate matters agreement (collectively, the Agreements ).

These Agreements provide for the allocation between Agilent and Keysight of Agilent s assets, employees, liabilities and obligations (including its investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after Keysight s separation from Agilent and govern certain relationships between Keysight and Agilent after the Spin-off. The summaries of the Agreements are qualified in their entirety b