RESOLVED, that shareholders of Biogen Inc. ("Biogen") urge the Compensation Committee to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into Biogen's incentive compensation policies, plans and programs (together, "arrangements") for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding prescription drug prices; and (ii) such concern is taken into account when setting financial targets for incentive compensation arrangements.

SUPPORTING STATEMENT

As long-term investors, we believe that senior executive incentive compensation arrangements should reward creation of sustainable long-term value. To that end, it is important that those arrangements align with company strategy and encourage responsible risk management.

A key risk facing pharmaceutical companies is backlash against high drug prices. Public outrage over high prices and their impact on patient access may force price rollbacks and harm corporate reputation. Legislative or regulatory investigations regarding drug pricing may bring about broader changes. In May 2018, the Trump administration unveiled its "Blueprint" to lower drug prices.

Biogen was publicly criticized in 2017 for the $750,000 first-year price tag, and $375,000 annual cost thereafter, for spinal muscular atrophy treatment Spinraza. (E.g., https://www.npr.org/sections/health-shots/2017/08/01/540100976/drug-puts-a-750-000-price-tag-on-life) Congressional attention has also focused on the price of drugs for multiple sclerosis, including Biogen's. (https://www.investors.com/news/technology/biogen-teva-slip-after-democrats-launch-ms-drug-pricing-probe/)

We are encouraged by Biogen's improved transparency on pricing. We are concerned, however, that incentive compensation arrangements applicable to Biogen's senior executives may not encourage senior executives to take actions that result in lower short-term financial performance even when those actions may be in Biogen's best long-term financial interests.

Biogen uses revenue and earnings per share as metrics for the annual bonus (together with strategic goals), and revenue as one of two metrics for the cash settled performance units program. (2018 Proxy Statement, at 42, 47) Credit Suisse analyst reports identified Biogen as a company where U.S. net price increases accounted for at least 100% of 2016 and 2017 EPS growth. (*Global Pharma and Biotech Sector Review: Exploring Future US Pricing Pressure*, Apr. 18, 2017, at 1; *Global Pharmaceuticals*: *Scoring Sensitivity to Trump's Reforms*, May 25, 2018, at 24, 27)

In our view, excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes drive large senior executive payouts. For example, media coverage noted that a 600% rise in Mylan's CEO's total compensation accompanied the 400% EpiPen price increase. (See, e.g., https://www.nbcnews.com/business/consumer/mylan-execs-gave-themselves-raises-they-hiked-epipen-prices-n636591)

The requested disclosure would allow shareholders to assess the extent to which compensation arrangements encourage senior executives to responsibly manage risks relating to drug pricing and contribute to long-term value creation.

We urge shareholders to vote for this Proposal.