

RESOLVED: Shareholders request the Board of Directors adopt as policy, and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the Board. This independence policy shall apply prospectively so as not to violate any contractual obligations. If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. This policy would be phased in for the next CEO transition.

WHEREAS:

We believe:

- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have an inside director act as Chair.

In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. Taking this step is in the long-term interests of shareholders and will promote effective oversight of management.

As of March 2020, approximately 33% of S&P 500 firms had an independent chair. ISS reported in September 2020 that 85 percent of investors responding to its policy survey indicated that an independent chair is their preferred model.

Pharmaceutical companies are particularly in need of effective and unconflicted oversight because of the industry's high legal and regulatory risks related to product safety and the industry's commercial practices. Bristol-Myers Squibb is not immune to litigation and regulatory attention.

- In October 2021 a class action lawsuit was filed against the company on behalf of former shareholders of Celgene Corporation who received Contingent Value Rights for violations of the federal securities laws. The complainant alleges that the company's public statements were false and materially misleading throughout the merger period and that when the market learned the truth about the company, former Celgene shareholders suffered losses.
- In spring of 2021, the public discovered that the Internal Revenue Service (IRS) was claiming more than \$1 billion in unpaid taxes from the company as a result of creating an offshore subsidiary in Ireland that the IRS deemed an "abusive tax shelter". The company did not inform investors of this claim.
- In January 2020, Bristol-Myers Squibb reached an "agreement in principle" to settle a 2013 whistleblower lawsuit accusing the company of manipulating the average manufacture price of its drugs in order to underpay Medicaid rebates.

The risk of lawsuits, sustained public controversy and regulatory intervention, whether ultimately found to be justified or not, are strong arguments for the need for continuous, effective and unconflicted board oversight of corporate management.

In order to ensure that our Board can provide rigorous oversight for our Company with greater independence and accountability, we urge a vote FOR this shareholder proposal.