

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934**

December 6, 2004

Date of Report (Date of earliest event reported)

AMGEN INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other Jurisdiction
of Incorporation)

000-12477
(Commission File Number)

95-3540776
(IRS Employer
Identification Number)

Amgen Inc.
One Amgen Center Drive
Thousand Oaks, CA
(Address of principal executive offices)

91320-1799
(Zip Code)

805-447-1000
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On December 6, 2004, the Compensation and Management Development Committee (the “Compensation Committee”) of the Board of Directors (the “Board”) of Amgen Inc. (“Amgen” or the “Company”) approved amendments to the Amgen Retirement and Savings Plan (As Amended and Restated Effective as of January 1, 2003) (the “Retirement and Savings Plan”), the Amgen Inc. Change of Control Severance Plan (the “Change of Control Plan”), the Amgen Inc. Executive Incentive Plan (the “EIP”) and amendment to (and restatement of) the Company’s Amended and Restated 1991 Equity Incentive Plan (the “1991 Plan”) and the corresponding amendments to (and restatements of) the Amgen Inc. Performance Award Program (the “Performance Award Program”) and the form of performance unit agreement under such program (the “Performance Unit Agreement”). Also on December 6, 2004, the Board approved the amendment to (and restatement of) the Amgen Inc. Director Equity Incentive Program (the “Director Program”). A description of these amendments and the amendments and restatements, as the case may be, follows below.

Fourth Amendment to the Retirement and Savings Plan.

The Fourth Amendment to the Retirement and Savings Plan, effective on the dates specified therein, provides for the merger of the Amgen Salary Savings Plan, which is a 401(k) plan that the Company assumed as a result of the acquisition of Tularik Inc. on August 13, 2004, into the Retirement and Savings Plan, effective as of the end of the business day of December 31, 2004, and the transfer of the assets of the trust for the Amgen Salary Savings Plan to the Retirement and Savings Plan trust on, or as soon as administratively practicable, after December 31, 2004. In connection with this merger, the amendment preserves certain provisions of the Amgen Salary Savings Plan for those account balances transferred to the Retirement and Savings Plan and it fully vests all Amgen Salary Savings Plan participant account balances, effective as of January 1, 2004. Finally, the amendment eliminates, effective March 31, 2005, annuity and certain forms of installment distribution options that were originally associated with the Amgen Salary Savings Plan. The form of this amendment is furnished with this report as Exhibit 10.1.

Fifth Amendment to the Change of Control Plan.

The Fifth Amendment to the Change of Control Plan, effective December 6, 2004, amends the plan to, among other things, eliminate the reference to the “Executive Committee” from the definition of “Group I Participants” and establishes that the Administration Committee (as defined in the Change of Control Plan) will designate which senior executive-level staff members of the Company will be deemed Group I Participants. Further, the amendment provides that staff members of Amgen SF, LLC, a wholly owned subsidiary of Amgen Inc. resulting from Amgen’s acquisition of Tularik Inc., who meet the eligibility criteria may participate in the plan and it incorporates into the definitions of Group II and Group III Participants certain new salary grades. The form of this amendment is furnished with this report as Exhibit 10.2.

First Amendment to the EIP.

The First Amendment to the EIP, effective December 6, 2004, amends the plan to eliminate the reference to the “Executive Committee” from the eligibility criteria. This change does not substantively modify the EIP’s eligibility criteria. The form of this amendment is furnished with this report as Exhibit 10.3.

Amendment and Restatement of the 1991 Plan and Corresponding Amendment and Restatement of the Performance Award Program and the Performance Unit Agreement.

The Amendment and Restatement of the 1991 Plan provides that shares of stock issued under such plan pursuant to stock bonus agreements or stock purchase agreements also may be issued in consideration for future services to be rendered to the Company or for its benefit. The corresponding amendment to (and restatement of) the Performance Award Program, a program operating under the 1991 Plan, also provides that performance units

granted under such program may be issued in consideration for future services. The amendment to (and restatement of) the Performance Unit Agreement under such program conforms the agreement to the program that provides that the Compensation Committee shall determine the adequacy of consideration, not the Company's Board. The form of this amendment and restatement of the 1991 Plan and the corresponding forms of the amendments to (and restatements of) the Performance Award Program and the Performance Unit Agreement are furnished with this report as Exhibits 10.4, 10.5, and 10.6, respectively.

Amendment and Restatement of the Director Program.

The amendment to (and restatement of) the Director Program, a program also operating under the 1991 Plan, provide that stock issued pursuant to restricted stock units ("RSUs") granted under such program also may be issued in consideration for future services to be rendered to the Company or for its benefit and the number of shares underlying an RSU shall be calculated based on the closing price of the Company's common stock on the date of grant of the RSU. The form of the amendment to (and restatement of) the Director Program is furnished with this report as Exhibit 10.7.

Grant of Restricted Stock.

Also on December 6, 2004, the Compensation Committee awarded, pursuant to a restricted stock purchase agreement, Dr. Dennis M. Fenton, Executive Vice President, Operations and Corporate Compliance Officer of the Company, 20,000 shares of restricted Common Stock of the Company in consideration of his payment of \$2.00. The Company has a right to repurchase the restricted stock at the price paid by Dr. Fenton in the event that his employment is terminated for any reason. The Company's repurchase option shall lapse with respect to the following number of shares on the following dates: 6,666 shares on December 6, 2005, 6,666 shares on December 6, 2006 and 6,668 shares on December 6, 2007.

Item 9.01. Financial Statements and Exhibits.

- 10.1 Fourth Amendment to the Amgen Retirement and Savings Plan (As Amended and Restated Effective as of January 1, 2003).
- 10.2 Fifth Amendment to the Amgen Inc. Change of Control Severance Plan.
- 10.3 First Amendment to the Amgen Inc. Executive Incentive Plan.
- 10.4 Amended and Restated 1991 Equity Incentive Plan (as of December 2004).
- 10.5 Amgen Inc. Performance Award Program (Amended and Restated Effective December 6, 2004).
- 10.6 Form of Performance Unit Agreement (Amended and Restated Effective December 6, 2004).
- 10.7 Amgen Inc. Director Equity Incentive Program (Amended and Restated Effective December 6, 2004).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMGEN INC.

Date: December 9, 2004

By: _____ /S/ BRIAN M. MCNAMEE

Name: Brian M. McNamee
Title: Senior Vice President,
Human Resources

EXHIBIT INDEX

Exhibit Number	Document Description
10.1	Fourth Amendment to the Amgen Retirement and Savings Plan (As Amended and Restated Effective as of January 1, 2003).
10.2	Fifth Amendment to the Amgen Inc. Change of Control Severance Plan.
10.3	First Amendment to the Amgen Inc. Executive Incentive Plan.
10.4	Amended and Restated 1991 Equity Incentive Plan (as of December 2004).
10.5	Amgen Inc. Performance Award Program (Amended and Restated Effective December 6, 2004).
10.6	Form of Performance Unit Agreement (Amended and Restated Effective December 6, 2004).
10.7	Amgen Inc. Director Equity Incentive Program (Amended and Restated Effective December 6, 2004).

**FOURTH AMENDMENT TO THE
AMGEN RETIREMENT AND SAVINGS PLAN
(AS AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 2003)**

1. Section 6.6 of the Amgen Retirement and Savings Plan (As Amended and Restated Effective as of January 1, 2003) (the "Plan") is hereby amended effective as of January 1, 2004, by adding the following two sentences to the end thereof:

"Except as otherwise provided in Section 5.2(a), the Nonelective Contribution of a Participating Company shall be allocated to each Participant entitled to an allocation of such Nonelective Contribution as a percent of such Participant's Compensation, while he or she was an Eligible Employee. Allocations of Nonelective Contributions shall be made as of each payroll period."

2. A new Section 20.7 is added to the Plan effective December 31, 2004, as follows:

"20.7 Plan Appendices. The provisions of the Plan may be modified by an appendix to the Plan. The terms and provisions of each appendix are a part of the Plan and supersede the provisions of the Plan to the extent necessary to eliminate inconsistencies between the Plan and such appendix."

3. Appendix A of the Plan is hereby amended effective December 31, 2004, by adding the following two names to the end thereof:

"Amgen SF, LLC
Tularik Pharmaceutical Company"

4. A new Appendix B is added to the Plan effective December 31, 2004, as follows:

"Appendix B

Provisions Relating to the Merger of the
Amgen Salary Savings Plan into the Amgen Retirement and Savings Plan

1. Introduction. Tularik Inc. ('Tularik') established the Tularik Salary Savings Plan (the 'Tularik Plan') effective October 1, 1993 for the benefit of its eligible employees. On August 13, 2004, Amgen Inc. (the 'Company') acquired Tularik in a stock acquisition and, in connection with the acquisition, the Company assumed sponsorship of the Tularik Plan. Effective August 13, 2004, the Tularik Plan was amended and restated, and renamed the Amgen Salary Savings Plan (the 'ASSP').

2. Merger of ASSP. The ASSP shall be merged into the Amgen Retirement and Savings Plan (the 'Plan') effective the end of the business day on December 31, 2004 (the 'Merger Date'), and shall be continued in the form of the Plan. The merger of the ASSP into the Plan and the transfer of assets described in Paragraph 4 below shall be made in accordance with Code Sections 401(a)(12) and 414(l) and the regulations thereunder.
3. Participation. Each participant in the ASSP on December 31, 2004 shall become a Participant in the Plan at the end of the business day on December 31, 2004, but only with respect to such participant's accounts that are transferred from the ASSP. Each such participant and beneficiary who has an account balance transferred from the ASSP to the Plan is referred to herein as a 'Former Tularik Participant.' A Former Tularik Participant shall not be eligible to participate in the Plan for periods after December 31, 2004 unless such person is otherwise eligible to participate in the Plan without regard to the provisions of this Appendix B.
4. Transfer of Assets. The assets of the trust under the ASSP shall be transferred to the Trustee of the trust for the Plan, which serves as the funding vehicle for the Plan, on or as soon as administratively practicable after the Merger Date.
5. Transfer of Account Balances. All accounts maintained under the ASSP shall be adjusted as of December 31, 2004, and the net credit balances in such accounts, as adjusted shall be transferred to the Plan and credited as of the Merger Date to the corresponding accounts maintained for the Former Tularik Participants under the Plan. Such balances, adjusted for subsequent earnings and losses, are referred to as 'Former Tularik Accounts.'
6. Vesting. Participants under the ASSP will be fully vested in their accounts under the ASSP effective as of January 1, 2004.
7. Definition of Disability. For all purposes of the Plan, a Former Tularik Participant will be considered disabled if he or she satisfies the requirements for benefits under Tularik's long-term disability plan as in effect on December 31, 2004.
8. In-Service Withdrawals. In addition to the in-service withdrawals allowed under Section 11.1 of the Plan, a Former Tularik Participant shall be eligible to withdraw at any time the portion of his or her Former Tularik Accounts that are attributable to rollover contributions.
9. Distribution of Accounts. Notwithstanding any provision of the Plan to the contrary, the following provisions shall apply to Former Tularik Participants:
 - (a) Subject to subparagraph (b) below, upon the occurrence of an event that permits a distribution under the Plan (as defined in Section 8.2 of the Plan and Paragraph 8 above), a Former Tularik Participant shall be eligible to request a distribution of his or her Former Tularik Accounts in one of the available forms of distribution described in Section 8.6 and 8.7, respectively.

- (b) Notwithstanding the foregoing, if such Former Tularik Participant requests a distribution of his or her Former Tularik Accounts during the period ending on March 31, 2005 (or, if later, ending on the 90th day after the date the Former Tularik Participant has been furnished a summary that describes the elimination of the optional forms of benefit discussed below or such earlier time as allowed by applicable law), then the Former Tularik Participant may also elect payment of such account balances (i) under any of the installment options that were available to such Former Tularik Participant under the ASSP on December 31, 2004, or (ii) in any of the annuity options that were available to such Former Tularik Participant under the ASSP as in effect on December 31, 2004. To the extent that the Former Tularik Participant elects payment in the form of an annuity during such period, the annuity requirements under the ASSP as in effect on December 31, 2004 (such as the notice, spousal consent and waiver requirements) shall apply.
10. Transfer of Records. On or as soon as administratively practicable after the Merger Date, the plan administrator of the ASSP shall transfer to the Plan Administrator of the Plan all administrative records maintained with respect to participants and beneficiaries who had account balances under the ASSP on December 31, 2004.
11. Use of Terms. Terms used in this Appendix B with respect to the ASSP and the Plan shall, unless defined in this Appendix B, have the meanings of those terms as defined in the ASSP or the Plan, as the case may be. All of the terms and provisions of the Plan shall apply to this Appendix B except that where the terms of the Plan and this Appendix B conflict, the terms of this Appendix B shall govern.”

To record this Fourth Amendment to the Plan as set forth herein, the Company has caused its authorized officer to execute this document this 7th day of December, 2004

AMGEN INC.

By: /s/ BRIAN M. MCNAMEE

Title: Senior Vice President, Human Resources

**FIFTH AMENDMENT TO THE
AMGEN INC.
CHANGE OF CONTROL SEVERANCE PLAN**

The Amgen Inc. Change of Control Severance Plan (the "Plan") is hereby amended, effective December 6, 2004 unless otherwise provided herein, as follows:

1. Section 1(M) shall be amended and restated in its entirety as follows:

"(M) "*Group I Participants*" shall mean those senior executive-level staff members of the Company, Amgen USA Inc., and Amgen Worldwide Services, Inc., Immunex Corporation, Immunex Manufacturing Corporation, Immunex Rhode Island Corporation, and Amgen SF, LLC whom the Administration Committee has designated as Group I Participants. At or before the occurrence of a Change of Control, the Company shall notify the Group I Participants in writing of their status as Participants in the Plan."

2. Section 1(N) shall be amended and restated in its entirety as follows:

"(N) "*Group II Participants*" shall mean those management-level staff members of the Company, Amgen USA Inc., and Amgen Worldwide Services, Inc., Immunex Corporation, Immunex Manufacturing Corporation, Immunex Rhode Island Corporation, and Amgen SF, LLC at the level of Director or equivalent and above (i.e., those employees of the Company or the aforementioned entities whose positions have been designated as Salary Grade 32 or Salary Grade EL4 and above, or effective January 1, 2005, Salary Grade 102 and above) and who are not Group I Participants, as such group shall be constituted immediately prior to a Change of Control. At or before the occurrence of a Change of Control, the Company shall notify the Group II Participants in writing of their status as Participants in the Plan."

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3. Section 1(O) shall be amended and restated in its entirety as follows:

“(O) “*Group III Participants*” shall mean those management-level staff members of the Company, Amgen USA Inc., and Amgen Worldwide Services, Inc., Immunex Corporation, Immunex Manufacturing Corporation, Immunex Rhode Island Corporation, and Amgen SF, LLC, at the level of Associate Director or equivalent (i.e., those employees of the Company or the aforementioned entities whose positions have been designated as Salary Grade 30 or Salary Grade EL2 or EL3, or effective January 1, 2005, Salary Grade 101), as such group shall be constituted immediately prior to a Change of Control. At or before the occurrence of a Change of Control, the Company shall notify the Group III Participants in writing of their status as Participants in the Plan.”

To record this Fifth Amendment to the Plan as set forth herein, the Company has caused its authorized officer to execute this document this 7th day of December, 2004

AMGEN INC.

By: /s/ BRIAN M. MCNAMEE

Title: Senior Vice President, Human Resources

**FIRST AMENDMENT TO THE
AMGEN INC. EXECUTIVE INCENTIVE PLAN**

Effective December 6, 2004, Section III of the Amgen Inc. Executive Incentive Plan (the "Plan") is amended and restated as follows:

"Eligibility to participate in the Plan is limited to senior executives of Amgen. Participants in the Plan ("Participants") shall be elected annually by the Compensation Committee from those eligible to participate in the Plan."

To record this First Amendment to the Plan as set forth herein, the Company has caused its authorized officer to execute this document this 7th day of December, 2004

AMGEN INC.

By: /s/ BRIAN M. MCNAMEE

Title: Senior Vice President, Human Resources

AMGEN INC.

AMENDED AND RESTATED 1991 EQUITY INCENTIVE PLAN**1. PURPOSE.**

(a) The purpose of the Amended and Restated 1991 Equity Incentive Plan as amended and restated in December 2004 (the "Plan") is to provide a means by which employees or directors of and consultants to Amgen Inc., a Delaware corporation (the "Company"), and its Affiliates, as defined in paragraph 1(b), directly, or indirectly through Trusts, may be given an opportunity to benefit from increases in value of the stock of the Company through the granting of (i) incentive stock options, (ii) nonqualified stock options, (iii) stock bonuses, and (iv) rights to purchase restricted stock, all as defined below. For purposes of the incentive stock option rules of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), the Plan is a new plan.

(b) The word "Affiliate" as used in the Plan means (a) any parent corporation or subsidiary corporation of the Company, as those terms are defined in Sections 424(e) and (f), respectively, of the Internal Revenue Code of 1986, as amended (the "Code") and (b) any domestic eligible entity that is disregarded, under Treasury Regulation Section 301.7701-3, as an entity separate from either (i) the Company or (ii) any parent corporation or subsidiary corporation, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(c) The Company, by means of the Plan, seeks to retain the services of persons now employed by or serving as directors or consultants to the Company, to secure and retain the services of persons capable of filling such positions, and to provide incentives for such persons to exert maximum efforts for the success of the Company.

(d) The Company intends that the rights issued under the Plan ("Stock Awards") shall, in the discretion of the Board of Directors of the Company (the "Board") or any committee to which responsibility for administration of the Plan has been delegated pursuant to paragraph 2(c), be either (i) stock options granted pursuant to Sections 5 or 6 hereof, including incentive stock options as that term is used in Section 422 of the Code ("Incentive Stock Options"), or options which do not qualify as Incentive Stock Options ("Nonqualified Stock Options") (together hereinafter referred to as "Options"), or (ii) stock bonuses or rights to purchase restricted stock granted pursuant to Section 7 hereof.

(e) The word "Trust" as used in the Plan shall mean a trust created for the benefit of the employee, director or consultant, his or her spouse, or members of their immediate family. The word optionee shall mean the person to whom the option is granted or the employee, director or consultant for whose benefit the option is granted to a Trust, as the context shall require.

2. ADMINISTRATION.

(a) The Plan shall be administered by the Board unless and until the Board delegates administration to a committee, as provided in paragraph 2(c).

(b) The Board shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(1) To determine from time to time which of the persons eligible under the Plan shall be granted Stock Awards; when and how Stock Awards shall be granted; whether a Stock Award will be an Incentive Stock Option, a Nonqualified Stock Option, a stock bonus, a right to purchase restricted stock, or a combination of the foregoing; the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to purchase or receive stock pursuant to a Stock Award; and the number of shares with respect to which Stock Awards shall be granted to each such person.

(2) To construe and interpret the Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Stock Award, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(3) To amend the Plan as provided in Section 14.

(4) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company.

(c) The Board may delegate administration of the Plan to a committee composed of not fewer than two (2) members of the Board (the "Committee"). One or more of these members may be non-employee directors and outside directors, if required and as defined by the provisions of paragraphs 2(e) and 2(f). If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board (except amendment of Section 6 or the options granted thereunder shall only be by action taken by the Board or a committee of one or more members of the Board to which such authority has been specifically delegated by the Board), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Notwithstanding anything else in this paragraph 2(c) to the contrary, at any time the Board or the Committee may delegate to a committee of one or more members of the Board the authority to grant or amend options to all employees, directors or consultants or any portion or class thereof.

(d) Notwithstanding anything else in the Plan to the contrary, at any time the Board or the Committee may authorize by duly adopted resolution one or more Officers (as defined below) (each a “Delegated Officer”) to take the actions described in paragraph 2(b)(1) of the Plan with respect to Options only, subject to, and within the limitations of, the express provisions of the Plan; provided, however, that a Delegated Officer shall not have the power to (1) grant any Options to himself, any non-employee director, consultant, Trust, other Delegated Officer or Officer, (2) determine the time or times when a person shall be permitted to purchase stock pursuant to the exercise of an Option (i.e., vesting), (3) determine the exercise price of an Option, or (4) grant any Option to a parent corporation of the Company, as defined in Section 424(e) of the Code. The resolution authorizing a Delegated Officer to act as such shall specify the total number of shares of Common Stock that a Delegated Officer may grant with respect to Options. The exercise price (including any formula by which such price or prices may be determined) and the time or times when a person shall be permitted to purchase stock pursuant to the exercise of an Option shall, however, be set by the Board or the Committee and not by a Delegated Officer to the extent required by Delaware General Corporation Law Section 157 or any other applicable law. The term “Officer” shall include any natural person who is elected as a corporate officer of the Company by the Board.

(e) The term “non-employee director” shall mean a member of the Board who (i) is not currently an officer of the Company or a parent or subsidiary of the Company (as defined in Rule 16a-1(f) promulgated by the Securities and Exchange Commission under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) or an employee of the Company or a parent or subsidiary of the Company; (ii) does not receive compensation from the Company or a parent or subsidiary of the Company for services rendered in any capacity other than as a member of the Board (including a consultant) in an amount required to be disclosed to the Company’s stockholders under Rule 404 of Regulation S-K promulgated by the Securities and Exchange Commission (“Rule 404”); (iii) does not possess an interest in any other transaction required to be disclosed under Rule 404; or (iv) is not engaged in a business relationship required to be disclosed under Rule 404, as all of these provisions are interpreted by the Securities and Exchange Commission under Rule 16b-3 promulgated under the Exchange Act.

(f) The term “outside director,” as used in this Plan, shall mean an administrator of the Plan, whether a member of the Board or of any Committee to which responsibility for administration of the Plan has been delegated pursuant to paragraph 2(c), who is considered to be an “outside director” in accordance with the rules, regulations or interpretations of Section 162(m) of the Code.

(g) Any requirement that an administrator of the Plan be a “non-employee director” or “outside director” shall not apply if the Board or the Committee expressly declares that such requirement shall not apply.

3. SHARES SUBJECT TO THE PLAN.

(a) Subject to the provisions of Section 11 relating to adjustments upon changes in stock, the stock that may be issued pursuant to Stock Awards granted under the Plan shall not exceed in the aggregate One Hundred Ninety-Two Million (192,000,000) shares of the Company's \$.0001 par value common stock (the "Common Stock"). If any Stock Award granted under the Plan shall for any reason expire or otherwise terminate without having been exercised in full, the Common Stock not purchased under such Stock Award shall again become available for the Plan. Shares repurchased by the Company pursuant to any repurchase rights reserved by the Company pursuant to the Plan shall not be available for subsequent issuance under the Plan.

(b) The Common Stock subject to the Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

(c) An Incentive Stock Option may be granted to an eligible person under the Plan only if the aggregate fair market value (determined at the time the Incentive Stock Option is granted) of the Common Stock with respect to which incentive stock options (as defined by the Code) are exercisable for the first time by such optionee during any calendar year under all such plans of the Company and its Affiliates does not exceed one hundred thousand dollars (\$100,000). If it is determined that an entire Option or any portion thereof does not qualify for treatment as an Incentive Stock Option by reason of exceeding such maximum, such Option or the applicable portion shall be considered a Nonqualified Stock Option.

4. ELIGIBILITY.

(a) Incentive Stock Options may be granted only to employees (including officers) of the Company or its Affiliates. A director of the Company shall not be eligible to receive Incentive Stock Options unless such director is also an employee of the Company or any Affiliate. Stock Awards other than Incentive Stock Options may be granted to employees (including officers) or directors of or consultants to the Company or any Affiliate or to Trusts of any such employee, director or consultant.

(b) A director shall in no event be eligible for the benefits of the Plan (other than from a Director NQSO under Section 6 of the Plan) unless and until such director is expressly declared eligible to participate in the Plan by action of the Board or the Committee, and only if, at any time discretion is exercised by the Board or the Committee in the selection of a director as a person to whom Stock Awards may be granted, or in the determination of the

number of shares which may be covered by Stock Awards granted to a director, the Plan complies with the requirements of Rule 16b-3 promulgated under the Exchange Act, as from time to time in effect. The Board shall otherwise comply with the requirements of Rule 16b-3 promulgated under the Exchange Act, as from time to time in effect. Notwithstanding the foregoing, the restrictions set forth in this paragraph 4(b) shall not apply if the Board or Committee expressly declares that such restrictions shall not apply.

(c) No person shall be eligible for the grant of an Incentive Stock Option under the Plan if, at the time of grant, such person owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Affiliates unless the exercise price of such Incentive Stock Option is at least one hundred and ten percent (110%) of the fair market value of the Common Stock at the date of grant and the Incentive Stock Option is not exercisable after the expiration of five (5) years from the date of grant.

(d) Stock Awards shall be limited to a maximum of 2,000,000 shares of Common Stock per person per calendar year.

5. TERMS OF DISCRETIONARY STOCK OPTIONS.

An option granted pursuant to this Section 5 (a "Discretionary Stock Option") shall be in such form and shall contain such terms and conditions as the Board or the Committee shall deem appropriate. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

(a) No Option shall be exercisable after the expiration of ten (10) years from the date it was granted.

(b) The exercise price of each Incentive Stock Option and each Nonqualified Stock Option shall be not less than one hundred percent (100%) of the fair market value of the Common Stock subject to the Option on the date the Option is granted.

(c) The purchase price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either: (i) in cash at the time the Option is exercised; or (ii) at the discretion of the Board or the Committee, either at the time of grant or exercise of the Option (A) by delivery to the Company of shares of Common Stock that have been held for the period required to avoid a charge to the Company's reported earnings and valued at the fair market value on the date of exercise, (B) according to a deferred payment or other arrangement with the person to whom the Option is granted or to whom the Option is transferred pursuant to paragraph 5(d), or (C) in any other form of legal consideration that may be acceptable to the Board or the Committee in their discretion;

including but not limited to payment of the purchase price pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or a check) by the Company before Common Stock is issued or the receipt of irrevocable instruction to pay the aggregate exercise price to the Company from the sales proceeds before Common Stock is issued.

In the case of any deferred payment arrangement, interest shall be payable at least annually and shall be charged at not less than the minimum rate of interest necessary to avoid the treatment as interest, under any applicable provisions of the Code, of any amounts other than amounts stated to be interest under the deferred payment arrangement.

(d) An Option granted to a natural person shall be exercisable during the lifetime of such person only by such person, provided that such person during such person's lifetime may designate a Trust to be such person's beneficiary with respect to any Incentive Stock Options granted after February 25, 1992 and with respect to any Nonqualified Stock Options, and such beneficiary shall, after the death of the person to whom the Option was granted, have all the rights that such person has while living, including the right to exercise the Option. In the absence of such designation, after the death of the person to whom the Option is granted, the Option shall be exercisable by the person or persons to whom the optionee's rights under such Option pass by will or by the laws of descent and distribution.

(e) The total number of shares of Common Stock subject to an Option may, but need not, be allotted in periodic installments (which may, but need not, be equal). From time to time during each of such installment periods, the Option may become exercisable ("vest") with respect to some or all of the shares allotted to that period, and may be exercised with respect to some or all of the shares allotted to such period and/or any prior period as to which the Option was not fully exercised. During the remainder of the term of the Option (if its term extends beyond the end of the installment periods), the Option may be exercised from time to time with respect to any shares then remaining subject to the Option. The provisions of this paragraph 5(e) are subject to any Option provisions governing the minimum number of shares as to which an Option may be exercised.

(f) The Company may require any optionee, or any person to whom an Option is transferred under paragraph 5(d), as a condition of exercising any such Option: (i) to give written assurances satisfactory to the Company as to such person's knowledge and experience in financial and business matters and/or to employ a purchaser representative who has such knowledge and experience in financial and business matters, and that such person is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Option; and (ii) to give written assurances satisfactory to the Company stating that such person is acquiring the Common Stock subject to the Option for such person's own

account and not with any present intention of selling or otherwise distributing the Common Stock. These requirements, and any assurances given pursuant to such requirements, shall be inoperative if: (x) the issuance of the shares upon the exercise of the Option has been registered under a then currently effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"); or (y) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities law.

(g) An Option shall terminate three (3) months after termination of the optionee's employment or relationship as a consultant or director with the Company or an Affiliate, unless: (i) such termination is due to the optionee's permanent and total disability, within the meaning of Section 422(c)(6) of the Code and with such permanent and total disability being certified by the Social Security Administration prior to such termination, in which case the Option may, but need not, provide that it may be exercised at any time within one (1) year following such termination of employment or relationship as a consultant or director; (ii) the optionee dies while in the employ of or while serving as a consultant or director to the Company or an Affiliate, or within not more than three (3) months after termination of such employment or relationship as a consultant or director, in which case the Option may, but need not, provide that it may be exercised at any time within eighteen (18) months following the death of the optionee by the person or persons to whom the optionee's rights under such Option pass by will or by the laws of descent and distribution; or (iii) the Option by its term specifies either (A) that it shall terminate sooner than three (3) months after termination of the optionee's employment or relationship as a consultant or director with the Company or an Affiliate; or (B) that it may be exercised more than three (3) months after termination of the optionee's employment or relationship as a consultant or director with the Company or an Affiliate. This paragraph 5(g) shall not be construed to extend the term of any Option or to permit anyone to exercise the Option after expiration of its term, nor shall it be construed to increase the number of shares as to which any Option is exercisable from the amount exercisable on the date of termination of the optionee's employment or relationship as a consultant or director.

(h) The Option may, but need not, include a provision whereby the optionee may elect at any time during the term of the optionee's employment or relationship as a consultant or director with the Company or any Affiliate to exercise the Option as to any part or all of the shares subject to the Option prior to the stated vesting dates of the Option. Any shares so purchased from any unvested installment or Option may be subject to a repurchase right in favor of the Company or to any other restriction the Board or the Committee determines to be appropriate.

(i) To the extent provided by the terms of an Option, each optionee may

satisfy any federal, state or local tax withholding obligation relating to the exercise of such Option by any of the following means or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold from the shares of the Common Stock otherwise issuable to the optionee as a result of the exercise of the Option a number of shares having a fair market value less than or equal to the amount of the Company's required minimum statutory withholding; or (iii) delivering to the Company owned and unencumbered shares of the Common Stock having a fair market value less than or equal to the amount of the Company's required minimum statutory withholding.

(j) Without in any way limiting the authority of the Board or Committee to make or not to make grants of Discretionary Stock Options under this Section 5, the Board or Committee shall have the authority (but not an obligation) to include as part of any Option agreement a provision entitling the optionee to a further Option (a "Re-Load Option") in the event the optionee exercises the Option evidenced by the Option agreement, in whole or in part, by surrendering other shares of Common Stock in accordance with this Plan and the terms and conditions of the Option agreement. Any such Re-Load Option (i) shall be for a number of shares equal to the number of shares surrendered as part or all of the exercise price of such Option; (ii) shall have an expiration date which is the same as the expiration date of the Option the exercise of which gave rise to such Re-Load Option; and (iii) shall have an exercise price which is equal to one hundred percent (100%) of the fair market value of the Common Stock subject to the Re-Load Option on the date of exercise of the original Option or, in the case of a Re-Load Option which is an Incentive Stock Option and which is granted to a 10% stockholder (as defined in paragraph 4(c)), shall have an exercise price which is equal to one hundred and ten percent (110%) of the fair market value of the Common Stock subject to the Re-Load Option on the date of exercise of the original Option.

Any such Re-Load Option may be an Incentive Stock Option or a Nonqualified Stock Option, as the Board or Committee may designate at the time of the grant of the original Option, provided, however, that the designation of any Re-Load Option as an Incentive Stock Option shall be subject to the one hundred thousand dollars (\$100,000) annual limitation on exercisability of Incentive Stock Options described in paragraph 3(c) of the Plan and in Section 422(d) of the Code. There shall be no Re-Load Option on a Re-Load Option. Any such Re-Load Option shall be subject to the availability of sufficient shares under paragraph 3(a) and shall be subject to such other terms and conditions as the Board or Committee may determine.

6. TERMS OF NON-DISCRETIONARY OPTIONS

(a) Prior to December 9, 2003, on January 27 of each year, each person who is at that time an Eligible Director of the Company, (as defined in paragraph 6(k)), shall automatically be granted under the Plan, without further action by the Company, the Board, or the Company's stockholders, a Nonqualified Stock Option (a "Director NQSO") to purchase sixteen thousand (16,000) shares of Common Stock on the terms and conditions set forth herein. An Eligible Director may designate that such Director NQSO be granted in the name of a Trust instead of in the name of such Eligible Director. The Director NQSO shall be on the terms and conditions set forth herein and should the date of grant set forth above be a Saturday, Sunday or legal holiday, such grant shall be made on the next business day. Notwithstanding anything else in the Plan to the contrary, this paragraph 6(a) shall be of no force and effect from and after December 9, 2003.

(b) Prior to December 9, 2003, each person who becomes an Eligible Director, shall, upon the date such person first becomes an Eligible Director, automatically be granted under the Plan, without further action by the Company, the Board, or the Company's stockholders, a Director NQSO to purchase sixty thousand (60,000) shares of Common Stock on the terms and conditions set forth herein. An Eligible Director may designate that such Director NQSO be granted in the name of a Trust instead of in the name of such Eligible Director. The Director NQSO shall be on the terms and conditions set forth herein and should the date of grant set forth above be a Saturday, Sunday or legal holiday, such grant shall be made on the next business day. Notwithstanding anything else in the Plan to the contrary, this paragraph 6(b) shall be of no force and effect from and after December 9, 2003.

(c) Each Director NQSO granted pursuant to this Section 6 (or any Director Re-Load Option granted pursuant to paragraph 6(j)) shall be in such form and shall contain such terms and conditions as the Board or the Committee shall deem appropriate. The provisions of separate Director NQSO's need not be identical, but each Director NQSO shall include (through incorporation of provisions hereof by reference in the Director NQSO or otherwise) the substance of each of the following provisions as set forth in paragraphs 6(d) through 6(j), inclusive.

(d) The term of each Director NQSO shall be ten (10) years from the date it was granted.

(e) The exercise price of each Director NQSO shall be one hundred percent (100%) of the fair market value of the Common Stock subject to such Director NQSO on the date such Director NQSO is granted.

(f) The purchase price of Common Stock acquired pursuant to a Director NQSO shall be paid, to the extent permitted by applicable statutes and regulations, either (i) in cash at the time the Director NQSO is exercised; (ii) by delivery to the Company of shares of

Common Stock that have been held for the period required to avoid a charge to the Company's reported earnings and valued at their fair market value on the date of exercise; or (iii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or a check) by the Company before Common Stock is issued or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds before Common Stock is issued.

(g) A Director NQSO shall be exercisable during the lifetime of the Eligible Director with respect to whom it was granted only by the person to whom it was granted (whether the Eligible Director or a Trust), provided that such person during the Eligible Director's lifetime may designate a Trust to be a beneficiary with respect to the Director NQSO, and such beneficiary shall, after the death of the Eligible Director to whom the Director NQSO was granted, have all of the rights designated for such beneficiary. In the absence of such designation, after the death of the Eligible Director with respect to whom the Director NQSO was granted, if such Director NQSO was granted to the Eligible Director, the Director NQSO shall be exercisable by the person or persons to whom the optionee's rights under such option pass by will or by the laws of descent and distribution.

(h) A Director NQSO shall not vest with respect to an Eligible Director, or the affiliate of such Eligible Director, as the case may be, (i) unless the Eligible Director, has, at the date of grant, provided three (3) years of prior continuous service as an Eligible Director, or (ii) until the date upon which such Eligible Director has provided one year of continuous service as an Eligible Director following the date of grant of such Director NQSO, whereupon such Director NQSO shall become fully vested and exercisable in accordance with its terms.

(i) The Company may require any optionee under this Section 6, or any person to whom a Director NQSO is transferred under paragraph 6(g), as a condition of exercising any such option: (i) to give written assurances satisfactory to the Company as to such person's knowledge and experience in financial and business matters and/or to employ a purchaser representative who has such knowledge and experience in financial and business matters, and that such person is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Director NQSO; and (ii) to give written assurances satisfactory to the Company stating that such person is acquiring the Common Stock subject to the Director NQSO for such person's own account and not with any present intention of selling or otherwise distributing the stock. These requirements, and any assurances given pursuant to such requirements, shall be inoperative if (i) the issuance of the shares upon the exercise of the Director NQSO has been registered under a then currently effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), or (ii), as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws.

(j) Subject to the last sentence of this paragraph 6(j), each Director NQSO shall include a provision entitling the optionee to a further Nonqualified Stock Option (a "Director Re-Load Option") in the event the optionee exercises the Director NQSO evidenced by the Director NQSO grant, in whole or in part, by surrendering other shares of Common Stock in accordance with the Plan and the terms of the Director NQSO grant. Any such Director Re-Load Option (i) shall be for a number of shares equal to the number of shares surrendered as part or all of the exercise price of the original Director NQSO; (ii) shall have an expiration date which is the same as the expiration date of the original Director NQSO; and (iii) shall have an exercise price which is equal to one hundred percent (100%) of the fair market value of the Common Stock subject to the Director Re-Load Option on the date of exercise of the original Director NQSO. Any such Director Re-Load Option shall be subject to the availability of sufficient shares under paragraph 3(a). There shall be no Director Re-Load Option on a Director Re-Load Option. Notwithstanding anything else in the Plan to the contrary, this paragraph 6(j) shall be of no force and effect from and after June 23, 1998.

(k) For purposes of this Section 6, the term "Eligible Director" shall mean a member of the Board who is not an employee of the Company or any Affiliate, and the term "affiliate" shall mean a person that directly or indirectly controls, is controlled by, or is under common control with, the Eligible Director.

7. TERMS OF STOCK BONUSES AND PURCHASES OF RESTRICTED STOCK.

Each stock bonus or restricted stock purchase agreement shall be in such form and shall contain such terms and conditions as the Board or the Committee shall deem appropriate. The terms and conditions of stock bonus or restricted stock purchase agreements may change from time to time, and the terms and conditions of separate agreements need not be identical, but each stock bonus or restricted stock purchase agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions as appropriate:

(a) The purchase price under each stock purchase agreement shall be such amount as the Board or Committee shall determine and designate in such agreement. Notwithstanding the foregoing, the Board or the Committee may determine that eligible participants in the Plan may be awarded stock pursuant to a stock bonus agreement or stock purchase agreement in consideration for future services to be rendered or past services actually rendered to the Company or for its benefit.

(b) No rights under a stock bonus or restricted stock purchase agreement shall

be assignable by any participant under the Plan, either voluntarily or by operation of law, except where such assignment is required by law or expressly authorized by the terms of the applicable stock bonus or restricted stock purchase agreement.

(c) The purchase price of stock acquired pursuant to a stock purchase agreement shall be paid either: (i) in cash at the time of purchase; (ii) at the discretion of the Board or the Committee, according to a deferred payment or other arrangement with the person to whom the Common Stock is sold; or (iii) in any other form of legal consideration that may be acceptable to the Board or the Committee in their discretion; including but not limited to payment of the purchase price pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or a check) by the Company before Common Stock is issued or the receipt of irrevocable instruction to pay the aggregate exercise price of the Company from the sales proceeds before Common Stock is issued. Notwithstanding the foregoing, the Board or the Committee to which administration of the Plan has been delegated may award Common Stock pursuant to a stock bonus agreement or stock purchase agreement in consideration for future services to be rendered or past services actually rendered to the Company or for its benefit.

(d) Shares of Common Stock sold or awarded under the Plan may, but need not, be subject to a repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board or the Committee.

(e) In the event a person ceases to be an employee of or ceases to serve as a director or consultant to the Company or an Affiliate, the Company may repurchase or otherwise reacquire any or all of the shares of Common Stock held by that person which have not vested as of the date of termination under the terms of the stock bonus or restricted stock purchase agreement between the Company and such person.

(f) To the extent provided by the terms of stock bonus or restricted stock purchase agreement, a participant may satisfy any federal, state or local tax withholding obligation relating to the lapsing of a repurchase option in favor of the Company or vesting of a stock bonus or a restricted stock award by any of the following means or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold from the shares of the Common Stock otherwise deliverable to a participant as a result of the lapsing of a repurchase option in favor of the Company or the vesting of a stock bonus or a restricted stock award a number of shares having a fair market value less than or equal to the amount of the Company's required minimum statutory withholding; or (iii) delivering to the Company owned and unencumbered shares of the Common Stock having a fair market value less than or equal to the amount of the Company's required minimum statutory withholding.

8. COVENANTS OF THE COMPANY.

(a) During the terms of the Stock Awards granted under the Plan, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards up to the number of shares of Common Stock authorized under the Plan.

(b) The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to issue and sell shares of Common Stock under the Stock Awards granted under the Plan; provided, however, that this undertaking shall not require the Company to register under the Securities Act either the Plan, any Stock Award granted under the Plan or any Common Stock issued or issuable pursuant to any such Stock Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Stock Awards unless and until such authority is obtained.

9. USE OF PROCEEDS FROM COMMON STOCK.

Proceeds from the sale of Common Stock pursuant to Stock Awards granted under the Plan shall constitute general funds of the Company.

10. MISCELLANEOUS.

(a) The Board or Committee shall have the power to accelerate the time during which a Stock Award may be exercised or the time during which a Stock Award or any part thereof will vest, notwithstanding the provisions in the Stock Award stating the time during which it may be exercised or the time during which it will vest. Each Discretionary Stock Option providing for vesting pursuant to paragraph 5(e) shall also provide that if the employee's employment or a director's or consultant's affiliation with the Company or an Affiliate of the Company is terminated by reason of death or disability (within the meaning of Title II or XVI of the Social Security Act or comparable statute applicable to an Affiliate and with such permanent and total disability certified by (i) the Social Security Administration, (ii) the comparable governmental authority applicable to an Affiliate, (iii) such other body having the relevant decision-making power applicable to an Affiliate or (iv) an independent medical advisor appointed by the Company, as applicable, prior to such termination), then the vesting schedule of Discretionary Stock Options granted to such employee, director or consultant or to the Trusts of such employee, director or consultant shall be accelerated by twelve months for each full year the employee has been employed by or the director or consultant has been affiliated with the Company and/or an Affiliate of the Company.

(b) Neither an optionee nor any person to whom an Option is transferred under the provisions of the Plan shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares subject to such Option unless and until such person has satisfied all requirements for exercise of the Option pursuant to its terms.

(c) Nothing in the Plan or any instrument executed or Stock Award granted pursuant thereto shall confer upon any eligible employee, consultant, director, optionee or holder of Stock Awards under the Plan any right to continue in the employ of the Company or any Affiliate or to continue acting as a consultant or director or shall affect the right of the Company or any Affiliate to terminate the employment or consulting relationship or directorship of any eligible employee, consultant, director, optionee or holder of Stock Awards under the Plan with or without cause. In the event that a holder of Stock Awards under the Plan is permitted or otherwise entitled to take a leave of absence, the Company shall have the unilateral right to (i) determine whether such leave of absence will be treated as a termination of employment or relationship as consultant or director for purposes hereof, and (ii) suspend or otherwise delay the time or times at which exercisability or vesting would otherwise occur with respect to any outstanding Stock Awards under the Plan.

(d) Notwithstanding any provision of the Plan to the contrary, the Board or the Committee shall have the power to condition the grant or vesting of stock bonuses and rights to purchase restricted stock under the Plan upon the attainment of performance goals, determined by the Board or the Committee in their respective sole discretion, with respect to any one or more of the following business criteria with respect to the Company, any Affiliate, any division, any operating unit or any product line: (i) return on capital, assets or equity, (ii) sales or revenue, (iii) net income, (iv) cash flow, (v) earnings per share, (vi) adjusted earnings or adjusted net income as defined below, (vii) working capital, (viii) total shareholder return, (ix) economic value or (x) product development, research, in-licensing, out-licensing, litigation, human resources, information services, manufacturing, manufacturing capacity, production, inventory, site development, plant, building or facility development, government relations, product market share, mergers, acquisitions or sales of assets or subsidiaries. "Adjusted net income" and "adjusted earnings" shall mean net income or earnings, as the case may be, for the relevant performance period computed in accordance with accounting principles generally accepted in the U.S. which may be adjusted by the Committee, as specified in writing, for such performance period, at the time a performance goal is established for the performance period, for the following: (a) any item of significant gain or loss for the performance period determined to be related to a change in accounting principle as reflected in the Company's audited

consolidated financial statements, (b) amortization expenses associated with acquired intangible assets, (c) expenses associated with acquired in-process research and development and (d) any other items of significant income or expense which are determined to be appropriate adjustments and are specified in writing by the Committee at the time the goal is established for the performance period. With respect to any stock bonuses or rights to purchase restricted stock granted to persons who are or who may be “covered employees” within the meaning of Section 162(m) of the Code, the Board or the Committee shall have the power to grant such awards upon terms and conditions that qualify such awards as “qualified performance-based compensation” within the meaning of Section 162(m) of the Code. Stock bonuses and rights to purchase restricted stock made in accordance with this paragraph 10(d) shall contain the terms and conditions of Section 7 above.

11. ADJUSTMENTS UPON CHANGES IN COMMON STOCK.

If any change is made in the Common Stock subject to the Plan, or subject to any Stock Award granted under the Plan (through merger, consolidation, reorganization, recapitalization, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company), the Plan and outstanding Stock Awards will be appropriately adjusted in the class(es) and maximum number of shares subject to the Plan, the maximum number of shares which may be granted to a participant in a calendar year, the class(es) and number of shares and price per share of stock subject to outstanding Stock Awards, and the number of shares of Common Stock to be granted as provided for in paragraphs 6(a) and 6(b). Such adjustment shall be made by the Board or the Committee, the determination of which shall be final, binding and conclusive. (The conversion of any convertible securities of the Company shall not be treated as a “transaction not involving the receipt of consideration”.)

12. CHANGE OF CONTROL.

(a) Notwithstanding anything to the contrary in this Plan, in the event of a Change in Control (as hereinafter defined), then, to the extent permitted by applicable law: (i) the time during which Stock Awards become vested shall automatically be accelerated so that the unvested portions of all Stock Awards shall be vested prior to the Change in Control and (ii) the time during which the Options may be exercised shall automatically be accelerated to prior to the Change in Control. Upon and following the acceleration of the vesting and exercise periods, at the election of the holder of the Stock Award, the Stock Award may be: (x) exercised (with respect to Options) or, if the surviving or acquiring corporation agrees to

assume the Stock Awards or substitute similar stock awards, (y) assumed; or (z) replaced with substitute stock awards. Options not exercised, substituted or assumed prior to or upon the Change in Control shall be terminated.

(b) For purposes of the Plan, a "Change of Control" shall be deemed to have occurred at any of the following times:

(i) upon the acquisition (other than from the Company) by any person, entity or "group," within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (excluding, for this purpose, the Company or its affiliates, or any employee benefit plan of the Company or its affiliates which acquires beneficial ownership of voting securities of the Company), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either the then outstanding shares of Common Stock or the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors; or

(ii) at the time individuals who, as of April 2, 1991, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to April 2, 1991, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes of the Plan, considered as though such person were a member of the Incumbent Board; or

(iii) immediately prior to the consummation by the Company of a reorganization, merger, consolidation, (in each case, with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than fifty percent (50%) of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated company's then outstanding voting securities) or a liquidation or dissolution of the Company or of the sale of all or substantially all of the assets of the Company; or

(iv) the occurrence of any other event which the Incumbent Board in its sole discretion determines constitutes a Change of Control.

13. QUALIFIED DOMESTIC RELATIONS ORDERS

(a) Anything in the Plan to the contrary notwithstanding, rights under Stock

Awards may be assigned to an Alternate Payee to the extent that a QDRO so provides. (The terms "Alternate Payee" and "QDRO" are defined in paragraph 13(c) below.) The assignment of a Stock Award to an Alternate Payee pursuant to a QDRO shall not be treated as having caused a new grant. The transfer of an Incentive Stock Option to an Alternate Payee may, however, cause it to fail to qualify as an Incentive Stock Option. If a Stock Award is assigned to an Alternate Payee, the Alternate Payee generally has the same rights as the grantee under the terms of the Plan; provided however, that (i) the Stock Award shall be subject to the same vesting terms and exercise period as if the Stock Award were still held by the grantee, (ii) an Alternate Payee may not transfer a Stock Award and (iii) an Alternate Payee is ineligible for Re-Load Options described at paragraph 5(j) or Director Re-Load Options described at paragraph 6(j).

(b) In the event of the Plan administrator's receipt of a domestic relations order or other notice of adverse claim by an Alternate Payee of a grantee of a Stock Award, transfer of the proceeds of the exercise of such Stock Award, whether in the form of cash, stock or other property, may be suspended. Such proceeds shall thereafter be transferred pursuant to the terms of a QDRO or other agreement between the grantee and Alternate Payee. A grantee's ability to exercise a Stock Award may be barred if the Plan administrator receives a court order directing the Plan administrator not to permit exercise.

(c) The word "QDRO" as used in the Plan shall mean a court order (i) that creates or recognizes the right of the spouse, former spouse or child (an "Alternate Payee") of an individual who is granted a Stock Award to an interest in such Stock Award relating to marital property rights or support obligations and (ii) that the administrator of the Plan determines would be a "qualified domestic relations order," as that term is defined in section 414(p) of the Code and section 206(d) of the Employee Retirement Income Security Act ("ERISA"), but for the fact that the Plan is not a plan described in section 3(3) of ERISA.

14. AMENDMENT OF THE PLAN.

(a) The Board at any time, and from time to time, may amend the Plan. However, except as provided in Section 10 relating to adjustments upon changes in the Common Stock, no amendment shall be effective unless approved by the stockholders of the Company within twelve (12) months before or after the adoption of the amendment, where the amendment will:

(i) increase the number of shares reserved for Stock Awards under the Plan;

(ii) modify the requirements as to eligibility for participation in the Plan (to the extent such modification requires stockholder approval in order for the Plan to satisfy the requirements of Section 422(b) of the Code); or

(iii) modify the Plan in any other way if such modification requires stockholder approval in order for the Plan to satisfy the requirements of Section 422(b) of the Code.

(b) The Board may in its sole discretion submit any other amendment to the Plan for stockholder approval, including, but not limited to, amendments to the Plan intended to satisfy the requirements of Section 162(m) of the Code and the regulations promulgated thereunder regarding the exclusion of performance-based compensation from the limit on corporate deductibility of compensation to certain executive officers.

(c) It is expressly contemplated that the Board may amend the Plan in any respect the Board deems necessary or advisable to provide optionees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to employee Incentive Stock Options and/or to bring the Plan and/or Options granted under it into compliance therewith.

(d) Rights and obligations under any Stock Award granted before amendment of the Plan shall not be impaired by any amendment of the Plan, unless: (i) the Company requests the consent of the person to whom the Stock Award was granted; and (ii) such person consents in writing.

15. TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may suspend or terminate the Plan at any time. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated. No Incentive Stock Options may be granted under the Plan after February 22, 2009.

(b) Rights and obligations under any Stock Awards granted while the Plan is in effect shall not be impaired by suspension or termination of the Plan, except with the consent of the person to whom the Stock Award was granted.

16. EFFECTIVE DATE OF PLAN.

The Plan shall become effective as determined by the Board.

AMGEN INC.
PERFORMANCE AWARD PROGRAM
(Amended and Restated Effective December 6, 2004)

ARTICLE I

PURPOSE

The purpose of this document is to set forth the general terms and conditions applicable to the Performance Award Program (the "Program") established by the Compensation and Management Development Committee of the Board of Directors of Amgen Inc. (the "Company") pursuant to, and in implementation of, Section 10(d) of the Company's Amended and Restated 1991 Equity Incentive Plan, as amended (the "1991 Plan"). The Program is intended to carry out the purposes of the 1991 Plan and provide a means to reinforce objectives for sustained long-term performance and value creation by awarding selected key employees of the Company with payments in Company stock based on the level of achievement of pre-established performance goals during three-year performance cycles, subject to the restrictions and other provisions of the Program and the 1991 Plan. The Program shall be effective as of December 9, 2003.

ARTICLE II

DEFINITIONS

Unless otherwise defined herein, capitalized terms used herein shall have the same definitions as such terms are defined in the 1991 Plan.

"Award" shall mean the earned Performance Units payable in Common Stock under the Program for a Performance Cycle.

"Board" shall mean the Board of Directors of the Company.

"Committee" shall mean the Compensation and Management Development Committee of the Board, appointed by the Board from among its members to administer the 1991 Plan in accordance with Section 2 thereof.

"Common Stock" shall mean the common stock, par value \$0.0001 per share, of the Company.

"Determination Date" shall have the meaning ascribed to it in Section 4.1.

"Participant" shall mean a key employee of the Company or an Affiliate who participates in this Program pursuant to the provisions of Article III hereof.

"Peer Group" shall mean a list of companies selected by the Committee.

“Performance Cycle” shall mean each period of three consecutive fiscal years commencing on the first day of the first fiscal year and ending on the last day of the third fiscal year. Performance Cycles may overlap.

“Performance Goal” shall have the meaning ascribed to it in Section 5.2.

“Performance Unit” shall mean a right granted to a Participant pursuant to the Program to receive Common Stock, the payment of which is contingent upon achieving the Performance Goals.

“QDRO” shall mean a court order (i) that creates or recognizes the right of the spouse, former spouse or child (an “Alternate Payee”) of an individual who is granted an Award to an interest in such Award relating to marital property rights or support obligations and (ii) that the 1991 Plan administrator determines would be a “qualified domestic relations order,” as that term is defined in Section 414(p) of the Code and Section 206(d) of the Employee Retirement Income Security Act (“ERISA”), but for the fact that the 1991 Plan is not a plan described in Section 3(3) of ERISA.

“Retirement-Eligible” shall mean a Participant who is at least 60 years of age and has completed a minimum of fifteen (15) years of service with the Company or an Affiliate.

“Section 162(m) Participant” shall mean any Participant designated by the Committee as a “covered employee” within the meaning of Section 162(m) of the Code whose compensation for the fiscal year in which the Participant is so designated or a future fiscal year may be subject to the limit on deductible compensation imposed by Section 162(m) of the Code.

ARTICLE III

PARTICIPATION

3.1 Participants. Participants for any Performance Cycle shall be those active key employees of the Company or an Affiliate who are designated in writing as eligible for participation by the Committee within the first ninety (90) days of such Performance Cycle.

3.2 No Right to Participate. No Participant or other employee of the Company or an Affiliate shall, at any time, have a right to participate in this Program for any Performance Cycle, notwithstanding having previously participated in this Program.

ARTICLE IV

ADMINISTRATION

4.1 Generally. Within the first ninety (90) days of each Performance Cycle, the Committee shall establish the basis for payments under this Program in relation to specified Performance Goals, as more fully described in Article V hereof. Following the end of each Performance Cycle, once all of the information necessary for the Committee to determine the Company’s performance and comparative performance with the Peer Group is made available to

the Committee, the Committee shall determine the amount of the Award payable to each Participant; *provided, however*, that any such determination shall be made no later than six months following the end of such Performance Cycle (the date of such determination shall hereinafter be called the “Determination Date”). The Committee shall have the power and authority granted it under Section 2 of the 1991 Plan, including, without limitation, the authority to construe and interpret this Program, to prescribe, amend and rescind rules, regulations and procedures relating to its administration and to make all other determinations necessary or advisable for administration of this Program. Decisions of the Committee in accordance with the authority granted hereby shall be conclusive and binding. Subject only to compliance with the express provisions hereof, the Committee may act in its sole and absolute discretion with respect to matters within its authority under this Program.

4.2 Provisions Applicable to Section 162(m) Participants. Any Awards paid hereunder to a Section 162(m) Participant shall satisfy and shall be interpreted in a manner that satisfies any applicable requirements as “qualified performance-based compensation” within the meaning of Section 162(m) of the Code and any provisions, application or interpretation of the Program or the 1991 Plan that is inconsistent with this intent shall be disregarded.

4.3 Provisions Applicable to Participants in Foreign Jurisdictions. Notwithstanding any provision of the Program to the contrary, in order to comply with the laws in other countries in which the Company and its Affiliates operate or have employees, the Committee, in its sole discretion, shall have the power and authority to:

(i) modify the terms and conditions of any award of Performance Units granted to employees outside the United States to comply with applicable foreign laws;

(ii) condition the effectiveness of any award of Performance Units upon approval or compliance with any necessary local governmental regulatory exemption or approvals;

(iii) provide for payment of any Award in cash or Common Stock, at the Company’s election, to the extent necessary to comply with applicable foreign laws; and

(iv) take any other action, before or after an award of Performance Units is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals.

Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no award of Performance Units shall be granted, that would violate the Exchange Act, the Code, any securities law or governing statute or any other applicable law.

ARTICLE V

AWARD DETERMINATIONS

5.1 Award of Performance Units. Within the first ninety (90) days of each Performance Cycle, the Committee shall determine the number of Performance Units (rounded

down to the nearest whole number) to be awarded under this Program to each Participant with respect to such Performance Cycle and a date upon which the Performance Units shall be assigned a unit value based on the fair market value of a share of Common Stock on such specified date. Performance Units granted under the Program shall constitute stock bonuses under Sections 7 and 10(d) of the 1991 Plan.

5.2 Performance Requirements. Within the first ninety (90) days of each Performance Cycle, the Committee shall approve the performance goals (collectively, the “Performance Goals”) with respect to any of the business criteria permitted under Section 10(d) of the 1991 Plan), each subject to such adjustments as the Committee may specify in writing at such time, and shall establish a formula, standard or schedule which aligns the level of achievement of the Performance Goals with the earned Performance Units. The Performance Goals may not be changed during the Performance Cycle, but the thresholds and targets of the Performance Goals shall be subject to such adjustments as the Committee may specify in writing within the first ninety (90) days of the Performance Cycle.

ARTICLE VI

PAYMENT OF AWARDS

6.1 Form and Timing of Payment. Except as set forth in Section 8.1 below, any Award payable pursuant to this Program shall be paid as soon as practicable following the Determination Date in shares of Common Stock based on the average of the daily closing prices of a share of Common Stock on the Nasdaq National Market for the thirty (30) trading days ending seven trading days immediately preceding the Determination Date; *provided, however*, that no Award shall be paid unless and until the Committee certifies, in writing, the extent to which the Performance Goals have been achieved and the corresponding number of Performance Units earned. Shares of Common Stock issued in respect of an Award shall be deemed to be issued in consideration for future services to be rendered or past services actually rendered to the Company or for its benefit, by the Participant, which the Committee deems to have a value not less than the par value thereof.

6.2 Tax Withholding. The Participant shall satisfy any federal, state and local tax withholding obligation relating to the payment of the Award by authorizing the Company to withhold from the shares of the Common Stock otherwise issuable to the Participant as a result of the vesting or the payment of the Award a number of shares having a fair market value less than or equal to the amount of the Company’s required minimum statutory withholding. Any shares of Common Stock withheld by the Company hereunder shall not be deemed to have been issued by the Company for any purpose under the 1991 Plan. In addition, the Participant shall take any further actions and execute any additional documents as may be necessary to effectuate the provisions of this Section 6.2. Notwithstanding Section 6.1, no certificates representing the shares of Common Stock shall be delivered to a Participant unless and until he or she shall have paid to the Company the full amount of all federal, state and local tax withholding or other employment taxes applicable to him or her resulting from the payment of the Award.

ARTICLE VII
TERMINATION OF EMPLOYMENT

7.1 Termination of Employment During Performance Cycle.

(a) In the event that a Participant's employment with the Company or an Affiliate is terminated within six months following the commencement of a Performance Cycle for any reason, all of such Participant's rights to an Award for such Performance Cycle shall be forfeited.

(b) Subject to Section 7.1(a) above, in the event that a Participant's employment with the Company or an Affiliate is terminated prior to the last business day of a Performance Cycle by reason of such Participant's voluntary retirement and such Participant is Retirement-Eligible on the date of such termination, the prorated amount of such Participant's Award, if any, applicable to such Performance Cycle shall be paid in accordance with the provisions of Article VI above. For purposes of the foregoing, the amount of the Participant's Award (rounded down to the nearest whole number) shall be determined based on the Company's performance as compared to the Performance Goals for such Performance Cycle and the Award otherwise payable is multiplied by a fraction (rounded to two decimal places), the numerator of which is the number of complete months of employment during the Performance Cycle, and the denominator of which is 36.

(c) Subject to Section 7.1(a) above, in the event that a Participant's employment with the Company or an Affiliate is terminated prior to the last business day of a Performance Cycle by reason of such Participant's death or disability (within the meaning of Title II or XVI of the Social Security Act or comparable statute applicable to an Affiliate and such disability is certified by (i) the Social Security Administration, (ii) the comparable governmental authority applicable to an Affiliate, (iii) such other body having the relevant decision-making power applicable to an Affiliate, or (iv) an independent medical advisor appointed by the Company, as applicable, prior to such termination), the prorated amount of such Participant's Award, if any, applicable to such Performance Cycle shall be paid in accordance with the provisions of Article VI above. For purposes of the foregoing, the amount of the Participant's Award (rounded down to the nearest whole number) shall be determined based on the Company's performance as compared to the Performance Goals for such Performance Cycle and the Award otherwise payable is multiplied by a fraction (rounded to two decimal places), the numerator of which is the number of complete months of employment during the Performance Cycle, and the denominator of which is 36.

(d) In the event that a Participant's employment with the Company or an Affiliate is terminated prior to the last business day of a Performance Cycle for any reason other than as specified in Sections 7.1(a), (b) and (c) above, all of such Participant's rights to an Award for such Performance Cycle shall be forfeited, unless the Committee approves, based upon the recommendation of the Company's Chief Executive Officer which are based on valid business reasons, the payment of a prorated amount of the Participant's Award, if any, applicable to such Performance Cycle shall be paid in accordance with the provisions of Article VI above. For purposes of the foregoing, the amount of the Participant's Award (rounded down to the nearest whole number) shall be determined based on the Company's performance as compared to the Performance Goals for such Performance Cycle and the Award otherwise payable is multiplied by a fraction (rounded to two decimal places), the numerator of which is the number of complete months of employment during the Performance Cycle, and the denominator of which is 36.

7.2 Termination of Employment After End of Performance Cycle. In the event that a Participant's employment with the Company or an Affiliate is terminated after the end of the applicable Performance Cycle but prior to the Determination Date for any reason, the amount of any Award applicable to such Performance Cycle shall be paid to the Participant in accordance with the provisions of Article VI above.

ARTICLE VIII
CHANGE IN CONTROL

8.1 Change in Control During Performance Cycle.

(a) Notwithstanding anything to the contrary in the Program, in the event of a Change in Control that occurs during the first fiscal year of a Performance Cycle, such Performance Cycle shall be shortened and shall terminate as of the last business day of the last completed fiscal quarter preceding the date of such Change in Control and each Participant employed by the Company immediately prior to such Change in Control shall be entitled to a payment equal to the amount of the Participant's Award (rounded down to the nearest whole number) he or she would have received for such Performance Cycle assuming that the targets of the Performance Goals are satisfied. Any such payment shall be made as soon as practicable following such Change in Control and, in the Committee's sole discretion, may be paid in cash.

(b) Notwithstanding anything to the contrary in the Program, in the event of a Change in Control that occurs during the second or third fiscal year of a Performance Cycle, such Performance Cycle shall be shortened and shall terminate as of the last business day of the last completed fiscal quarter preceding the date of such Change in Control and each Participant employed by the Company immediately prior to such Change in Control shall be entitled to a payment equal to the greater of (i) the amount of the Participant's Award (rounded down to the nearest whole number) he or she would have received for such Performance Cycle assuming that the targets of the Performance Goals are satisfied, or (ii) the amount of the Participant's Award (rounded down to the nearest whole number) he or she would have been entitled to receive for such Performance Cycle, determined based on the Company's performance and comparative performance for such shortened Performance Cycle. Any such payment shall be made as soon as practicable following such Change in Control and, in the Committee's sole discretion, may be paid in cash.

8.2 Change in Control After End of Performance Cycle. Notwithstanding anything to the contrary in the Program, in the event of a Change in Control that occurs after the end of the applicable Performance Cycle but prior to the Determination Date, the amount of any Award applicable to such Performance Cycle shall be paid to the Participant in accordance with the provisions of Article VI above.

ARTICLE IX
MISCELLANEOUS

9.1 Plan. The Program is subject to all the provisions of the 1991 Plan and its provisions are hereby made a part of the Program, including without limitation the provisions of Sections 7 and 10(d) thereof (relating to stock bonuses) and Section 11 thereof (relating to adjustments upon changes in the Common Stock), and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the 1991 Plan. In the event of any conflict between the provisions of the Program and those of the 1991 Plan, the provisions of the 1991 Plan shall control. Notwithstanding any provision of the Program to the contrary, any earned Performance Units paid in cash rather than shares of Common Stock shall not be deemed to have been issued by the Company for any purpose under the 1991 Plan.

9.2 Amendment and Termination. Notwithstanding anything herein to the contrary, the Committee may, at any time, terminate, modify or suspend this Program; *provided, however*, that, without the prior consent of the Participants affected, no such action may adversely affect any rights or obligations with respect to any Awards theretofore earned but unpaid for a completed Performance Cycle, whether or not the amounts of such Awards have been computed and whether or not such Awards are then payable.

9.3 No Contract for Employment. Nothing contained in this Program or in any document related to this Program or to any Award shall confer upon any Participant any right to continue as an employee or in the employ of the Company or an Affiliate or constitute any contract or agreement of employment for a specific term or interfere in any way with the right of the Company or an Affiliate to reduce such person's compensation, to change the position held by such person or to terminate the employment of such person, with or without cause.

9.4 Nontransferability. No benefit payable under, or interest in, this Program shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any such attempted action shall be void and no such benefit or interest shall be, in any manner, liable for, or subject to, debts, contracts, liabilities or torts of any Participant or beneficiary; *provided, however*, that, nothing in this Section 9.4 shall prevent transfer (i) by will, (ii) by applicable laws of descent and distribution or (iii) to an Alternate Payee to the extent that a QDRO so provides. The assignment of an Award to an Alternate Payee pursuant to a QDRO shall not be treated as having caused a new grant. If an Award is assigned to an Alternate Payee, the Alternate Payee generally has the same rights as the Participant under the terms of the Program; *provided however*, that (i) the Award shall be subject to the same vesting terms as if the Award were still held by the Participant, and (ii) an Alternate Payee may not transfer an Award. In the event of the 1991 Plan administrator's receipt of a domestic relations order or other notice of adverse claim by an Alternate Payee of a Participant, transfer of the proceeds of such Award may be suspended. Such proceeds shall thereafter be transferred pursuant to the terms of a QDRO or other agreement between the Participant and Alternate Payee. A Participant's ability to receive payment of an Award may be barred if the 1991 Plan administrator receives a court order directing the 1991 Plan administrator not to make such payment.

9.5 Nature of Program. No Participant, beneficiary or other person shall have any right, title or interest in any fund or in any specific asset of the Company or any Affiliate by reason of any award hereunder. There shall be no funding of any benefits which may become payable hereunder. Nothing contained in this Program (or in any document related thereto), nor the creation or adoption of this Program, nor any action taken pursuant to the provisions of this Program shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or an Affiliate and any Participant, beneficiary or other person. To the extent that a Participant, beneficiary or other person acquires a right to receive payment with respect to an Award hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company or other employing entity, as applicable. All amounts payable under this Program shall be paid from the general assets of the Company or employing entity, as applicable, and no special or separate fund or deposit shall be established and no segregation of assets shall be made to assure payment of such amounts. Nothing in this Program shall be deemed to give any employee any right to participate in this Program except in accordance herewith.

9.6 Governing Law. This Program shall be construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

FORM OF PERFORMANCE UNIT AGREEMENT

_____, Amgen Inc. Grantee:

On this ___ day of _____ (the "Grant Date"), Amgen Inc., a Delaware corporation (the "Company"), pursuant to its Performance Award Program (the "Program") which implements the Amended and Restated 1991 Equity Incentive Plan (the "Plan"), has granted to you, the grantee named above, _____ performance units (the "Units") on the terms and conditions set forth in this Performance Unit Agreement (this "Agreement"), the Plan, the Program and the Resolutions (as defined below). Capitalized terms not defined herein shall have the meanings assigned to such terms in the Program.

I. Performance Cycle. The Performance Cycle shall begin on January 1, 200_ and end on December 31, 200_.

II. Value of Units. The value of each Unit is equal to the closing price of a share of Common Stock on the Grant Date.

III. Performance Goals. Up to 225% of the Units shall be earned, depending on the extent to which the Company achieves objectively determinable performance goals established by the Compensation and Management Development Committee (the "Committee") pursuant to those certain Resolutions of the Compensation and Management Development Committee of the Board of Directors of Amgen Inc., adopted on March 8, 2004, regarding the Performance Award Program (the "Resolutions"). The Units earned shall be calculated in accordance with the Resolutions and the Program.

IV. Form and Timing of Payment. Subject to Section X and except as set forth in the Program, any Units earned pursuant to Section III above shall be paid as soon as practicable following the Determination Date in shares of Common Stock based on a 30-day average trading price of the Common Stock ending seven trading days immediately preceding the Determination Date; *provided, however*, that no shares of Common Stock shall be issued hereunder unless the Committee determines prior to such issuance that the consideration received by the Company in exchange for the issuance of Common Stock has a value not less than the par value thereof.

V. Issuance of Certificates; Tax Withholding. You shall satisfy any federal, state and local tax withholding obligation relating to the payment of the Units earned by hereby authorizing the Company to withhold from the shares of the Common Stock otherwise issuable to you as a result of the vesting or the payment of the Units earned a number of shares having a fair market value less than or equal to the amount of the Company's required minimum statutory withholding. Any shares of Common Stock withheld by the Company hereunder shall not be deemed to have been issued by the Company for any purpose under the Plan. In addition, you shall take any further actions and execute any additional documents as may be necessary to effectuate the provisions of this Section V. Notwithstanding Section IV above, no certificates representing the shares of Common Stock shall be delivered to you unless and until you have paid to the Company the full amount of all federal, state and local tax withholding or other employment taxes applicable to you resulting from the payment of the Units earned.

VI. Nontransferability. No benefit payable under, or interest in, this Agreement shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any such attempted action shall be void and no such benefit or interest shall be, in any manner, liable for, or subject to, your or your beneficiary's debts, contracts, liabilities or torts; *provided, however*, nothing in this Section VI shall prevent transfer (i) by will, (ii) by applicable laws of descent and distribution or (iii) to an Alternate Payee to the extent that a QDRO so provides, as further described in the Program.

VII. No Contract for Employment. This Agreement is not an employment or service contract and nothing in this Agreement shall be deemed to create in any way whatsoever any obligation on your part to continue in the employ or service of the Company, or of the Company to continue your employment or service with the Company.

VIII. Notices. Any notices provided for in this Agreement or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at such address as is currently maintained in the Company's records or at such other address as you hereafter designate by written notice to the Company.

IX. Resolutions, Plan and Program. This Agreement is subject to all the provisions of the Resolutions, the Plan and the Program and their provisions are hereby made a part of this Agreement, including without limitation the provisions of Sections 7 and 10(d) of the Plan (relating to stock bonuses) and Section 11 of the Plan (relating to adjustments upon changes in the Common Stock), and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of this Agreement and those of the Resolutions, the Plan and the Program, the provisions of the Plan shall control. Notwithstanding any provision of this Agreement or the Program to the contrary, any earned Units paid in cash rather than shares of Common Stock shall not be deemed to have been issued by the Company for any purpose under the Plan.

X. Provisions Applicable to Participants in Foreign Jurisdictions. Notwithstanding any provision of this Agreement or the Program to the contrary, if you are employed by the Company or its Affiliates outside the United States or are subject to the laws of any foreign jurisdiction, your award of Units shall be subject to the following additional terms and conditions:

(a) the terms and conditions of your award of Units are deemed modified to the extent necessary to comply with applicable foreign laws;

(b) if applicable, the effectiveness of your award of Units is conditioned upon approval or compliance with any necessary local governmental regulatory exemption or approvals;

(c) to the extent necessary to comply with applicable foreign laws, the payment of any earned Units shall be made in cash or Common Stock, at the Company's election; and

(d) the Committee may take any other action, before or after an award of Units is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals.

Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no award of Units shall be granted, that would violate the Exchange Act, the Code, any securities law or governing statute or any other applicable law.

XI. Governing Law. This Agreement shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the laws of the State of Delaware, without regard to conflicts of law provisions thereof.

Very truly yours,
AMGEN INC.

By: _____

Name:
Title:

Accepted and Agreed,
this __ day of _____, 2004.

By: _____

Name:

AMGEN INC.
DIRECTOR EQUITY INCENTIVE PROGRAM
(Amended and Restated Effective December 6, 2004)

ARTICLE I

PURPOSE

The purpose of this document is to set forth the general terms and conditions applicable to the Director Equity Incentive Program (the "Program") established by the Board of Directors of Amgen Inc. (the "Company") pursuant to, and in implementation of, Section 4(b) of the Company's Amended and Restated 1991 Equity Incentive Plan, as amended (the "1991 Plan"). The Program is intended to carry out the purposes of the 1991 Plan and provide a means to reinforce objectives for sustained long-term performance and value creation by awarding each non-employee director of the Company with stock awards, subject to the restrictions and other provisions of the Program and the 1991 Plan. The Program shall be effective as of December 9, 2003 (the "Effective Date").

ARTICLE II

DEFINITIONS

Unless otherwise defined herein, capitalized terms used herein shall have the same definitions as such terms are defined in the 1991 Plan.

"Award" shall mean a Nonqualified Stock Option or a Restricted Stock Unit granted to an Eligible Director pursuant to the Program.

"Board" shall mean the Board of Directors of the Company.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Common Stock" shall mean the common stock, par value \$0.0001 per share, of the Company.

"Eligible Director" shall mean a member of the Board who is not an employee of the Company or any Affiliate.

"Nonqualified Stock Option" or "NQSO" shall mean a stock option which does not qualify as an incentive stock option as that term is used in Section 422 of the Code.

"QDRO" shall mean a court order (i) that creates or recognizes the right of the spouse, former spouse or child (an "Alternate Payee") of an individual who is granted an Award to an interest in such Award relating to marital property rights or support obligations and (ii) that the Board determines would be a "qualified domestic relations order," as that term is defined

in Section 414(p) of the Code and Section 206(d) of the Employee Retirement Income Security Act (“ERISA”), but for the fact that the Program is not a plan described in Section 3(3) of ERISA.

“Restricted Stock Unit” shall mean a restricted right to receive a share of Common Stock granted pursuant to Article IV.

ARTICLE III
STOCK OPTIONS

3.1 Inaugural Grants. Each person who becomes an Eligible Director after the Effective Date shall, upon the date such person first becomes an Eligible Director, automatically be granted, without further action by the Company, the Board, or the Company’s stockholders, a Nonqualified Stock Option to purchase twenty thousand (20,000) shares of Common Stock on the terms and conditions set forth herein. Should the date of grant set forth above be a Saturday, Sunday or legal holiday, such grant shall be made on the next business day.

3.2 Annual Grants. On March 15 of each year after the Effective Date, each person who is at that time an Eligible Director shall automatically be granted, without further action by the Company, the Board, or the Company’s stockholders, a Nonqualified Stock Option to purchase five thousand (5,000) shares of Common Stock on the terms and conditions set forth herein. Should the date of grant set forth above be a Saturday, Sunday or legal holiday, such grant shall be made on the next business day.

3.3 Terms of Options.

(a) Each Nonqualified Stock Option granted pursuant to the Program shall constitute a Discretionary Stock Option under Section 5 of the 1991 Plan. The provisions of separate Nonqualified Stock Options need not be identical, but each Nonqualified Stock Option shall include (through incorporation of provisions hereof by reference in the Nonqualified Stock Option or otherwise) the substance of each of the following provisions as set forth in this Section 3.3 and Section 5 of the 1991 Plan.

(b) No Option shall be exercisable after the expiration of seven (7) years from the date it was granted.

(c) The exercise price of each Nonqualified Stock Option shall be not less than one hundred percent (100%) of the fair market value of the Common Stock subject to the Nonqualified Stock Option on the date the Nonqualified Option is granted.

(d) The purchase price of Common Stock acquired pursuant to a Nonqualified Stock Option shall be paid, to the extent permitted by applicable statutes and regulations, either: (i) in cash at the time the Nonqualified Stock Option is exercised; or (ii) at the discretion of the Board, either at the time of grant or exercise of the Nonqualified Stock Option (A) by delivery to the Company of shares of Common Stock that have been held for

the period required to avoid a charge to the Company's reported earnings and valued at the fair market value on the date of exercise, or (B) in any other form of legal consideration that may be acceptable to the Board in its discretion; including but not limited to payment of the purchase price pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board which results in the receipt of cash (or a check) by the Company before Common Stock is issued or the receipt of irrevocable instruction to pay the aggregate exercise price to the Company from the sales proceeds before Common Stock is issued.

(e) A Nonqualified Stock Option shall be exercisable during the lifetime of the Eligible Director only by the Eligible Director, and after the death of the Eligible Director, the Nonqualified Stock Option shall be exercisable by the person or persons to whom the Eligible Director's rights under such option pass by will or by the laws of descent and distribution.

(f) Each Nonqualified Stock Option that is granted to an Eligible Director who has as of the date of grant provided three (3) years of prior continuous service on the Board as an Eligible Director shall be fully vested as of the date of grant. Each Nonqualified Stock Option that is granted to an Eligible Director who has not as of the date of grant provided three (3) years of prior continuous service as an Eligible Director shall be fully vested as of the date upon which such Eligible Director has provided one year of continuous service on the Board as an Eligible Director following the date of grant of such Nonqualified Stock Option. If the Eligible Director's relationship as a director of the Company or an Affiliate is terminated by reason of the Eligible Director's death or disability (within the meaning of Title II or XVI of the Social Security Act or comparable statute applicable to an Affiliate and with such permanent and total disability certified by (i) the Social Security Administration, (ii) the comparable governmental authority applicable to an Affiliate, (iii) such other body having the relevant decision-making power applicable to an Affiliate, or (iv) an independent medical advisor appointed by the Company, as applicable, prior to such termination), then the vesting schedule of each Nonqualified Stock Option granted to such Eligible Director shall be accelerated by twelve months for each full year the Eligible Director has been affiliated with the Company and/or an Affiliate.

(g) The Company may require any holder under this Article III, or any person to whom a Nonqualified Stock Option is transferred under Section 3.3(e), as a condition of exercising any such option: (i) to give written assurances satisfactory to the Company as to such person's knowledge and experience in financial and business matters and/or to employ a purchaser representative who has such knowledge and experience in financial and business matters, and that such person is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Nonqualified Stock Option; and (ii) to give written assurances satisfactory to the Company stating that such person is acquiring the Common Stock subject to the Nonqualified Stock Option for such person's own account and not with any present intention of selling or otherwise distributing the Common Stock. These requirements, and any assurances given pursuant to such requirements, shall be inoperative if: (x) the issuance of the shares upon the exercise of the Nonqualified Stock Option has been registered under a then currently effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"); or (y) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities law.

ARTICLE IV
RESTRICTED STOCK UNITS

4.1 Annual Grants. On March 15, 2004, each person who is at that time an Eligible Director shall automatically be granted, without further action by the Company, the Board, or the Company's stockholders, Restricted Stock Units to acquire a number of shares of Common Stock (rounded down to the nearest whole number) equal to the quotient obtained by dividing (x) \$100,000, by (y) the closing market price of a share of Common Stock on the business day immediately preceding the date of grant (rounded to two decimal places); thereafter, on March 15 of each year after the Effective Date, each person who is at that time an Eligible Director shall automatically be granted, without further action by the Company, the Board, or the Company's stockholders, Restricted Stock Units to acquire a number of shares of Common Stock (rounded down to the nearest whole number) equal to the quotient obtained by dividing (x) \$100,000, by (y) the closing market price of a share of Common Stock on the date of grant (rounded to two decimal places). Should the date of grant set forth in this Section 4.1 be a Saturday, Sunday or legal holiday, such grant shall be made on the next business day. Restricted Stock Units shall constitute stock bonuses under Section 7 of the 1991 Plan.

4.2 Terms of Restricted Stock Units.

(a) Each Restricted Stock Unit granted pursuant to this Program shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The provisions of separate Restricted Stock Units need not be identical, but each Restricted Stock Unit shall include (through incorporation of provisions hereof by reference in the Restricted Stock Unit agreement or otherwise) the substance of each of the following provisions as set forth this Section 4.2 and Section 7 of the 1991 Plan.

(b) Each grant of Restricted Stock Units made to an Eligible Director who has as of the date of grant provided three (3) years of prior continuous service on the Board as an Eligible Director shall be fully vested as of the date of grant and each grant of Restricted Stock Units that is made to an Eligible Director who has not as of the date of grant provided three (3) years of prior continuous service as an Eligible Director shall be fully vested as of the date upon which such Eligible Director has provided one year of continuous service on the Board as an Eligible Director following the date of grant of such Restricted Stock Units (in each case, such date of vesting the "Vesting Date"). If the Eligible Director's relationship as a director of the Company or an Affiliate is terminated by reason of the Eligible Director's death or total and permanent disability (as certified by an independent medical advisor appointed by the Company prior to such termination), then a prorated number (rounded down to the nearest whole number) of unvested Restricted Stock Units, if any, shall vest immediately upon such death or disability, determined by multiplying the number of unvested Restricted Stock Units,

if any, by a fraction (rounded to two decimal places), the numerator of which is the number of complete months of continuous service during the one year period following the date of grant and the denominator of which is 12.

(c) A holder's vested Restricted Stock Units shall be paid by the Company in shares of Common Stock (on a one-to-one basis) on, or as soon as practicable after, the Vesting Date (the "Payment Date") unless the Eligible Director has irrevocably elected in writing prior to the date of the grant of such Restricted Stock Units to defer the payment of such Restricted Stock Units to another date under one of the following options (the "Deferred Payment Date"): (i) full payment of the Restricted Stock Units in January of a year specified by the Eligible Director which shall be no earlier than the third calendar year following the calendar year in which the date of grant occurs and no later than the tenth calendar year following such year, (ii) payment of the Restricted Stock Units in five substantially equal annual installments, commencing in January of the calendar year following the year in which the Eligible Director with respect to whom the Restricted Stock Units were granted ceases to be an Eligible Director for any reason, or (iii) payment of the Restricted Stock Units in ten substantially equal annual installments, commencing in January of the calendar year following the year in which the Eligible Director with respect to whom the Restricted Stock Units were granted ceases to be an Eligible Director for any reason. Shares of Common Stock issued in respect of a Restricted Stock Unit shall be deemed to be issued in consideration for future services to be rendered or past services actually rendered to the Company or for its benefit, by the Eligible Director, which the Board deems to have a value not less than the par value of a share of Common Stock.

4.3 Dividend Equivalents. If an Eligible Director has elected to defer payment of his or her vested Restricted Stock Units as provided in Section 4.2(c) above and the Company pays any dividends with respect to the Common Stock at any time during the period between the Payment Date and the Deferred Payment Date, the holder of such vested Restricted Stock Units shall be credited, as of the dividend payment date, with dividend equivalents equal to the amount of the dividends which would have been payable to such holder if the holder held a number of shares of Common Stock equal to the number of vested Restricted Stock Units so deferred. Such dividend equivalents shall be deemed reinvested in the Common Stock on the dividend payment date and shall be paid by the Company in shares of Common Stock on the Deferred Payment Date. Such dividend equivalents shall constitute stock bonuses under Section 7 of the 1991 Plan.

ARTICLE V

MISCELLANEOUS

5.1 Administration of the Program. The Program shall be administered by the Board.

5.2 Application of 1991 Plan. The Program is subject to all the provisions of the 1991 Plan, including Section 11 thereof (relating to adjustments upon changes in the Common

Stock) and Section 12 thereof (relating to Change of Control), and its provisions are hereby made a part of the Program, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the 1991 Plan. In the event of any conflict between the provisions of this Program and those of the 1991 Plan, the provisions of the 1991 Plan shall control.

5.3 Amendment and Termination. Notwithstanding anything herein to the contrary, the Board may, at any time, terminate, modify or suspend the Program; *provided, however*, that, without the prior consent of the Eligible Directors affected, no such action may adversely affect any rights or obligations with respect to any Awards theretofore earned but unpaid, whether or not the amounts of such Awards have been computed and whether or not such Awards are then payable.

5.4 No Contract for Employment. Nothing contained in the Program or in any document related to the Program or to any Award shall confer upon any Eligible Director any right to continue as a director or in the service or employment of the Company or an Affiliate or constitute any contract or agreement of service or employment for a specific term or interfere in any way with the right of the Company or an Affiliate to reduce such person's compensation, to change the position held by such person or to terminate the service of such person, with or without cause.

5.5 Nontransferability. No benefit payable under, or interest in, this Program shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any such attempted action shall be void and no such benefit or interest shall be, in any manner, liable for, or subject to, debts, contracts, liabilities or torts of any Eligible Director or beneficiary; *provided, however*, that, nothing in this Section 5.5 shall prevent transfer (i) by will, (ii) by applicable laws of descent and distribution, or (iii) to an Alternate Payee to the extent that a QDRO so provides. The assignment of an Award to an Alternate Payee pursuant to a QDRO shall not be treated as having caused a new grant. If an Award is assigned to an Alternate Payee, the Alternate Payee generally has the same rights as the Eligible Director under the terms of the Program; *provided however*, that (i) the Award shall be subject to the same vesting terms and exercise period as if the Award were still held by the Eligible Director, and (ii) an Alternate Payee may not transfer an Award. In the event of the 1991 Plan administrator's receipt of a domestic relations order or other notice of adverse claim by an Alternate Payee of an Eligible Director of an Award, transfer of the proceeds of the exercise of such Award, whether in the form of cash, stock or other property, may be suspended. Such proceeds shall thereafter be transferred pursuant to the terms of a QDRO or other agreement between the Eligible Director and Alternate Payee. An Eligible Director's ability to exercise an Award may be barred if the 1991 Plan administrator receives a court order directing the 1991 Plan administrator not to permit exercise.

5.6 Nature of Program. No Eligible Director, beneficiary or other person shall have any right, title or interest in any fund or in any specific asset of the Company or any Affiliate by reason of any award hereunder. There shall be no funding of any benefits which may become payable hereunder. Nothing contained in this Program (or in any document related thereto), nor the creation or adoption of this Program, nor any action taken pursuant to

the provisions of this Program shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or an Affiliate and any Eligible Director, beneficiary or other person. To the extent that an Eligible Director, beneficiary or other person acquires a right to receive payment with respect to an award hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company or other employing entity, as applicable. All amounts payable under this Program shall be paid from the general assets of the Company or employing entity, as applicable, and no special or separate fund or deposit shall be established and no segregation of assets shall be made to assure payment of such amounts. Nothing in this Program shall be deemed to give any employee any right to participate in this Program except in accordance herewith.

5.7 Governing Law. This Program shall be construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.