SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 0-12477

AMGEN INC.
(Exact name of registrant as specified in its charter)

Delaware	95-3540776
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1840 DeHavilland Drive, Thousand Oaks, California	91320-1789
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

As of June 30, 1996, the registrant had 264,668,720 shares of Common Stock, $.0001 par value, outstanding.

AMGEN INC.

INDEX

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information in this report for the three and six months ended June 30, 1996 and 1995 is unaudited but includes all adjustments (consisting only of normal recurring accruals) which Amgen Inc. ("Amgen" or the "Company") considers necessary for a fair presentation of the results of operations for those periods.

The condensed consolidated financial statements should be read in conjunction with the Company's financial statements and the notes thereto contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

Interim results are not necessarily indicative of results for the full fiscal year.

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Revenues:				
Product sales	$518.9	$462.6	$ 995.8	$873.8
Corporate partner revenues	42.0	21.5	63.8	41.3
Royalty income	10.5	9.6	19.7	18.0
Total revenues	571.4	493.7	1,079.3	933.1
Operating expenses:				
Cost of sales	68.3	76.4	135.2	143.0
Research and development	123.6	108.3	254.2	222.2
Marketing and selling	78.5	69.9	146.1	128.7
General and administrative	37.8	34.6	77.0	69.2
Loss of affiliates, net	14.9	13.3	28.2	26.0
Total operating expenses	323.1	302.5	640.7	589.1
Operating income	248.3	191.2	438.6	344.0
Other income (expense):				
Interest and other income	12.2	18.4	31.2	31.3
Interest expense, net	(1.7)	(3.8)	(4.0)	(7.6)
Total other income (expense)	10.5	14.6	27.2	23.7
Income before income taxes	258.8	205.8	465.8	367.7
Provision for income taxes	80.1	68.1	143.5	121.4
Net income	$178.7	$137.7	$ 322.3	$246.3
Earnings per share:				
Primary	$ .64	$ .49	$ 1.14	$ .88
Fully diluted	$ .64	$ .49	$ 1.14	$ .87
Shares used in calculation of:				
Primary earnings per share	280.9	278.8	282.2	279.2
Fully diluted earnings per share	280.9	280.3	282.2	281.5

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions, except per share data)
(Unaudited)

	June 30, 1996	December 31, 1995
ASSETS		
Current assets:		
Cash and cash equivalents	$ 214.2	$ 66.7
Marketable securities	797.8	983.6
Trade receivables, net	198.8	199.3
Inventories	91.8	88.8
Other current assets	107.5	115.7
Total current assets	1,410.1	1,454.1
Property, plant and equipment at cost, net	781.6	743.8
Investments in affiliated companies	99.7	95.7
Other assets	204.9	139.2
	$2,496.3	$2,432.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 53.0	$ 54.4
Commercial paper	-	69.7
Accrued liabilities	445.3	459.7
Current portion of long-term debt	78.2	-
Total current liabilities	576.5	583.8
Long-term debt	99.0	177.2
Commitments and contingencies		
Stockholders' equity:		
Common stock, and additional paid-in capital; $.0001 par value; 750.0 shares authorized; outstanding - 264.7 shares in 1996 and 265.7 shares in 1995	926.3	864.8
Retained earnings	894.5	807.0
Total stockholders' equity	1,820.8	1,671.8
	$2,496.3	$2,432.8

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
(Unaudited)

	Six Months Ende June 30,	
	1996	1995
Cash flows from operating activities:		
Net income	$322.3	$246.3
Depreciation and amortization	54.9	42.4
Loss of affiliates, net	28.2	26.0
Cash provided by (used in):		
Trade receivables, net	0.5	(23.6)
Inventories	(3.0)	17.7
Other current assets	8.2	3.5
Accounts payable	(1.4)	7.6
Accrued liabilities	(14.4)	38.7
Net cash provided by operating activities	395.3	358.6
Cash flows from investing activities:		
Purchases of property, plant and equipment	(92.7)	(55.1)
Proceeds from maturities of marketable securities	129.9	48.4
Proceeds from sales of marketable securities	449.6	604.1
Purchases of marketable securities	(393.7)	(822.9)
(Increase) decrease in investments in affiliated companies	(5.5)	5.4
Increase in other assets	(65.7)	(5.0)
Net cash provided by (used in) investing activities	21.9	(225.1)

See accompanying notes.

(Continued on next page)

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In millions)
(Unaudited)

	Six Months Ended June 30,	
	1996	1995
Cash flows from financing activities:		
Decrease in commercial paper	$(69.7)	$ (0.5)
Repayment of long-term debt	-	(2.2)
Net proceeds from issuance of common stock upon the exercise of stock options	45.7	40.9
Tax benefit related to stock options	15.8	8.9
Repurchases of common stock	(234.8)	(173.5)
Other	(26.7)	(23.5)
Net cash used in financing activities	(269.7)	(149.9)
Increase (decrease) in cash and cash equivalents	147.5	(16.4)
Cash and cash equivalents at beginning of period	66.7	211.3
Cash and cash equivalents at end of period	$214.2	$194.9

See accompanying notes.

1. Summary of significant accounting policies

Business

Amgen Inc. ("Amgen" or the "Company") is a global biotechnology company that develops, manufactures and markets human therapeutics based on advanced cellular and molecular biology.

Principles of consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as well as affiliated companies for which the Company has a controlling financial interest and exercises control over their operations ("majority controlled affiliates"). All material intercompany transactions and balances have been eliminated in consolidation. Investments in affiliated companies which are 50% or less owned and where the Company exercises significant influence over operations are accounted for using the equity method. All other equity investments are accounted for under the cost method. The caption "Loss of affiliates, net" includes Amgen's equity in the operating results of affiliated companies and the minority interest others hold in the operating results of Amgen's majority controlled affiliates.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined in a manner which approximates the first-in, first-out (FIFO) method. Inventories are shown net of applicable reserves and allowances. Inventories consist of the following (in millions):

	June 30, 1996	December 31, 1995
Raw materials	$13.3	$11.8
Work in process	48.4	45.9
Finished goods	30.1	31.1
	$91.8	$88.8

Product sales

Product sales consist of two products, EPOGEN(R) (Epoetin alfa) and NEUPOGEN(R) (Filgrastim).

Quarterly NEUPOGEN(R) sales volume in the United States is influenced by a number of factors including underlying demand, seasonal changes in cancer chemotherapy administration, and wholesaler inventory management practices. Wholesaler inventory reductions have tended to reduce domestic NEUPOGEN(R) sales in the first quarter of each year. In prior years, NEUPOGEN(R) sales in the European Union have experienced a seasonal decline to varying degrees in the third quarter.

The Company has the exclusive right to sell Epoetin alfa for dialysis, diagnostics and all non-human uses in the United States. The Company sells Epoetin alfa under the brand name EPOGEN(R). Amgen has granted to Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson ("Johnson & Johnson"), a license relating to Epoetin alfa for sales in the United States for all human uses except dialysis and diagnostics. Pursuant to this license, Amgen does not recognize product sales it makes into the exclusive market of Johnson & Johnson and does recognize the product sales made by Johnson & Johnson into Amgen's exclusive market. These sales amounts, and adjustments thereto, are derived from third-party data on shipments to end users and their usage (see Note 4, "Contingencies - Johnson & Johnson arbitrations").

Income taxes

Income taxes are accounted for in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109 (Note 3).

Stock option and purchase plans

The Company's stock options and purchase plans are accounted for under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees".

Earnings per share

Earnings per share are computed in accordance with the treasury stock method. Primary and fully diluted earnings per share are based upon the weighted average number of common shares and dilutive common stock equivalents during the period in which they were outstanding. Common stock equivalents are outstanding options under the Company's stock option plans.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Basis of presentation

The financial information for the three and six months ended June 30, 1996 and 1995 is unaudited but includes all adjustments (consisting only of normal recurring accruals) which the Company

considers necessary for a fair presentation of the results of operations for these periods. Interim results are not necessarily indicative of results for the full fiscal year.

Reclassification

Certain prior period amounts have been reclassified to conform to the current period presentation.

2. Debt

During the first quarter of 1996, the Company paid off all outstanding commercial paper.

As of June 30, 1996, $150 million was available under the Company's line of credit for borrowing and to support the Company's commercial paper program. No borrowings on this line of credit were outstanding at June 30, 1996.

Long-term debt consists of the following (in millions):

	June 30, 1996	December 31, 1995
Medium Term Notes	$109.0	$109.0
Promissory notes	68.2	68.2
	177.2	177.2
Less current portion	(78.2)	-
	$ 99.0	$177.2

The Company has registered $200 million of unsecured medium term debt securities ("Medium Term Notes") of which $109.0 million were outstanding at June 30, 1996. These Medium Term Notes bear interest at fixed rates averaging 5.8% and mature in one to seven years.

3. Income taxes

The provision for income taxes consists of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Federal (including U.S. possessions)	$72.8	$61.6	$130.1	$110.2
State	7.3	6.5	13.4	11.2
	$80.1	$68.1	$143.5	$121.4

4. Contingencies

Johnson & Johnson arbitrations

In September 1985, the Company granted Johnson & Johnson a license relating to certain patented technology and know-how of the Company to sell a genetically engineered form of recombinant human erythropoietin, called Epoetin alfa, throughout the United States for all human uses except dialysis and diagnostics. Johnson & Johnson sells Epoetin alfa under the brand name PROCRIT(R).

A number of disputes have arisen between Amgen and Johnson & Johnson as to their respective rights and obligations under the various agreements between them, including the agreement granting the license (the "License Agreement"). These disputes have been the subject of arbitration proceedings before Judicial Arbitration and Mediation Services, Inc. in Chicago, Illinois commencing in January 1989. A dispute that has not yet been resolved and is the subject of the current arbitration proceeding relates to the audit methodology currently employed by the Company for Epoetin alfa sales. The Company and Johnson & Johnson are required to compensate each other for Epoetin alfa sales which either party makes into the other party's exclusive market. The Company has established and is employing an audit methodology to assign the proceeds of sales of EPOGEN(R) and PROCRIT(R) in Amgen's and Johnson & Johnson's respective exclusive markets. Based upon this audit methodology, the Company is seeking payment of approximately $15 million (excluding interest) from Johnson & Johnson for the period 1991 through 1994. Johnson & Johnson has disputed this methodology and is proposing an alternative methodology for adoption by the arbitrator pursuant to which it is seeking payment of approximately $450 million (including interest through June 1996) for the period 1989 through 1994. If, as a result of the arbitration proceeding, a methodology different from that currently employed by the Company is instituted to assign the proceeds of sales between the parties, it may yield results that are different from the results of the audit methodology currently employed by the Company. As a result of the arbitration, it is possible that the Company would recognize a different level of EPOGEN(R) sales than are currently being recognized. As a result of the arbitration, the Company may be required to pay additional compensation to Johnson & Johnson for sales during prior periods, or Johnson & Johnson may be required to pay compensation to the Company for such prior period sales. While it is impossible to predict accurately or determine the outcome of these proceedings, based primarily upon the merits of its claims and based upon certain liabilities established due to the inherent uncertainty of any arbitrated result, the Company believes that the outcome of these proceedings will not have a material adverse effect on its financial statements.

The trial commenced in March 1996 regarding the audit methodologies and compensation for sales by Johnson & Johnson into Amgen's exclusive market and sales by Amgen into Johnson & Johnson's exclusive market.

The Company has filed a demand in the arbitration to terminate Johnson & Johnson's rights under the License Agreement and to recover damages for breach of the License Agreement. A hearing on this demand will be scheduled following the adjudication of the audit methodologies for Epoetin alfa sales. On October 27, 1995, the Company filed a complaint in the Circuit Court of Cook County, Illinois, which is now pending in the United States District Court for the Northern District of Illinois, seeking an order compelling Johnson & Johnson to arbitrate the Company's claim for termination before the arbitrator. The Company is unable to predict at this time the outcome of the demand for termination or when it will be resolved.

On October 2, 1995, Johnson & Johnson filed a demand for a separate arbitration proceeding against the Company before the American Arbitration Association ("AAA") in Chicago, Illinois. Johnson & Johnson alleges in this demand that the Company has breached the License Agreement. The demand also includes allegations of various antitrust violations. In this demand, Johnson & Johnson seeks an injunction, declaratory relief, unspecified compensatory damages, punitive damages and costs. The Company has filed a motion to stay the arbitration pending the outcome of the existing arbitration proceedings before Judicial Arbitration and Mediation Services, Inc. discussed above. The Company has also filed an answer and counterclaim denying that AAA has jurisdiction to hear or decide the claims stated in the demand, denying the allegations in the demand and counterclaiming for certain unpaid invoices.

Synergen ANTRIL(TM) litigation

Several lawsuits have been filed against the Company's wholly owned subsidiary, Amgen Boulder Inc. (formerly Synergen, Inc.), alleging misrepresentations in connection with Synergen's research and development of ANTRIL(TM) for the treatment of sepsis. One suit, filed by a limited partner of a partnership with which Amgen Boulder Inc. is affiliated, has been certified as a class action. That suit seeks rescission of certain payments made by the limited partners to the partnership (or unspecified damages not less than $52 million) and treble damages based on a variety of allegations relating to state and federal law claims. The plaintiffs in that suit also have filed a second amended complaint alleging violations of federal securities laws. Two broker-dealers who acted as market makers in Synergen options have also filed a suit claiming in excess of $3.2 million in trading losses.

While it is not possible to predict accurately or determine the eventual outcome of the Johnson & Johnson arbitration proceedings, the Synergen litigation or various other legal proceedings (including patent disputes) involving Amgen, the Company believes that the outcome of these proceedings will not have a material adverse effect on its financial statements.

5. Stockholders' equity

During the six months ended June 30, 1996, the Company repurchased 4.0 million shares of its common stock at a total cost of

$234.8 million under its common stock repurchase program. The Board of Directors has authorized the Company to repurchase up to $450 million of shares during the 1996 calendar year. Stock repurchased under the program is retired.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

Cash provided by operating activities has been and is expected to continue to be the Company's primary source of funds. During the six months ended June 30, 1996, operations provided $395.3 million of cash compared with $358.6 million during the same period last year. The Company had cash, cash equivalents and marketable securities of $1,012 million at June 30, 1996, compared with $1,050.3 million at December 31, 1995.

Capital expenditures totaled $92.7 million for the six months ended June 30, 1996, compared with $55.1 million for the same period a year ago. Over the next few years, the Company expects to spend approximately $200 million to $300 million per year on capital projects and equipment to expand the Company's global operations.

In April 1996, the Company invested $48 million in Regeneron Pharmaceuticals, Inc. and acquired 3.0 million shares of common stock along with warrants to purchase an additional 0.7 million shares.

The Company receives cash from the exercise of employee stock options. During the six months ended June 30, 1996, stock options and their related tax benefits provided $61.5 million of cash compared with $49.8 million for the period last year. Proceeds from the exercise of stock options and their related tax benefits will vary from period to period based upon, among other factors, fluctuations in the market value of the Company's stock relative to the exercise price of such options.

The Company has a stock repurchase program to offset the dilutive effect of its employee benefit stock option and stock purchase plans. During the six months ended June 30, 1996, the Company purchased 4.0 million shares of its common stock at a cost of $234.8 million compared with 5.0 million shares purchased at a cost of $173.5 million during the same period last year. The Company expects to repurchase $400 million to $450 million of its stock under the program in 1996.

To provide for financial flexibility and increased liquidity, the Company has established several sources of debt financing. The Company has a shelf registration under which it could issue up to $200 million of Medium Term Notes. At June 30, 1996, $109.0 million of Medium Term Notes were outstanding which mature in one to seven years. The Company has a commercial paper program which provides for short-term borrowings up to an aggregate face amount of $200 million. As of June 30, 1996, the Company had no outstanding commercial paper.

The Company also has a $150 million revolving line of credit. No borrowings on this line of credit were outstanding at June 30, 1996.

The Company invests its cash in accordance with a policy that seeks to maximize returns while ensuring both liquidity and minimal risk of principal loss. The policy limits investments to certain types of instruments issued by institutions with investment grade credit ratings, and places restrictions on maturities and concentration by type and issuer. The majority of the Company's portfolio is composed of fixed income investments which are subject to the risk of market interest rate fluctuations, and all the Company's investments are subject to risks associated with the ability of the issuers to perform their obligations under the instruments.

The Company has a program to manage certain portions of its exposure to fluctuations in foreign currency exchange rates. These exposures primarily result from European sales. The Company generally hedges the related receivables with foreign currency forward contracts, which typically mature within six months. The Company uses foreign currency option and forward contracts which generally expire within 12 months to hedge certain anticipated future sales. At June 30, 1996, outstanding option and forward contracts totaled $8.1 million and $41.4 million, respectively.

The Company believes that existing funds, cash generated from operations, and existing sources of debt financing are adequate to support its stock repurchase program, as well as to satisfy its working capital and capital expenditure requirements for the foreseeable future. However, the Company may raise additional capital from time to time to take advantage of favorable conditions in the markets or in connection with the Company's corporate development activities.

Results of Operations

Product sales

Product sales increased 12% and 14% for the three and six months ended June 30, 1996, respectively, compared with the same periods last year.

NEUPOGEN(R) (Filgrastim)

Worldwide NEUPOGEN(R) sales were $254.7 million and $487.5 million for the three and six months ended June 30, 1996, respectively. These amounts represent increases of 3.1% and 6.1%, respectively, over the same periods last year.

Domestic sales of NEUPOGEN(R) were $184.2 million and $346.9 million for the three and six months ended June 30, 1996, respectively. These amounts represent increases of $8.4 million and $23.8 million, or 4.8% and 7.4%, respectively, over the same periods last year. These increases were primarily due to demand growth and a price increase. In 1995, wholesalers accelerated their purchasing

because of the timing of the July 4 holiday. As a result, approximately $7 million of sales were shifted from the third quarter of 1995 into the second quarter. Such accelerated wholesaler purchasing did not occur in the second quarter of 1996.

The ongoing and intensifying cost containment pressures in the health care marketplace, including use of guidelines in patient care, have contributed to the slowing of growth in domestic NEUPOGEN(R) usage over the past several years. These pressures are expected to continue to influence such growth for the foreseeable future.

International sales of NEUPOGEN(R), primarily in Europe, were $70.5 million and $140.6 million for the three and six months ended June 30, 1996, respectively. These amounts represent a decrease of $0.7 million or 1% for the three month period and an increase of $4.4 million, or 3.2% for the six month period. The current year periods reflect slower demand growth due to competitive and cost containment pressures as well as unfavorable foreign currency effects. The decrease in the second quarter of 1996, compared to the same period a year ago, was due to unfavorable foreign currency effects exceeding underlying demand growth.

The Company's overall share of the colony stimulating factor market in the European Union ("EU") has continued to decrease since the introduction in 1994 of a competing granulocyte colony stimulating factor product. The Company does not expect the competitive intensity to subside in the near future. In addition, increasing government cost control measures have slowed the growth of the colony stimulating factor market in the EU.

Quarterly NEUPOGEN(R) sales volume in the United States is influenced by a number of factors including underlying demand, seasonal change in cancer chemotherapy administration, and wholesaler inventory management practices. Wholesaler inventory reductions have tended to reduce domestic NEUPOGEN(R) sales in the first quarter of each year. In prior years, NEUPOGEN sales in the EU have experienced a seasonal decline to varying degrees in the third quarter.

EPOGEN(R) (Epoetin alfa)

EPOGEN(R) sales were $264.2 million and $508.3 million for the three and six months ended June 30, 1996, respectively. The amounts represent increases of $48.6 million and $93.8 million or 22.5% and 22.6%, respectively, over the same periods last year. These increases were primarily due to a continued increase in the U.S. dialysis patient population and the administration of higher doses.

Corporate partner revenues

Corporate partner revenues increased $20.5 million and $22.5 million, or 95.3% and 54.5%, during the three and six months ended June 30, 1996, respectively, compared to the same periods last year. These increases were primarily due to a $15 million payment received from Yamanouchi Pharmaceutical Co., Ltd. under a licensing agreement. In connection with this agreement, the Company has licensed the rights to develop, manufacture and commercialize the

Company's proprietary Consensus Interferon in specified geographic areas of the world. The Company will receive milestone payments as well as royalties on future product sales.

Cost of sales

Cost of sales as a percentage of product sales was 13.2% and 13.6% for the three and six months ended June 30, 1996, respectively, compared with 16.5% and 16.4% for the same periods last year. These improvements reflect efficiencies from the fill-and-finish facility in Puerto Rico. As a result of continued efficiencies in Puerto Rico in 1996, cost of sales as a percentage of product sales is expected to range from 13%-14%.

Research and development

During the three and six months ended June 30, 1996, research and development expenses increased $15.3 million and $32.0 million, or 14.1% and 14.4%, respectively, compared with the same periods last year. These increases were primarily due to clinical and preclinical activities necessary to initiate new programs and to further advance existing product development activities. Annual research and development expenses are expected to increase at a rate exceeding the Company's product sales growth rate due to planned increases in internal efforts on development of product candidates and discovery efforts.

Marketing and selling

Marketing and selling expenses increased $8.6 million and $17.4 million, or 12.3% and 13.5%, respectively, during the three and six months ended June 30, 1996 compared with the same periods last year. These increases primarily reflect market research activities and efforts to increase the number of patients receiving NEUPOGEN(R) and to bring more patients receiving EPOGEN(R) within the target hematocrit range. In 1996, marketing and selling expenses combined with general and administrative expenses are expected to have an aggregate annual growth rate lower than the anticipated annual product sales growth rate.

General and administrative

General and administrative expenses increased $3.2 million and $7.8 million, or 9.2% and 11.3%, respectively, during the three and six months ended June 30, 1996 compared with the same periods last year. These increases were primarily due to higher staff-related expenses. In 1996, general and administrative expenses combined with marketing and selling expenses are expected to have an aggregate annual growth rate lower than the anticipated annual product sales growth rate.

Interest and other income

Interest and other income decreased $6.2 million and $0.1 million, or 33.7% or 0.3%, respectively, during the three and six months ended June 30, 1996 compared with the same periods last year. These decreases resulted from fluctuations in interest rates and the absence of any capital gains in the second quarter of 1996 compared to the same period a year ago. These decreases offset interest income from higher cash balances in the current year period.

Interest and other income is expected to continue to vary from period to period primarily due to changes in cash balances, timing of capital gains/losses, and fluctuations in interest rates.

Income taxes

The Company's effective tax rate for the three and six months ended June 30, 1996 was 31.0% and 30.8% compared with 33.1% and 33.0%, respectively, for the same periods last year. These decreases in the tax rate were due to increased realization of net operating losses of an acquired company and continued tax benefits from the sale of products manufactured in the Puerto Rico fill-and-finish facility.

Financial Outlook

Worldwide NEUPOGEN(R) sales for 1996 are expected to grow at a rate lower than the 1995 growth rate. Future NEUPOGEN(R) sales increases are dependent primarily upon further penetration of existing markets, the timing and nature of additional indications for which the product may be approved and the effects of competitive products. NEUPOGEN(R) usage is expected to continue to be affected by cost containment pressures on health care providers worldwide. In addition, international NEUPOGEN(R) sales will continue to be subject to changes in foreign currency exchange rates, competition, and government cost containment measures.

EPOGEN(R) sales for 1996 are also expected to grow at a rate lower than the 1995 growth rate. The Company anticipates that increases in both the U.S. dialysis patient population and dosing will continue to drive EPOGEN(R) sales. The Company believes that as more dialysis patients' hematocrits reach target levels, the contribution of dosing to sales increases will diminish. Patients receiving treatment for end stage renal disease are covered primarily under medical programs provided by the federal government. Therefore, EPOGEN(R) sales may also be affected by future changes in reimbursement rates or the basis for reimbursement by the federal government.

The Company anticipates that total product sales and earnings will grow at double digit rates in 1996, but these growth rates are expected to be lower than 1995 growth rates. Estimates of future product sales and earnings, however, are necessarily speculative in nature and are difficult to predict with accuracy.

Except for the historical information contained herein, the matters discussed herein are by their nature forward-looking. For reasons stated, or for various unanticipated reasons, actual results may differ materially. Amgen operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. Future operating results and matters which may affect the Company's stock price may be affected by a number of factors, certain of which are discussed elsewhere herein and are discussed in the sections appearing under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations--Factors That May Affect Future Results" in the Company's

Quarterly Report on Form 10-Q for the quarter ended March 31, 1996, which sections are incorporated herein by reference.

Legal Matters

The Company is engaged in arbitration proceedings with one of its licensees and various legal proceedings relating to Synergen. For a discussion of these matters see Note 4 to the Condensed Consolidated Financial Statements.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is engaged in arbitration proceedings with one of its licensees. For a complete discussion of these matters see Note 4 to the Condensed Consolidated Financial Statements - "Contingencies - Johnson & Johnson arbitrations." Other legal proceedings are also reported in Note 4 to the Condensed Consolidated Financial Statements and in the Company's Form 10-K for the year ended December 31, 1995, with material developments or new proceedings since that report described in the Company's Form 10-Q for the quarter ended March 31, 1996 and below. While it is not possible to predict accurately or to determine the eventual outcome of these matters, the Company believes that the outcome of these legal proceedings will not have a material adverse effect on the financial statements of the Company.

Synergen ANTRIL(TM) litigation

Johnson v. Amgen Boulder Inc., et al., a suit filed by a limited partner of a partnership with which Amgen Boulder Inc. is affiliated, was certified as a class action on June 12, 1996. That suit seeks rescission of certain payments made by the limited partners to the partnership (or unspecified damages not less than $52 million) and treble damages based on a variety of allegations relating to state and federal law claims. On June 25, 1996, the plaintiffs in that suit also filed a second amended complaint alleging violations of federal securities laws.

F. Hoffman-La Roche

On December 20, 1995, Roche Holding A.G., parent corporation of F. Hoffman-La Roche and Company, filed suit in the Tokyo District Court in Japan, against Amgen K.K., a subsidiary of the Company, seeking injunctive relief for the alleged infringement of a patent relating to alpha-interferon by the Company's Consensus Interferon. The Company subsequently answered the complaint, denying allegations of infringement.

Item 4. Submission of Matters to a Vote of Security Holders

(a) The Company held its Annual Meeting of Stockholders on May 2, 1996.

(b) Omitted pursuant to Instruction 3 to Item 4 of Form 10-Q.

(c) The two matters voted upon at the meeting were to elect three directors to hold office until the 1999 Annual Meeting of Stockholders and to ratify the selection of Ernst & Young LLP as the independent auditors of the Company for the year ending December 31, 1996.

(i) The following votes were cast for or were withheld with respect to each of the nominees for director: Mr. William K. Bowes, Jr.: 203,050,432 votes for and 706,907 votes withheld; Ms. Judith C. Pelham: 201,541,898 votes for and 2,215,441 votes withheld; and Mr. Kevin W. Sharer: 202,998,903 votes for and 758,436 votes withheld. All nominees were declared to have been elected as directors to hold office until the 1999 Annual Meeting of Stockholders. No abstentions or broker non-votes were cast for the election of directors.

(ii) With respect to the proposal to ratify the selection of Ernst & Young LLP as the Company's independent auditors, 203,059,851 votes were cast for the proposal, 255,197 votes were cast against the proposal and 442,291 votes abstained. No broker non-votes were cast in connection with the proposal. The selection of Ernst & Young LLP as the Company's independent auditors for the year ending December 31, 1996 was declared to have been ratified.

(d) Not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Reference is made to the Index to Exhibits included herein.

(b) No reports on Form 8-K were filed during the three months ended June 30, 1996.

SIGNATURES

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

Amgen Inc.
(Registrant)

Date: 8/9/96

By:/s/ Robert S. Attiyeh

Robert S. Attiyeh
Senior Vice President, Finance and Corporate Development, and Chief Financial Officer

Date: 8/9/96

By:/s/ Larry A. May

Larry A. May
Vice President, Corporate Controller and Chief Accounting Officer

AMGEN INC.

INDEX TO EXHIBITS

Exhibit No.	Description
3.1	Restated Certificate of Incorporation. (6)
3.2	Certificate of Amendment to Restated Certificate of Incorporation, effective as of July 24, 1991. (11)
3.3*	Amended and Restated Bylaws.
4.1	Indenture dated January 1, 1992 between the Company and Citibank N.A., as trustee. (12)
4.2	Forms of Commercial Paper Master Note Certificates. (15)
10.1*	Company's Amended and Restated 1991 Equity Incentive Plan.
10.2	Company's Amended and Restated 1984 Stock Option Plan. (21)
10.3	Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984, between the Company and Kirin Brewery Company, Limited (with certain confidential information deleted therefrom). (1)
10.4	Amendment Nos. 1, 2, and 3, dated March 19, 1985, July 29, 1985 and December 19, 1985, respectively, to the Shareholder's Agreement of Kirin-Amgen, Inc., dated May 11, 1984 (with certain confidential information deleted therefrom). (3)
10.5	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated, September 30, 1985 between the Company and Ortho Pharmaceutical Corporation (with certain confidential information deleted therefrom). (2)
10.6	Product License Agreement, dated September 30, 1985, and Technology License Agreement, dated September 30, 1985 between Kirin-Amgen, Inc. and Ortho Pharmaceutical Corporation (with certain confidential information deleted therefrom). (3)
10.7	Company's Amended and Restated Employee Stock Purchase Plan. (22)
10.8	Research, Development Technology Disclosure and License Agreement PPO, dated January 20, 1986, by and between the Company and Kirin Brewery Co., Ltd. (4)
10.9	Amendment Nos. 4 and 5, dated October 16, 1986 (effective July 1, 1986) and December 6, 1986 (effective July 1, 1986), respectively, to the Shareholders Agreement of Kirin-Amgen, Inc. dated May 11, 1984 (with certain confidential information deleted therefrom). (5)
10.10	Assignment and License Agreement, dated October 16, 1986, between the Company and Kirin-Amgen, Inc. (with certain confidential information deleted therefrom). (5)
10.11	G-CSF European License Agreement, dated December 30, 1986, between Kirin-Amgen, Inc. and the Company (with certain confidential information deleted therefrom). (5)
10.12	Research and Development Technology Disclosure and License Agreement: GM-CSF, dated March 31, 1987, between

	Kirin Brewery Company, Limited and the Company (with certain confidential information deleted therefrom). (5)
10.13	Company's Amended and Restated 1987 Directors' Stock Option Plan. (21)
10.14*	Company's Amended and Restated 1988 Stock Option Plan.
10.15*	Company's Amended and Restated Retirement and Savings Plan.
10.16	Amendment, dated June 30, 1988, to Research, Development, Technology Disclosure and License Agreement: GM-CSF dated March 31, 1987, between Kirin Brewery Company, Limited and the Company. (6)
10.17	Agreement on G-CSF in the EU, dated September 26, 1988, between Amgen Inc. and F. Hoffmann-La Roche & Co. Limited Company (with certain confidential information deleted therefrom). (8)
10.18	Supplementary Agreement to Agreement dated January 4, 1989 to Agreement on G-CSF in the EU, dated September 26, 1988, between the Company and F. Hoffmann-La Roche & Co. Limited Company, (with certain confidential information deleted therefrom). (8)
10.19	Agreement on G-CSF in Certain European Countries, dated January 1, 1989, between Amgen Inc. and F. Hoffmann-La Roche & Co. Limited Company (with certain confidential information deleted therefrom). (8)
10.20	Rights Agreement, dated January 24, 1989, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (7)
10.21	First Amendment to Rights Agreement, dated January 22, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (9)
10.22	Second Amendment to Rights Agreement, dated April 2, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (10)
10.23	Agency Agreement, dated November 21, 1991, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (13)
10.24	Agency Agreement, dated May 21, 1992, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (13)
10.25	Guaranty, dated July 29, 1992, by the Company in favor of Merck Sharp & Dohme Quimica de Puerto Rico, Inc. (14)
10.26	936 Promissory Note No. 01, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (13)
10.27	936 Promissory Note No. 02, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (13)
10.28	936 Promissory Note No. 001, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (13)
10.29	936 Promissory Note No. 002, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (13)
10.30	Guaranty, dated November 21, 1991, by the Company in favor of Citicorp Financial Services Corporation. (13)
10.31	Partnership Purchase Agreement, dated March 12, 1993, between the Company, Amgen Clinical Partners, L.P., Amgen Development Corporation, the Class A limited partners and the Class B limited partner. (14)

10.32	Amgen Supplemental Retirement Plan dated June 1, 1993. (16)
10.33	Promissory Note of Mr. Kevin W. Sharer, dated June 4, 1993. (16)
10.34	Promissory Note of Mr. Larry A. May, dated February 24, 1993. (17)
10.35	Amgen Performance Based Management Incentive Plan. (17)
10.36	Agreement and Plan of Merger, dated as of November 17, 1994, among Amgen Inc., Amgen Acquisition Subsidiary, Inc. and Synergen, Inc. (18)
10.37	Third Amendment to Rights Agreement, dated as of February 21, 1995, between Amgen Inc. and American Stock Transfer Trust and Trust Company (19)
10.38	Credit Agreement, dated as of June 23, 1995, among Amgen Inc., the Borrowing Subsidiaries named therein, the Banks named therein, Swiss Bank Corporation and ABN AMRO Bank N.V., as Issuing Banks, and Swiss Bank Corporation, as Administrative Agent. (20)
10.39	Promissory Note of Mr. George A. Vandeman, dated December 15, 1995. (22)
10.40	Promissory Note of Mr. George A. Vandeman, dated December 15, 1995. (22)
10.41	Promissory Note of Mr. Stan Benson, dated March 19, 1996. (22)
11*	Computation of per share earnings.
27*	Financial Data Schedule.
99*	Sections appearing under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations--Factors That May Affect Future Results" in the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1996.

- ----------

* Filed herewith.

(1) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1984 on June 26, 1984 and incorporated herein by reference.

(2) Filed as an exhibit to Quarterly Report on Form 10-Q for the quarter ended September 30, 1985 on November 14, 1985 and incorporated herein by reference.

(3) Filed as an exhibit to Quarterly Report on Form 10-Q for the quarter ended December 31, 1985 on February 3, 1986 and incorporated herein by reference.

(4) Filed as an exhibit to Amendment No. 1 to Form S-1 Registration Statement (Registration No. 33-3069) on March 11, 1986 and incorporated herein by reference.

(5) Filed as an exhibit to the Form 10-K Annual Report for the year ended March 31, 1987 on May 18, 1987 and incorporated herein by reference.

(6) Filed as an exhibit to Form 8 amending the Quarterly Report on Form 10-Q for the quarter ended June 30, 1988 on August 25, 1988 and incorporated herein by reference.

(7) Filed as an exhibit to the Form 8-K Current Report dated January 24, 1989 and incorporated herein by reference.

(8) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1989 on June 28, 1989 and incorporated herein by reference.
(9) Filed as an exhibit to the Form 8-K Current Report dated January 22, 1991 and incorporated herein by reference.
(10) Filed as an exhibit to the Form 8-K Current Report dated April 12, 1991 and incorporated herein by reference.
(11) Filed as an exhibit to the Form 8-K Current Report dated July 24, 1991 and incorporated herein by reference.
(12) Filed as an exhibit to Form S-3 Registration Statement dated December 19, 1991 and incorporated herein by reference.
(13) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1992 on March 30, 1993 and incorporated herein by reference.
(14) Filed as an exhibit to the Form 8-A dated March 31, 1993 and incorporated herein by reference.
(15) Filed as an exhibit to the Form 10-Q for the quarter ended March 31, 1993 on May 17, 1993 and incorporated herein by reference.
(16) Filed as an exhibit to the Form 10-Q for the quarter ended September 30, 1993 on November 12, 1993 and incorporated herein by reference.
(17) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1993 on March 25, 1994 and incorporated herein by reference.
(18) Filed as an exhibit to the Form 8-K Current Report dated November 18, 1994 on December 2, 1994 and incorporated herein by reference.
(19) Filed as an exhibit to the Form 8-K Current Report dated February 21, 1995 on March 7, 1995 and incorporated herein by reference.
(20) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1995 on August 11, 1995 and incorporated herein by reference.
(21) Filed as an exhibit to the Form 10-Q for the quarter ended September 30, 1995 on November 13, 1995 and incorporated herein by reference.
(22) Filed as an exhibit to the Annual Report on Form 10-K for the year ended December 31, 1995 on March 29, 1996 and incorporated herein by reference.

EXHIBIT 11

AMGEN INC.
COMPUTATION OF PER SHARE EARNINGS
PRIMARY COMPUTATION
(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Net income	$178.7	$137.7	$322.3	$246.3
Applicable common and common stock equivalent shares:				
Weighted average shares of common stock outstanding during the period	264.9	264.0	265.4	264.6
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options and warrants	16.0	14.8	16.8	14.6
Weighted average shares of common stock and common stock equivalents outstanding during the period	280.9	278.8	282.2	279.2
Earnings per common share primary	$ .64	$ .49	$ 1.14	$ .88

EXHIBIT 11

AMGEN INC.
COMPUTATION OF PER SHARE EARNINGS
FULLY DILUTED COMPUTATION
(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
Net income	$178.7	$137.7	$322.3	$246.3
Applicable common and common stock equivalent shares:				
Weighted average shares of common stock outstanding during the period	264.9	264.0	265.4	264.6
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options and warrants	16.0	16.3	16.8	16.9

Weighted average shares of common stock and common stock equivalents outstanding during the period	280.9	280.3	282.2	281.5
Earnings per common share fully diluted	$ .64	$ .49	$ 1.14	$ .87

5
1,000,000

6-MOS
DEC-31-1996
JUN-30-1996
214
798
199
0
92
1,410
782
55
2,496
577
0
0
0
0
1,821
2,496
996
1,079
135
641
0
0
4
466
144
0
0
0
0
322
1.14
1.14

EXHIBIT 3.3

AMENDED AND RESTATED BYLAWS

OF

AMGEN INC.

(AS AMENDED THROUGH APRIL 11, 1996)

INDEX

ARTICLE I

Offices

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Dover, County of Kent. (Del. Code Ann., tit. 8, Section 131)

Section 2. Other Offices. The corporation also shall have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and also may have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require. (Del. Code Ann., tit. 8, Section 122(8))

ARTICLE II

Corporate Seal

Section 3. Corporate Seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. (Del. Code Ann., tit. 8, Section 122(3))

ARTICLE III

Stockholders' Meetings

Section 4. Place of Meetings. Meetings of the stockholders of the corporation shall be held at such place, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors, or, if not so designated, then at the office of the corporation required to be maintained pursuant to Section 2 hereof. (Del. Code Ann., tit. 8, Section 211(a))

Section 5. Annual Meeting. The annual meeting of the stockholders of the corporation shall be held on any date and time which may from time to time be designated by the Board of Directors. At such annual meeting, directors shall be elected and any other business may be transacted that may properly come before the meeting. (Del. Code Ann., tit. 8, Section 211(b))

Section 6. Special Meetings. Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by the Chairman of the Board of Directors ("Chairman of the Board"), the Chief Executive Officer, the President, or the Board of Directors at any time. Upon written request of any stockholder or stockholders holding in the aggregate 20% or more of the voting power of all stockholders delivered in person or sent by registered mail to the Chief Executive Officer, the President or Secretary, the Secretary shall call a special meeting of stockholders to be held at the office of the corporation required to be maintained pursuant to Section 2 hereof, or at such other place as may be designated by the Secretary, at such time as the Secretary may fix, such meeting to be held not less than ten (10) nor more than sixty (60) days after the receipt of such request, and if the Secretary shall neglect or refuse to call such meeting, within seven (7) days after the receipt of such request, the stockholder making such request may do so. (Del. Code Ann., tit. 8, Section 211(d))

Section 7. Notice of Meetings. Except as otherwise provided by law or the Certificate of Incorporation, written notice of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, date and hour and purpose or purposes of the meeting. Notice of the time, place and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given. (Del. Code Ann., tit. 8, Section 222, 229)

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. Any shares, the voting of which at said meeting has been enjoined, or which for any reason cannot be lawfully voted at such meeting, shall not be counted to determine a quorum at such meeting. In the absence of a quorum any meeting of stockholders may be adjourned, from time to time, by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all action taken by the holders of a majority of the voting power represented at any meeting

at which a quorum is present shall be valid and binding upon the corporation. (Del. Code Ann., tit. 8, Section 216)

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time by the vote of a majority of the shares, the holders of which are present either in person or by proxy. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. (Del. Code Ann., tit. 8, Section 222(c))

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent, which proxy shall be filed with the Secretary at or before the meeting at which it is to be used. An agent so appointed need not be a stockholder. No proxy shall be voted on after three (3) years from its date of creation unless the proxy provides for a longer period. All elections of Directors shall be by written ballot, unless otherwise provided in the Certificate of Incorporation. (Del. Code Ann., tit. 8, Section 211(e), 212(b))

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnishedwith a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the General Corporation Law of Delaware, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of this subSection (c) shall be a majority or even-split in interest. (Del. Code Ann., tit. 8, Section 217(b))

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where the meeting is to be held. The list shall be produced and kept at the time and place of meeting during the whole time thereof, and may be inspected by any stockholder who is present. (Del. Code Ann., tit. 8, Section 219(a))

Section 13. No Action Without Meeting. Any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

Section 14. Organization. At every meeting of stockholders, the Chairman of the Board, or, if the Chairman of the Board is absent, the Chief Executive Officer, or, if the Chief Executive Officer is absent, the President, or, if the President is absent, the most senior Vice President present, or in the absence of any such officer, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

Section 15. Notifications of Nominations and Proposed Business. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation,

(x) nominations for the election of directors, and

(y) business proposed to be brought before any stockholder meeting, may be made by the Board of Directors or a proxy committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of directors generally. However, any such stockholder may nominate one or more persons for election as directors at a meeting or propose business to be brought before a meeting, or both, only if such stockholder has given timely notice in proper written form of his intent to make such nomination or nominations or to propose such business. To be timely, a stockholder's notice must be delivered to or mailed and received by the Secretary of the corporation not later than 90 days prior to such meeting; provided, however, that in the event that less than 100 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be received not later than the close of business on the 10th day following the date on which such notice of the date of such meeting was mailed or such public disclosure was made. To be in proper

written form, a stockholder's notice to the Secretary shall set forth:

(a) the name and address of the stockholder who intends to make the nominations or propose the business and, as the case may be, of the person or persons to be nominated or of the business to be proposed;

(b) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;

(c) if applicable, a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder;

(d) such other information regarding each nominee or each matter of business to be proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, or the matter been proposed, or intended to be proposed by the Board of Directors; and

(e) if applicable, the consent of each nominee to serve as director of the corporation if so elected.

The chairman of the meeting may refuse to acknowledge the nomination of any person or the proposal of any business not made in compliance with the foregoing procedure.

ARTICLE IV

Directors

Section 16. Number. The authorized number of directors of the corporation shall be fixed from time to time by the Board of Directors. The number of directors presently authorized is nine. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws. (Del. Code Ann., tit. 8, Section 141(b), 211(b), (c))

Section 17. Classes of Directors. The Board of Directors shall be divided into three classes: Class I, Class II and Class III, which shall be as nearly equal in number as possible. Each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting at which the director was elected. Notwithstanding the foregoing provisions of this Section, each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. (Del. Code Ann., tit. 8, Section 141(d))

Section 18. Newly Created Directorships and Vacancies. In the event of any increase or decrease in the authorized number of directors, the newly created or eliminated directorships resulting from such increase or decrease shall be apportioned by the Board of Directors among the three classes of directors so as to maintain such classes as nearly equal in number as possible. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. Newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining directors then in office (and not by stockholders), even though less than a quorum of the authorized Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or the vacancy occurred and until such director's successors shall have been elected and qualified.

Section 19. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlledby the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation (Del. Code Ann., tit. 8, Section 141(a))

Section 20. Resignation. Any director may resign at any time by delivering his written resignation to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified. (Del. Code Ann., tit. 8, Section 141(b), 223(d))

Section 21. Removal. At a special meeting of stockholders called for the purpose in the manner hereinabove provided, the Board of Directors, or any individual director, may be removed from office, (a) with cause, and one or more new directors may be elected, by a vote of stockholders holding a majority of the outstanding shares entitled to vote at an election of Directors or (b), without cause, by a vote of stockholders holding at least 66.67% of the outstanding shares entitled to vote at an election of directors. (Del. Code Ann., tit. 8, Section 141(k))

Section 22. Meetings.

(a) Annual Meetings. The annual meeting of the Board of Directors shall be held on the date of the annual meeting of stockholders and at the place where such meeting is held. No notice of an annual meeting of the Board of Directors shall be necessary and

such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Regular Meetings. Except as hereinafter otherwise provided, regular meetings of the Board of Directors shall be held in the office of the corporation required to be maintained pursuant to Section 2 hereof. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors also may be held at any place within or without the State of Delaware which has been designated by resolution of the Board of Directors or the written consent of all Directors. (Del. Code Ann., tit. 8, Section 141(g))

(c) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer, the President or a majority of the Directors. (Del. Code Ann., tit. 8, Section 141(g))

(d) Telephone Meetings. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting. (Del. Code Ann., tit. 8, Section 141(i))

(e) Notice of Meetings. Written notice of the time and place of all regular and special meetings of the Board of Directors shall be given at least one (1) day before the date of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. (Del. Code Ann., tit. 8, Section 229)

(f) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the Directors not present sign a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. (Del. Code Ann., tit. 8, Section 229)

Section 23. Quorum and Voting.

(a) Quorum. Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of Directors fixed from time to time in accordance with Section 16 of these Bylaws, but not less than one (1); provided, however, at any meeting whether a quorum is present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting. (Del. Code Ann., tit. 8, Section 141(b))

(b) Majority Vote. At each meeting of the Board of Directors at which a quorum is present all questions and business shall be determined by a vote of a majority of the Directors present, unless a different vote is required by law, the Certificate of Incorporation or these Bylaws. (Del. Code Ann., tit. 8, Section 141(b))

Section 24. Action without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board of Directors or committee. (Del. Code Ann., tit. 8, Section 141(f))

Section 25. Fees and Compensation. Directors shall not receive any stated salary for their services as Directors, but by resolution of the Board of Directors a fixed fee, with or without expense of attendance, may be allowed for serving on the Board of Directors and/or attendance at each meeting and at each meeting of any committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, consultant, employee, or otherwise and receiving compensation therefor. (Del. Code Ann., tit. 8, Section 141(h))

Section 26. Committees.

(a) Executive Committee. The Board of Directors may by resolution passed by a majority of the whole Board of Directors, appoint an Executive Committee to consist of one (1) or more members of the Board of
Directors. The Executive Committee, to the extent permitted by law and specifically granted by the Board of Directors, shall have and may exercise when the Board of Directors is not in session all powers of the Board of Directors in the management of the business and affairs of the corporation, including, without limitation, the power and authority to declare a dividend or to authorize the issuance of stock, except such committee shall not have the power or authority to amend the Certificate of Incorporation (except that the committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors as provided by law, fix any of the preferences or rights of

such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation), to adopt an agreement of merger or consolidation, to recommend to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, to recommend to the stockholders a dissolution of the corporation or a revocation of a dissolution or to amend these Bylaws. (Del. Code Ann., tit. 8, Section 141(c))

(b) Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, from time to time appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors, and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall such committee have the powers denied to the Executive Committee in these Bylaws. (Del. Code Ann., tit. 8, Section 141(c))

(c) Term. Each member of a committee of the Board of Directors shall serve a term on the committee coexistent with such member's term on the Board of Directors. The Board of Directors, subject to the provisions of subsections (a) or (b) of this Section 26, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. (Del. Code Ann., tit. 8, Section 141(c))

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 26 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at the principal office of the corporation required to be maintained pursuant to Section 2 hereof, or at any place which has been designated from time to time by resolution of such committee or by written consent of all members thereof, and may be called by any director who is a member of such committee, upon written notice to the members of such committee of the time and place

of such special meeting given in the manner provided for the giving of written notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. A majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee. (Del. Code Ann., tit. 8, Section 141(c), 229)

Section 27. Organization. At every meeting of the directors, the Chairman of the Board, or, if the Chairman of the Board is absent, the Chief Executive Officer, or if the Chief Executive Officer is absent, the President, or if the President is absent, the most senior Vice President, or, in the absence of any such officer, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

ARTICLE V

Officers

Section 28. Officers Designated. The officers of the corporation shall be the Chairman of the Board, the Chief Executive Officer, the President and Chief Operating Officer, one or more Vice Presidents, the Chief Financial Officer and the Secretary, all of whom shall be elected at the annual meeting of the Board of Directors. The Board of Directors also may appoint such other officers and agents with such powers and duties as it shall deem necessary. The order of the seniority of the Vice Presidents shall be in the order of their nomination, unless otherwise determined by the Board of Directors. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 29. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board. The Chairman of the Board, subject to the control of the Board of Directors, shall perform such duties and functions as are necessary to further the strategic direction of the corporation. Unless the Board of Directors designates another person, the Chairman of the Board shall preside at all meetings of the stockholders, the Board of Directors and of the Executive Committee.

(c) Duties of Chief Executive Officer. The Chief Executive Officer, at the request of the Chairman of the Board or upon his absence or disability, or in the event of a vacancy in the office of Chairman of the Board, shall exercise all the powers of Chairman of the Board as provided in Subsection 29(b). The Chief Executive Officer shall, subject to the control of the Board of Directors, exercise general management and supervision over the property, affairs and business of the corporation and shall authorize officers of the corporation, other than the Chairman of the Board, to exercise such powers as he, in his discretion, may deem to be in the best interests of the corporation. The Chief Executive Officer shall in general perform all duties incident to general management and supervision of the corporation and such other duties as the Board of Directors shall designate from time to time.

(d) Duties of President and Chief Operating Officer. The President and Chief Operating Officer, at the request of the Chief Executive Officer or upon his absence or disability, or in the event of a vacancy in the office of Chief Executive Officer, shall exercise all the powers of Chief Executive Officer as provided in Subsection 29(c). The President and Chief Operating Officer shall, subject to the control of the Chief Executive Officer and the Board of Directors, exercise general management and supervision over the operating functions of the corporation, and shall authorize officers of the corporation, other than the Chairman of the Board and the Chief Executive Officer, to exercise such powers with respect to the operating function of the corporation as he, in his discretion, may deem to be in the best interests of the corporation. The President and Chief Operating Officer shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(e) Duties of Vice Presidents. The Vice Presidents, in the order of their seniority, may assume and perform the duties of the President and Chief Operating Officer in the absence or disability of the Chief Executive Officer and the President and Chief Operating Officer or whenever the offices of Chief Operating Officer and President and Chief Operating Officer are vacant. The Vice Presidents shall perform other duties commonly incident to their office and also shall perform such other duties and have such other

powers as the Board of Directors, the Chief Executive Officer, or the President and Chief Operating Officer shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner, and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time. The Chief Executive Officer may direct any Assistant Chief Financial Officer to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Assistant Chief Financial Officer shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(g) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors, and shall record all acts and proceedings thereof in the minute books of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders, and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties given him in these Bylaws and other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The Chief Executive Officer may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to his office and also shall perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

Section 30. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chief Executive Officer or to the
President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. (Del. Code Ann., tit. 8, Section 142(b))

Section 31. Removal. Any officer may be removed from office at any time, with or without cause, by the vote or written consent of a majority of the directors in office at the time, or by any

committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

Section 32. Compensation. The compensation of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such compensation by reason of the fact that such officer is also a director of the corporation.

ARTICLE VI

Execution of Corporate Instruments and Voting of Securities Owned by the Corporation

Section 33. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation. (Del. Code Ann., tit. 8, Section 103(a), 142(a), 158)

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the corporation, shall be executed, signed or endorsed by the Chairman of the Board, or the Chief Executive Officer, or the President or any Vice President, and by the Secretary or Treasurer or any Assistant Secretary or Assistant Treasurer. All other instruments and documents requiring the corporate signature, but not requiring the corporate seal, may be executed as aforesaid or in such other manner as may be directed by the Board of Directors. (Del. Code Ann., tit. 8, Section 103(a), 142(a), 158)

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do. (Del. Code Ann., tit. 8, Section 103(a), 142(a), 158)

Section 34. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized to do so by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board, the Chief Executive Officer, the President, or any Vice President. (Del. Code Ann., tit. 8, Section 123)

ARTICLE VII

Shares of Stock

Section 35. Form and Execution of Certificates. The shares of the corporation shall be represented by certificates, provided that the Board of Directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by, the Chairman of the Board or any vice-chairman of the Board of Directors, or the Chief Executive Officer, or the President or any Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer,
transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. (Del. Code Ann., tit. 8, Section 158)

Section 36. Lost Certificates. The corporation may issue a new certificate of stock or uncertificated shares in place of any certificate theretofore issued by the corporation alleged to have been lost, stolen or destroyed, and the corporation may require the owner of such lost, stolen or destroyed certificate, or his legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against the corporation on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares. (Del. Code Ann., tit. 8, Section 167)

Section 37. Transfers. Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares. (Del. Code Ann., tit. 6, Section 8-401(1))

Section 38. Fixing Record Dates. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed: (a) the record date for determining stockholders entitled to

notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (b) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. (Del. Code Ann., tit. 8, Section 213)

Section 39. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware. (Del. Code Ann., tit. 8, Section 213(a), 219)

Section 40. Issuance, Transfer and Resignation of Shares. The Board of Directors may make such rules and regulations, not inconsistent with law or with these Bylaws, as it may deem advisable concerning the issuance, transfer and registration of certificates for shares of the capital stock of the corporation. The Board of Directors may appoint a transfer agent or registrar of transfers, or both, and may require all certificates for shares of the corporation to bear the signature of either or both.

ARTICLE VIII

Other Securities of the Corporation

Section 41. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates, may be signed by the Chairman of the Board, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such

bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

Dividends

Section 42. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation. (Del. Code Ann., tit. 8, Section 170, 173)

Section 43. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors may from time to time, in its absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created. (Del. Code Ann., tit. 8, Section 171)

ARTICLE X

Fiscal Year

Section 44. Fiscal Year. Unless otherwise fixed by resolution of the Board of Directors, effective as of January 1, 1992, the fiscal year of the corporation shall end on the 31st day of the month of December in each calendar year.

ARTICLE XI

Indemnification of Directors, Officers Employees and Other Agents

Section 45. Indemnification of Directors, Officers, Employees and Other Agents.

(a) Directors and Officers. The corporation shall indemnify its directors and officers to the full extent permitted by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said Law permitted the corporation to provide prior to such amendment); provided, further, that the corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person or any proceeding by such person against the corporation or its directors, officers, employees or other agents unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation or (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Delaware General Corporation Law, or (iv) such indemnification is required to be made under subsection (d) of this Article XI.

(b) Other Employees and Other Agents. The corporation shall have the power to indemnify its other employees and other agents as set forth in the Delaware General Corporation Law.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of any such proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding upon receipt of any undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under this Bylaw or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (d) of this Bylaw, no advance shall be made by the corporation to an officer of the corporation in any action, suit or proceeding, whether civil, criminal, administrative or investigate, if a determination is reasonably and promptly made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (2) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a

written opinion that, the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not reasonably believe to be in or not opposed to the best interests of the corporation, or, with respect to any criminal action or proceeding, such person believed or had reasonable cause to believe his conduct was unlawful, except by reason of the fact that such officer is or was a director of the corporation or is or was serving at the request of the corporation as a director of another corporation, joint venture, trust or other enterprise in which event this paragraph shall not apply.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or officer who serves in such capacity at any time while this Bylaw and other relevant provisions of the Delaware General Corporation Law and other applicable law, if any, are in effect. Any right to indemnification or advances granted by this Bylaw to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer is or was a director of the corporation or is or was serving at the request of the corporation as a director of another corporation, partnership, joint venture, trust or other enterprise) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not reasonably believe to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, such person believed or had reasonable cause to believe his conduct was unlawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or

officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Article XI or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, as provided by law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the Delaware General Corporation Law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

(h) Amendments. Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Savings Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and officer to the full extent permitted by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees,
witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Bylaw with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a "director," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of

the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Bylaw.

ARTICLE XII

Notices

Section 46. Notices.

(a) Notice to Stockholders. Whenever under any provisions of these Bylaws notice is required to be given to any stockholder, it shall be given in writing, timely and duly deposited in the United States mail, postage prepaid, and addressed to his last known post office address as shown by the stock record of the corporation or its transfer agent. (Del. Code Ann., tit. 8, Section 222)

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or by telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Address Unknown. If no address of a stockholder or director be known, notice may be sent to the office of the corporation required to be maintained pursuant to Section 2 hereof.

(d) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall be conclusive evidence of the statements therein contained. (Del. Code Ann., tit. 8, Section 222)

(e) Time Notices Deemed Given. All notices given by mail, as above provided, shall be deemed to have been given as at the time of mailing and all

notices given by telegram shall be deemed to have been given as at the sending time recorded by the telegraph company transmitting the notices.

(f) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all directors, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(g) Failure to Receive Notice. The period or limitation of time within which any stockholder may exercise any option or right, or enjoy any privilege or benefit, or be required to act, or within which any director may exercise any power or right, or enjoy any privilege, pursuant to any notice sent him in the manner above provided, shall not be affected or extended in any manner by the failure of such stockholder or such director to receive such notice.

(h) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the Delaware General Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful. (Del. Code Ann., tit. 8, Section 230)

ARTICLE XIII

Amendments

Section 47. Amendments. These Bylaws may be repealed, altered or amended or new Bylaws adopted by the stockholders. The Board of Directors also shall have the authority, if such authority is conferred upon the Board of Directors by the Certificate of Incorporation, to repeal, alter or amend these Bylaws or adopt new Bylaws (including, without limitation, the amendment of any Bylaw setting forth the number of directors who shall constitute the whole Board of Directors) subject to the power of the stockholders to change or repeal such Bylaws and provided that the Board of Directors shall not make or alter any Bylaws fixing the qualifications, classifications, term of office or compensation of directors. (Del. Code Ann., tit. 8, Section 109(a), 122(6))

ARTICLE XIV

Loans of Officers and Others

Section 48. Certain Corporate Loans and Guaranties. The corporation may make loans of money or property to, or guarantee the obligations of, or otherwise assist any officer or other employee who is a director of the corporation or its parent or any subsidiary, or adopt an employee benefit plan or plans authorizing such loans or guaranties, upon the approval of the Board of Directors alone if the Board of Directors determines that such a loan or guaranty or plan may reasonably be expected to benefit the corporation.

EXHIBIT 10.1

AMGEN INC.

AMENDED AND RESTATED 1991 EQUITY INCENTIVE PLAN

1. PURPOSE.

(a) The purpose of the Amended and Restated 1991 Equity Incentive Plan (the "Plan") is to provide a means by which employees of and consultants to Amgen Inc., a Delaware corporation (the "Company"), and its Affiliates, as defined in subparagraph 1(b), directly or indirectly through trusts created for the benefit of their families, 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.

(b) The word "Affiliate" as used in the Plan means 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").

(c) The Company, by means of the Plan, seeks to retain the services of persons now employed by or serving as 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 subparagraph 2(c), be either (i) stock options granted pursuant to paragraph 5 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 paragraph 6 hereof.

(e) The word "Trust" as used in the Plan shall mean a trust created for the benefit of the employee 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 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 subparagraph 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 paragraph 13.

(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 three (3) members of the Board (the "Committee"), all of the members of which Committee shall be disinterested persons and outside directors, if required and as defined by the provisions of subparagraphs 2(d) and 2(e). 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, subject, however, to such

resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board.

(d) The term "disinterested person", 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 subparagraph 2(c): (i) who is not at the time he or she exercises discretion in administering the Plan eligible and has not at any time within one (1) year prior thereto been eligible for selection as a person to whom Stock Awards may be granted pursuant to the Plan or any other plan of the Company or any of its affiliates entitling the participants therein to acquire equity securities of the Company or any of its affiliates; or (ii) who is otherwise considered to be a "disinterested person" in accordance with the rules, regulations or interpretations of the Securities and Exchange Commission. Any such person shall otherwise comply with the requirements of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as from time to time in effect.

(e) 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 subparagraph 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.

(f) Any requirement that an administrator of the Plan be a "disinterested person" 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 paragraph 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 Forty Eight Million (48,000,000) 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 fortreatment 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 only to employees (including officers) of or consultants to the Company or any Affiliate or to Trusts of any such employee or consultant. A director of the Company shall not be eligible to receive such Stock Awards unless such director is also an employee of or a consultant to the Company or any Affiliate.

(b) A director shall in no event be eligible for the benefits 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: (i) a majority of the Board and a majority of the directors acting in such matter are disinterested persons, as defined in subparagraph 2(d); (ii) the Committee consists solely of "disinterested persons" as defined in subparagraph 2(d); or (iii) the Plan otherwise 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 subparagraph 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 persons 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 250,000 shares of Common Stock per person per calendar year.

5. TERMS OF STOCK OPTIONS.

Each 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 of the Company 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 subparagraph 5(d), or (C) in any other form of legal consideration that may be acceptable to the Board or the Committee in their discretion.

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 subparagraph 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 subparagraph 5(d), as a condition of exercising any such Option: (i) to give written assurances satisfactory to the Company as to the optionee'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 he or she is capable of evaluating, alone or together with the purchaser's 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 such person's permanent and total dis-ability, within the meaning of Section 422(c)(6) of the Code, 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 subparagraph 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 his or her 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 withholding tax obligation; 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 withholding tax obligation.

(j) Without in any way limiting the authority of the Board or Committee to make or not to make grants of Options hereunder, 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 subparagraph 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 subparagraph 3(c) of the Plan and in Section 422(d) of the Code. There shall be no Re-Load Options on a Re-Load Option. Any such Re-Load Option shall be subject to the availability of sufficient shares under subparagraph 3(a) and shall be subject to such other terms and conditions as the Board or Committee may determine.

6. 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 in consideration for 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. 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 in consideration for 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 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.

7. CANCELLATION AND RE-GRANT OF OPTIONS.

The Board or the Committee shall have the authority to effect, at any time and from time to time, with the consent of the affected holders of Options, (i) the repricing of any outstanding Options under the Plan and/or (ii) the cancellation of any outstanding Options under the Plan and the grant in substitution therefor of new Options under the Plan covering the same or different numbers of shares of Common Stock, but having an exercise price per share not less than one hundred percent (100%) of the fair market value per share of Common Stock on the new grant date or, in the case of a 10% stockholder (as defined in subparagraph 4(c)), not less than one hundred and ten percent (110%) of the fair market value per share of Common Stock on the new grant date.

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 Option providing for vesting pursuant to subparagraph 5(e) shall also provide that if the employee's employment or consultant's affiliation with the Company is terminated by reason of death or disability (within the meaning of Title II or XVI of the Social Security Act and as determined by the Social Security Administration), the vesting schedule of Options granted to such employee or consultant or to the Trusts of such employee or consultant shall be accelerated by twelve months for each full year the employee has been employed by or the consultant has been affiliated with the Company. Options granted under the Plan that are outstanding on February 25, 1992, shall be amended to include the accelerated vesting upon death provided for in the preceding sentence of this paragraph 10(a) and Options granted under the Plan that are outstanding on June 18, 1996, shall be amended to include the accelerated vesting upon disability provided for in the preceding sentence of this paragraph 10(a).

(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.

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 otherwise), 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, and the class(es) and number of shares and price per share of stock subject to outstanding Stock Awards.

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. 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 theIncumbent 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 subsection (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 (1) 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, (2) an Alternate Payee may not transfer a Stock Award and (3) an Alternate Payee is ineligible for Re-Load Options.

(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 (1) 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 (2) 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 paragraph 11 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 to comply with the requirements of Rule 16b-3 promulgated under the Exchange Act; 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 or to comply with the requirements of Rule 16b-3 promulgated under the Exchange Act.

(b) 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.

(c) Rights and obligations under any Stock Award granted before amendment of the Plan shall not be altered or 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. Unless sooner terminated, the Plan shall terminate on December 31, 2000. No Stock Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

(b) Rights and obligations under any Stock Awards granted while the Plan is in effect shall not be altered or 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, but no Stock Awards granted under the Plan shall be exercisable unless and until the Plan has been approved by the stockholders of the Company and, if required, an appropriate permit has been issued by the Commissioner of Corporations of the State of California.

EXHIBIT 10.14

AMGEN INC.

AMENDED AND RESTATED 1988 STOCK OPTION PLAN

1. PURPOSE.

(a) The purpose of the Plan is to provide a means by which selected employees and directors (if declared eligible under paragraph 4) of and consultants to Amgen Inc., a Delaware corporation (the "Company"), and its Affiliates, as defined in subparagraph 1(b), directly or indirectly through trusts for the benefit of their families, may be given an opportunity to purchase stock of the Company.

(b) The word "Affiliate" as used in the Plan means 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").

(c) The Company, by means of the Plan, seeks to retain the services of persons now holding positions, 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 options issued under the Plan 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 subparagraph 2(c), be either 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"). All options shall be separately designated Incentive Stock Options or Nonqualified Stock Options at the time of grant, and in such form as issued pursuant to paragraph 5, and a separate certificate or certificates shall be issued for shares purchased on exercise of each type of option. An option designated as a Nonqualified Stock Option shall not be treated as an Incentive Stock Option.

The word "Trust" as used in the Plan shall mean a trust created for the benefit of the employee 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 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 subparagraph 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 options; when and how the option shall be granted; whether the option will be an Incentive Stock Option or a Nonqualified Stock Option; the provisions of each option granted (which need not be identical), including the time or times during the term of each option within which all or portions of such option may be exercised; and the number of shares for which an option shall be granted to each such person.

(2) To construe and interpret the Plan and options 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 option agreement, 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 paragraph 11.

(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 three (3) members of the Board (the "Committee"), all of the members of which Committee shall be disinterested persons, if required and as defined by the provisions of subparagraph 2(d). 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, subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revest in the Board

the administration of the Plan.

(d) The term "disinterested person", 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 subparagraph 2(c): (i) who is not at the time he or she exercises discretion in administering the Plan eligible and has not at any time within one (1) year prior thereto been eligible for selection as a person to whom stock may be allocated or to whom stock options or stock appreciation rights may be granted pursuant to the Plan or any other plan of the Company or any of its Affiliates entitling the participants therein to acquire stock, stock options or stock appreciation rights of the Company or any of its Affiliates; or (ii) who is otherwise considered to be a "disinterested person" in accordance with the rules, regulations or interpretations of the Securities and Exchange Commission. Any such person shall otherwise comply with the requirements of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as from time to time in effect.

(e) Any requirement that an administrator of the Plan be a "disinterested person" 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 paragraph 9 relating to adjustments upon changes in stock, the stock that may be sold pursuant to options granted under the Plan shall not exceed in the aggregate Thirty Six Million (36,000,000) shares of the Company's $.0001 par value common stock (the "Common Stock"). If any option 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 option shall again become available for 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 as of the times the respective Incentive Stock Options are granted) of the Common Stock with respect to which Incentive Stock Options 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). Should it be determined that any portion of an Incentive Stock Option granted under the Plan does not qualify for treatment as an Incentive Stock Option by reason of exceeding such maximum, such option shall be considered a Nonqualified Stock Option to the extent, but only to the extent, of such excess. Should it be determined that an entire option does not qualify for treatment as an Incentive Stock Option, such option shall, in its entirety, be considered a Nonqualified Stock Option.

4. ELIGIBILITY.

(a) Incentive Stock Options may be granted only to employees of the Company or its Affiliates, and a director or officer of the Company shall not be eligible to receive Incentive Stock Options unless such director or officer is also an employee of the Company or any Affiliate. Nonqualified Stock Options may be granted only to employees of, or consultants to, the Company or its Affiliates (including directors or officers who so qualify) or to Trusts of any such employee or consultant.

(b) A director shall in no event be eligible for the benefits 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 options may be granted, or in the determination of the number of shares which may be covered by options granted to a director: (i) a majority of the Board and a majority of the directors acting in such matter are disinterested persons, as defined in subparagraph 2(d); (ii) the Committee consists solely of "disinterested persons" as defined in subparagraph 2(d); or (iii) the Plan otherwise 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.

(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 term of the Incentive Stock Option does not exceed five (5) years from the date of grant.

5. OPTION PROVISIONS.

Each 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 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. The exercise price of each Nonqualified Stock Option shall be not less than eighty-five percent (85%) 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 other Common Stock of the Company, (B) according to a deferred payment or other arrangement (which may include, without limiting the generality of the foregoing, the use of other Common Stock of the Company) with the person to whom the option is granted or to whom the option is transferred pursuant to subparagraph 5(d), or (C) in any other form of legal consideration that may be acceptable to the Board or the Committee in their discretion.

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 be exercised with respect to some or all of the shares allotted to that period, and/or with respect to some or all of the shares allotted to 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 subparagraph 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 subparagraph 5(d), as a condition of exercising any such option: (1) to give written assurances satisfactory to the Company as to the optionee'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 he or she is capable of evaluating, alone or together with the purchaser's representative, the merits and risks of exercising the option; and (2) 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: (i) 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 (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 law.

(g) An option shall terminate three (3) months after termination of the optionee's employment or relationship as a consultant with the Company or an Affiliate, unless: (i) such termination is due to such person's permanent and total disability, within the meaning of Section 422(c)(6) of the Code, 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; (ii) the optionee dies while in the employ of or while serving as a consultant to the Company or an Affiliate, or within not more than three (3) months after termination of such employment or relationship as a consultant, 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 terms 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 (B) that it may be exercised more than three (3) months after termination of the optionee's employment or relationship as a consultant with the Company or an Affiliate. This subparagraph 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.

(h) The option may, but need not, include a provision whereby the optionee may elect at any time during the term of his or her employment or relationship as a consultant 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 date of the option or of any installment or installmentsspecified in 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, the 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: (1) tendering a cash payment; (2) authorizing the Company to withhold from the shares of the Common Stock otherwise issuable to the participant as a result of the exercise of the stock option a number of shares having a fair market value less than or equal to the amount of the withholding tax obligation; or (3) 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 withholding tax obligation.

(j) Without in any way limiting the authority of the Board or Committee to make or not to make grants of Options hereunder, the Board or Committee shall have the authority (but not an obligation) to include as part of any Option agreement, and all outstanding Nonqualified Stock Options, to the extent there are unvested options on June 30, 1991, shall be amended to include, 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 (or surrendered for shares which were unvested on June 30, 1991 in the case of an amended Nonqualified Stock 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; (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 subparagraph 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; and (iv) shall be granted under this Plan, if sufficient shares are available under subparagraph 3(a) of the Plan, and if sufficient shares of Common Stock are not so available, shall be granted under the 1991 Equity Incentive Plan to the extent shares of Common Stock are available under that Plan.

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, except that all Re-Load Options on unvested shares (as of June 30, 1991) of Non-Qualified Stock Options shall be Nonqualified Stock Options, 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 subparagraph 3(c) of the Plan and in Section 422(d) of the Code. There shall be no Re-Load Options on a Re-Load Option. Any such Re-Load Option shall be subject to the availability of sufficient shares under subparagraph 3(a) of this Plan or under the 1991 Equity Incentive Plan and shall be subject to such other

terms and conditions as the Board or Committee may determine.

6. COVENANTS OF THE COMPANY.

(a) During the terms of the options granted under the Plan, the Company shall keep available at all times the number of shares of stock required to satisfy such options.

(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 stock upon exercise of the options granted under the Plan; provided, however, that this undertaking shall not require the Company to register under the Securities Act either the Plan, any option granted under the Plan or any Common Stock issued or issuable pursuant to any such option. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of stock under the Plan, the Company shall be relieved from any liability for failure to issue and sell stock upon exercise of such options unless and until such authority is obtained.

7. USE OF PROCEEDS FROM STOCK.

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

8. MISCELLANEOUS.

(a) The Board or Committee shall have the power to accelerate the time during which an option may be exercised or the time during which an option or any part thereof will vest, notwithstanding the provisions in the option stating the time during which it may be exercised or the time during which it will vest. Each

option providing for vesting pursuant to subparagraph 5(e) shall also provide that if the employee's employment or consultant's affiliation with the Company is terminated by reason of death or disability (within the meaning of Title II or XVI of the Social Security Act and as determined by the Social Security Administration), the vesting schedule of options granted to such employee or consultant or to the Trusts of such employee or consultant shall be accelerated by twelve months for each full year the employee has been employed by or the consultant has been affiliated with the Company. Options granted under the Plan that are outstanding on February 25, 1992, shall be amended to include the accelerated vesting upon death provided for in the preceding sentence of this paragraph 8(a) and options granted under the Plan that are outstanding on June 18, 1996, shall be amended to include the accelerated vesting upon disability provided for in the preceding sentence of this paragraph 8(a).

(b) Neither an optionee nor any person to whom an option is transferred under subparagraph 5(d) 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) Throughout the term of any option granted pursuant to the Plan, the Company shall make available to the holder of such option, not later than one hundred twenty (120) days after the close

of each of the Company's fiscal years during the option term, upon request, such financial and other information regarding the Company as comprises the annual report to the shareholders of the Company provided for in the bylaws of the Company.

(d) Nothing in the Plan or any instrument executed or option granted pursuant thereto shall confer upon any eligible participant or optionee any right to continue in the employ of the Company or any Affiliate or to continue acting as a consultant or shall affect the right of the Company or any Affiliate to terminate the employment or consulting relationship of any eligible participant or optionee with or without cause. In the event that an optionee 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 for purposes of paragraph 5(g) hereof and corresponding provisions of any outstanding options, and (ii) suspend or otherwise delay the time or times at which the shares subject to the option would otherwise vest.

9. CANCELLATION AND RE-GRANT OF OPTIONS.

The Board or the Committee shall have the authority to effect, at any time and from time to time, with the consent of the affected option holders, (i) the repricing of any or all outstanding options under the Plan and/or (ii) the cancellation of any or all outstanding options under the Plan and the grant in substitution therefor new options under the Plan covering the same or different numbers of shares of Common Stock but having an option price per share not less than eighty-five percent (85%) of the fair market value in the case of a Nonqualified Stock Option, one hundred percent (100%) of the fair market value in the case of an Incentive Stock Option or, in the case of a 10% stockholder (as defined in subparagraph 4(c)), not less than one hundred and ten percent (110%) of the fair market value per share of Common Stock on the new grant date.

10. ADJUSTMENTS UPON CHANGES IN COMMON STOCK.

(a) If any change is made in the Common Stock subject to the Plan, or subject to any option 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 otherwise), the Plan and outstanding options will be appropriately adjusted in the class(es) and the maximum number of shares subject to the Plan and the class(es) and the number of shares and price per share of Common Stock subject to outstanding options.

(b) 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 options become vested shall automatically be accelerated so that the unvested portions of all options 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 of Control. Upon or after the acceleration of the vesting and exercise periods, at the election of the holders of the options, the

options may be: (x) exercised or, if the surviving or acquiring corporation agrees to assume the options or substitute similar options, (y) assumed; or (z) replaced with substitute options. Options not exercised, substituted or assumed prior to or upon the Change in Control shall be terminated.

(c) 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 October 23, 1995, 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 October 23, 1995, 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.

11. QUALIFIED DOMESTIC RELATIONS ORDERS

(a) Anything in the Plan to the contrary notwithstanding, rights under options may be assigned to an Alternate Payee to the extent that a QDRO so provides. (The terms "Alternate Payee" and "QDRO" are defined in Subsection (c) below.) The assignment of an option 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 an option 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 (1) the option shall be subject to the same vesting terms and exercise period as if the option were still held by the grantee, (2) an Alternate Payee may not transfer an option and (3) an Alternate Payee is ineligible for Re-Load Options.

(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 an option, transfer of the proceeds of the exercise of such option, 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 an option 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 (1) that creates or recognizes the right of the spouse, former spouse or child (an "Alternate Payee") of an individual who is granted an option to an interest in such option relating to marital property rights or support obligations and (2) 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.

12. AMENDMENT OF THE PLAN.

(a) The Board at any time, and from time to time, may amend the Plan. However, except as provided in paragraph 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 options 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 to comply with the requirements of Rule 16b-3 promulgated under the Exchange Act); 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 or to comply with the requirements of Rule 16b-3 promulgated under the Exchange Act.

(b) 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.

(c) Rights and obligations under any option granted before amendment of the Plan shall not be altered or impaired by any amendment of the Plan, unless: (i) the Company requests the consent of the person to whom the option was granted; and (ii) such person

consents in writing.

13. TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may suspend or terminate the Plan at any time. Unless sooner terminated, the Plan shall terminate on March 14, 1998. No options may be granted under the Plan while the Plan is suspended or after it is terminated.

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

14. EFFECTIVE DATE OF PLAN.

The Plan shall become effective as determined by the Board. No option granted as the result of the amendment on April 2, 1991 shall be exercisable unless and until said amendment is approved by the stockholders of the Company, and to the extent required or necessary under applicable law, amendments made on April 2, 1991 shall not be effective until approved by the stockholders of the Company.

EXHIBIT 10.15

AMGEN RETIREMENT AND SAVINGS PLAN

(As Amended and Restated Effective April 1, 1996)

TABLE OF CONTENTS

AMGEN RETIREMENT AND SAVINGS PLAN

(As Amended and Restated Effective April 1, 1996)

ARTICLE 1. INTRODUCTION AND PLAN HISTORY.

The Plan was adopted effective as of April 1, 1985. The Plan was last amended and restated as of April 1, 1996, to reflect previously adopted amendments and to make other changes. Certain provisions may be effective at other times, as specified. The Plan is intended to qualify under sections 401(a) and 401(k) and related sections of the Code, and under section 407(d)(3)(A) of ERISA. The Plan is subject to amendment or termination at any time, including (without limitation) amendments required to meet regulations and rules issued by the Secretary of the Treasury or his or her delegate or the Secretary of Labor. Certain capitalized terms used in the text of the Plan are defined in Article 2 in alphabetical order.

ARTICLE 2. DEFINITIONS.

2.1 "Accounts" means the separate accounts maintained for each Participant as a part of the Trust Fund. Each Participant's Accounts are credited with the Participant's Employee Contributions, his or her share of Company Contributions and Forfeitures and any income, gains, expenses and losses accruing on amounts previously credited to the Accounts.

2.2 "Affiliated Group" means the Company and any entity related to the Company under sections 414(b), (c), (m) or (o) of the Code. In addition, the term "Affiliated Group" includes any other entity that the Company has designated in writing as a member of the Affiliated Group for purposes of the Plan. An entity shall be considered a member of the Affiliated Group only with respect to periods for which this designation is in effect or during which the relationship described in the first sentence of this Section exists. An "Affiliate" is a member of the Affiliated Group.

2.3 "Aggregate 401(k) Contributions" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 13.9.

2.4 "Aggregate 401(m) Contributions" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 14.7.

2.5 "Alternate Payee" means a spouse, former spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all or a portion of the Participant's Plan Benefit.

2.6 "Annual Additions" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 16.5.

2.7 "Annual Deferral Limit" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 13.9.

2.8 "Beneficiary" means the person or persons entitled to receive a Participant's Plan Benefit after the Participant's death, as provided in Section 8.12.

2.9 "Break in Service" means any Plan Year during which the Participant completes less than 501 Hours of Service. Solely for the purpose of determining whether a Break in Service has occurred, an Employee who is absent from work by virtue of (a) the Employee's pregnancy, (b) the birth of the Employee's child, (c) the placement of a child with the employee by adoption, (d) the caring for any such child for a period of up to one year immediately following such birth or placement, (e) Disability, (f) service in the armed forces of the United States during a period (including a post-discharge period) that entitles the Employee to reemployment rights guaranteed by law or (g) a leave of absence taken under the terms of the federal Family Medical Leave Act or applicable state family and medical leave act, shall be credited with up to 501 additional Hours of Service. Such additional Hours of Service in such period of absence shall be based on his or her regular work schedule immediately prior to such period; provided, however, that such additional Hours of Service shall be credited during the Plan Year in which the absence from work begins only if they would prevent a Break in Service from occurring for that year. In all other cases, the additional Hours of Service shall be credited during the immediately following Plan Year.

2.10 "Board" means the Board of Directors of the Company, as constituted from time to time.

2.11 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.12 "Company" means Amgen Inc., a Delaware corporation.

2.13 "Company Contributions" means Matching Contributions, Nonelective Contributions, Qualified Nonelective Contributions and Qualified Matching Contributions.

2.14 "Company Stock" means shares of common stock issued by the Company.

2.15 "Company Stock Fund" means an Investment Fund primarily invested in Company Stock.

2.16 "Compensation" is the term generally used under the Plan to describe the amount with respect to which Plan contributions are made and means an Eligible Employee's wages, salaries, fees for professional services, and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with any member of the Affiliated Group to the extent that the amounts are includable in gross income (including, but not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on reimbursements or other expense allowances under a nonaccountable plan (as described in Treasury Regulation section 1.62-2(c)). "Compensation" shall be computed without regard to any election to reduce or defer salary under this Plan or any cafeteria plan under section 125 of the Code. "Compensation" shall not include: (a) any Company Contributions to this Plan or any other employee benefit plan for or on account of the Employee, except as otherwise provided in the preceding sentence; (b) the items described in Treasury Regulation section 1.415-2(d)(3), which, among other items, would exclude from compensation amounts realized from the exercise of a nonqualified stock option (or when restricted stock (or property) held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture under section 83 of the Code) and amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; or (c) amounts in excess of the Compensation Limitation.

2.17 "Compensation Limitation" means the limitation in effect under section 401(a)(17) of the Code for the Plan Year. For purposes of applying the Compensation Limitation, the compensation of any of the 10 most highly compensated Highly Compensated Employees or any five-percent owner shall be determined by combining the compensation of the top-10 Highly Compensated Employee or five-percent owner with the compensation of any Employees who are family members of the top-10 Highly Compensated Employee or five-percent owner. (For purposes of this Section only, "family members" means an individual's spouse and any lineal descendants who have not attained age 19 prior to the end of the Plan Year.) If, as a result of the application of such family-aggregation rules, the Compensation Limitation is exceeded, then the limitation shall be prorated among the individuals in each family-aggregation group in proportion to each such individual's compensation, determined without regard to the application of the family-aggregation rules or the Compensation Limitation.

2.18 "Disability" means that the Participant is determined, under Title II or XVI of the Social Security Act, to have been disabled at the time of his or her termination of employment. In order for a Participant's Accounts to become fully vested on account of Disability pursuant to Sections 7.2 and 7.3 of the Plan, the Participant must submit evidence of the Social Security Administration's determination of disability to the Company prior to the distribution (or deemed distribution) of the Participant's Accounts.

2.19 "Eligible Employee" means an Employee described in Section 3.3.

2.20 "Employee" means an individual who (a) on the employee payroll of a member of the Affiliated Group or (b) is a "leased employee" (within the meaning of section 414(n) of the Code) with respect to a member of the Affiliated Group. "Employee" shall not include a nonresident alien who receives no earned income (within the meaning of section 911(b) of the Code) from a member of the Affiliated Group that constitutes income from sources within the United States (within the meaning of section 861(a)(3) of the Code).

2.21 "Employee Contributions" means Participant Elected Contributions and Rollover Contributions.

2.22 "ERISA" means the Employee Retirement Income Security Act of 1974 (P.L. 93-406), as amended.

2.23 "Excess Aggregate Contributions" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 14.7.

2.24 "Excess Contributions" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 13.9.

2.25 "Excess Deferrals" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 13.9.

2.26 "Family Member" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 12.6.

2.27 "Five-Year Break in Service" means five or more consecutive one-year Breaks in Service.

2.28 "Forfeiture" is defined in Section 7.4.

2.29 "Fund" or "Investment Fund" means a separate fund in which contributions to the Plan are invested in accordance with Article 6.

2.30 "Hardship Withdrawal" is a partial distribution of a Participant's Account made while he or she is an Employee and in the limited circumstances described in Section 11.2.

2.31 "Highly Compensated Employee" is defined in Article 12.

2.32 "Hour of Service" means:

(a) Each hour for which an Employee is directly or indirectly paid, or entitled to payment, by a member of the Affiliated Group for the performance of services,

(b) Each hour for which an Employee is directly or indirectly paid, or entitled to payment, by a member of the Affiliated Group on account of a period of time during which no services are performed (without regard to whether the employment relationship between the Employee and the member of the Affiliated Group has terminated) due to vacation, holiday,

illness, incapacity, disability, layoff, jury duty, military duty or leave of absence with pay, and

(c) Each hour for which an Employee is directly or indirectly paid, or entitled to payment of an amount as back pay (without regard to mitigation of damages) either awarded or agreed to by a member of the Affiliated Group.

The foregoing notwithstanding:

(1) No more than 501 Hours of Service shall be credited to an Employee under Subsection (b) or (c) above on account of any single continuous period of time during which no services are performed.

(2) An hour for which an Employee is directly or indirectly paid or entitled to payment by a member of the Affiliated Group on account of a period during which no services are performed shall not constitute an Hour of Service hereunder if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workers' compensation, unemployment compensation or disability insurance laws.

(3) Hours of Service shall not be credited for payments that solely reimburse an Employee for medical or medically related expenses.

(4) The same Hour of Service shall not be credited to an Employee both under Subsection (a) or (b) and under Subsection (c).

(5) The computation period to which Hours of Service determined under Subsection (b) or (c) are to be credited shall be determined under applicable federal law and regulations, including, without limitation, Department of Labor Regulation section 2530.200b-2(b), (c) and (d).

For purposes of applying the foregoing rules, salaried Employees are paid or entitled to payment for eight-hour workdays. The Company shall determine the number of Hours of Service, if any, to be credited to an Employee under the foregoing rules in a uniform and nondiscriminatory manner and in accordance with applicable federal laws and regulations, including, without limitation, Department of Labor Regulations section 2530.200- 2(b), (c) and (d).

2.33 "Normal Retirement Age" means the date on which a Participant attains age 65.

2.34 "Participant" means any person who elects to participate in the Plan as provided in Article 3.

2.35 "Participating Company" means the Company and any other member of the Affiliated Group that the Company has designated in writing as a Participating Company.

2.36 "Plan" means the Amgen Retirement and Savings Plan, as amended from time to time.

2.37 "Plan Benefit" means the Participant's Accounts under the Plan, to the extent vested.

2.38 "Plan Year" means the calendar year.

2.39 "QDRO" means a qualified domestic relations order (as defined in section 414(p) of the Code).

2.40 "Qualified Joint and Survivor Annuity" means an annuity for the life of the Participant with a survivor annuity for the life of his or her spouse that is not less than fifty percent (50%) nor more than one hundred percent (100%) of the amount of the annuity payable during the joint lives of the Participant and his or her spouse. The value of the Qualified Joint and Survivor Annuity shall be not less than the value of the Participant's nonforfeitable interest in his or her Account.

2.41 "Rollover Contribution" means an amount contributed to the Plan by an Eligible Employee pursuant to Section 4.5.

2.42 "Salary Deferral Agreement" means the agreement between the Participating Company and an Employee to reduce the Employee's Compensation as provided for in Article 4.

2.43 "Section 414(s) Compensation" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 13.9.

2.44 "Section 415 Compensation" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 16.5.

2.45 "Section 415 Employer Group" which is a term used in specifying certain limitations on Plan contributions, is defined in Section 16.5.

2.46 "Single Life Annuity" means an annuity under which payments are made to a person for his or her life and cease upon his or her death.

2.47 "Top-Paid Group" which is used in the definition of the term "Highly Compensated Employee", is defined in Section 12.6.

2.48 "Total Compensation" which is used in the definition of the term "Highly Compensated Employee", is defined in Section 12.6.

2.49 "Trust Agreement" means the trust agreement entered into pursuant to the Plan by the Company and the Trustee, as amended from time to time.

2.50 "Trustee" means the trustee or trustees appointed by the Company pursuant to the Plan to hold the assets of the Plan in trust, and any successor trustee(s) so appointed.

2.51 "Trust Fund" means the trust fund consisting of the assets of the Plan and maintained by the Trustee pursuant to the Plan and the Trust Agreement.

2.52 "Valuation Date" means the date on which the assets of the Plan are valued, determined in accordance with the Trust Agreement.

2.53 "Year of Service" means:

(a) For purposes of vesting, (1) prior to April 1, 1985, each calendar year during which an Employee is credited with 1,000 Hours of Service and (2) on and after April 1, 1985, each Plan Year or portion thereof during which an Employee is credited with at least 1,000 Hours of Service; provided, however, that an Employee shall be credited with a Year of Service for the Plan Year from April 1, 1988 through December 31,1988 if he or she is credited with at least 1,000 Hours of Service during the 12-consecutive-month period from April 1,1988 through March 31,1989 and also shall be credited with a Year of Service for the Plan Year beginning January 1, 1989 if he or she is credited with at least 1,000 Hours of Service during such Plan Year.

(b) For purposes of determining eligibility, the first "computation period" in which the Employee completes at least 1,000 Hours of Service. An Employee's initial computation period is the 12-consecutive-month period following the Employee's employment commencement date. If the Employee does not complete at least 1,000 Hours of Service during the first computation period, subsequent computation periods are each Plan Year, beginning with the Plan Year in which the first anniversary of the Employee's employment commencement date falls.

ARTICLE 3. ELIGIBILITY AND PARTICIPATION.

3.1 Eligibility to Participate. An individual hired or rehired as an Employee shall be eligible to become a Participant on the date he or she becomes an Eligible Employee or on any subsequent date.

3.2 Commencement of Participation. An individual who has satisfied the requirements for Plan participation and wishes to become a Participant shall follow the enrollment procedures prescribed by the Company and shall begin participating in the Plan as soon as administratively practicable after completion of the enrollment procedures.

3.3 "Eligible Employee" means an Employee of a Participating Company who is described in (a) or (b) and is not excluded under (c). An individual's status as an Eligible Employee shall be determined by the Company and its determination shall be conclusive and binding on all persons.

(a) Regular Full-Time Employee. Unless excluded under (c) below, an individual classified by a Participating Company as a "regular full-time employee" is an Eligible Employee.

(b) Regular Part-Time Employee. Unless excluded under (c) below, an individual classified by a Participating Company as a "regular part-time employee," including a temporary employee or intern, shall become an Eligible Employee upon completion of a Year of Service.

(c) Excluded Employees. An Employee shall not be an Eligible Employee for any period in which he or she is:

(1) Included in a unit of employees covered by a collective-bargaining agreement that does not provide that such Employee shall be eligible to participate in the Plan;

(2) Employed by a non-U.S. subsidiary of the Company;

(3) Not on the payroll of a Participating Company but is deemed, for any reason, to be an Employee; or

(4) A "leased employee" (within the meaning of section 414(n) of the Code) with respect to a Participating Company.

(d) Eligibility After Break in Service. An Eligible Employee shall continue as an Eligible Employee so long as he or she remains employed by a Participating Company as a "regular employee" and has not had a Break in Service. If an Eligible Employee has a Break in Service, he or she shall again become an Eligible Employee upon satisfaction of the eligibility conditions described in this Section.

3.4 Suspension of Membership. A Participant's participation in the Plan shall be suspended for any period of time during which the Participant:

(a) Neither receives nor is entitled to receive any Compensation, including (without limitation) any leave of absence without pay; or

(b) Does not qualify as an Eligible Employee but remains a Participant.

In accordance with Section 10.8 and 11.4, participation is also suspended for 12 months if a Participant defaults on a Plan loan or takes a Hardship Withdrawal. A Participant shall not make Participant Elected Contributions or receive any allocation of Company Contributions with respect to a period of suspended participation, but a suspended Participant's Accounts shall remain invested as a part of the Trust Fund and shall continue to share in the gains, income, losses and expenses of the Trust Fund.

3.5 Termination of Membership. A Participant's participation in the Plan shall terminate when his or her entire Plan Benefit has been distributed or on the date of his or her death, whichever occurs first. In the case of a Participant who is not entitled to a Plan Benefit, membership in the Plan shall terminate when the Participant ceases to be an Employee.

ARTICLE 4. EMPLOYEE CONTRIBUTIONS.

4.1 Participant Elected Contributions. Each Participant whose participation in the Plan is not suspended may make Participant Elected Contributions to the Trust Fund pursuant to a Salary Deferral Agreement that specifies the amount of the contribution. Subject to the limitations set forth in Section 4.4 and Articles 13-16, the amount of the Participant Elected Contributions shall be equal to any whole percentage of his or her Compensation, as the Participant shall elect, except that this whole percentage shall not exceed 15 percent of his or her Compensation. Participant Elected Contributions shall be made through payroll deductions from the Participant's Compensation. If a Participant elects to make Participant Elected Contributions, the contributions shall be deemed to be employer contributions to the Plan for federal income tax purposes and, to the extent permitted, for purposes of other federal, state and local taxes. A Participant's election to make Participant Elected Contributions shall constitute an election to have the Participant's taxable salary or wages from the Participating Company reduced by the amount of the Participant Elected Contributions.

4.2 Suspension, Change and Resumption of Participant Elected Contributions. A Participant may elect to suspend or change the rate of Participant Elected Contributions and, having elected to suspend Participant Elected Contributions, may elect to resume them. Any such election shall be made by following the procedures prescribed by the Company, which election shall be put into effect at the time prescribed by the Company's procedures.

4.3 Contributions to the Trustee. The Participating Companies shall forward all Employee Contributions to the Trustee, for investment in the Trust Fund, as soon as administratively possible after they were withheld. Employee Contributions shall be credited to each Participant's Accounts as provided in Sections 6.3 and 6.4.

4.4 Limits on Participant Elected Contributions. This Section briefly describes the rules that limit the amount of Participant Elected Contributions that may be contributed to a Participant's Account for the Plan Year or calendar year.

(a) Compensation Limit. A Participant may not make further Participant Elected Contributions for the Plan Year once his or her Compensation reaches the Compensation Limitation.

(b) Annual Deferral Limit. As is described in detail in Article 13, a Participant's Participant Elected Contributions, together with certain other elective deferrals, made during a calendar year may not exceed the Annual Deferral Limit, which is $9,500 for 1996.

(c) Average Deferral Percentage Limit. As is described in detail in Article 13 and Article 15, Participant Elected Contributions may be returned to certain Participants who are Highly Compensated Employees in the event that the average deferral percentage test or multiple-use test is not met for the Plan Year.

(d) Section 415 "Annual Additions" Limit. As is described in detail in Article 15, if amounts credited to a Participant's Accounts during the Plan Year, other than earnings and Rollover Contributions, exceed the lesser of $30,000 or 25% of the Participant's Section 415 Compensation, then Participant Elected Contributions may be returned to the Participant.

(e) Prospective Limitations. In order to ensure compliance with the average deferral percentage test, the multiple-use test and the annual additions limit, at any time during the Plan Year and at its sole discretion, the Company may require any Participant to discontinue or reduce the rate of his or her Participant Elected Contributions. The Company may require the discontinuance or reduction in the rate of Participant Elected Contributions even if its actions may prevent a Participant from making the maximum Participant Elected Contributions allowed by law.

(f) Nondeductible and Mistaken Contributions. As is described in detail in Section 5.6(e), Participant Elected Contributions that are not deductible by the Company or that are made by mistake are returned to the Company.

4.5 Rollover Contributions. The Plan may receive Rollover Contributions on behalf of an Eligible Employee if the following conditions are satisfied:

(a) The contribution is made entirely in the form of U.S. dollars; and

(b) The Eligible Employee demonstrates to the Company's satisfaction that the contribution is a qualifying rollover contribution under section 402(c)(4), 403(a)(4) or 408(d)(3) of the Code.

If an Eligible Employee who is not a Participant makes a Rollover Contribution, then he or she shall be considered a Participant solely with respect to his or her Rollover Contribution Account until he or she becomes a Participant for all purposes pursuant to Article 3.

A Rollover Contribution shall be paid to the Company in a lump sum in cash and shall be credited to the Participant's Rollover Account. The Participant may direct the investment of his or her Rollover Account by filing the specified investment election form in accordance with such rules as may be established by the Company.

ARTICLE 5. COMPANY CONTRIBUTIONS.

5.1 Matching Contributions. Subject to the limitations of Section 5.6 and Articles 13-16, each Participating Company may, in its discretion, make Matching Contributions in an amount determined by the Participating Company. A Matching Contributions formula may limit the amount of Participant Elected Contributions that are taken into account for purposes of allocating Matching Contributions or may limit allocations of Matching Contributions to a specified group of

Participants; provided, however, that the Matching Contribution formula(s) shall not discriminate in favor of Highly Compensated Employees. A Matching Contribution shall be paid to the Trustee as soon as reasonably practicable after the pay period to which it relates and shall be allocated to the Accounts of Participants as provided in Section 6.5.

5.2 Nonelective Contributions. Subject to the limitations Section 5.6 and Articles 13-16, each Participating Company may, in its discretion, make Nonelective Contributions in an amount determined by the Participating Company. The Company, in its sole discretion, may determine that the allocation of part or all of the Nonelective Contribution for a Plan Year shall be limited to the Nonelective Contribution Accounts of Participants who remain Eligible Employees on the last day of the relevant Plan Year. The Company may limit the amount of Compensation that is taken into account for purposes of allocating Nonelective Contributions, and it may determine that allocations of Nonelective Contributions shall be limited to a specified group of Eligible Employees; provided, however, that the Nonelective Contribution formula(s) shall not discriminate in favor of Highly Compensated Employees. For purposes of allocating such Nonelective Contributions for any Plan Year or other allocation period based on an Employee's Compensation, only Compensation attributable to periods in such Plan Year or other allocation period during which such Employee was an Eligible Employee shall be taken into account. A Nonelective Contributions shall be paid to the Trustee as soon as reasonably practicable following the close of the pay period to which it relates and shall be allocated to the Accounts of Participants as provided in Section 6.6.

Nonelective Contributions may include a Core Contribution equal to a specified percentage of Compensation to be made by the Company for each payroll period during the Plan Year.

5.3 Qualified Nonelective Contributions. The Participating Companies may make Qualified Nonelective Contributions pursuant to Article 13.6.

5.4 Qualified Matching Contributions. The Participating Companies may make Qualified Matching Contributions in an amount determined by the Participating Company. The Participating Company may, in its sole discretion, limit the amount of Participant Elected Contributions that are taken into account for purposes of allocating Qualified Matching Contributions, or it may determine that allocations of Qualified Matching Contributions shall be limited to a specified group of Eligible Employees; provided, however, that the Qualified Matching Contribution formula(s) shall not discriminate in favor of Highly Compensated Employees. Qualified Matching Contributions shall be paid to the Trustee as soon as reasonably practicable following the date as of which they are allocated.

5.5 Investment of Company Contributions. The Trustee shall invest the Company Contributions it receives in accordance with Section 6.2.

5.6 Limits on Company Contributions. This Section briefly describes the rules that limit the amount of Company Contributions that may be contributed to a Participant's Account for the Plan Year.

(a) Compensation Limit. A Company Contribution that is expressed as a percentage of a Participant's Compensation may not be based on Compensation in excess of the Compensation Limitation in effect for the Plan Year.

(b) Average Contribution Percentage Limit. As is described in detail in Article 14 and Article 15, Matching Contributions, Qualified Matching Contributions or Qualified Nonelective Contributions may be returned to certain Participants who are Highly Compensated Employees in the event that the average contribution percentage test or multiple-use test is not met for the Plan Year.

(c) Section 415 "Annual Additions" Limit. As is described in detail in Article 16, if amounts credited to a Participant's Accounts during the Plan Year, other than earnings and Rollover Contributions, exceed the lesser of $30,000 or 25% of the Participant's Section 415 Compensation, then Company Contributions may be returned to the Participant.

(d) Prospective Limitations. In order to ensure compliance with the average contribution percentage test, the multiple-use test and the annual additions limit, at any time during the Plan Year and at its sole discretion the Company may reduce or discontinue allocations of Company Contributions to any Participant's Account. The Company may implement this reduction or discontinuance of allocations of Company Contributions even if its action may prevent a Participant from receiving the maximum allocations to his or her Account allowed by law.

(e) Nondeductible or Mistaken Contributions. Any other provision of the Plan notwithstanding, Company Contributions and Participant Elected Contributions are conditioned upon their deductibility under section 404 of the Code and the qualification of the Plan under section 401(a) of the Code. If the deductibility of a Company Contribution or Participant Elected Contribution is denied, the amount for which a deduction is disallowed (reduced by any losses incurred with respect to such amount) shall be returned to the Participating Companies within one year after the disallowance of the deduction. If a Company Contribution or Participant Elected Contribution is made to the Plan by reason of a mistake of fact, the amount contributed by reason of such mistake (reduced by any losses incurred with respect to such amount) shall be returned to the Participating Companies within one year after the date such contribution was made.

ARTICLE 6. INVESTMENTS AND PARTICIPANTS' ACCOUNTS.

6.1 Investment Funds. All contributions to the Plan made pursuant to Articles 4 and 5 shall be paid to the Trust Fund established under the Plan. All such contributions shall be invested as provided under

the terms of the Trust Agreement, which may include provision for the separation of assets into separate Investment Funds, including a Company Stock Fund.

6.2 Investment of Contributions. Employee Contributions and Company Contributions shall be apportioned among one or more of the Investment Funds as the Participant may specify according to the procedures prescribed by the Company; provided, however, that a Participant may direct a maximum of 50 percent of Employee Contributions, Rollover Contributions and Company Contributions to be invested in the Company Stock Fund. In the event that a Participant fails to make an investment election, contributions allocated to his or her Accounts shall be invested in accordance with procedures prescribed by the Company. A Participant may elect to change the investment instructions with respect to future contributions according to the procedures prescribed by the Company.

6.3 Participant Elected Contributions Account. A Participant's Participant Elected Contribution Account shall consist of his or her Participant Elected Contributions, adjusted to reflect transfers and withdrawals from such Participant Elected Contributions Account and earnings, gains, expenses and losses attributable to the Investment Fund(s) in which the contributions are invested.

6.4 Rollover Contributions Account. A Participant's Rollover Contributions Account shall consist of his or her Rollover Contributions, adjusted to reflect transfers and withdrawals from such Rollover Contributions Account and earnings, gains, expenses and losses attributable to the Investment Fund(s) in which the contributions are invested.

6.5 Matching Contributions Account. A Participant's Matching Contributions Account shall consist of his or her Matching Contributions, adjusted to reflect transfers and withdrawals from such Matching Contributions Account and earnings, gains, expenses and losses attributable to the Investment Fund(s) in which the contributions are invested. Matching Contributions, determined under Section 5.1, shall be allocated to the Matching Contributions Account of each Participant who is entitled to a Matching Contribution pursuant to Section 5.1. Matching Contributions shall be allocated as of the last day of the period for which the Participant received Compensation with respect to which the Matching Contribution is made.

6.6 Nonelective Contributions Account. A Participant's Nonelective Contributions Account shall consist of his or her Nonelective Contributions, adjusted to reflect transfers and withdrawals from such Nonelective Contributions Account and earnings, gains, expenses and losses attributable to the Investment Fund(s) in which the contributions are invested. The Nonelective Contribution of a Participating Company, determined under Section 5.2, shall be allocated to the Nonelective Contribution Accounts of each Participant who is an Eligible Employee of the Participating Company on the date as of which the Nonelective Contribution is allocated. The Nonelective Contribution of a Participating Company shall be allocated to each Participant entitled to an allocation of such Nonelective Contribution in the proportion that such Participant's

Compensation while he or she was an Eligible Employee bears to the Compensation while they were Eligible Employees of all Participants entitled to an allocation of the Participating Company's Nonelective Contribution. Allocations of Nonelective Contributions shall be made as of each payroll period.

6.7 Qualified Nonelective Contributions Account. A Participant's Qualified Nonelective Contributions Account shall consist of his or her Qualified Nonelective Contributions, adjusted to reflect transfers and withdrawals from such Qualified Nonelective Contributions Account and earnings, gains, expenses and losses attributable to the Investment Fund(s) in which the contributions are invested.

6.8 Qualified Matching Contributions Account. A Participant's Qualified Matching Contributions Account shall consist of his or her Qualified Matching Contributions, adjusted to reflect transfers and withdrawals from such Qualified Matching Contributions Account and earnings, gains, expenses and losses attributable to the Investment Fund(s) in which the contributions are invested.

6.9 Transfers Among Investment Funds. A Participant may elect to reapportion the values of his or her Accounts among Investment Funds by properly following procedures prescribed by the Company. Prior to July 1, 1996, Participants may not elect to transfer amounts to the Company Stock Fund. On and after July 1, 1996, transfers into the Company Stock Fund shall be limited so that, after any such transfer, no more than 50% of the value of the Participant's aggregate Account is invested in the Company Stock Fund. For purposes of carrying out Investment Fund transfers, the value of the Accounts shall be determined as of the Valuation Date immediately preceding the Participant's transfer election.

6.10 Allocation of Investment Income. As soon as reasonably practicable after each Valuation Date, and within 90 days after the removal or resignation of the Trustee, the Trustee shall value the assets of the Trust Fund on the basis of fair market value as of the Valuation Date (or the day of resignation or removal of the Trustee if it is not a Valuation Date). Where separate Investment Funds have been established pursuant to Section 6.1, the Trustee shall value each such Investment Fund separately.

6.11 Account Statements. As soon as practicable after the last day of each Plan Year (and after such other dates as the Company may determine), there shall be prepared and delivered to each Participant a written statement showing the fair market value of his or her Accounts as of the applicable date and such other information as the Company may determine.

ARTICLE 7. VESTING OF PARTICIPANTS' ACCOUNTS.

7.1 100 Percent Vesting. A Participant's interest in all of his or her Participant Elected Contributions Account, Qualified Matching Contributions Account, Qualified Nonelective Contributions Account and Rollover Contributions Account shall be 100% vested and nonforfeitable at all times.

7.2 Vesting of Matching Contributions Accounts.

(a) If a Participant's employment with a member of the Affiliated Group is terminated after December 31, 1989 and before his or her Normal Retirement Age for any reason other than Disability or death, in addition to the amounts credited to the Accounts identified in Section 7.1, the Participant shall be entitled to an amount equal to the "vested percentage" of his Matching Contributions Account. Such vested percentage shall be determined in accordance with the following schedule.

Years of Service	Vested Percentage
Less than 1	0%
1 but less than 2	25%
2 but less than 3	50%
3 but less than 4	75%
4 or more	100%

(b) In all events, a Participant's Matching Contributions Account shall be fully vested upon termination of his or her employment with the Company on or after attainment of his or her Normal Retirement Age or by reason of Disability or death.

7.3 Vesting of Nonelective Contributions Accounts.

(a) In the case of (i) an individual who becomes an Employee prior to April 1, 1991 or (ii) an individual who is classified by the Company as a temporary employee during the month of March 1991 and who becomes an Employee on April 1, 1991, his Nonelective Contributions Account shall vest in accordance with the provisions of Section 7.2.

(b) In the case of any individual who becomes an Employee on or after April 1, 1991 (other than a temporary employee described in clause (ii) of Section 7.3(a), he or she shall become fully vested in his or her Nonelective Contributions Account upon the earlier of his or her completion of five (5) Years of Service or his or her termination of employment on or after attainment of his or her Normal Retirement Age or by reason of Disability or death. If the employment of such a Participant terminates prior to his or her completion of five (5) Years of Service, attainment of Normal Retirement Age, Disability or death, he or she shall have no vested interest in his or her Nonelective Contributions Account.

7.4 Forfeitures. If a Participant ceases to be an Employee at a time when he or she is not yet fully vested in his or her Nonelective Contributions Account or Matching Contributions Account, the unvested amount of his or her Nonelective Contributions Account and Matching Contributions Account shall constitute a Forfeiture for the Plan Year in which employment terminated. Forfeitures shall be applied to reduce Nonelective Contributions and Matching Contributions for the Plan Year. If the Participant is rehired as an Employee, then the

portion of his or her Nonelective Contributions Account or Matching Contributions Account that constituted a Forfeiture shall be reinstated to the Nonelective Contributions Account or Matching Contributions Account, as applicable, as of the close of the Plan Year in which the rehire occurs, but only if the Participant returns to the service of a Participating Company before incurring a Five Year Break in Service. To the extent that Forfeitures for the Plan Year in which the Participant is rehired are insufficient to reinstate the rehired Participant's Forfeiture, then the appropriate Participating Company shall make a special contribution in the amount required to reinstate the Forfeiture. In the case of a Participant who was not fully vested at the time of his or her termination of employment, receives a distribution out of his or her vested Account balance and subsequently returns to a Participating Company's service before incurring a Five Year Break in Service, a separate account for the Participant's remaining interest in the Plan as of the time of the distribution shall be maintained. At any time, the Participant's vested interest in such account shall be an amount "X" determined in accordance with the following formula:

$$X = P(AB + D) - D$$

For purposes of such formula, "P" is the vested percentage at the relevant time; "AB" is the account balance at the relevant time and "D" is the amount of the prior distribution.

In the event a Participant's service with a Participating Company terminates and no payment of the Participant's nonforfeitable interest is made, the forfeitable amount of the Participant's interest shall be forfeited after the Participant has incurred a Five Year Break in Service, as of a Valuation Date determined in a uniform and consistent manner by the Company. In the event the Participant returns to the service of a Participating Company before incurring a Five Year Break in Service, the Participant's Account shall exist as though no forfeiture had taken place.

7.5 Vesting on Reemployment.

(a) Years of Service completed prior to any Break in Service shall not be counted in determining a Participant's nonforfeitable interest under the Plan if, at the time of the earlier termination of employment, the Participant did not have any nonforfeitable interest under the Plan to an accrued benefit derived from Nonelective Contributions or Matching Contributions and the number of the Participant's consecutive one-year Breaks in Service equals or exceeds the greater of five (5) or the aggregate number of his Years of Service prior to such Break in Service.

(b) In the case of a Participant who incurs a Five Year Break in Service, Years of Service completed by such Participant after the Five Year Break in Service shall not be counted to increase the Participant's nonforfeitable interest in his or her Account as determined prior to the Five Year Break in Service.

7.6 Determination of Account Balance. Whenever a Participant or his or her Beneficiary is entitled to receive the entire amount or a percentage of his or her Account balance, the amount of such balance (including the value of any Company Stock held in his or her Account) shall be the amount in (or value of) such Account as of the Valuation Date immediately preceding the date of distribution.

7.7 Lost Participant or Beneficiary. In the event that a Beneficiary or Participant cannot be located at the time a benefit is payable from the Plan to him or her then, at the close of the 12-consecutive-month period following the date on which the amount became payable, the amount shall be treated as a Forfeiture. Such a Forfeiture shall nevertheless be reinstated, without interest, if the Participant or Beneficiary subsequently is located and makes a valid claim for the benefit.

ARTICLE 8. DISTRIBUTION OF PLAN BENEFIT.

8.1 General Rule. All distributions under the Plan shall be made in accordance with the Treasury Regulations under section 401(a)(9) of the Code, including Treasury Regulation section 1.401(a)(9)-2 or its successor. Such regulations are incorporated in the Plan by reference and shall override any inconsistent provisions of the Plan.

8.2 Events Permitting Distribution. No distribution may be made of any amounts credited to a Participant's Account except:

(a) After the Participant's death, Disability or termination of employment for any other reason;

(b) On or after termination of the Plan, provided that (i) neither the Participating Company nor any Affiliate of the Participating Company maintains a successor defined contribution plan (other than an employee stock ownership plan) and (ii) the Participant's distribution is made in the form of a lump sum;

(c) On or after the disposition, to an entity that is not an Affiliate of the Participating Company, of substantially all of the assets used by the Participating Company in a trade or business, but only with respect to a Participant who continues employment with the entity acquiring such assets, and provided that (i) the Participant's distribution is made in the form of a lump sum and (ii) the Participating Company continues to maintain the Plan following such disposition;

(d) On or after the disposition, to an entity that is not an Affiliate of the Participating Company, of the interest of the Participating Company or an Affiliate of the Participating Company in a subsidiary, but only with respect to a Participant who continues employment with such subsidiary, and provided that (i) the Participant's distribution is made in the form of a lump sum and (ii) the Participating Company continues to maintain the Plan following such disposition; or

(e) As required by applicable law or in connection with a QDRO, as provided in Article 9, or an in-service withdrawal, as provided in Article 11.

8.3 Time of Distribution.

(a) Except as provided in Sections 8.5, 8.8 and 8.10, and unless a Participant elects otherwise, the distribution of a Participant's Plan Benefit under Section 8.6 shall occur or commence not later than sixty (60) days after the close of the Plan Year in which occurs the later of (i) the Participant's attainment of Normal Retirement Age or (ii) the Participant's termination of employment. If distribution of a Participant's Plan Benefit has not yet occurred, on or about nine (9) months before the Participant's Normal Retirement Date, the Company shall furnish the Participant with a written explanation of the terms, conditions and forms of distributions available from the Plan including, where applicable, a general description of the Lifetime Annuity (as defined in Section 8.7), and with a description of the procedures for electing a form of distribution.

(b) A Participant may elect to receive or commence receipt of his or her Plan Benefit at any reasonable time after termination of employment. If the Participant elects, distribution shall in any event commence not later than one (1) year after the end of the Plan Year (i) in which he or she terminates employment after attaining Normal Retirement Age or due to Disability, or (ii) which is the fifth Plan Year following the Plan Year in which he or she otherwise terminates employment (except by reason of his or her death). An election under this Subsection must be made in writing, must be made not more than ninety (90) days before the date the distribution is to occur or commence and must not be made before the Participant receives a written notice describing the material features and explaining the relative values of the optional forms of benefit available under the Plan, in a manner that would satisfy the notice requirements of Section 417(a)(3) of the Code. Not less than thirty (30) days and not more than ninety (90) days before the Participant's distribution is to occur or commence, the Company shall provide the Participant with such a written notice, which also shall inform the Participant of his or her right (if applicable) to defer receipt of his distribution until Normal Retirement Age.

8.4 Amount of Plan Benefit. A Participant's Plan Benefit shall consist of the Participant's entire interest in his or her Accounts, to the extent vested.

8.5 Latest Time of Distribution. In no event shall a Participant's Plan Benefit be distributed later than the April 1 next following the calendar year in which the Participant attained age 70 1/2, whether or not the Participant is then an Employee.

8.6 Forms of Distribution.

(a) A Participant's Plan Benefit shall be distributed in any of the following forms that he or she elects; provided, however, that only a Participant who has an Hour of Service prior to April 1, 1996 may elect a Lifetime Annuity described in Paragraph (5):

(1) A single sum cash distribution.

(2) A single sum distribution in full shares of Company Stock (with the value of any fractional share paid in cash).

(3) A single sum distribution paid in a combination of cash and full shares of Company Stock.

(4) Cash installments paid at least annually over a period certain not exceeding the life expectancy of the Participant or the joint life expectancy of the Participant and his or her designated Beneficiary. All life expectancies shall be determined not later than the date when payments commence and shall not be redetermined thereafter. The amount of each installment payment shall be determined by dividing the remaining years in the period certain by the value of the Participant's Account.

(5) Subject to the provisions of Section 8.7, a nontransferable annuity contract that provides for annuity payments at least annually over the lifetime of the Participant or the joint lifetimes of the Participant and his or her designated Beneficiary, and that may provide for a "period certain" feature (a "Lifetime Annuity")."

(b) If, by the time for the distribution of a Participant's Plan Benefit in accordance with the foregoing provisions of this Article 8, the Participant has not made any election as to the form of the distribution, payment of his or her Plan Benefit shall be made in the form of a single sum cash distribution.

(c) To the extent that a distribution is to be made in a number of shares of Company Stock that exceeds the number of shares in the Participant's Account under the Company Stock fund, amounts in one or more other Investment Funds comprising the Participant's Account shall be applied to purchase the required additional shares of Company Stock at their fair market value at the time of purchase.

8.7 Lifetime Annuities. This Section shall apply to any Participant with an Hour of Service prior to April 1, 1996, who elects a Lifetime Annuity. The Plan Benefit of a Participant who elects to receive a Lifetime Annuity, as provided in Section 8.6(a)(5) above, shall be distributed to the Participant in the applicable form of annuity described in Subsection (a) below, unless, prior to the Annuity Starting Date (as defined in Subsection (d) below) with respect to such Lifetime Annuity distribution, the Participant elects to waive such Lifetime Annuity, in which case he or she may elect any other form of distribution provided under Section 8.6. A married Participant may waive the Qualified Joint and Survivor Annuity once

he or she elects a Lifetime Annuity only as provided in Subsection (b) below. If the Participant dies before his Annuity Starting Date, the provisions of Section 8.9 shall apply.

(a) Lifetime Annuity Forms.

(1) In the case of a Participant who is legally married on the Annuity Starting Date, the normal form of Lifetime Annuity that applies shall be a Qualified Joint and Survivor Annuity.

(2) In the case of a Participant who is not married on the Annuity Starting Date, the normal form of Lifetime Annuity that applies shall be a Single Life Annuity.

(b) Waiver of Lifetime Annuity.

(1) Not more than ninety (90) days before the Annuity Starting Date, a married Participant who elects to receive a Lifetime Annuity may elect to waive the Qualified Joint and Survivor Annuity form of benefit and to receive payment instead in one of the other forms specified in Section 8.6(a)(1)-(4) or as a Single Life Annuity. If the Participant elects the form of benefit in Section 8.6(a)(4), he or she also may designate a Beneficiary other than his or her spouse to receive any benefits payable following his or her death. A Participant may revoke any election previously made under this Subsection and may make a new election hereunder any number of times before the Annuity Starting Date. A Participant's election or revocation under this Subsection shall be in writing.

(2) An election by a Participant who elects to receive a Lifetime Annuity to waive the Qualified Joint and Survivor Annuity shall not be valid unless the Participant has received the notice and explanation described in Subsection (c) below and the spouse of the Participant consents in writing to such election in a manner that satisfies the spousal consent requirements set forth in Section 8.13, provided that the Participant's election also must designate a specific alternative form of benefit (as well as a Beneficiary) that may not be changed without further spousal consent (unless expressly permitted by the spouse's consent or a prior consent). Spousal consent is not required in order for a Participant to reinstate an election to receive a Qualified Joint and Survivor Annuity, but is required for any subsequent revocation of the election.

(c) Notice and Explanation Requirements. Not more than ninety (90) and not less than thirty (30) days before the Annuity Starting Date, the Company shall notify the Participant in writing of his or her right to elect to waive the normal form of Lifetime Annuity. Such written notification shall include:

(1) An explanation of the terms and conditions of the normal form of Lifetime Annuity, including the circumstances under which it will be provided if no election is made to waive such form of benefit;

(2) A statement of the Participant's right to make an election to waive the normal form of Lifetime Annuity and an explanation of the effect of such an election;

(3) A statement of the Participant's right to revoke an election to waive the normal form of Lifetime Annuity and an explanation of the effect of such a revocation;

(4) A statement of the right, if any, of the Participant's spouse to consent to the Participant's election to waive the normal form of Lifetime Annuity and to the Participant's designation of an alternative form of benefit or Beneficiary;

(5) A general explanation of the relative financial impact of an election to waive the normal form of Lifetime Annuity;

(6) A general description of the material features (including eligibility conditions) and an explanation of the relative values of the alternative forms of benefit available under the Plan; and

(7) A statement regarding the availability of the additional information described below in this Subsection (c).

Within thirty (30) days after receipt of a timely written request from the Participant for additional information, the Company shall provide the Participant with a written explanation, in nontechnical language, of the terms and conditions of the alternative forms of benefit available under the Plan and the financial effect (in terms of dollars per monthly payment) upon the Participant's monthly benefit in case of an election to waive the normal form of Lifetime Annuity and receive an alternative form of benefit.

(d) Definition of Annuity Starting Date. For purposes of this Article, the term "Annuity Starting Date" shall mean the first day of the first period for which an amount is paid as an annuity or, in the case of a benefit not payable as an annuity, the first day on which all events have occurred that entitle the Participant (or, if applicable, a Beneficiary) to receive or commence receipt of the benefit.

8.8 Time of Distribution of Death Benefit. If a Participant dies before receiving his or her Plan Benefit, then the Participant's Beneficiary shall be entitled to receive the Plan Benefit pursuant to this Section 8.8. (Section 8.12 provides that the surviving spouse of a married Participant shall be his or her Beneficiary, unless the Participant, with the spouse's consent, has otherwise elected prior to his or her death.) The Participant's Plan Benefit shall be distributed to the Participant's Beneficiary no later than 12 months after the Participant's death. If, however, a married Participant has elected to receive his or her Plan Benefit in the form of a Lifetime Annuity in accordance with Section 8.6(a)(5) and Section 8.7 (and has not subsequently waived such Lifetime Annuity) and then dies before the Annuity Starting Date (as defined in Section 8.7(d)) with his or her spouse surviving him or her, and if the value of the Participant's entire vested Plan Benefit exceeds $3,500, the

distribution shall not occur or commence until the Participant would have attained (if not dead) the later of Normal Retirement Age, unless an earlier distribution is elected by the surviving spouse. In this event, the Participant's surviving spouse may elect to receive or commence receipt of the Participant's death benefit at any reasonable time after the Participant's death. Such an election must be made in writing not more than ninety (90) days before the date the distribution is to occur or commence. For this purpose, if the Participant's vested Plan Benefit at the time of any distribution or withdrawal exceeded $3,500, the value of his or her vested Plan Benefit at all times thereafter will be deemed to exceed $3,500.

8.9 Distribution of Death Benefit.

(a) Notwithstanding any Beneficiary designation that may be to the contrary, if a Participant who has elected to receive a Lifetime Annuity (and who has not subsequently waived such Lifetime Annuity in accordance with Section 8.7(b)) dies before the Annuity Starting Date with respect to such Lifetime Annuity, and if he or she is married at the time of his or her death, the vested balance in his or her Account shall be applied toward the purchase of a Single Life Annuity for the Participant's surviving spouse.

(b) Except as provided in Subsection (a) above, if a Participant dies before the Annuity Starting Date (i.e., with respect to any form of distribution specified in Section 8.6(a)(1)-(4), the vested balance in his or her Account shall be distributed to his or her Beneficiary in such form as such Beneficiary may elect from among the alternatives specified in Section 8.6(a)(1)-(3). In the absence of an election by the Beneficiary, payment shall be made in the form designated by the Participant, or, if none, in a single sum cash distribution.

(c) If a Participant dies after the Annuity Starting Date with respect to the form of distribution in effect under Section 8.6, the remaining amounts that had not yet been distributed under such form of distribution, if any, shall be paid to the Participant's Beneficiary in accordance with the applicable terms of such distribution method. In the case of a distribution in the form of an annuity contract (including a Lifetime Annuity) under Section 8.6(a)(4) or (5), the amount and timing of death or survivor benefit payments, if any, shall be as determined under such annuity contract.

8.10 Small Benefits: Lump Sum. Any other provision of this Article 8 notwithstanding, if the value of a Participant's entire Plan Benefit equals $3,500 or less (including a Plan Benefit of $0) before the first payment of the Plan Benefit is made, then the Plan Benefit shall be paid (or deemed paid if the Plan Benefit is $0) as soon as reasonably practicable after the Participant's termination of employment to the Participant (or to his or her Beneficiary in the case of the Participant's death) in a single lump sum in cash.

8.11 Direct Rollovers. A "Distributee" who is a Participant, an Alternate Payee under a QDRO or a Beneficiary who is a deceased

Participant's surviving spouse may elect to have a distribution of a Plan Benefit paid directly to the Eligible Retirement Plan (defined in Subsection (a) below) specified by the Distributee in a Direct Rollover, except to the extent that the distribution is not an Eligible Rollover Distribution (defined below in Subsection (b)).

(a) Definition of Eligible Retirement Plan. An Eligible Retirement Plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to a Beneficiary who is the Participant's surviving spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.

(b) Definition of Eligible Rollover Distribution. An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of 10 years or more; (2) any distribution to the extent the distribution is required under section 401(a)(9) of the Code; and (3) the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

8.12 Beneficiary. Subject to Section 8.13, a Participant's Beneficiary shall be the person(s) so designated by the Participant. If the Participant has not made an effective designation of a Beneficiary, or if the named Beneficiary is not living when a distribution is to be made, then (a) the then-living spouse of the deceased Participant shall be the Beneficiary or (b) if none, the then-living children of the deceased Participant shall be the Beneficiaries in equal shares or (c) if none, the then-living parents of the deceased Participant shall be the Beneficiaries in equal shares, or (d) if none, the then-living brothers and/or sisters of the deceased Participant shall be the Beneficiaries in equal shares, or (e) if none, the estate of the Participant shall be the Beneficiary. The Participant may change his or her designation of a Beneficiary from time to time. Any designation of a Beneficiary (or an amendment or revocation thereof) shall be effective only if it is made according to the procedures prescribed by the Company and is received by the Participating Company prior to the Participant's death.

8.13 Spousal Consent Needed to Name a Nonspouse Beneficiary. Any other provision of the Plan notwithstanding, in the case of a married Participant, any designation of a person other than his or her spouse

as Beneficiary shall be effective only if the spouse consents in writing to the designation. The spouse's consent shall be witnessed by a notary public or, if permitted by the Company, by a representative of the Plan. A consent to a designation of a particular Beneficiary, once given by the spouse, shall not be revocable by that spouse. The designation of a particular Beneficiary may not be changed without further spousal consent (unless the consent or a prior consent expressly permits designations by the Participant without any requirement of further consent by the spouse). However, a designation of Beneficiary made by a Participant and consented to by the spouse may be revoked by the Participant in writing without the consent of the spouse at any time prior to the Annuity Starting Date. Any new election must comply with the requirements of this section. The spouse's consent shall not be required if the Participant establishes to the Company's satisfaction that the spouse's consent cannot be obtained because the spouse cannot be located or because of other reasons deemed acceptable under applicable regulations. The Company may require such evidence of the right of any person to receive payment under this Section as the Company may deem advisable. The Company's determination of the right under this Section of any person to receive payment shall be conclusive.

8.14 Determination of Marital Status. Whether a Participant is married shall be determined by the Company as of the date when distribution is to be made.

8.15 Incapacity. If, in the Company's opinion, a Participant or Beneficiary for any reason is incompetent or becomes unable to handle properly any property distributable to him or her under the Plan, then the Company may make any arrangements that it determines to be beneficial to the Participant or Beneficiary for the distribution of such property on his or her behalf, including (without limitation) the distribution of such property to the guardian, conservator, spouse or dependent(s) of the Participant or Beneficiary.

ARTICLE 9. DISTRIBUTION TO AN ALTERNATE PAYEE UNDER A QDRO; FREEZING PARTICIPANT ACCOUNTS

9.1 Immediate Distribution.

(a) Any distribution to an Alternate Payee of all or some portion of a Participant's Participant Elected Contributions Account, Qualified Nonelective Contributions Account, Qualified Matching Contributions Account and Rollover Account pursuant to a domestic relations order, including any interest in a Participant's Accounts awarded to an Alternate Payee by a domestic relations order, may be made as soon as reasonably practicable after the order is determined to be a QDRO, if:

(1) The QDRO specifies such time of distribution; or

(2) The Alternate Payee has consented in writing to such time of distribution.

The foregoing notwithstanding, any distribution of all or some portion of Participant's Participant Elected Contributions

Account, Qualified Nonelective Contributions Account, Qualified Matching Contributions Account and Rollover Account (as applicable) shall be made as soon as practicable after the order is determined to be a QDRO in the event that a distribution of Participant's Matching Contributions Account and Nonelective Contributions Account (as applicable) is otherwise required to be distributed to the Alternate Payee under Section 9.1(b). If such a distribution is not required to be made under Section 9.1(b), then a separate Participant Elected Contributions Account, Qualified Nonelective Contributions Account, Qualified Matching Contributions Account and Rollover Account (as applicable) will be established for the Alternate Payee pursuant to Section 9.2 and distributed to Alternate Payee as required under Section 9.5.

(b) Any distribution to an Alternate Payee of all or some portion of a Participant's Matching Contributions Account and Nonelective Contributions Account pursuant to a domestic relations order, including any interest in a Participant's Account awarded to an Alternate Payee by a domestic relations order shall be made in the cases described below, as soon as practicable after such order is determined to be a QDRO:

(1) Participant is 100% vested in Participant's Matching Contributions Account and Nonelective Contributions Account;

(2) Alternate Payee consents in writing to such time of distribution and the amount or percentage assigned or distributable to Alternate Payee by the QDRO can be paid in full notwithstanding the fact that Participant is not then 100% vested in Participant's Matching Contributions Account and Nonelective Contributions Account (as applicable); or

(3) The QDRO provides for such distribution and the amount or percentage assigned or distributable to Alternate Payee can be paid in full notwithstanding the fact that Participant is not then 100% vested in Participant's Matching Contributions Account and Nonelective Contributions Account.

9.2 Alternate Payee Accounts. In all cases where Section 9.1 above is not applicable, separate "Alternate Payee Accounts" shall be established for the Alternate Payee at such time as the Company shall determine. The portion of each of the Participant's Accounts that was assigned or made payable to the Alternate Payee by the QDRO shall be transferred to such Alternate Payee Accounts. Unless the QDRO otherwise provides, the transfers to the Alternate Payee Accounts shall be made pro rata from the Participant's Accounts. Alternate Payees may change the investment of their Alternate Payee Accounts pursuant to Section 6.9. Alternate Payees may not take loans or make withdrawals from their Alternate Payee Accounts under Articles 10 and 11. Alternate Payees may not make any contributions to their Alternate Payee Accounts.

9.3 Freezing Participant Accounts. If the Plan Administrator receives a notice of adverse claim (other than a domestic relations order) against a Participant's Accounts by a potential Alternate

Payee, then the Plan Administrator shall "freeze" all or a portion of the Participant's Accounts for a period of up to 90 days from the date the Participant requests a loan, withdrawal or distribution, to permit the potential Alternate Payee or the Participant (or both) to obtain a domestic relations order. If the Plan Administrator receives a domestic relations order, the Plan Administrator shall freeze all or a portion of the Participant's Accounts for a period of up to 18 months from the date the Participant requests a loan, withdrawal or distribution, to permit the Alternate Payee or the Participant (or both) to obtain a QDRO. To the extent that an Account is frozen, no loans, withdrawals or distributions are permitted.

9.4 Death of Alternate Payee. In all cases, if Alternate Payee dies prior to the time that Alternate Payee has received all or any portion of the benefits assigned Alternate Payee by a QDRO, the benefits shall be paid to the Beneficiary(ies) designated by Alternate Payee on forms provided by the Plan Administrator for this purpose. If Alternate Payee has not made an effective designation of Beneficiary or if the designated Beneficiary is not living when a distribution is to be made, the entire balance in his or her Alternate Payee Accounts shall be distributed to his or her estate (unless the QDRO otherwise provides).

9.5 Distributions From Alternate Payee Accounts. Distributions to Alternate Payees from their Alternate Payee Accounts shall be made as soon as reasonably practicable after the earliest of:

(a) The date on which the Alternate Payee is 100% vested in his or her Accounts;

(b) The date the Participant terminates employment for any reason; or

(c) The date when the Participant's remaining Plan benefit is distributed pursuant to Article 8.

ARTICLE 10.LOANS.

10.1 Amount of Loan. A Participant may obtain a cash loan from his or her Accounts if he or she is an Employee who is not on a leave of absence at the time of the loan and his or her Plan participation is not suspended pursuant to Section 3.4. The minimum amount of any such loan shall be $1,000 at the time the loan is elected. No loan shall be granted under the Plan if such loan, when aggregated with the Participant's outstanding loans under any other qualified plans maintained by any member of the Affiliated Group, would exceed the lesser of:

(a) $50,000, less the amount by which such aggregate balance has been reduced through repayments during the period of 12 months ending on the day before the new loan is made; or

(b) One-half of the Participant's vested interest in his or her Accounts.

10.2 Terms of Loans.

A loan to a Participant shall be made on such terms and conditions as the Company may determine, provided that the loan shall:

(a) Be evidenced by a promissory note signed by the Participant and secured by one-half of the value of his or her Accounts, to the extent vested (regardless of the amount of the loan or the source of the loan funds);

(b) Bear interest at a fixed rate commensurate with the interest rates charged by major financial institutions for similar loans;

(c) Provide for level amortization over its term with payments at monthly or more frequent intervals, as determined by the Company;

(d) Provide for loan payments (1) to be withheld whenever possible through periodic payroll deductions from the Participant's compensation from any member of the Affiliated Group or (2) to be paid by check or money order whenever payroll withholding is not possible;

(e) Provide for repayment in full on or before the earlier of (1) the date when the Participant severs from all employment with any member of the Affiliated Group or (2) the date (A) five years after the loan is made or (B) 20 years after the loan is made if the loan is used to acquire a dwelling unit which within a reasonable time is to be used as the Participant's principal residence;

(f) Provide that a Participant may not receive any distribution from any of his or her Accounts under Article 8 or 11 until the loan obligation is repaid, except to the extent that all or any part of such distribution is used to repay the outstanding balance of the loan; and

(g) Provide that a Participant's Accounts may not be applied to the satisfaction of the Participant's loan obligations before the Accounts become distributable under Article 8, unless the Company determines that the loan obligations are in default because a periodic payment is more than 60 days past due and takes such actions as the Company deems necessary or appropriate to cause the Plan to realize on its security for the loan. Such actions may include (without limitation) an involuntary withdrawal from the Participant's Accounts, whether or not the withdrawal would be permitted under Article 11 on a voluntary basis; provided that an involuntary withdrawal attributable to Company Contributions made with respect to Plan Years that ended less than 24 months prior to the date of the withdrawal (adjusted to reflect any earnings, appreciation or losses attributable to Company Contributions) or attributable to Participant Elected Contributions shall be permitted only to the extent that the hardship requirements of Code section 401(k)(2)(B)(i)(IV) and of sections 1.401(k)-1(d)(2)(ii) and

1.401(k)-1(d)(2)(iii)(A) of the Treasury Regulations are met. The Company may take such other action as it deems necessary to recover the balance of a loan secured by the Participant's Accounts. If an involuntary withdrawal occurs (or would have occurred if permitted under this Section, the Participant shall not be permitted to obtain a loan under the Plan thereafter.

10.3 Company Consent

The Company, in its sole discretion, may withhold its consent to any loan under this Article or may consent only to the borrowing of a part of the amount requested by the Participant. The Company shall act upon requests for loans in a uniform and nondiscriminatory manner, consistent with the requirements of section 401(a), section 401(k) and related provisions of the Code.

10.4 Source of Loans

If a Participant requests and is granted a loan, a Loan Account shall be established for the Participant. The Loan Account shall be held by the Trustee as part of the Loan Fund. The amount of the loan shall be transferred to the Participant's Loan Account from the Participant's other Accounts and shall be disbursed from the Loan Account. The promissory note executed by the Participant shall be held by the Trustee (or by the Company as agent of the Trustee) and the promissory note shall be treated as an investment of the Participant's Loan Account.

10.5 Disbursement of Loans

A Participant may request a loan by completing the loan request procedures prescribed by the Company. A loan shall be disbursed as soon as reasonably practicable after the date on which the Company (or its agent) receives the loan request (subject to the Company's consent).

10.6 Loan Fees

A Participant who obtains a loan under this Article shall be required to pay such fees as the Company may impose in order to defray the cost of administering loans from the Plan.

10.7 Valuation Date

For purposes of this Article, the value of a Participant's Accounts shall be determined as of a Valuation Date within a reasonable period, not generally to exceed 30 days, on or after the date on which the Company (or its agent) receives the prescribed loan request.

10.8 Loan Payments and Defaults. Principal and interest payments on a Participant's loan shall be credited initially to the Participant's Loan Account and shall be transferred as soon as reasonably practicable thereafter to the Participant's other Accounts in the ratio specified by the Participant under Section 6.2 for the investment of future contributions. Any loss caused by nonpayment or

other default on a Participant's loan obligations shall be borne solely by that Participant's Accounts. If a Participant defaults on a Plan loan, both his or her participation and ability to obtain a Plan loan shall be suspended for 12 months. The consequences of suspension from participation in the Plan are described in Section 3.4.

ARTICLE 11.WITHDRAWALS WHILE EMPLOYED

11.1 Age 59 1/2 and Disability Withdrawals; Withdrawals from Rollover Account.

(a) A Participant who is an Employee may withdraw up to the full amount of his or her Rollover Account.

(b) A Participant who is an Employee and who has attained age 59 1/2 may withdraw up to the full amount of his or her vested Accounts.

(c) A Participant who is an Employee and who is Disabled may withdraw up the full amount of his or her vested Accounts.

11.2 Hardship Withdrawals. A Participant who is an Employee may take a Hardship Withdrawal of all or any portion of his or her previously unwithdrawn Employee Contributions and earnings thereon accrued prior to January 1, 1988. A Hardship Withdrawal may be made only if the Company determines that it is required on account of one or more of the following Hardships:

(a) The construction or purchase (excluding mortgage payments) of a principal residence of the Participant;

(b) The payment of tuition and related educational fees for up to 12 months of post-secondary education for the Participant or his or her spouse, children or dependents;

(c) The payment of medical expenses described in section 213(d) of the Code incurred by the Participant or the Participant's spouse or dependents, or to obtain medical care giving rise to such expenses;

(d) The payment of expenses incurred by the Participant for the funeral of a family member;

(e) The prevention of the eviction of the Participant from his or her principal residence or foreclosure on a mortgage on the Participant's principal residence; or

(f) A financial need that has been identified as a deemed immediate and heavy financial need in a ruling, notice or other document of general applicability issued under the authority of the Commissioner of Internal Revenue.

For purposes of this Section, the term "dependent" shall be defined as set forth in Section 152 of the Code.

11.3 Amount of a Hardship Withdrawal. The maximum amount of a Hardship Withdrawal is the amount necessary to satisfy the immediate and heavy financial need caused by the Hardship, including amounts necessary to pay taxes or penalties that the Company determines may be reasonably anticipated to result from the Hardship Withdrawal. The determination of the amount of a permitted Hardship Withdrawal is made by the Company only after the Participant has obtained all withdrawals and distributions, other than hardship withdrawals, and all nontaxable loans under all plans maintained by the Affiliated Group.

11.4 Consequences of a Hardship Withdrawal. The following consequences shall follow a Participant's Hardship Withdrawal:

(a) Plan participation and all employee before-tax and after-tax employee contributions to the Plan and other qualified and nonqualified deferred compensation plans sponsored by members of the Affiliated Group shall be suspended for a period of 12 months. The consequences of suspension from the Plan are described in Section 3.4.

(b) For the calendar year following the Hardship Withdrawal, the maximum amount of Participant Elected Contributions and all other before-tax employee contributions to qualified retirement plans sponsored by members of the Affiliated Group shall be limited to the applicable limit under section 402(g) of the Code for that calendar year ($9,500 for 1996), minus the amount of the Participant's Participant Elected Contributions and all other before-tax employee contributions to qualified retirement plans sponsored by members of the Affiliated Group for the calendar year of the Hardship Withdrawal.

11.5 Valuation Date. For purposes of this Article, the value of a Participant's Accounts shall be determined as of the Valuation Date preceding the date on which the withdrawal is to be paid.

11.6 Source of Withdrawals. Withdrawals shall be paid from the affected Accounts. If more than one Account is available to pay the withdrawal because the Participant elected to invest in more than one Investment Fund, the withdrawal shall be made from the subaccount(s) designated by the Participant, subject to such ordering restrictions as the Company may adopt.

11.7 Payment of Withdrawals. A Participant may request a withdrawal by following the procedures prescribed by the Company. A withdrawal shall be paid as soon as reasonably practicable after the date on which the Company receives the prescribed withdrawal request. Withdrawals shall be paid only in cash.

11.8 Limitations on Withdrawals. A Participant shall not be permitted to make more than one withdrawal under this Article in any period of six consecutive months; provided, however, that withdrawals made at the same time shall be considered a single withdrawal.

ARTICLE 12.HIGHLY COMPENSATED EMPLOYEE DEFINITION.

12.1 Determining the Highly Compensated Employee Group. As a general rule, an individual is deemed to be a Highly Compensated Employee for any Plan Year if the individual is an active Employee who, during the look-back year:

(a) Received Total Compensation of more than $75,000 (or such larger amount as may be adopted by the Commissioner of Internal Revenue to reflect a cost-of-living adjustment);

(b) Received Total Compensation of more than $50,000 (or such larger amount as may be adopted by the Commissioner of Internal Revenue to reflect a cost-of-living adjustment) and was a member of the Top-Paid Group; or

(c) Was an officer of a member of the Affiliated Group and received Total Compensation of more than 50 percent of the dollar limitation in effect under section 415(b)(1)(A) of the Code.

The term "Highly Compensated Employee" also includes: (1) Employees who are both described in the preceding sentence if the term "determination year" is substituted for the term "look-back year" and the Employee is one of the 100 Employees who received the most Total Compensation from members of the Affiliated Group during the determination year; and (2) Employees who are five-percent owners at any time during the look-back year or determination year. If no officer has satisfied the Total Compensation requirement of (c) above during either a determination year or look-back year, the highest paid officer for such year shall be treated as a Highly Compensated Employee.

If an Employee is, during a determination year or look-back year, a Family Member of either a five-percent owner who is an active or former Employee or a Highly Compensated Employee who is one of the 10 most Highly Compensated Employees ranked on the basis of Total Compensation paid during such year, then the Family Member and the five-percent owner or top-ten Highly Compensated Employee shall be aggregated. In such case, the Family Member and the five-percent owner or top-ten Highly Compensated Employee shall be treated as a single Employee receiving compensation and Plan contributions and benefits of the Family Member and five-percent owner or top-ten Highly Compensated Employee.

For purposes of this Section, the determination year shall be the Plan Year. The look-back year shall be the 12-month period immediately preceding the determination year.

The determination of who is a Highly Compensated Employee, including the determinations of the number and identity of Employees in the Top-Paid Group, the top 100 Employees, the number of Employees treated as officers and the Total Compensation that is considered, will be made in accordance with section 414(q) of the Code and regulations thereunder.

12.2 Special Elections for Determining the Highly Compensated Employee Group. The Company may elect to modify the method described

in Section 12.1 for determining the Highly Compensated Employee group by making any one or more of the following elections; provided, however, that any election under Subsection (a) or (b) is uniform and consistent with respect to all situations in which the group of Highly Compensated Employees must be determined for the Affiliated Group.

(a) The Company may make the calendar-year calculation election in accordance with Treasury Regulation section 1.414(q)-1T, A-14(b), in which case the look-back year shall be the calendar year ending within the Plan Year and the determination year shall be the portion of the Plan Year extending beyond the look-back year.

(b) The Company may elect to apply the $50,000 limit described in Subsection (b) of Section 12.1 without regard to whether an Employee is in the Top-Paid Group and, in that case, may disregard the $75,000 limit described in Subsection (a) of Section 12.1.

(c) The Company may elect to apply the "simplified method" described in Section 12.3 for identifying Highly Compensated Employees.

12.3 Determining the Highly Compensated Employee Group Using the Simplified Method. Under the simplified method, as described in IRS Notice 93-42 or its successor, an individual is deemed to be a Highly Compensated Employee for any Plan Year if he or she would be a Highly Compensated Employee under Section 12.1 applied on the basis of the determination year only. In addition, the Company may choose to apply the simplified method on the basis of its workforce as of a "snapshot" day that is reasonably representative of the workforce throughout the Plan Year. If the snapshot method is used and the snapshot day precedes the last day of the determination year, Total Compensation shall be projected to the end of the determination year by annualizing the Total Compensation as of the snapshot day. Individuals who are Employees during the determination year but who are not employed on the snapshot day, and who must be categorized as Highly Compensated Employees or Nonhighly Compensated Employees for purposes of applying nondiscrimination tests (such as those set forth in Articles 13-15) shall be deemed Nonhighly Compensated Employees; except that the Company shall deem a Highly Compensated Employee any such Employee who:

(a) Ceased to be an Employee prior to the snapshot day and who was deemed a Highly Compensated Employee for the year prior to the determination year;

(b) Ceased to be an Employee prior to the snapshot day and who (1) was then a five-percent owner; (2) had Total Compensation for the determination year greater than or equal to the Total Compensation (projected, if applicable) of any Employee treated as a Highly Compensated Employee on the snapshot day on the basis of the $75,000 or $50,000 limit described in Subsection (a) or (b) of Section 12.1; or (3) was an officer of an Affiliate and had Total Compensation greater

than or equal to the Total Compensation (projected, if applicable) of any other officer of an Affiliate treated as a Highly Compensated Employee on the snapshot day solely on account of his or her officer status; or

(c) Becomes an Employee after the snapshot day and who (1) was then a five-percent owner; (2) had Total Compensation for the determination year greater than or equal to the Total Compensation (projected, if applicable) of any Employee treated as a Highly Compensated Employee on the snapshot day on the basis of the $75,000 or $50,000 limit described in Subsection (a) or (b) of Section 12.1; or (3) was an officer of an Affiliate and had Total Compensation greater than or equal to the Total Compensation (projected, if applicable) of any other officer of an Affiliate treated as a Highly Compensated Employee on the snapshot day solely on account of his or her officer status.

12.4 "Highly Compensated Former Employee" means a former Employee who separated from service (or is deemed to have separated) prior to the determination year, performs no service for any member of the Affiliated Group during the determination year, and was a Highly Compensated Employee as an active Employee for either the separation year or any determination year ending on or after the Employee's 55th birthday. The determination of who is a Highly Compensated Former Employee will be made in accordance with section 414(q) of the Code and regulations thereunder.

12.5 "Nonhighly Compensated Employee" for any Plan Year means any active Employee who is not a Highly Compensated Employee.

12.6 Special Definitions Used in Article 12. The following definitions shall apply for purposes of this Article 12:

(a) "Family Member" means an individual's spouse, lineal ascendants and descendants, and the spouses of such lineal ascendants and descendants.

(b) "Top-Paid Group" for any Plan Year means the top 20 percent (in terms of Total Compensation) of all Employees of the Affiliated Group, excluding Employees covered by a collective bargaining agreement, where the number that is 20 percent of all Employees of the Affiliated Group is determined by excluding:

(1) Any Employee covered by a collective bargaining agreement;

(2) Any Employee who is a nonresident alien with respect to the United States who receives no income with a source within the United States from a member of the Affiliated Group;

(3) Any Employee who has not completed six months of service at the end of the Plan Year;

(4) Any Employee who normally works less than 17 1/2 hours per week;

(5) Any Employee who normally works no more than six months during any year; and

(6) Any Employee who has not attained the age of 21 at the end of the Plan Year."

The Company may elect, in a consistent and uniform manner, to apply one or more of the age- and service-based exclusions above by substituting a younger age or shorter period of service, or by not excluding individuals on the basis of age or service.

(c) "Total Compensation" means "Compensation," as defined in Section 2.16, but determined by including amounts deferred but not refunded under section 403(b) of the Code, under a cafeteria plan, as such term is defined in section 125(c) of the Code, under a simplified employee pension, as such term is defined in section 408(k) of the Code and under a plan, including this Plan, qualified under section 401(k) of the Code.

ARTICLE 13. CONTRIBUTION LIMITATIONS: ANNUAL DEFERRAL LIMITATIONS AND AVERAGE DEFERRAL PERCENTAGE LIMITATIONS.

13.1 Return of Excess Deferrals. The aggregate Participant Elected Contributions of any Participant for any calendar year, together with his or her elective deferrals under any other plan or arrangement to which section 402(g) of the Code applies and that is maintained by a member of the Affiliated Group, shall not exceed the Annual Deferral Limit. In the event that the aggregate Participant Elected Contributions of any Participant for any calendar year, together with any other elective deferrals (within the meaning of section 402(g)(3) of the Code) under all plans, contracts or arrangements of the Affiliated Group and any other employers, exceed the Annual Deferral Limit, then the Participant may designate all or a portion of such Excess Deferrals as attributable to this Plan and may request a refund of such portion by notifying the Company in writing on or before the March 1 next following the close of such calendar year. If timely notice is received by the Company, then such portion of the Excess Deferrals, and any income or loss allocable

to such portion, shall be refunded to the Participant not later than the April 15 next following the close of such calendar year.

If the Participant fails properly to request a distribution of all such Excess Deferrals, and such Excess Deferrals are attributable solely to plans, contracts or arrangements of the Affiliated Group, then the Company shall be deemed to have notice of such Excess Deferrals and shall designate one or more plans maintained by a member of the Affiliated Group from which the refund of Excess Deferrals and allocable income or loss shall be made no later than April 15 next following the close of such calendar year.

Any Participant Elected Contributions distributed pursuant to this Section 13.1 shall not be included in the Participant Elected Contributions that attract a Matching Contribution under Section 5.1 or a Qualified Matching Contribution under Section 5.4 of the Plan.

13.2 Average Deferral Percentage Limitation. The Plan shall satisfy the average deferral percentage test, as provided in section 401(k)(3) of the Code and section 1.401(k)-1 of the regulations issued thereunder. Subject to the special rules described in Section 13.7, the Aggregate 401(k) Contributions of Highly Compensated Employees shall not exceed the limits described below:

(a) An Actual Deferral Percentage shall be determined for each individual who, at any time during the Plan Year, is a Participant (including a suspended Participant) or is eligible to participate in the Plan, which Actual Deferral Percentage shall be the ratio, computed to the nearest one-hundredth of one percent, of the individual's Aggregate 401(k) Contributions for the Plan Year to the individual's Section 414(s) Compensation for the Plan Year;

(b) The Actual Deferral Percentages (including zero percentages) of Highly Compensated Employees and Nonhighly Compensated Employees shall be separately averaged to determine each group's Average Deferral Percentage; and

(c) The Aggregate 401(k) Contributions of Highly Compensated Employees shall constitute Excess Contributions and shall be reduced, pursuant to Sections 13.3 and 13.4, to the extent that the Average Deferral Percentage of Highly Compensated Employees exceeds the greater of (1) 125 percent of

the Average Deferral Percentage of Nonhighly Compensated Employees or (2) the lesser of (A) 200 percent of the Average Deferral Percentage of Nonhighly Compensated Employees or (B) the Average Deferral Percentage of Nonhighly Compensated Employees plus two percentage points.

13.3 Allocation of Excess Contributions to Highly Compensated Employees. Any Excess Contributions for a Plan Year shall be allocated to Highly Compensated Employees by use of a leveling process, whereby the Actual Deferral Percentage of the Highly Compensated Employee with the highest Actual Deferral Percentage is reduced to the extent required to (a) eliminate all Excess Contributions or (b) cause such Highly Compensated Employee's Actual Deferral Percentage to equal the Actual Deferral Percentage of the Highly Compensated Employee with the next-highest Actual Deferral Percentage. The leveling process shall be repeated until all Excess Contributions for the Plan Year are allocated to Highly Compensated Employees.

13.4 Distribution of Excess Contributions. Excess Contributions allocated to Highly Compensated Employees for the Plan Year pursuant to Section 13.3, together with any income or loss allocable to such Excess Contributions, shall be distributed to such Highly Compensated Employees not later than two-and-one-half months following the close

of such Plan Year, if possible, and in any event no later than 12 months following the close of such Plan Year. Any Participant Elected Contributions distributed pursuant to this Section 13.4 shall not be included in the Participant Elected Contributions that attract a Matching Contribution under Section 5.1 or a Qualified Matching Contribution under Section 5.4 of the Plan.

13.5 Qualified Matching Contributions. The Company, in its sole discretion, may include all or a portion of the Qualified Matching Contributions for a Plan Year in Aggregate 401(k) Contributions taken into account in applying the Average Deferral Percentage limitation described in Section 13.2 for the Plan Year; provided that such Qualified Matching Contributions for the Plan Year are fully and immediately vested, may not be withdrawn while the Participant is an Employee or may be withdrawn only in circumstances that would permit a Hardship Withdrawal, and the additional requirements of Treasury Regulation section 1.401(k)-1(b)(5) are satisfied.

13.6 Corrective Qualified Nonelective Contributions. In order to satisfy (or partially satisfy) the Average Deferral Percentage limitation described in Section 13.2, the Average Contribution Percentage limitation described in Section 14.1 or the multiple-use limitation described in Section 15.1 (or more than one of such limitations), the Company, in its sole discretion, may cause one or more Participating Companies to make a Qualified Nonelective Contribution to the Plan. Any such Qualified Nonelective Contribution shall be allocated to the Accounts of those Participants who are eligible to receive an allocation of Matching Contributions under Section 5.1 of the Plan or Nonelective Contributions under Section 5.2, as the Company designates, and who are Nonhighly Compensated Employees for the Plan Year with respect to which the Qualified Nonelective Contribution is made, beginning with the Participant with the lowest Section 414(s) Compensation for the Plan Year and allocating the maximum amount permissible under Article 16 before allocating any portion of the Qualified Nonelective Contribution to the Participant with the next lowest Section 414(s) Compensation. These allocations shall continue until the Plan satisfies the Average Deferral Percentage limitation described in Section 13.2, the Average Contribution Percentage limitation described in Section 14.1 or the multiple-use limitation described in Section 15.1 (or more than one of such limitations), or until the amount of the Qualified Nonelective Contribution is exhausted.

The Company, in its sole discretion, may include all or a portion of the Qualified Nonelective Contributions for a Plan Year in Aggregate 401(k) Contributions taken into account in applying the Average Deferral Percentage limitation described in Section 13.2 for such Plan Year, provided that the requirements of Treasury Regulation section 1.401(k)-1(b)(5) are satisfied.

Qualified Nonelective Contributions shall be paid to the Trustee as soon as reasonably practicable following the close of the Plan Year, shall be allocated to the Accounts of Nonhighly Compensated Employees as of the last day of the Plan Year and shall be fully and immediately vested. In all other respects, the contribution, allocation, investment and distribution of Qualified Nonelective

Contributions shall be governed by the provisions of the Plan concerning Matching Contributions.

13.7 Special Rules. The following special rules shall apply for purposes of this Article 13:

(a) The amount of Excess Deferrals to be distributed to a Participant for a calendar year pursuant to Section 13.1 shall be reduced by the amount of any Excess Contributions previously distributed to such Participant for the Plan Year beginning within such calendar year;

(b) The amount of Excess Contributions to be distributed to a Participant for a Plan Year pursuant to Section 13.4 shall be reduced by the amount of any Excess Deferrals previously distributed to such Participant for the calendar year ending within such Plan Year;

(c) For purposes of applying the limitation described in Section 13.2, the Actual Deferral Percentage of any Highly Compensated Employee who is eligible to make Participant Elected Contributions and to make elective deferrals (within the meaning of section 402(g)(3) of the Code) under any other plans, contracts or arrangements of the Affiliated Group shall be determined as if all such Participant Elected Contributions and elective deferrals were made under a single arrangement; provided, however, that plans, contracts and arrangements shall not be treated as a single arrangement to the extent that Treasury Regulation section 1.401(k)-1(b)(3)(ii)(B) prohibits aggregation;

(d) In the event that this Plan is aggregated with one or more other plans in order to satisfy the requirements of Code section 401(a)(4), 401(k) or 410(b), then all such aggregated plans, including the Plan, shall be treated as a single plan for all purposes under all such Code sections (except for purposes of the average benefit percentage provisions of Code section 410(b)(2)(A)(ii));

(e) In the event that the mandatory disaggregation rules of Treasury Regulation section 1.401(k)-1(b)(3)(ii)(B) apply to the Plan, or to the Plan and other plans with which it is aggregated as described in Subsection (d) above,
then the limitation described in Section 13.2 shall be applied as if each mandatorily disaggregated portion of the Plan (or aggregated plans) were a single arrangement;

(f) The Actual Deferral Percentage of any of the 10 most highly compensated Highly Compensated Employees or any five-percent owner shall be determined by combining the Aggregate 401(k) Contributions and Section 414(s) Compensation of the top-10 Highly Compensated Employee or five-percent owner with the Aggregate 401(k) Contributions and Section 414(s) Compensation of any Employees who are Family Members of the top-10 Highly Compensated Employee or five-percent owner;

(g) Any Excess Contributions of any of the 10 most highly compensated Highly Compensated Employees or five-percent owner affected by the family-aggregation rules described in Subsection (f) of this Section 13.7 shall be allocated among the individuals in each family aggregation group in proportion to the Aggregate 401(k) Contributions of each such individual; and

(h) Income (and loss) allocable to Excess Contributions for the Plan Year shall be determined pursuant to the provisions for allocating income (and loss) to a Participant's Accounts under Section 6.10 of the Plan.

13.8 Prospective Limitations on Participant Elected Contributions. At any time, the Company (at its sole discretion) may reduce the maximum rate at which any Participant may make Participant Elected Contributions to the Plan, or the Company may require that any Participant discontinue all Participant Elected Contributions, in order to ensure that the limitations described in this Article 13 are met. Any reduction or discontinuance of Participant Elected Contributions may be applied selectively to individual Participants or to particular classes of Participants, as the Company may determine. Upon such date as the Company may determine, this Section shall automatically cease to apply until the Company again determines that a reduction or discontinuance of Participant Elected Contributions is required for any Participant.

13.9 Special Definitions Used in Article 13. The following definitions shall apply for purposes of this Article 13, and some may also apply for one or more of Articles 14, 15 and 16:

(a) "Aggregate 401(k) Contributions" means, for any Plan Year, the sum of the following: (a) the Participant's Participant Elected Contributions for the Plan Year; (b) the Qualified Matching Contributions allocated to the Participant's Accounts as of a date within the Plan Year, but only to the extent that such Qualified Matching Contributions are aggregated with Participant Elected Contributions pursuant to Section 13.5; (c) the Qualified Nonelective Contributions allocated to the Participant's Accounts as of a date within the Plan Year, but only to the extent that such Qualified Nonelective Contributions are aggregated with Participant Elected Contributions pursuant to Section 13.6.

(b) "Annual Deferral Limit" means the dollar limit in effect for any calendar year under section 402(g) of the Code. For 1987, the first year in which this limitation was applicable, the Annual Deferral Limit was $7,000. The Annual Deferral Limit is subject to annual or periodic cost-of-living adjustments by the Commissioner of Internal Revenue and is $9,500 for 1996.

(c) "Excess Contributions" means the amount by which the Aggregate 401(k) Contributions of Highly Compensated Employees is reduced pursuant to Section 13.3.

(d) "Excess Deferrals" means the amount of a Participant's Participant Elected Contributions and elective deferrals (within the meaning of section 402(g)(3) of the Code) that exceed the Annual Deferral Limit set forth in Section 13.1.

(e) "Section 414(s) Compensation" means any one of the following definitions of compensation received by an Employee from members of the Affiliated Group:

(1) Compensation as defined in Treasury Regulation section 1.415-2(d) or any successor thereto;

(2) "Wages" as defined in section 3401(a) of the Code for purposes of income tax withholding at the source, but determined without regard to any rules that limit the remuneration included in wages
based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in section 3401(a)(23) of the Code);

(3) "Wages" as defined in section 3401(a) of the Code for purposes of income tax withholding at the source, plus all other payments of compensation reportable under Code sections 6041(d) and 6051(a)(3) and the regulations thereunder, determined without regard to any rules that limit such Wages or reportable compensation based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in section 3401(a)(23) of the Code), and modified, at the election of the Company, to exclude amounts paid or reimbursed for the Employee's moving expenses, to the extent it is reasonable to believe that these amounts are deductible by the Employee under section 217 of the Code;

(4) Any of the definitions of Section 414(s) Compensation set forth in Subsections (1), (2) and (3) above, reduced by all of the following items (even if includible in gross income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits;

(5) Any of the definitions of Section 414(s) Compensation set forth in Subsections (1), (2), (3) and (4) above, modified to include the following: (a) any elective contributions made by a member of the Affiliated Group on behalf of the Employee that are not includible in gross income under section 125, 402(e)(3), 402(h) or 403(b) of the Code; (b) compensation deferred under an eligible deferred compensation plan within the meaning of section 457(b) of the Code; and (c) employee contributions described in section 414(h)(2) of the Code that are picked up by the employing unit and thus are treated as employer contributions; or

(6) Any reasonable definition of compensation that does not by design favor Highly Compensated Employees and that satisfies the nondiscrimination requirement set forth in

Treasury Regulation section 1.414(s)-1T(d)(2) or the successor thereto.

Any definition of Section 414(s) Compensation shall be used consistently to define the compensation of all Employees taken into account in satisfying the requirements of an applicable provision of Articles 13, 14, 15 and 16 for the relevant determination period. For purposes of applying the limitations set forth in Articles 13, 14 and 15 for a Plan Year, Section 414(s) Compensation shall not exceed the Compensation Limitation.

ARTICLE 14.CONTRIBUTION LIMITATIONS: AVERAGE CONTRIBUTION PERCENTAGE LIMITATIONS.

14.1 Average Contribution Percentage Limitation. The Plan shall satisfy the average contribution percentage test, as provided in section 401(m)(2) of the Code and section 1.401(m)-1 of the regulations issued thereunder. Subject to the special rules described in Section 14.6, the Aggregate 401(m) Contributions of Highly Compensated Employees shall not exceed the limits described below:

(a) An Actual Contribution Percentage shall be determined for each individual who, at any time during the Plan Year, is a Participant (including a suspended Participant) or is eligible to participate in the Plan, which Actual Contribution Percentage shall be the ratio, computed to the nearest one-hundredth of one percent, of the individual's Aggregate 401(m) Contributions for the Plan Year to the individual's Section 414(s) Compensation for the Plan Year;

(b) The Actual Contribution Percentages (including zero percentages) of Highly Compensated Employees and Nonhighly Compensated Employees shall be separately averaged to determine each group's Average Contribution Percentage; and

(c) The Aggregate 401(m) Contributions of Highly Compensated Employees shall constitute Excess Aggregate Contributions and shall be reduced, pursuant to Sections 14.2 and 14.3, to the extent that the Average Contribution Percentage of Highly Compensated Employees exceeds the greater of (1) 125 percent of the Average Contribution Percentage of Nonhighly Compensated Employees or (2) the lesser of (A) 200 percent of the Average Contribution Percentage of Nonhighly Compensated Employees or (B) the Average Contribution Percentage of Nonhighly Compensated Employees plus two percentage points.

14.2 Allocation of Excess Aggregate Contributions to Highly Compensated Employees. Any Excess Aggregate Contributions for a Plan Year shall be allocated to Highly Compensated Employees by use of a leveling process, whereby the Actual Contribution Percentage of the Highly Compensated Employee with the highest Actual Contribution Percentage is reduced to the extent required to (a) eliminate all Excess Aggregate Contributions or (b) cause such Highly Compensated Employee's Actual Contribution Percentage to equal the Actual Contribution Percentage of the Highly Compensated Employee with the

next-highest Actual Contribution Percentage. The leveling process shall be repeated until all Excess Aggregate Contributions for the Plan Year are allocated to Highly Compensated Employees.

14.3 Distribution of Excess Aggregate Contributions. Excess Aggregate Contributions allocated to Highly Compensated Employees for the Plan Year pursuant to Section 14.2, together with any income or loss allocable to such Excess Aggregate Contributions, shall be distributed to such Highly Compensated Employees not later than two-and-one-half months following the close of such Plan Year, if possible, and in any event no later than 12 months following the close of such Plan Year, but only to the extent the Highly Compensated Employee has a nonforfeitable interest in the Excess Aggregate contributions. Excess Aggregate Contributions (for Participants who are Highly Compensated Employees), to the extent not vested, may be forfeited and allocated, after all other Forfeitures under the Plan, to other Participants (but in no event to any Highly Compensated Employee) in the proportion that such Participant's Participant Elected Contributions, if any, for that Plan Year bears to the total Participant Elected Contributions of all such Participants for the Plan Year. Any such amounts shall be included in the calculation of the Actual Contribution Percentage and in the calculation of the limits set forth in Article 16.

14.4 Use of Participant Elected Contributions. The Company, in its sole discretion, may include all or a portion of the Participant Elected Contributions for a Plan Year in Aggregate 401(m) Contributions taken into account in applying the Average Contribution Percentage limitation described in Section 14.1 for the Plan Year, provided that all Participant Elected Contributions satisfy the average deferral percentage test, as described in Section 13.2, and that the additional requirements of Treasury Regulation section 1.401(m)-1(b)(5) are satisfied.

14.5 Corrective Qualified Nonelective Contributions. The Company, in its sole discretion, may include all or a portion of the Qualified Nonelective Contributions made pursuant to Section 13.6 for a Plan Year in Aggregate 401(m) Contributions taken into account in applying the Average Contribution Percentage limitation described in Section 14.1 for the Plan Year, provided that the requirements of Treasury Regulation section 1.401(m)-1(b)(5) are satisfied.

14.6 Special Rules. The following special rules shall apply for purposes of this Article 14:

(a) For purposes of applying the limitation described in Section 14.1, the Actual Contribution Percentage of any Highly Compensated Employee who is eligible to participate in the Plan and to make employee contributions or receive an allocation of matching contributions (within the meaning of section 401(m)(4)(A) of the Code) under any other plans, contracts or arrangements of the Affiliated Group shall be determined as if Matching Contributions and Qualified Matching Contributions allocated to the Highly Compensated Employee's Accounts and all such employee contributions and matching contributions were made under a single arrangement;

(b) In the event that this Plan is aggregated with one or more other plans in order to satisfy the requirements of Code section 401(a)(4), 401(m) or 410(b), then all such aggregated plans, including the Plan, shall be treated as a single plan for all purposes under all such Code sections (except for purposes of the average benefit percentage provisions of Code section 410(b)(2)(A)(ii));

(c) In the event that the mandatory disaggregation rules of Treasury Regulation section 1.401(m)-1(b)(3)(ii) apply to the Plan, or to the Plan and other plans with which it is aggregated as described in Subsection (b) above, then the limitation described in Section 14.1 shall be applied as if each mandatorily disaggregated portion of the Plan (or aggregated plans) were a single arrangement;

(d) The Actual Contribution Percentage of any of the 10 most highly compensated Highly Compensated Employees or any five-percent owner shall be determined by combining the Aggregate 401(m) Contributions and Section 414(s) Compensation of the top-10 Highly Compensated Employee or five-percent owner with the Aggregate 401(m) Contributions and Section 414(s) Compensation of any Employees who are Family Members of the top-10 Highly Compensated Employee or five-percent owner;

(e) Any Excess Aggregate Contributions of any of the 10 most highly compensated Highly Compensated Employees or five-percent owner affected by the family-aggregation rules described in Subsection (d) of this Section 14.6 shall be allocated among the individuals in each family aggregation group in proportion to the Aggregate 401(m) Contributions of each such individual; and

(f) Income (and loss) allocable to Excess Aggregate Contributions for the Plan Year shall be determined pursuant to the provisions for allocating income (and loss) to a Participant's Accounts under Section 6.10.

14.7 Special Definitions Used in Article 14. The following definitions shall apply for purposes of this Article 14:

(a) "Aggregate 401(m) Contributions" means, for any Plan Year, the sum of the following: (a) the Matching Contributions and Qualified Matching Contributions allocated to the Participant's Accounts as of a date within the Plan Year; (b) the Participant's Participant Elected Contributions for the Plan Year, but only to the extent that such Participant Elected Contributions are aggregated with Matching Contributions and Qualified Matching Contributions pursuant to Section 14.4; (c) the Qualified Nonelective Contributions allocated to the Participant's Accounts as of a date within the Plan Year, but only to the extent that such Qualified Nonelective Contributions are aggregated with Matching Contributions and Qualified Matching Contributions pursuant to Section 14.5.

(b) "Excess Aggregate Contributions" means the amount by which the Aggregate 401(m) Contributions of Highly Compensated Employees are reduced pursuant to Section 14.2.

ARTICLE 15.CONTRIBUTION LIMITATIONS: MULTIPLE-USE LIMITATIONS.

15.1 Applicability of the Multiple-Use Limitation. The limitation described in this Article 15 shall apply only if, for a Plan Year, after the limitations of Articles 13 and 14 are applied:

(a) The Average Deferral Percentage of Highly Compensated Employees (1) exceeds 125 percent of the Average Deferral Percentage of Nonhighly Compensated Employees, but (2) does not exceed the lesser of (A) 200 percent of the Average Deferral Percentage of Nonhighly Compensated Employees or (B) the Average Deferral Percentage of Nonhighly Compensated Employees plus two percentage points; and

(b) The Average Contribution Percentage of Highly Compensated Employees (1) exceeds 125 percent of the Average Contribution Percentage of Nonhighly Compensated Employees, but (2) does not exceed the lesser of (A) 200 percent of the Average Contribution Percentage of Nonhighly Compensated Employees or (B) the Average Contribution Percentage of Nonhighly Compensated Employees plus two percentage points.

15.2 Multiple-Use Limitation. The sum of the Average Deferral Percentage and Average Compensation Percentage of Highly Compensated Employees shall not exceed the greater of (a) or (b) below.

(a) This limit equals the sum of:

(1) 1.25 times the greater of the Average Deferral Percentage or Average Contribution Percentage of Nonhighly Compensated Employees; and

(2) The lesser of (A) 200 percent of the lesser of the Average Deferral Percentage or Average Contribution Percentage of Nonhighly Compensated Employees, or (b) the lesser of the Average Deferral Percentage or Average Contribution Percentage of Nonhighly Compensated Employees plus two percentage points.

(b) This limit equals the sum of:

(1) 1.25 times the lesser of the Average Deferral Percentage or Average Contribution Percentage of Nonhighly Compensated Employees; and

(2) The lesser of (A) 200 percent of the greater of the Average Deferral Percentage or Average Contribution Percentage of Nonhighly Compensated Employees, or (B) the greater of the Average Deferral Percentage or Average Contribution Percentage of Nonhighly Compensated Employees plus two percentage points.

15.3 Correction of Multiple-Use Limitation. To the extent necessary, the limitation of Section 15.2 shall be satisfied by one or more of the following methods: (a) the allocation of corrective Qualified Nonelective Contributions in the manner set forth in Sections 13.6 or 14.5, or (b) the distribution of Aggregate 401(m) Contributions (and income or loss allocable thereto) to Highly Compensated Employees in the manner set forth in Sections 14.2 and 14.3, followed by the distribution of Aggregate 401(k) Contributions (and income or loss allocable thereto) to Highly Compensated Employees in the manner set forth in Sections 13.3 and 13.4.

ARTICLE 16.CONTRIBUTION LIMITATIONS: SECTION 415 "ANNUAL ADDITIONS" LIMITATIONS.

16.1 Limitation on Contributions. The Annual Additions allocated or attributed to a Participant for any Plan Year shall not exceed the lesser of the following:

(a) $30,000; or

(b) 25% of the Participant's Section 415 Compensation for such year.

If a Participant's Annual Additions would exceed the foregoing limitation, then such Annual Additions shall be reduced by reducing the components thereof as necessary in the order in which they are listed in Section 16.5(a). Any amounts so reduced shall not be included in a Participant's Aggregate 401(k) Contributions or Aggregate 401(m) Contributions. The limitation in Section 16.1(b) shall not apply to any amount that otherwise is an Annual Addition under Section 415(l)(1) or 419A(d)(2) of the Code.

16.2 Combined Limitation on Benefits and Contributions. The sum of a Participant's defined-benefit plan fraction and his or her defined-contribution plan fraction shall not exceed 1.0 with respect to any Plan Year. For purposes of this Section, the terms "defined-benefit plan fraction" and "defined-contribution plan fraction" shall have the meaning given to such terms by section 415(e) of the Code and the regulations thereunder. If a Participant would exceed the foregoing limitation, then the Participant's benefits under any qualified defined-benefit plan that may be maintained by the Section 415 Employer Group shall be reduced as necessary to allow his or her Annual Additions to equal the maximum permitted by Section 16.1.

16.3 Return of Employee Contributions. If the amount of any Participant's Participant Elected Contributions is determined to be an excess Annual Addition under this Article, then the amount of such excess (adjusted to reflect any earnings, appreciation or losses attributable to such excess) shall be refunded by the Trustee in cash to the Participant.

16.4 Excess Company Contributions. If the amount of the Company Contributions allocated to a Participant for any Plan Year must be reduced to meet the limitation described in Section 16.1, then the amount of the reduction shall be applied to reduce the total amount that the Participating Companies otherwise would contribute for such

year pursuant to Article 5 of the Plan. If the amount that the Participating Companies may contribute is thereby reduced to zero and if there are Company Contributions that still cannot be allocated to any Participant because of the limitation described in Section 16.1, then the excess shall be transferred to a suspense account. Any gains, income or losses attributable to the suspense account shall be allocated to such account. All amounts credited to the suspense account shall be applied to reduce the total amount that the Participating Companies otherwise would contribute to the Plan for the next Plan Year, and for succeeding Plan Years if necessary. Such amounts shall be allocated among Participants pursuant to Article 5 of the Plan until the suspense account is exhausted (subject to this Article). No Participant Elected Contributions or Company Contributions shall be made as long as any amount remains in the suspense account.

16.5 Special Definitions Used in this Article 16. The following definitions shall apply for purposes of this Article 16:

(a) "Annual Additions" means, for any Plan Year, the sum of the following:

(1) The amount of after-tax contributions that the Participant contributes during such year to all qualified retirement plans, other than this Plan, maintained by the Section 415 Employer Group;

(2) The amount of elective contributions that the Participant contributes during such year to all qualified retirement plans, other than this Plan, maintained by the Section 415 Employer Group;

(3) The amount of Participant Elected Contributions that the Participant contributes during such year;

(4) The amount of employer contributions and forfeitures allocated to the Participant under any qualified defined-contribution plan that may be maintained by the Section 415 Employer Group, other than this Plan, as of any date within such year; and

(5) The amount of Company Contributions and Forfeitures allocated to the Participant as of any date within such year.

(b) "Section 415 Compensation" means any one of the definitions of Section 414(s) Compensation described in Paragraphs (1), (2), (3) or (4) of Section 13.9(e) received by an Employee from members of the Section 415 Employer Group. Any definition of Section 415 Compensation shall be used consistently to define the compensation of all Employees taken into account in satisfying the requirements of an applicable provision of the Plan for the relevant determination period.

(c) "Section 415 Employer Group" means the Affiliated Group, except that "more than 50 percent" shall be substituted for "at least 80 percent" wherever the phrase occurs in section 1563(a)

of the Code (as incorporated by reference in sections 414(b) and (c) of the Code).

ARTICLE 17.THE TRUST FUND AND PLAN INVESTMENTS.

17.1 Control and Management of Plan Assets. The Company is a named fiduciary with respect to control over and management of the assets of the Plan, but only to the extent of having the authority (a) to appoint one or more trustees to hold assets of the Plan in trust and to enter into a trust agreement with each trustee it appoints, (b) to appoint one or more insurance companies that are qualified to do business in at least one state to hold assets of the Plan and to enter into a contract with each insurance company it appoints (or to direct the Trustee to enter into such contract), (c) to appoint one or more Investment Managers for any assets of the Plan and to enter into an investment management agreement with each Investment Manager it appoints, and (d) to direct the investment of any Plan assets not assigned to an Investment Manager.

17.2 Trustee Duties. The Trustee shall have the exclusive authority and discretion to control and manage assets of the Plan it holds in trust, except to the extent that (a) the Plan prescribes how such assets shall be invested, (b) the Company directs how such assets shall be invested or (c) the Company allocates the authority to manage such assets to one or more Investment Managers. Each Investment Manager shall have the exclusive authority to manage, including the authority to acquire and dispose of, the assets of the Plan assigned to it by the Company, except to the extent that the Plan prescribes or the Company directs how such assets shall be invested. Each Trustee and Investment Manager shall be solely responsible for diversifying, in accordance with section 404(a)(1)(C) of ERISA, the investment of the assets of the Plan assigned to it by the Company, except to the extent that the Plan prescribes or the Company directs how such assets shall be invested.

17.3 Independent Qualified Public Accountant. The Company shall engage an independent qualified public accountant to conduct such examinations and to express such opinions as may be required by section 103(a)(3) of ERISA. The Company in its discretion may remove and discharge the person so engaged, in which event it shall appoint a successor independent qualified public accountant to perform such examinations and express such opinions.

17.4 Administrative Expenses. All expenses of the Plan and the Trust Fund shall be paid by the Participating Companies and by the Trust Fund. The Company shall have complete and unfettered discretion to determine whether an expense of the Plan shall be paid out of the Trust Fund or by the Participating Companies, and the Company's discretion and authority to direct the payment of expenses out of the Trust Fund shall not be limited in any way by any prior decision or practice regarding the payment of Plan expenses.

17.5 Benefit Payments. All benefits payable pursuant to the Plan shall be paid by the Trustee out of the Trust Fund pursuant to the directions of the Company and the terms of the Trust Agreement.

ARTICLE 18.ADMINISTRATION AND OPERATION OF THE PLAN.

18.1 Plan Administration. The Company is the named fiduciary that has the discretionary authority to control and manage the operation and administration of the Plan, and the Company is the "administrator" and "plan sponsor" of the Plan (as such terms are used in ERISA). The Company in its sole discretion shall make such rules, interpretations and computations and shall take such other actions to administer the Plan as it may deem appropriate. Such rules, interpretations, computations and actions shall be conclusive and binding on all persons. In administering the Plan, the Company (a) shall act in a nondiscriminatory manner to the extent required by section 401(a) and related sections of the Code and (b) shall at all times discharge its duties in accordance with the standards set forth in section 404(a)(1) of ERISA.

18.2 Employment of Advisers. The Company may retain such attorneys, accountants, consultants or other persons to render advice or to perform services with regard to its responsibilities under the Plan as it shall determine to be necessary or desirable. The Company may designate by written instrument (signed by both parties) one or more persons to carry out, where appropriate, fiduciary responsibilities under the Plan. The Company's duties and responsibilities under the Plan that have not been delegated to other fiduciaries pursuant to the preceding sentence shall be carried out by its directors, officers and employees, acting on behalf and in the name of the Company in their capacities as directors, officers and employees, and not as individual fiduciaries.

18.3 Service in Several Fiduciary Capacities. Nothing herein shall prohibit any person or group of persons from serving in more than one fiduciary capacity with respect to the Plan.

ARTICLE 19.CLAIMS AND REVIEW PROCEDURES.

19.1 Applications for Benefits. Any application for benefits under the Plan shall be submitted to the Company at its principal office. Such application shall be in writing on the prescribed form and shall be signed by the applicant.

19.2 Denial of Applications. In the event that any application for benefits is denied in whole or in part, the Company shall notify the applicant in writing of the right to a review of the denial. Such written notice shall set forth, in a manner calculated to be understood by the applicant, specific reasons for the denial, specific references to the Plan provisions on which the denial was based, a description of any information or material necessary to perfect the application, an explanation of why such material is necessary, and an explanation of the Plan's review procedure. Such written notice shall be given to the applicant within 90 days after the Company receives the application, unless special circumstances require an extension of time for processing the application. In no event shall such an extension exceed a period of 90 days from the end of the initial 90-day period. If such an extension is required, written notice thereof shall be furnished to the applicant before the end of the initial 90-day period. Such notice shall indicate the

special circumstances requiring an extension of time and the date by which the Company expects to render a decision. If written notice is not given to the applicant within the period prescribed by this Section 19.2, the application shall be deemed to have been denied for purposes of Section 19.4 upon the expiration of such period.

19.3 Review Panel. The Company from time to time shall appoint a Review Panel. The "Review Panel" shall consist of three or more individuals who may (but need not) be employees of the Company and shall be the named fiduciary with the authority to act on any employee benefit appeal.

19.4 Requests for Review. Any person whose application for benefits is denied in whole or in part (or such person's duly authorized representative) may appeal the denial by submitting to the Review Panel a request for a review of such application within 90 days after receiving written notice of the denial. The Review Panel shall give the applicant or such representative an opportunity to review pertinent documents (except legally privileged materials) in preparing such request for review and to submit issues and comments in writing. The request for review shall be in writing and shall be addressed to the Company's principal office. The request for review shall set forth all of the grounds on which it is based, all facts in support of the request, and any other matters which the applicant deems pertinent. The Review Panel may require the applicant to submit such additional facts, documents or other material as it may deem necessary or appropriate in making its review.

19.5 Decisions on Review. The Review Panel shall act upon each request for review within 60 days after receipt thereof, unless special circumstances require an extension of time for processing, but in no event shall the decision on review be rendered more than 120 days after the Review Panel receives the request for review. If such an extension is required, written notice thereof shall be furnished to the applicant before the end of the initial 90-day period. The Review Panel shall give prompt, written notice of its decision to the applicant and to the Company. In the event that the Review Panel confirms the denial of the application for benefits in whole or in part, such notice shall set forth, in a manner calculated to be understood by the applicant, the specific reasons for such denial and specific references to the Plan provisions on which the decision is based. To the extent that the Review Panel overrules the denial of the application for benefits, such benefits shall be paid to the applicant.

19.6 Rules and Procedures. The Review Panel shall adopt such rules and procedures, consistent with ERISA and the Plan, as it deems necessary or appropriate in carrying out its responsibilities under this Article 19.

19.7 Exhaustion of Administrative Remedies. No legal or equitable action for benefits under the Plan shall be brought unless and until the claimant (a) has submitted a written application for benefits in accordance with Section 19.1, (b) has been notified that the application is denied, (c) has filed a written request for a review of the application in accordance with Section 19.4 and (d) has been

notified in writing that the Review Panel has affirmed the denial of the application; provided, however, that an action may be brought after the Company or the Review Panel has failed to act on the claim within the time prescribed in Section 19.2 and Section 19.5, respectively.

ARTICLE 20.AMENDMENT AND TERMINATION.

20.1 Right To Amend or Terminate. The Company expects to continue the Plan indefinitely. However, future conditions cannot be foreseen, and the Company reserves the right at any time and for any reason, by action of its board of directors or by a person or persons acting pursuant to a valid delegation of authority, (a) to amend the Plan, (b) to reduce or discontinue Employee Contributions, Company Contributions or all Contributions or (c) to terminate the Plan and the Trust Fund.

20.2 Protection of Participants. No amendment of the Plan shall reduce the benefit of any Participant that accrued under the Plan prior to the date when such amendment is adopted, except to the extent that a reduction in accrued benefits may be permitted by the Code and ERISA. No Plan amendment or other action by the Company shall divert any part of the Plan's assets to purposes other than the exclusive purpose of providing benefits to the Participants and Beneficiaries who have an interest in the Plan and of defraying the reasonable expenses of administering the Plan.

20.3 Effect of Termination. Upon termination of the Plan, no assets of the Plan shall revert to any Participating Company or be used for, or diverted to, purposes other than the exclusive purpose of providing benefits to Participants and Beneficiaries and of defraying the reasonable expenses of termination. If the Plan is terminated or partially terminated, or if all contributions to the Plan are completely discontinued, then each Participant who then is an Employee and who is directly affected by such event shall have a 100 percent vested interest in each of his or her Accounts, without regard to the number of Years of Service he or she has completed.

20.4 Allocation of Trust Fund Upon Termination. Upon termination of the Plan, the Trust Fund shall continue in existence until the Accounts of each Participant have been distributed to such Participant (or to his or her Beneficiary) pursuant to Article 8; provided, however, that the assets of the Plan shall be allocated in accordance with any applicable requirements under section 403(d)(1) of ERISA.

20.5 Partial Termination. Upon a partial termination of the Plan, Sections 20.3 and 20.4 shall apply with respect to such Participants and Beneficiaries as are affected by such partial termination.

ARTICLE 21.MISCELLANEOUS PROVISIONS.

21.1 Plan Mergers. The Plan shall not merge or consolidate with, or transfer assets or liabilities to, any other plan unless each Participant would receive a benefit immediately after such merger, consolidation or transfer (if the Plan then terminated) that is equal

to or greater than the benefit that such Participant would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then terminated).

21.2 No Assignment of Property Rights. Except as otherwise provided in Article 9 with respect to QDROs, the interest or property rights of any Participant or Beneficiary in the Plan, in the Trust Fund or in any distribution to be made under the Plan shall not be subject to option nor be assignable, either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any act in violation of this Section 21.2 shall be void.

21.3 No Employment Rights. Nothing in the Plan shall be deemed to give any individual a right to remain in the employ of an Affiliate or affect the right of an Affiliate to terminate an individual's employment at will with or without cause, at any time with or without notice, for any reason or no reason, which right is hereby reserved.

21.4 Choice of Law. The Plan and all rights thereunder shall be interpreted and construed in accordance with ERISA and, to the extent that state law is not preempted by ERISA, the law of the State of California.

21.5 Voting of Company Stock. Before each annual or special meeting of the Company's shareholders, the Company shall cause to be sent to each Participant who has invested any part of his or her Account in the Company Stock fund the proxy statement and any related materials that are sent to the Company's registered shareholders. Each Participant shall have the right to instruct the Trustee confidentially (in writing on the prescribed form) with respect to the voting at such meeting of the number of shares of Company Stock that were allocated to the Participant's Account as of the Valuation Date immediately preceding the record date for such meeting or such later date, up to and including the record date for such meeting, as the Plan Administrator may deem practicable. Such instructions shall be submitted to the Trustee by the date specified by the Company and, once received by the Trustee, shall be irrevocable. Under no circumstances shall the Trustee permit any Participating Company or any officer, employee or representative thereof to see any voting instructions given by a Participant to the Trustee. The Trustee shall vote any Company Stock for which it has not received timely written instructions in the same proportion in which the shares for which timely voting instructions have been received have been voted by Participants.

21.6 Tender Offers. In the event that any person or group makes an offer subject to section 14(d) of the Securities Exchange Act of 1934 to acquire all or part of the outstanding Company Stock, including Company Stock held in the Plan ("Acquisition Offer"), each Participant shall be entitled to direct the Trustee confidentially (on a form prescribed by the Company) to tender all or part of those shares of Company Stock that would then be subject to such Participant's voting instructions under Subsection (a) above. If the Trustee receives such an instruction by a date determined by the Trustee and communicated to Participants, the Trustee shall tender

such Company Stock in accordance with such instruction. Any Company Stock as to which the Trustee does not receive instructions within such period shall not be tendered by the Trustee. The Trustee shall obtain and distribute to each Participant all appropriate materials pertaining to the Acquisition Offer, including the statement of the position of the Company with respect to such offer issued pursuant to Regulation 14(e)-2 of the Securities Exchange Act of 1934, as soon as practicable after such materials are issued; provided, however, that if the Company fails to issue such statement within five (5) business days after the commencement of such offer, the Trustee shall distribute such materials to each Participant without such statement by the Company and shall separately distribute such statement by the Company as soon as practicable after it is issued. The Trustee shall follow the procedures regarding confidentiality and verification of compliance with voting instructions described in Section 21.5 above.

ARTICLE 22.SPECIAL TOP-HEAVY PROVISIONS.

22.1 Determination of Top-Heavy Status. Any other provision of the Plan notwithstanding, this Article shall apply to any Plan Year in which the Plan is a Top-Heavy Plan. The Plan shall be considered a "Top-Heavy Plan" for a Plan Year if, as of the Determination Date for such Plan Year, the Top-Heavy Ratio for the Aggregation Group exceeds 60 percent.

22.2 Minimum Allocations. For any Plan Year during which the Plan is a Top-Heavy Plan, the Company Contributions allocated to the Account of each Participant who is not a Key Employee, but who is an Employee on the last day of such Plan Year, shall not be less than the lesser of the following amounts:

(a) Three percent of his or her Top-Heavy Compensation; or

(b) A percentage of his or her Top-Heavy Compensation equal to the greatest allocation of Company Contributions and Participant Elected Contributions, expressed as a percentage of Top-Heavy Compensation, made on behalf of any Participant who is a Key Employee.

22.3 Impact on Maximum Benefits. For any Plan Year in which the Plan is a Top-Heavy Plan, the number "1.00" shall be substituted for the number "1.25" wherever it appears in section 415(e)(2) and (3) of the Code."

22.4 Special Definitions. For purposes of this Article 22, the following definitions shall apply:

(a) "Aggregation Group" means either the Required Aggregation Group or any Permissive Aggregation Group, as the Company may elect.

(b) "Determination Date" means the December 31 next preceding the applicable Plan Year.

(c) "Key Employee" means a "key employee" (within the meaning of section 416(i) of the Code). In applying section 416(i) of

the Code, "annual compensation" shall mean Top-Heavy Compensation

(d) "Permissive Aggregation Group" means a group of qualified plans that includes (1) the Required Aggregation Group and (2) one or more plans of the Affiliated Group that are not part of the Required Aggregation Group. A Permissive Aggregation Group, when viewed as a single plan, must satisfy the requirements of sections 401(a)(4) and 410 of the Code.

(e) "Required Aggregation Group" means a group of qualified plans that includes (1) each plan of the Affiliated Group in which a Key Employee is a participant and (2) each other plan of the Affiliated Group that enables any plan in which a Key Employee participates to meet the requirements of section 401(a)(4) or 410 of the Code.

(f) "Top-Heavy Compensation" means Section 415 Compensation, as defined in Section 16.5(b); provided, however, that Top-Heavy Compensation shall not include any amount paid to a Participant for the Plan Year in excess of the Compensation Limitation.

(g) "Top-Heavy Ratio" means a percentage determined pursuant to section 416(g) of the Code.

22.5 Top-Heavy Vesting Rules.

(a) The vested interest in the Nonelective Account of each Participant with one or more Hours of Service in a Plan Year in which the Plan is a Top-Heavy Plan shall be determined in accordance with the following schedule except to the extent Section 7.3(a) provides more rapid vesting (in the case of an individual who becomes an Employee prior to April 1, 1991):

Years of Service	Vested Percentage
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 or more	100%

The vested interest in the Matching Contributions Account of each Participant with one or more Hours of Service in a Plan Year in which the Plan is a Top-Heavy Plan shall be determined under Section 7.2.

(b) If the Plan ceases to be a Top-Heavy Plan, the vesting rules described in Section 7.3 shall again apply to all Years of Service with respect to the Participant's Nonelective Account; however, any Participant described in Subsection (a) who has at least three (3) Years of Service to his or her credit at the time the Plan ceases to be a Top-Heavy Plan shall continue to have his or her vested percentage computed under the Plan in accordance with Subsection (a).

ARTICLE 23.EXECUTION.

To record the adoption of the Plan as set forth herein, effective as of April 1, 1996, the Company has caused its authorized officer to execute the same this 25th day of June, 1996.

AMGEN, INC.

By /s/ Edward F. Garnett

Factors That May Affect Future Results

Amgen operates in a rapidly changing environment that involves a number of risks, some of which are beyond the Company's control. The following discussion highlights some of these risks and others are discussed elsewhere herein and in other documents filed by the Company with the Securities and Exchange Commission.

Period to period fluctuations

The Company's operating results may fluctuate for a number of reasons. The forecasting of revenue is inherently uncertain for a variety of reasons. Because the Company plans its operating expenses, many of which are relatively fixed in the short term, on the basis that revenues will continue to grow, even a relatively small revenue shortfall may cause a period's results to be below expectations. Such a revenue shortfall could arise from any number of factors, including lower than expected demand, wholesalers' buying patterns, product pricing strategies, fluctuations in foreign currency exchange rates, changes in government or private reimbursement, transit interruptions, overall economic conditions or natural disasters (including earthquakes).

See "Results of Operations - Product sales - NEUPOGEN(R) (Filgrastim)" for a discussion regarding quarterly NEUPOGEN(R) sales.

The Company's stock price, like that of other biotechnology companies, is subject to significant volatility. If revenues or earnings in any quarter fail to meet the investment community's expectations, there could be an immediate impact on the Company's stock price. The stock price may also be affected by, among other things, clinical trial results and other product development related announcements by Amgen or its competitors, regulatory matters, intellectual property and legal matters, or broader industry and market trends unrelated to the Company's performance.

Rapid growth

In light of management's views of the potential for future growth of the Company's business, the Company has adopted an aggressive growth plan that includes substantial and increased investments in research and development and investments in facilities that will be required to support significant growth. This plan carries with it a number of risks, including a higher level of operating expenses, the difficulty of attracting and assimilating a large number of new employees, and the complexities associated with managing a larger and faster growing organization.

Product development

The Company intends to continue to develop product candidates. Successful product development in the biotechnology industry is highly uncertain and only a small minority of research and development programs ultimately result in commercially successful drugs. Product development is dependent on numerous factors, many of which are beyond the Company's control. Product candidates that appear promising in the early phases of development may fail to reach market for numerous reasons. They may be found to be ineffective or to have harmful side effects in clinical or preclinical testing, fail to receive necessary regulatory approvals, be uneconomic because of manufacturing costs or other factors, or be precluded from commercialization by the proprietary rights of others. Success in preclinical and early clinical trials does not ensure that large scale clinical trials will be successful. Clinical results are frequently susceptible to varying interpretations which may delay, limit or prevent further clinical development or regulatory approvals. The length of time necessary to complete clinical trials and receive approval for product marketing by regulatory authorities varies significantly by product and indication and is often difficult to predict.

Regulatory approvals

The success of current products and future product candidates of the Company will depend in part upon maintaining and obtaining regulatory approval to market products. Domestic and foreign statutes and regulations govern matters relating to the Company's products and product candidates and the research and development activities associated with them. The Company's product candidates may prove to have undesirable side effects that may interrupt or delay clinical studies and could ultimately prevent or limit their commercial use.

The Company or regulatory authorities may suspend or terminate clinical trials at any time if the participants in such trials are believed to be exposed to unacceptable health risks. Even if regulatory approval is obtained, a marketed product and its manufacturer are subject to continued review. Later discovery of previously unknown problems with a product or manufacturer may result in restrictions on such product or manufacturer, including withdrawal of the product from the market. Failure to obtain necessary approvals, or the restriction, suspension, or revocation of any approvals, or the failure to comply with regulatory requirements could have a material adverse effect on the Company.

Reimbursement

The success of the Company's products partially depends upon the extent to which a consumer is willing to pay the price or able to obtain reimbursement for the cost of these products from government health administration authorities, private health insurers, and other organizations. Significant uncertainties exist as to the reimbursement status of newly approved therapeutic products, and current reimbursement policies for existing products may change. It is possible that changes in reimbursement or failure to obtain reimbursement may reduce the demand for or the price of the Company's products.

Several factors could influence the pricing or reimbursement for the Company's products including: (1) third-party payors continuing to challenge the prices charged for medical services and products, (2) the trend towards managed care in the United States, (3) the growth of organizations which could control or significantly influence the purchase of health care services and products, and (4) legislative proposals to reform health care or reduce government insurance

programs. NEUPOGEN(R) usage has been and is expected to continue to be affected by cost containment pressures on health care providers worldwide. In addition, patients receiving EPOGEN(R) in connection with treatment for end stage renal disease are covered primarily under medical programs provided by the federal government. Therefore, EPOGEN(R) sales may also be affected by future changes in reimbursement rates or the basis for reimbursement by the federal government.

Competition

Substantial competition exists in the biotechnology industry from pharmaceutical and biotechnology companies which may have technical or competitive advantages. The Company competes with these companies in the development of technologies and processes and sometimes competes with them in acquiring technology from academic institutions, government agencies, and other private and public research organizations. There can be no assurance that the Company will be able to produce or acquire rights to products that have commercial potential. Even if the Company achieves product commercialization, there can be no assurance that one or more of the Company's competitors may not: (1) achieve product commercialization earlier than the Company, (2) receive patent protection that dominates or adversely affects the Company's activities, or (3) have significantly greater marketing capabilities.

The field of biotechnology has undergone rapid and significant technological change. The Company expects that the technology associated with the Company's research and development will continue to develop rapidly, and the Company's future success will depend in large part on its ability to maintain a competitive position with respect to this technology. Rapid technological development by the Company or others may result in some of the Company's product candidates, products, or processes becoming obsolete before the Company recovers a significant portion of the research, development, manufacturing, and commercialization expenses it incurs. This could have a material adverse effect on the Company.

Intellectual property and legal matters

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and involve complex legal and factual questions. Accordingly the breadth of claims allowed in such companies' patents cannot be predicted. Patent disputes are frequent and can preclude commercialization of products. The Company is and may in the future be involved in material patent litigation. Such litigation, if decided adversely, could subject the Company to significant liabilities and cause the Company to obtain third party licenses or cease using the technology or product in dispute.

The Company is involved in arbitration proceedings with Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson ("Johnson & Johnson"), relating to a license granted by the Company to Johnson and Johnson for sales of Epoetin alfa in the United States for all human uses except dialysis and diagnostics. See Note 4 to the Condensed Consolidated Financial Statements - "Contingencies - Johnson

and Johnson arbitrations." While it is impossible to predict accurately or determine the outcome of these proceedings, based primarily upon the merits of its claims and based upon certain liabilities established due to the inherent uncertainty of any arbitrated result, the Company believes that the outcome of these proceedings will not have a material adverse effect on its financial statements. However, it is possible that an adverse decision could, depending on its magnitude, have a material adverse effect on the financial statements.