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 September 30, 1995

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 September 30, 1995, the registrant had 265,998,635(A) shares of Common Stock, $.0001 par value, outstanding.

(A)All share numbers have been adjusted retroactively to reflect a two-for-one split of the common stock effected in the form of a 100 percent stock dividend distributed on August 15, 1995 to stockholders of record on August 1, 1995.

AMGEN INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The information in this report for the three and nine months ended September 30, 1995 and 1994, 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 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 fiscal year ended December 31, 1994.

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 September 30,		Nine Months Ended September 30,	
	1995	1994	1995	1994
Revenues:				
Product sales	$460.6	$401.7	$1,334.4	$1,136.0
Corporate partner revenues	23.8	16.9	65.1	49.7
Royalty income	8.9	7.7	26.9	19.3
Total revenues	493.3	426.3	1,426.4	1,205.0
Operating expenses:				
Cost of sales	64.1	59.1	207.1	176.8
Research and development	105.5	81.7	327.7	235.6
Marketing and selling	69.1	61.9	197.8	174.7
General and administrative	37.6	31.9	106.8	90.4
Loss of affiliates, net	15.2	9.8	41.2	25.6
Total operating expenses	291.5	244.4	880.6	703.1
Operating Income	201.8	181.9	545.8	501.9
Other income (expense):				
Interest and other income	15.4	6.8	46.7	16.0
Interest expense, net	(3.6)	(3.3)	(11.2)	(8.7)
Total other income (expense)	11.8	3.5	35.5	7.3
Income before income taxes	213.6	185.4	581.3	509.2
Provision for income taxes	67.8	71.4	189.2	194.3
Net income	$145.8	$114.0	$ 392.1	$ 314.9
Earnings per share:				
Primary	$0.52	$0.41	$1.40	$1.12
Fully diluted	$0.51	$0.41	$1.38	$1.12
Shares used in calculation of:				
Primary earnings per share	281.8	278.5	280.2	280.0
Fully diluted earnings per share	283.2	279.1	283.8	281.9

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

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

	September 30, 1995	December 31, 1994
ASSETS		
Current assets:		
Cash and cash equivalents	$ 145.0	$ 211.3
Marketable securities	846.7	485.4
Trade receivables, net	205.3	194.7
Inventories	85.8	98.0
Deferred tax assets, net	70.2	70.2
Other current assets	67.0	56.0
Total current assets	1,420.0	1,115.6
Property, plant and equipment at cost, net	707.9	665.3
Investments in affiliated companies	76.4	82.3
Other assets	143.9	130.9
	$2,348.2	$1,994.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 47.2	$ 30.5
Commercial paper	99.5	99.7
Other accrued liabilities	449.5	406.2
Total current liabilities	596.2	536.4
Long-term debt	177.2	183.4
Contingencies		
Stockholders' equity:		
Common stock, $.0001 par value; 750.0 shares authorized; outstanding - 266.0 shares in 1995 and 264.7 shares in 1994	-	-
Additional paid-in capital	827.6	719.3
Retained earnings	747.2	555.0
Total stockholders' equity	1,574.8	1,274.3
	$2,348.2	$1,994.1

See accompanying notes.

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)
(Unaudited)

	Nine Months Ended September 30, 1995	1994
Cash flows from operating activities:		
Net income	$ 392.1	$ 314.9
Depreciation and amortization	64.3	57.9
Deferred income taxes	-	3.0
Loss of affiliates, net	41.2	25.6
Cash provided by (used in):		
Trade receivables, net	(10.6)	(21.8)
Inventories	12.2	(12.5)
Other current assets	(11.0)	(3.8)
Accounts payable	16.7	(1.2)
Accrued liabilities	43.3	(14.4)
Net cash provided by operating activities	548.2	347.7
Cash flows from investing activities:		
Purchases of property, plant and equipment	(106.8)	(93.7)
Proceeds from maturities of marketable securities	79.8	82.7
Proceeds from sales of marketable securities	894.1	1,174.9
Purchases of marketable securities	(1,335.2)	(1,115.0)
Increase in investments in affiliated companies	(0.4)	(18.8)
Increase in other assets	(13.0)	(9.6)
Net cash (used in) provided by investing activities	$ (481.5)	$ 20.5

See accompanying notes.
(Continued on next page)

AMGEN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(In millions)
(Unaudited)

	Nine Months Ended September 30,	
	1995	1994
Cash flows from financing activities:		
Decrease in commercial paper	$ (0.2)	$ (10.2)
Proceeds from issuance of long-term debt	-	12.5
Repayment of long-term debt	(6.2)	(9.3)
Net proceeds from issuance of common stock upon the exercise of stock options	84.6	30.7
Tax benefit related to stock options	23.6	14.5
Net proceeds from issuance of common stock upon the exercise of warrants	-	15.3
Repurchases of common stock	(199.9)	(226.0)
Other	(34.9)	(22.7)
Net cash used in financing activities	(133.0)	(195.2)
(Decrease) increase in cash and cash equivalents	(66.3)	173.0
Cash and cash equivalents at beginning of period	211.3	128.5
Cash and cash equivalents at end of period	$ 145.0	$ 301.5

See accompanying notes.

AMGEN INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 1995

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 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% owned and/or 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):

	September 30, 1995	December 31, 1994
Raw materials	$10.5	$11.0
Work in process	43.8	54.0
Finished goods	31.5	33.0
	$85.8	$98.0

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, seasonality of cancer chemotherapy administration and wholesaler inventory management practices. Wholesaler inventory reductions tend

to reduce domestic NEUPOGEN(R) sales in the first quarter each year. NEUPOGEN(R) sales in the European Union ("EU") have experienced a decline in the third quarter in prior years due to seasonality.

As a result of an agreement between Amgen and Ortho Pharmaceutical Corporation, a subsidiary of Johnson & Johnson ("Johnson & Johnson") covering the U.S. market for the Company's Epoetin alfa product, Amgen does not recognize product sales it makes into the contractual market of Johnson & Johnson and does recognize the product sales made by Johnson & Johnson into Amgen's contractual 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).

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 include outstanding options under the Company's stock option plans and warrants to purchase shares of the Company's common stock. The warrants expired on June 30, 1994.

Basis of presentation

The financial information for the three and nine months ended September 30, 1995 and 1994 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

As of September 30, 1995, $99.5 million of commercial paper was outstanding. These borrowings generally had maturities of three months or less and had effective interest rates averaging 5.9%.

In June 1995, the Company replaced its existing unsecured credit facility with a new unsecured credit facility (the "credit facility"). The credit facility includes a commitment expiring on June 23, 2000 for up to $150.0 million of borrowings under a revolving line of credit (the "revolving line commitment") and a commitment expiring on

December 5, 1997 for up to an additional $73.0 million of letters of credit (the "letters of credit commitment"). As of September 30, 1995, $150.0 million was available under the revolving line commitment for borrowing and to support the Company's commercial paper program. Also, as of September 30, 1995, letters of credit totaling $72.4 million were issued and outstanding to secure the Company's promissory notes and accrued interest thereon. Borrowings under the revolving line commitment bear interest at various rates which are a function of, at the Company's option, either the prime rate of a major bank, the federal funds rate or a Eurodollar base rate. Under the terms of the credit facility, the Company is required to meet a minimum interest coverage ratio and maintain a minimum level of tangible net worth. In addition, the credit facility contains limitations on investments, liens and sale/leaseback transactions.

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

	September 30, 1995	December 31, 1994
Medium Term Notes	$109.0	$113.0
Promissory notes	68.2	68.2
Other obligations	-	2.2
	$177.2	$183.4

The Company has registered $200.0 million of unsecured medium term debt securities ("Medium Term Notes") of which $109.0 million were outstanding at September 30, 1995. These Medium Term Notes bear interest at fixed rates averaging 5.8% and mature in approximately two to eight years.

3. Income taxes

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1995	1994	1995	1994
Federal	$63.6	$60.9	$173.8	$166.8
State	4.2	10.5	15.4	27.5
Total	$67.8	$71.4	$189.2	$194.3

The decrease in the current year tax rate is due to tax benefits from the sale of products manufactured in the Puerto Rico fill-and-finish facility which began in the first quarter of 1995.

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. ("JAMS") 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 accounting 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 contractual market. The Company has established and is employing an accounting methodology to assign the proceeds of sales of EPOGEN(R) and PROCRIT(R) in Amgen's and Johnson & Johnson's respective contractual markets. Johnson & Johnson has disputed this methodology and is proposing an alternative methodology for adoption by the arbitrator. 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 accounting methodology currently employed by the Company. As a result of the arbitration, it is possible that the Company would recognize a different level of EPOGENR 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. Due to the uncertainties of any arbitrated result, the Company has established net liabilities that exceed the amounts paid to Johnson & Johnson.

A trial date is scheduled for March 1, 1996 regarding the accounting methodologies and compensation for sales by Johnson & Johnson into Amgen's contractual market and sales by Amgen into Johnson & Johnson's contractual market. Discovery as to these issues is in progress.

The Company also filed a demand in the arbitration seeking termination of the License Agreement and damages. A hearing on this demand will be scheduled following the adjudication of the accounting methodologies for Epoetin alfa sales. On October 30, 1995 Johnson & Johnson filed a complaint in the United States District Court for the District of Delaware seeking to enjoin the arbitrator from hearing the termination claims and a judgment declaring that JAMS does not have

jurisdiction over the claims. The Company is unable to predict at this time the outcome of this demand 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 JAMS 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 litigation

Acquisition litigation

The Company and its wholly owned subsidiary, Amgen Boulder Inc. (formerly Synergen, Inc.), have been named as defendants in several lawsuits filed in connection with the Company's December 1994 acquisition of Synergen (the ``Acquisition''). One suit, brought by plaintiffs seeking to represent a class of Synergen warrant holders who claim to have been deprived of the benefit of their warrants, includes a request for an injunction, declaratory relief and general damages in the sum of $34.3 million and also names Amgen Boulder Development Corporation as a defendant. The balance of the suits have been brought by plaintiffs who seek to represent a class of stockholders of Synergen common stock. These plaintiffs seek an unspecified amount of compensatory damages, an order rescinding the Acquisition and related equitable relief based upon allegations that the defendants breached their fiduciary duties by failing to maximize stockholder value and defrauded the plaintiffs by omitting to disclose allegedly material information concerning Synergen's future prospects.

ANTRIL(TM) litigation

Several lawsuits have been filed against Synergen alleging misrepresentations in connection with its research and development of ANTRIL(TM) for the treatment of sepsis. One suit brought by three Synergen stockholders alleges violations of state securities laws, fraud and misrepresentation and seeks an unspecified amount of compensatory damages and punitive damages. Another suit, proposed as a class action, filed by a limited partner of a partnership with which Synergen is affiliated, seeks rescission of certain payments made to one of the defendants (or unspecified damages not less than $50.0 million) and treble damages based on a variety of allegations. 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. Capital stock

During the nine months ended September 30, 1995, the Company acquired 5.6 million shares of its common stock at a total cost of $199.9 million under its common stock repurchase program. At September 30, 1995, $131.3 million of the amount approved by the Board of Directors remained available for repurchase through December 31, 1995.

In July 1995, the Board of Directors approved a two-for-one split of the Company's common stock effected in the form of a 100 percent stock dividend. The dividend was distributed on August 15, 1995, to stockholders of record on August 1, 1995. Accordingly, the condensed consolidated financial statements and the accompanying notes have been retroactively adjusted to give recognition to this stock split.

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 nine months ended September 30, 1995, operations provided $548.2 million of cash compared with $347.7 million during the same period last year. The Company had cash, cash equivalents and marketable securities of $991.7 million at September 30, 1995, compared with $696.7 million at December 31, 1994.

Capital expenditures totaled $106.8 million for the nine months ended September 30, 1995, compared with $93.7 million for the same period a year ago. Over the next few years, the Company expects to spend approximately $150.0 million to $300.0 million per year on capital projects to expand the Company's global operations.

The Company receives cash from the exercise of employee stock options. During the nine months ended September 30, 1995, stock options and their related tax benefits provided $108.2 million of cash compared with $45.2 million for the same period last year. Proceeds from the exercise of stock options and their related tax benefits will vary from period to period based upon fluctuations in the market value of the Company's stock relative to the exercise price of such options, among other factors.

The Company has a common stock repurchase program to offset the dilutive effect of its employee benefit stock option and stock purchase plans. Since its inception in 1992 through September 30, 1995, the Company has repurchased $793.7 million of its common stock and is authorized to purchase up to an additional $131.3 million through December 31, 1995. During the nine months ended September 30, 1995, the Company purchased 5.6 million shares of common stock at a cost of $199.9 million compared with 10.2 million shares purchased at a cost of $226.0 million during the same period last year.

To provide for financial flexibility and increased liquidity, the Company has established several sources of debt financing. The Company has a shelf registration statement with the Securities and Exchange Commission under which it could issue up to $200.0 million of Medium Term Notes. At September 30, 1995, $109.0 million of Medium Term Notes were outstanding which mature in approximately two to eight years. The Company has a commercial paper program which provides for short-term borrowings up to an aggregate face amount of $200.0 million. At September 30, 1995, $99.5 million of commercial paper was outstanding, generally with maturities of three months or less. The Company also has a $150.0 million revolving line of credit, principally to support the Company's commercial paper program. No borrowings on this line of credit were outstanding at September 30, 1995.

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 Company's fixed income investments are subject to the risk of market interest rate fluctuations, and all of 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, partially offset by costs incurred in Europe. 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 September 30, 1995, outstanding option and forward contracts totaled $25.7 million and $63.2 million, respectively.

The Company believes that existing funds, cash generated from operations, and existing sources of debt financing will be adequate to satisfy its working capital and capital expenditure requirements and to support its common stock repurchase program 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 14.7% and 17.5% for the three and nine months ended September 30, 1995, respectively, compared with the same periods last year.

NEUPOGEN(R) (Filgrastim)

The Company's worldwide NEUPOGEN(R) sales were $230.3 million and $689.6 million for the three and nine months ended September 30, 1995, respectively. These amounts represent increases of 7.3% and 13.3%, respectively, over the same periods last year.

Domestic sales of NEUPOGEN(R) were $163.7 million and $486.8 million for the three and nine months ended September 30, 1995, respectively. These amounts represent increases of $3.6 million and $36.3 million, or 2.2% and 8.1%, respectively, over the same periods last year. These increases are primarily due to increased usage of NEUPOGEN(R) and to price increases. Current quarter results were influenced by accelerated wholesaler purchasing just before the extended July 4 holiday period, which created artificially high inventory levels at the end of the second quarter, suppressing the increase in third quarter sales of NEUPOGEN(R). Current quarter results also reflect the ongoing and intensifying cost reduction pressure in the health care marketplace, including the growing influence of managed care organizations and the use of guidelines in patient care. This pressure has contributed to the slowing of growth in domestic NEUPOGEN(R) usage over the past several years and is expected to continue to influence such growth for the forseeable future.

International sales of NEUPOGEN(R), primarily in Europe, were $66.6 million and $202.8 million for the three and nine months ended September 30, 1995, respectively. These amounts represent increases of $12.0 million and $44.8 million, or 22.0% and 28.4%, respectively, over the same periods last year. Three factors account for these increases: (1) the inclusion of sales from three additional countries as the result of Austria, Sweden, and Finland joining the EU on January 1, 1995, (2) increased market penetration, and (3) the favorable effects of strengthened foreign currencies. Prior to the entry of these countries into the EU, F. Hoffmann La Roche paid the Company royalties on sales in these countries under a license agreement. The Company's overall share of the colony-stimulating factor market in the EU has decreased slightly since the introduction in 1994 of competing colony stimulating factor products.

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

EPOGEN(R) (Epoetin alfa)

EPOGEN(R) sales were $230.3 million and $644.8 million for the three and nine months ended September 30, 1995, respectively. These amounts represent increases of $43.3 million or 23.2% and $117.3 million or 22.2% over the same periods last year. These increases were primarily due to an increase in the U.S. dialysis patient population, the administration of higher doses of EPOGEN(R) per patient, and, to a lesser extent, increased penetration of the dialysis market.

Cost of sales

Cost of sales as a percentage of product sales was 13.9% and 15.5% for the three and nine months ended September 30, 1995, respectively, compared with 14.7% and 15.6% for the same periods last year. Cost of sales as a percentage of product sales declined slightly in the current quarter as benefits of the Puerto Rico fill-and-finish facility were realized. The fourth quarter margin is expected to be similar to the third quarter margin. In 1996, cost of sales as a percentage of product sales is expected to range from 14% to 16%.

Research and development

Research and development expenses increased $23.8 million or 29.1% and $92.1 million or 39.1% for the three and nine months ended September 30, 1995, respectively, compared with the same periods last year. These increases are primarily due to an expansion of the Company's internal research and development staff, partially as a result of the acquisition of Synergen in December 1994. In addition, the current year nine month period includes a $20.0 million signing payment made in the first quarter to The Rockefeller University for an exclusive license to certain technologies. Annual research and development expenses in 1996 are expected to increase at an annual rate exceeding the anticipated 1996 product sales growth rate.

Marketing and selling

Marketing and selling expenses increased $7.2 million or 11.6% and $23.1 million or 13.2%, for the three and nine months ended September 30, 1995, respectively, compared with the same periods last year. These increases primarily reflect marketing 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 1996 annual growth in product sales.

General and administrative

General and administrative expenses increased $5.7 million or 17.9% and $16.4 million or 18.1%, for the three and nine months ended September 30, 1995, respectively, compared with the same periods last year. These increases are primarily due to staff-related and legal 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 1996 annual growth in product sales.

Interest and other income

Interest and other income increased $8.6 million or 126.5% and $30.7 million or 191.9% during the three and nine months ended September 30, 1995, respectively, compared with the same periods last year. These increases are primarily due to: (1) higher current year cash balances, (2) capital gains realized in the Company's investment portfolio during the current year periods while capital losses were incurred in the prior year periods, (3) higher interest rates earned by the Company's investment portfolio during the current year periods, and (4) gains on foreign currency transactions. Interest and other income is expected to fluctuate from period to period primarily due to changes in interest rates and cash balances.

Income taxes

The Company's effective tax rate for the three and nine months ended September 30, 1995 was 31.7% and 32.5% compared to 38.5% and 38.2%, respectively, for the same periods last year. These decreases in the tax rate were due to tax benefits from the sale of products manufactured in the Puerto Rico fill-and-finish facility which began in the first quarter of 1995. These tax benefits are expected to result in an annualized effective tax rate of 31-33% in 1995.

Financial Outlook

Worldwide NEUPOGEN(R) sales for 1995 are expected to grow at a double digit rate but lower than the 1994 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, which are intensifying because of managed care and guidelines. In addition, international NEUPOGEN(R) sales will continue to be subject to changes in foreign currency exchange rates and increased competition.

EPOGEN(R) sales for 1995 are anticipated to grow at an annual rate of more than 20%. The Company anticipates that increases in both the U.S. dialysis patient population and dosing will continue to drive EPOGEN(R) sales. EPOGEN(R) sales may also be affected by

future changes in reimbursement rates or the basis for reimbursement by the federal government.

The Company expects double digit earnings growth in 1995 primarily as a result of the anticipated increases in product sales, increases realized in interest and other income, and the decrease in the 1995 tax rate. The Company currently 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.

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 - "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, 1994, with material developments since that report described below except to the extent otherwise reported in the Company's Form 10-Qs for the periods ended March 31, 1995 and June 30, 1995. 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 litigation

Acquisition litigation

In Livergood v. Synergen, Inc., et al., Weld, et al. v. Amgen Inc., et al., and Reineke v. Synergen, Inc., et al., purported class action suits previously filed on behalf of former Synergen stockholders challenging the acquisition price, all three suits were consolidated in United States District Court, County of Boulder, State of Colorado, and the court has stayed the proceedings pending the outcome of the Stanley, et al. v. Soll, et al. suit involving similar claims previously filed in the Delaware Chancery Court. In Glick v. Synergen, Inc., et al., a lawsuit previously brought by a class of Synergen warrant holders who claim to have been deprived of the benefit of their warrants, the court has dismissed the third amended complaint but granted leave to amend the complaint. The

plaintiffs have amended the complaint to seek declaratory relief and an injunction.

ANTRIL(TM) litigation

In Temple, et al. v. Synergen, Inc., et al., a suit previously filed in the District Court for the City and County of Denver, State of Colorado, alleging misrepresentations in connection with Synergen's research and development of ANTRIL(TM) for the treatment of sepsis, the court has stayed the proceedings pending an appeal filed by the plaintiffs in the United States District Court for the Tenth Circuit. The appeal seeks to reverse a Federal court ruling which denied the plaintiffs' exclusion from a prior class action settlement. If the Tenth Circuit affirms the ruling, the plaintiffs will be foreclosed from proceeding in the above mentioned state court action.

Erythropoietin patent litigation

This lawsuit was terminated on October 2, 1995 when the United States Supreme Court denied Johnson & Johnson's petition for certiorari which sought review of an April 5, 1995 decision by the United States Court of Appeals for the Federal Circuit.

Item 6. Exhibits and Reports on Form 8-K

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

(b) Reports on Form 8-K

The Company filed a report on Form 8-K dated August 31, 1995 reporting a demand filed in an arbitration proceeding with Johnson & Johnson seeking: (1) termination of the product license agreement between the Company and Johnson & Johnson, (2) an accounting of Johnson & Johnson's spillover sales and (3) damages.

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: 11/13/95

By:/s/ Robert S. Attiyeh

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

Date: 11/13/95

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. (7)
3.2	Certificate of Amendment to Restated Certificate of Incorporation, effective as of July 24, 1991. (14)
3.3	Bylaws, as amended to date. (19)
4.1	Indenture dated January 1, 1992 between the Company and Citibank N.A., as trustee. (15)
4.2	Forms of Commercial Paper Master Note Certificates. (18)
10.1*	Company's Amended and Restated 1991 Equity Incentive Plan.
10.2*	Company's Amended and Restated 1984 Stock Option Plan.
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 Employee Stock Purchase Plan, amended April 1, 1992. (16)
10.8	Agreement, dated February 12, 1986, between the Company and Sloan-Kettering Institute for Cancer Research (with certain confidential information deleted therefrom). (4)
10.9	Amendment No. 2, dated November 13, 1990, to Agreement, dated February 12, 1986, between the Company and Sloan-Kettering Institute for Cancer Research (with certain confidential information deleted therefrom). (13)
10.10	Research, Development Technology Disclosure and License Agreement PPO, dated January 20, 1986, by and between the Company and Kirin Brewery Co., Ltd. (4)
10.11	Research Collaboration Agreement, dated August 31, 1990, between Amgen Inc. and Regeneron Pharmaceuticals, Inc. (with certain confidential information deleted therefrom). (13)

10.12	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)
10.13	Assignment and License Agreement, dated October 16, 1986, between the Company and Kirin-Amgen, Inc. (with certain confidential information deleted therefrom). (5)
10.14	G-CSF European License Agreement, dated December 30, 1986, between Kirin-Amgen, Inc. and the Company (with certain confidential information deleted therefrom). (5)
10.15	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)
10.16*	Company's Amended and Restated 1987 Directors' Stock Option Plan.
10.17	Cross License Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
10.18	Development Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
10.19	Joint Venture Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
10.20	Partnership Purchase Option Agreement, dated June 1, 1987, between Amgen Inc. and Amgen Clinical Partners, L.P. (6)
10.21*	Company's Amended and Restated 1988 Stock Option Plan.
10.22*	Company's Retirement and Savings Plan, amended and restated as of January 1, 1993. (16)
10.23	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. (7)
10.24	Amending Agreement, dated June 30, 1988, to Development Agreement, Partner Purchase Option Agreement, Cross License Agreement and Joint Venture Agreement, dated June 1, 1987, between the Company and Amgen Clinical Partners, L.P. (7)
10.25	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). (9)
10.26	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). (9)
10.27	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). (9)
10.28	Rights Agreement, dated January 24, 1989, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (8)

10.29	First Amendment to Rights Agreement, dated January 22, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (11)
10.30	Second Amendment to Rights Agreement, dated April 2, 1991, between Amgen Inc. and American Stock Transfer and Trust Company, Rights Agent. (12)
10.31	Deed of Trust and Security Agreement, dated June 1, 1989, between the Company and UNUM Life Insurance Company of America. (10)
10.32	Note, dated June 1, 1989, between the Company and UNUM Life Insurance Company of America. (10)
10.33	Agency Agreement, dated November 21, 1991, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (16)
10.34	Agency Agreement, dated May 21, 1992, between Amgen Manufacturing, Inc. and Citicorp Financial Services Corporation. (16)
10.35	Guaranty, dated July 29, 1992, by the Company in favor of Merck Sharp & Dohme Quimica de Puerto Rico, Inc. (17)
10.36	936 Promissory Note No. 01, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (16)
10.37	936 Promissory Note No. 02, dated December 11, 1991, issued by Amgen Manufacturing, Inc. (16)
10.38	936 Promissory Note No. 001, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (16)
10.39	936 Promissory Note No. 002, dated July 29, 1992, issued by Amgen Manufacturing, Inc. (16)
10.40	Guaranty, dated November 21, 1991, by the Company in favor of Citicorp Financial Services Corporation. (16)
10.41	Lease and Agreement relating to Lease, dated March 27, 1986 and April 1, 1986, respectively, for 2003 Oak Terrace Lane between 2001 Hillcrest Partnership and the Company. (19)
10.42	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. (17)
10.43*	Amgen Supplemental Retirement Plan dated June 1, 1993. (20)
10.44	Promissory Note of Mr. Kevin W. Sharer, dated June 4, 1993. (20)
10.45	Promissory Note of Mr. Larry A. May, dated February 24, 1993. (21)
10.46*	First Amendment dated October 26, 1993 to the Company's Retirement and Savings Plan. (21)
10.47*	Amgen Performance Based Management Incentive Plan. (21)
10.48	Agreement and Plan of Merger, dated as of November 17, 1994, among Amgen Inc., Amgen Acquisition Subsidiary, Inc. and Synergen, Inc. (22)
10.49	Third Amendment to Rights Agreement, dated as of February 21, 1995, between Amgen Inc. and American Stock Transfer Trust and Trust Company (23)

10.50	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.(24)
11	Computation of per share earnings.
27	Financial Data Schedule.

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* Management contract or compensatory plan or arrangement.

(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 the Quarterly Report on Form 10-Q for the quarter ended June 30, 1987 on August 12, 1987 and incorporated herein by reference.

(7) 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.

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

(9) 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.

(10) Filed as an exhibit to the Quarterly Report on Form 10-Q for the quarter ended June 30, 1989 on August 14, 1989 and incorporated herein by reference.

(11) Filed as an exhibit to the Form 8-K Current Report dated January 22, 1991 and incorporated herein by reference.

(12) Filed as an exhibit to the Form 8-K Current Report dated April 12, 1991 and incorporated herein by reference.

(13) Filed as an exhibit to the Annual Report on Form 10-K for the year ended March 31, 1991 on July 1, 1991 and incorporated herein by reference.

(14) Filed as an exhibit to the Form 8-K Current Report dated July 24, 1991 and incorporated herein by reference.

(15) Filed as an exhibit to Form S-3 Registration Statement dated December 19, 1991 and incorporated herein by reference.

(16) 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.

(17) Filed as an exhibit to the Form 8-A dated March 31, 1993 and incorporated herein by reference.
(18) 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.
(19) Filed as an exhibit to the Form 10-Q for the quarter ended June 30, 1993 on August 16, 1993 and incorporated herein by reference.
(20) 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.
(21) 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.
(22) Filed as an exhibit to the Form 8-K Current Report dated November 18, 1994 on December 2, 1994 and incorporated herein by reference.
(23) Filed as an exhibit to the Form 8-K Current Report dated February 21, 1995 on March 7, 1995 and incorporated herein by reference.
(24) 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.

EXHIBIT 11

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1995	1994	1995	1994
Net income	$145.8	$114.0	$392.1	$314.9
Applicable common and common stock equivalent shares:				
Weighted average shares of common stock outstanding during the period	265.1	265.8	264.8	266.6
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options and warrants	16.7	12.7	15.4	13.4
Weighted average shares of common stock and common stock equivalents outstanding during the period	281.8	278.5	280.2	280.0
Earnings per common share primary	$ .52	$ .41	$ 1.40	$ 1.12

EXHIBIT 11

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1995	1994	1995	1994
Net income	$145.8	$114.0	$392.1	$314.9
Applicable common and common stock equivalent shares:				
Weighted average shares of common stock outstanding during the period	265.1	265.8	264.8	266.6
Incremental number of shares outstanding during the period resulting from the assumed exercises of stock options and				

warrants	18.1	13.3	19.0	15.3
Weighted average shares of common stock and common stock equivalents outstanding during the period	283.2	279.1	283.8	281.9
Earnings per common share fully diluted ...	$ .51	$ .41	$ 1.38	$ 1.12

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 St ock subject to the Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

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

4. ELIGIBILITY.

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

be granted 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 el igible 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 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 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 or consultant should die during the term of his or her employment with the Company or his or her affiliation with the Company as a consultant, 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 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 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 occu rrence 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 10.16

AMGEN INC.

AMENDED AND RESTATED 1987 DIRECTORS' STOCK OPTION PLAN

1. PURPOSE

(a) The purpose of the 1987 Directors' Stock Option Plan (the "Plan") is to provide a means by which each director of AMGEN INC. (the "Company") and its Affiliates, as defined in subparagraph 1(b), who is not otherwise an employee of the Company or any Affiliate (each such person being hereafter referred to as a "Non-Employee Director") 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 Compan y, by means of the Plan, seeks to retain the services of persons now serving as Non-Employee Directors of the Company, to secure and retain the services of persons capable of serving in such capacity, 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 not be incentive stock options as that term is used in Section 422 of the Code.

2. ADMINISTRATION

(a) The Plan shall be administered by the Board of Directors (the "Board") of the Company 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 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.

(2) To amend the Plan as provided in paragraph 11.

(3) 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 persons who in the opinion of counsel to the Company are "disinterested persons" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934. 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.

3. SHARES SUBJECT TO THE PLAN

(a) Subject to the provisions of paragraph 10 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 one million eight hundred thousand (1,800,000) shares of the Company's common stock. If any option granted under the Plan shall for any reason expire or otherwise terminate without having been exercised in full, the stock not purchased under such option shall again become available for the Plan.

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

4. ELIGIBILITY

Options shall be granted only to Non-Employee Directors of the Company, or an affiliate of such Non-Employee Directors.

5. NON-DISCRETIONARY GRANTS

(a) On January 27 of each year commencing January 27, 1992, each person who is at that time a Non-Employee Director of the Company, or an affiliate of such Non-Employee Director, shall automatically be granted under the Plan, without further action by the Company, the Board, or the Company's stockholders, an option to

purchase three thousand five hundred (3,500) shares of common stock of the Company on the terms and conditions set forth herein. The number of shares to be granted hereunder shall not be adjusted as provided for in subparagraph 10(a), but, however, shall be adjusted by multiplying by a fraction, the numerator of which is forty dollars ($40.00) per share and the denominator of which is the fair market value of the common stock of the Company on the date of grant. The number of shares granted pursuant to this subparagraph 5(a) shall be rounded to the nearest one hundred (100) shares (rounding up if 50 shares); notwithstanding the foregoing, the number of shares that shall be granted pursuant to this subparagraph 5(a) shall not be less than two thousand (2,000) nor shall it exceed five thousand (5,000) shares. The option shall be on the terms and conditions set forth herein and should the date of grant set forth above be a Saturday, Sunday or legal holiday, such grant shall be made on the next business day.

(b) Each person who, after January 27 of any year commencing January 27, 1991 and prior to November 1 of any year, becomes a Non-Employee Director, or an affiliate of such Non-Employee Director, shall, upon the date he or such affiliate becomes a Non-Employee Director, automatically be granted under the Plan, without further action by the Company, the Board, or the Company's stockholders, an option to purchase three thousand five hundred (3,500) shares of common stock of the Company on the terms and conditions set forth herein. The number of shares to be granted hereunder shall not be adjusted as provided for in subparagraph 10(a), but, however, shall be adjusted by multiplying by a fraction, the numerator of which is forty dollars ($40.00) per share and the denominator of which is the fair market value of the common stock of the Company on the date of grant.

The number of shares granted pursuant to this subparagraph 5(b) shall be rounded to the nearest one hundred (100) shares (rounding up if 50 shares); notwithstanding the foregoing, the number of shares that shall be granted pursuant to this subparagraph 5(b) shall not be less than two thousand (2,000) nor shall it exceed five thousand (5,000) shares. The option shall be on the terms and conditions set forth herein and should the date of grant set forth above be a Saturday, Sunday or legal holiday, such grant shall be made on the next business day.

6. 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) The term of each option shall be ten (10) years from the date it was granted.

(b) The exercise price of each option shall be one hundred percent (100%) of the fair market value of the stock subject to such option on the date such option is granted.

(c) The purchase price of 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) by delivery to the Company of shares of common stock that have been held for the period required to avoid a charge to the Company's reported earnings and valued at their fair market value on the date of exercise. Options granted under the Plan that are outstanding on April 2, 1991, shall be amended to include the right to exercise with common stock of the Company as provided for in this subparagraph 6(c).

(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 an affiliate of such person to be such person's beneficiary with respect to the Option, and such beneficiary shall, after the death of the person to whom the Option was granted, have all of the rights that such person had 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) An option shall not vest with respect to each optionee (i) unless the optionee, or the affiliate of such optionee, as the case may be, has, at the date of grant, provided three (3) years of prior continuous service as a Non-Employee Director, or (ii) until the date upon which such optionee or the affiliate of such optionee, as the case may be, has provided one year of continuous service as a Non-Employee Director following the date of grant of such option, whereupon such option shall become fully exercisable in accordance with its terms, provided that, if the optionee, or the affiliate of such optionee, as the case may be, has, at the date of grant, provided three (3) years of prior continuous service as a Non-Employee

Director, such option shall not become exercisable for six (6) months after the date of grant (even though such option shall be fully vested as of the date of grant).

(f) The Company may require any optionee, or any person to whom an option is transferred under subparagraph 6(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 (2) to give written assurances satisfactory to the Company stating that such person is acquiring the stock subject to the option for such person's own account and not with any present intention of selling or otherwise distributing the stock. These requirements, and any assurances given pursuant to such requirements, shall be inoperative if (i) the issuance of the shares upon the exercise of the 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 laws.

(g) Subject to the last sentence of this subparagraph 6(g), each option granted after April 2, 1991, under the Plan shall include and all outstanding options under the Plan on April 2, 1991 shall be amended to include a provision entitling the optionee to a further option (a "Reload Option") in the event the optionee exercises the option evidenced by the option grant, in whole or in part, by surrendering other shares of common stock of the Company in accordance with the Plan and the terms of the option grant. Any such Reload Option (i) shall be for a number of shares equal to the number of shares surrendered as part or all of the exercise price of the original option; (ii) shall have an expiration date which is the same as the expiration date of the original 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 Reload Option on the date of exercise of the original option. Any such Reload Option shall be subject to the availability of sufficient shares under subparagraph 3(a). There shall be no Reload Option on a Reload Option. The provisions of this subparagraph 6(g) shall not become effective and shall be void unless and until receipt by the Company of an interpretive letter from the Securities and Exchange Commission or an opinion of counsel reasonably acceptable to the Company to the effect that the Plan will be a "formula plan" as defined in Rule 16b-3(c)(2)(ii) if Reload Options are granted pursuant to this subparagraph 6(g).

7. 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 stock issued or issuable pursuant to any such option. If 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.

8. USE OF PROCEEDS FROM STOCK

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

9. MISCELLANEOUS

(a) Neither an optionee nor any person to whom an option is transferred under subparagraph 6(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.

(b) Throughout the te rm 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 stockholders of the Company provided for in the by-laws of the Company and such other information regarding the Company as the holder of such option may reasonably request.

10. ADJUSTMENTS UPON CHANGES IN STOCK

(a) If any change is made in the 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 maximum number of shares subject to the Plan and the class(es) and number of shares and price per share of stock subject to outstanding options; provided, that the minimum and maximum number of shares of common stock to be granted as provided for in subparagraphs 5(a) and 5(b) shall not be adjusted for any stock split, combination of shares or common stock dividend.

(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) replace 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 Securities Exchange Act of 1934 as amended (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.

11. AMENDMENT OF THE PLAN

(a) The Board at any time, and from time to time, may amend the Plan; provided, however, that the Board shall not amend the Plan more than once every six months with respect to the provisions of the Plan relating to the amount, price, and timing of grants, other than to comply with changes in the Code, the Employee Retirement Income Security Act of 1974, as amended, or the regulations thereunder.

(b) Rights and obligations under any option granted before amendment of the Plan shall not be altered or impaired by any amendment of the Plan, except with the consent of the person to whom the option was granted.

12. 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 ten (10) years from

the date the Plan is adopted by the Board. 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.

13. EFFECTIVE DATE OF PLAN

The Plan became effective as of January 27, 1987. No options granted under the Plan as the result of the amendments on July 24, 1990 and 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 10.2

AMGEN INC.

AMENDED AND RESTATED 1984 STOCK OPTION PLAN

1. PURPOSE.

(a) The purpose of the Plan is to provide a means by which selected employees, directors (if declared eligible under paragraph 4) 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 ("Nonincentive Stock Options"). All options shall be separately designated Incentive Stock Options or Nonincentive 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.

(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 options; when and how the option shall be granted; whether the option will be an Incentive Stock Option or a Nonincentive 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 10.

(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 interpreters 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.

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 twenty million four hundred thousand (20,400,000) 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 Nonincentive 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 Nonincentive 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. Nonincentive 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 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.

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 425(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 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) The term of any option shall not be greater than 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 Nonincentive 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 Nonincentive 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 federal securities laws.

(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; or (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; (iii) the option by its terms specifies that it shall terminate sooner than three (3) months after termination of the optionee's employment or relationship as a consultant; or (iv) 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 installments specified 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 Nonincentive 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 Nonincentive 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 the 1988 Stock Option Plan, if sufficient shares are available under subparagraph 3(a) of that 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 Nonincentive 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 Nonincentive Stock Options shall be Nonincentive 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 the Amgen Inc. 1988 Stock Option Plan or under the Amgen Inc. 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 Common 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 that 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 Common Stock upon exercise of such options unless and until such authority is obtained.

7. USE OF PROCEEDS FROM COMMON 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 the 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 pursuant to subparagraph 5(e), 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 or consultant should die during the term of his or her employment with the Company or his or her affiliation with the Company as a consultant, 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 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 shall affect the right of the Company or any Affiliate to terminate the employment of any eligible participant or optionee with or without cause.

9. 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.

10. 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 9 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 reser ved for options under the Plan;

(ii) Materially modify the requirements as to eligibility for participation in the Plan; or

(iii) Materially increase the benefits accruing to participants under the Plan.

(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.

11. 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 16, 1994. 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.

12. EFFECTIVE DATE OF PLAN.

The Plan shall become effective as determined by the Board.

EXHIBIT 10.21

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 suc h 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 installments specified 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 the 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 pursuant to subparagraph 5(e), 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 or consultant should die during the term of his or her employment with the Company or his or her affiliation with the Company as a consultant, 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 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 chang e 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 ofOctober 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.

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