

1. Scope

Applicable to all Amgen Inc. and subsidiary or affiliated company staff members, consultants, contract workers, secondees and temporary staff worldwide (“Covered Persons”). Consultants, contract workers, secondees and temporary staff are not Amgen employees, and nothing in this Policy should be construed to the contrary.

2. Policy

The determination, calculation, reporting, and disclosure of pricing information about Amgen’s products are important to Amgen’s commercial success and its legal and regulatory obligations. Accurate and timely reporting of pricing information is important to healthcare providers, government and private payers, patients, and other stakeholders because it ensures that Amgen products are reimbursed at appropriate rates. Conversely, the calculation, presentation and reporting of inaccurate pricing information or the use of such information to engage in inappropriate promotion of Amgen products can expose Amgen and Covered Persons to significant legal and regulatory risks. This Policy sets forth the requirements governing Amgen’s price management and price reporting practices.

It is Amgen’s policy to comply with all applicable laws and regulations related to price management and government price reporting, and all pricing and contracting activities must therefore be carried out under consideration of legal and compliance standards.

Price Management

Amgen has established price governance to ensure that its pricing is lawful and aligned with corporate objectives. Amgen develops “price policies”—which specify allowed price levels and/or approaches to contracting—to ensure that pricing is consistent with Amgen’s principles and appropriately managed throughout each product’s lifecycle. Price proposals that are not aligned with approved price policies are considered “price exceptions” and must be reviewed and approved on a case-by-case basis. It is Amgen’s policy to:

- Formally review and approve price policies and price exceptions for alignment with corporate strategic and financial objectives prior to implementation; and
- Ensure that price policies and price exceptions have been reviewed for potential legal risk by the Law department prior to review for alignment with strategic and financial objectives.

U.S. Regional Price Management

Legal compliance of Amgen’s pricing and contracting activities is evaluated in the context of the local laws most relevant to pricing and contracting. In the US, antitrust and fraud and abuse are the laws most relevant to pricing and contracting.

Antitrust Law

The antitrust laws of the US promote fair competition and address several types of conduct including, but not limited to the following:

- Price fixing: Agreements among competitors that have the purpose and/or effect of fixing, maintaining, or stabilizing prices at which the competitors sell their products;

- Price signaling: Any efforts to “signal” price actions to competitors with the intention of coordinating competitive activity;
- Abuse of monopoly position: Companies with “monopoly power” may be prohibited from undertaking activities that harm competition, such as using market power to control prices;
- Price discrimination: The US Robinson-Patman Act makes it potentially unlawful, in some cases, for Amgen to charge different prices to competing customers; and
- Restraining competition: Agreements on customers or geographies to which competitors sell or which products or services are sold, which may be determined to restrain competition unreasonably.

In the U.S., it is Amgen’s policy that:

- No Covered Person shall enter into any discussion with any competitor or enter into any agreement with such competitor, or signal any competitor to coordinate behavior;
- No Covered Person shall enter into any discussion or agreement that has the potential to implicate the types of antitrust laws described above without first discussing the proposed discussion or agreement, and the circumstances in which it may occur, with the Law Department;
- No Covered Person shall undertake any practice that has the potential to implicate the types of antitrust laws described above without first discussing it with the Law Department; and
- Under no circumstances may a Covered Person call a competitor to verify whether a customer is accurately describing the terms offered by the competitor.

U.S. antitrust law violations may result in criminal and civil penalties. Because antitrust law can be complex and difficult to apply, the Law department should be consulted for guidance.

Fraud and Abuse Law

The federal Anti-Kickback Statute and the federal civil False Claims Act are two of the primary fraud and abuse laws applicable to pharmaceutical and biotech manufacturers in the U.S. These federal laws, and several related state laws, impose restrictions on economic benefits from Amgen to healthcare providers and other customers.

- **Federal Anti-Kickback Statute:** Prohibits knowingly and willfully offering or paying remuneration to induce a person either a) to refer an individual for the furnishing of any item or service for which payment may be made under Medicare or another federal health care program or b) to purchase, lease, or order (such as by prescribing a drug) any item or service for which payment may be made under Medicare or another federal healthcare program.

- **False Claims Act:** Prohibits a) the knowing submission of a false or fraudulent claim for reimbursement to the federal government, b) any person from causing another to submit such a false or fraudulent claim, and c) knowingly making or using a false record or statement to get a false or fraudulent claim paid or approved by a federal program.

Failure to comply with these laws can expose Amgen and Covered Persons to potentially significant penalties, including both civil and criminal sanctions.

Both the Anti-Kickback Statute and the False Claims Act are implicated by discounts, rebates, Group Purchasing Organization (GPO) administrative fees, and free products. Discount and rebate arrangements, in particular, must be reviewed carefully under the Anti-Kickback Law because these arrangements—by their very nature—are intended to induce purchases. Furthermore, Amgen may be exposed to liability under the False Claims Act if it improperly reports pricing data to the government, such as data relating to the average sales price (ASP), average manufacturer's price (AMP), best price (BP), non-federal average manufacturer price (non-FAMP), or federal ceiling price (FCP).

The law and administration regulations do, however, protect parties from prosecution if such discount or rebate arrangements meet certain criteria. In the United States, it is Amgen's policy that:

- Amgen will only offer those discounts, rebates and administrative fees that comply with the requirements of federal and state laws and regulations, including but not limited to the federal Anti-Kickback Statute. All such discounts, rebates and administrative fees must be approved, documented appropriately and communicated to those responsible for performing price reporting calculations.
- Under no circumstances may service agreements, research agreements, or other payments or arrangements be offered or provided with the intent of, directly or indirectly, influencing or encouraging recipients to purchase, prescribe, refer, sell, arrange for the purchase or sale of, or recommend formulary placement of, any Amgen product. Such agreements, payments and arrangements may not be offered in connection with discussions, negotiations, or decisions involving product pricing or purchasing, or formulary decisions. This prohibition does not apply to discount, rebate, or other price concession arrangements with customers that permit the customer to take such discounts into account when making purchase, coverage, or formulary placement determinations.

As U.S. fraud and abuse laws can be complex and difficult to apply, the Law department should be consulted for guidance in all cases.

Ex-U.S. Regional Price Management

In Amgen's international operating regions, the legal principles most affecting pricing and contracting activities include:

- **Antitrust and Unfair Competition:** Some conduct, such as reciprocal dealing or inducing customers to breach or violate contracts with competitors, are prohibited. Others, such as bundled contracting or discriminating with respect to price among similarly situated, competing customers require prior consultation with the Law department. From the perspective of pricing and contracting, guidelines such as ensuring pricing decisions are made by Covered Persons and avoiding collusion or the appearance thereof must always be followed;
- **Anti-corruption:** Covered Persons must not offer any payment, advantage, or thing of value to any foreign government official or third party as an improper inducement for such person to take any action that benefits Amgen's business;
- **Dealing with Governments and Healthcare Professionals:** Local governments operate the healthcare systems in many countries, and healthcare professionals (e.g., physicians and hospital personnel) frequently are government employees. Covered Persons involved in pricing, government procurement (e.g., tender arrangements for the supply of Amgen products), and contracting activities must be cognizant of this issue because a country's government is often both a customer and the regulator of our products, making interactions with these individuals higher risk; and

Amgen's policy in its international regions is as follows:

- Covered Persons must not offer, promise, or give - directly or indirectly - any payment (whether cash or non-cash) or any other advantage or thing of value to any foreign government official or any other third party as an improper inducement for such person to take any action, or refrain from taking any action, that benefits Amgen's business. Similarly, Covered Persons must not accept any offer, promise, or payment (whether cash or non-cash) or any advantage or thing of value from anyone as an improper inducement to take any action, or refrain from taking any action.
- Covered Persons must not offer Amgen support (e.g., donations or product samples) to the International Healthcare Community to disguise discounts. Importantly, the Books and Records Provision of the FCPA requires accurate and transparent records and strictly forbids disguising any payment or incentive in the company's records.
- Discount arrangements with healthcare professionals (e.g., price reductions or free stock) are only acceptable if granted in accordance with all applicable laws, including the FCPA, UK Bribery Act, and local laws. Discount arrangements whose purpose is, or could be perceived to be, to improperly induce a purchase or other competitive advantage are not allowed.
- Pricing arrangements which may enable purchasers or employees of purchasers to benefit personally (such as by receiving vouchers instead of a discount) are strictly prohibited.

Because of the complexity of the antitrust and competition laws and regulations and anti-corruption laws and regulations - and the potential legal consequences of violating these laws and regulations (including criminal penalties) - the Law Department should be consulted for guidance.

Government Price Reporting

Amgen has a legal obligation to report accurate and complete pricing information to governmental authorities in the US and abroad. Untimely or inaccurate price reporting can have both legal and business consequences.

In the U.S., Amgen may be exposed to liability under the federal civil False Claims Act, certain criminal statutes prohibiting false claims, and/or analogous state false claims laws, if it improperly reports pricing data to the government, such as data relating to the ASP, AMP, BP, non-FAMP, or FCP. Failure to comply with these reporting requirements can lead to the termination of the related government agreement(s), which in turn would result in no federal funding being available for Amgen's products under Medicaid or Medicare Part B. In addition to any obligation to refund the government any overpayment, with interest, non-compliance also may be subject to various program-specific penalties.

With respect to the Medicaid Drug Rebate Program (MDRP), civil monetary penalties may be imposed for: (i) refusal to provide information on or respond to a CMS request for information on prices or charges, (ii) failure to submit monthly and quarterly pricing data on a timely basis, and (iii) knowingly providing false information to the government. MDRP pricing data also are used to calculate the 340B Drug Pricing Program ceiling price, and thus inaccurate MDRP pricing data also have the potential to generate penalties under the 340B Drug Pricing Program, described below.

Under the 340B Drug Pricing Program, civil monetary penalties may be imposed for each instance where the manufacturer "knowingly and intentionally" charges a covered entity a price that exceeds the 340B Ceiling Price (the civil monetary penalty regulations are expected to become effective in October 2017).

With respect to the Medicaid Medicare Part B ASP reporting requirement, civil monetary penalties may be imposed for: (i) refusal to provide information on or respond to a CMS request for information on prices or charges, (ii) failure to submit ASP information on a timely basis, (iii) misrepresentation in the reporting of ASP, and (iv) knowingly providing false information to the government.

Under the U.S. Department of Veterans Affairs (VA) Federal Supply Schedule (FSS) pricing program, civil monetary penalties may be imposed for (i) refusal to provide pricing information or "unrestricted access" to the VA in connection with a pricing audit, (ii) failure to timely submit pricing information, and/or (iii) knowingly providing false information to the government. Termination of the VA pricing agreements would also mean that the Big 4 federal agencies (VA, DoD, PHS, and Coast Guard) could not buy Amgen's drugs.

Outside of the U.S., Amgen may be fined for non-compliance if price information is not disclosed in a timely matter, or if inaccurate, incomplete, or misleading information is disclosed. Furthermore, inappropriate price reporting in one country can have significant impact on prices in other countries due to International Price Referencing.

U.S. Government Price Reporting

It is Amgen's policy to adhere to all applicable laws and regulations related to U.S. Government price reporting calculations and reporting of price information for Amgen products. In the United States, it is Amgen's policy that:

- All government price calculations and data must be accurate and submitted in a timely fashion to the U.S. Government (or provided in the time allotted by extension, if applicable);
- Amgen's U.S. Government price reporting calculations and reporting policies must be maintained and updated, and appropriate training must be provided to relevant Covered Persons to ensure compliance with such policies and procedures; and
- Amgen will refrain from any action that could potentially interfere with the ability of a buyer of an Amgen product to meet its obligations to report a discount or rebate.

Ex-U.S. Government Price Reporting

It is Amgen's policy to adhere to all applicable laws and regulations related to reporting price information for Amgen products outside of the U.S. It is Amgen's policy that:

- All Amgen price information must be complete and accurate and necessary documentation must be prepared according to local standards specified by the government authority;
- Price information must be submitted in a timely fashion regardless of whether the trigger initiating the obligation to report is a) a periodic review, b) a specific government request, or c) a change to a referenced country's list price, even if there is no request from the referencing government; and
- Amgen's ex-U.S. price reporting policies must be maintained and updated in response to changing government reference price rules and review calendars; ongoing training must be provided to relevant Covered Persons to ensure compliance with such policies and procedures.

Pricing and rebate calculations vary across products and programs, are complex, and are often subject to interpretation by Amgen, governmental or regulatory agencies, and the courts. Covered Persons must consult the Law Department for guidance on complying with applicable laws and regulations for price reporting relevant in their country.

3. Additional Information

Every Covered Person worldwide is required to follow (1) the Amgen Code of Conduct, (2) laws and regulations applicable in the relevant jurisdictions, and (3) Amgen governance documents applicable to him or her, including without limitation, those relating to this Policy. Covered Persons should exert due diligence in preventing violations of such laws, regulations, and governance documents. Covered Persons must refer to the governance documents in effect for the geographic area in which they work, or for which they are responsible, or request guidance from their manager or compliance representative with responsibility for that geographic area

Amgen expects its managers to (1) be familiar with (or take appropriate steps to become familiar with) the laws, regulations, and Amgen governance documents applicable to the activities they manage or supervise, (2) provide that their direct reports have appropriate training on compliance issues to perform their job functions, and (3) supervise their direct reports with respect to compliance requirements and activities.

If Amgen determines that any Covered Person has violated this Policy, related standards, procedures or controls, applicable laws or regulations, or any governance documents, appropriate disciplinary measures will be taken, up to and including immediate termination of employment, to the extent permitted by applicable laws. The following is a non-exhaustive list of possible disciplinary measures to which Covered Persons may be subject (subject to applicable law): oral or written warning, suspension, removal of job duties/responsibilities, demotion, reduction in compensation, and/or termination of employment.

Subject to applicable laws, Amgen reserves the right to take whatever disciplinary or other measure(s) it determines in its sole discretion to be appropriate in any particular situation, including disclosure of the wrongdoing to governmental authorities. Nothing in this Policy changes the at-will nature of employment at Amgen, its affiliates or subsidiaries, where applicable. Amgen may also terminate the services or work engagement of non-employee Covered Persons for violation of this Policy.