

CELGENE CORP /DE/
Form DEF 14A
April 23, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. __)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

CELGENE CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

CELGENE CORPORATION
86 Morris Avenue
Summit, New Jersey 07901
May 4, 2009

Dear Stockholder:

On behalf of the Board of Directors, I cordially invite you to attend the 2009 Annual Meeting of Stockholders, or the Annual Meeting, of Celgene Corporation. The Annual Meeting will be held on June 17, 2009, beginning at 1:00 p.m. Eastern Time at the offices of Celgene Corporation, 86 Morris Avenue, Summit, New Jersey 07901. The formal Notice of Annual Meeting is set forth in the enclosed material.

The matters expected to be acted upon at the meeting are described in the attached Proxy Statement. During the meeting, stockholders will have the opportunity to ask questions and comment on our business operations.

We are pleased this year once again to take advantage of the Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to our stockholders a Notice of Internet Availability of Proxy Materials instead of a paper copy of the attached Proxy Statement and a proxy card. The notice contains instructions on how to access those documents over the Internet. The notice also contains instructions on how each of our stockholders can receive a paper copy of our proxy materials, including the attached Proxy Statement and a form of proxy card. By furnishing the notice, we are lowering the costs and reducing the environmental impact of the Annual Meeting.

It is important that your views be represented whether or not you are able to be present at the Annual Meeting. You may cast your vote by signing and dating the enclosed proxy card and promptly returning it in the provided return envelope. No postage is required if this envelope is mailed in the United States. You have the option to cast your vote in person at the Annual Meeting on June 17, 2009. You also have the option of voting your proxy via the Internet at www.proxyvote.com or by calling toll free via a touch-tone phone at 800-690-6903. You may vote via telephone or the Internet up until 11:59 p.m. Eastern Time on June 16, 2009.

We appreciate your investment in Celgene and urge you to cast your vote as soon as possible.

Sincerely,

Sol J. Barer, Ph.D.
*Chairman of the Board and
Chief Executive Officer*

CELGENE CORPORATION
86 Morris Avenue
Summit, New Jersey 07901

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders, or the Annual Meeting, of CELGENE CORPORATION will be held at the offices of Celgene Corporation, 86 Morris Avenue, Summit, New Jersey 07901 on June 17, 2009, beginning at 1:00 p.m. Eastern Time for the following purposes:

1. to elect nine directors;
2. to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009;
3. to approve an amendment and restatement of our 2008 Stock Incentive Plan;
4. to act on one stockholder proposal, if the proposal is properly presented at the Annual Meeting; and
5. to transact any such other business as may properly come before the Annual Meeting and at any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on April 21, 2009 as the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting.

By order of the Board of Directors,

Sol J. Barer, Ph.D.
*Chairman of the Board and
Chief Executive Officer*

May 4, 2009

YOUR VOTE IS IMPORTANT
Please vote via the Internet or telephone.

Internet: www.proxyvote.com

Phone: 800-690-6903

If you request a proxy card, please mark, sign and date the proxy card when received and return it promptly in the self-addressed, stamped envelope we will provide.

CELGENE CORPORATION
86 Morris Avenue
Summit, New Jersey 07901

PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors for the annual meeting of stockholders (which we refer to as the Annual Meeting) of Celgene Corporation, a Delaware corporation (Celgene, the Company, we, our or us), to be held on June 17, 2009, and at any adjournment or postponement thereof. The proxy materials include this proxy statement for the Annual Meeting and a form of proxy card. When we refer to our fiscal year, we mean the 12-month period ending December 31 of the stated year (for example, fiscal 2008 is January 1, 2008 through December 31, 2008).

Electronic Notice and Mailing

Pursuant to the rules promulgated by the Securities and Exchange Commission, or the SEC, we are making our proxy materials available to you on the Internet. Accordingly, we will mail a Notice of Internet Availability of proxy materials (which we refer to as the Notice of Internet Availability) to the beneficial owners of our common stock, par value \$0.01 per share, or Common Stock, on or about May 4, 2009. From the date of the mailing of the Notice of Internet Availability until the conclusion of the Annual Meeting, all beneficial owners will have the ability to access all of the proxy materials at www.proxyvote.com. All stockholders will have an opportunity to request a paper or e-mail delivery of these proxy materials.

The Notice of Internet Availability will contain:

- the date, time and location of the Annual Meeting, the matters to be acted upon at the Annual Meeting and the Board of Directors' recommendation with regard to each matter;
- the Internet address that will enable access to the proxy materials;
- a comprehensive listing of all proxy materials available on the website;
- a toll-free phone number, e-mail address and Internet address for requesting either paper or e-mail delivery of proxy materials;
- the last reasonable date a stockholder can request materials and expect them to be delivered prior to the meeting; and
- instructions on how to access the proxy card.

You may also request a paper or e-mail delivery of the proxy materials on or before the date provided in the Notice of Internet Availability by calling 1-800-579-1639. We will fill your request within three business days. You will also have the option to establish delivery preferences that will be applicable for all your future mailings.

Record Date and Voting Securities

Only stockholders of record at the close of business on April 21, 2009, the record date for the Annual Meeting, or the Record Date, will be entitled to notice of and to vote at the Annual Meeting. On the Record Date we had outstanding 460,283,597 shares of Common Stock, which are our only securities entitled to vote at the Annual Meeting, each share being entitled to one vote.

How to Vote

Stockholders of record (that is, stockholders who hold their shares in their own name) can vote any one of four ways:

- (1) *By Internet:* Go to the website www.proxyvote.com to vote via the Internet. You will need to follow the instructions on your proxy card and the website. If you vote via the Internet, you may incur telephone and Internet access charges.
- (2) *By Telephone:* Call the toll-free number 1-800-690-6903 to vote by telephone. You will need to follow the instructions on your proxy card and the recorded instructions.

(3) *By Mail*: If you prefer, you can contact us to obtain copies of all proxy materials, including proxy cards, by calling 1-800-579-1639, or by mail: Celgene Corporation, 86 Morris Avenue, Summit, New Jersey 07901, Attention: Corporate Secretary. If you contact us to request a proxy card, please mark, sign and date the proxy card and return it promptly in the self-addressed, stamped envelope, that we will provide. If you sign and return your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors.

(4) *In Person*: You can attend the Annual Meeting, or send a personal representative with an appropriate proxy, to vote by ballot. Only record or beneficial owners of Common Stock or their proxies may attend the Annual Meeting in person. When you arrive at the Annual Meeting, you must present photo identification, such as a driver's license. Beneficial owners also must provide evidence of stock holdings, such as a recent brokerage account or bank statement.

If you vote via the Internet or by telephone, your electronic vote authorizes the named proxies in the same manner as if you signed, dated and returned your proxy card. **If you vote via the Internet or by telephone, do not mail a proxy card.**

If your shares are held in the name of a bank, broker or other holder of record (that is, street name), you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Internet and telephone voting also will be offered to stockholders owning shares through most banks and brokers.

Revocability of Proxies

Stockholders who execute proxies may revoke them by giving written notice to our Chief Executive Officer at any time before such proxies are voted. Attendance at the Annual Meeting shall not have the effect of revoking a proxy unless the stockholder so attending shall, in writing, so notify the Secretary of the Annual Meeting at any time prior to the voting of the proxy at the Annual Meeting.

Other Matters

The Board of Directors does not know of any matter that is expected to be presented for consideration at the Annual Meeting, other than the election of directors; the ratification of the appointment of our independent registered public accounting firm for fiscal 2009; the adoption of the amended and restated 2008 Stock Incentive Plan; and one stockholder proposal, if the proposal is properly presented at the Annual Meeting. However, if other matters properly come before the Annual Meeting, the persons named in the accompanying proxy intend to vote thereon in accordance with their judgment.

Solicitation Expenses

We will bear the cost of the Annual Meeting and the cost of soliciting proxies, including the cost of mailing the proxy material. In addition to solicitation by mail, our directors, officers and regular employees (who will not be specifically compensated for such services) may solicit proxies by telephone or otherwise. Arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to forward proxies and proxy material to their principals, and we will reimburse them for their expenses. In addition, we have retained Broadridge Financial Solutions, or Broadridge, to assist in the mailing, collection and administration of the proxy. Broadridge's fee is estimated to be \$350,000 plus reasonable out-of-pocket expenses.

Voting Procedures; Abstentions

All proxies received pursuant to this solicitation will be voted except as to matters where authority to vote is specifically withheld and, where a choice is specified as to the proposal, they will be voted in accordance with such specification. If no instruction is given, the persons named in the proxy solicited by our Board of Directors intend to vote FOR the nominees for election of our directors listed herein, FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for fiscal 2009, FOR the amendment and restatement of our 2008 Stock Incentive Plan and AGAINST the stockholder proposal (Proposal Four).

A majority of the outstanding shares of Common Stock entitled to vote on the Record Date, whether present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting and any adjournment or postponement thereof. Abstentions and broker non-votes (i.e., proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons eligible to vote shares as to a matter with respect to which the brokers or nominees do not have discretionary power to vote) will be counted as present or represented for purposes of establishing a quorum for the transaction of business.

Abstentions and broker non-votes will have no effect on the election of directors, which is by plurality of the votes cast in person or by proxy.

Abstentions and broker non-votes will have no effect on the proposed (i) ratification of the appointment of KPMG LLP as our independent registered public accounting firm, (ii) amendment and restatement of our 2008 Stock Incentive Plan and (iii) the stockholder proposal (Proposal Four), as each of these items requires the affirmative vote of a majority of shares of Common Stock cast in person or by proxy.

All shares of Common Stock as set forth in this proxy statement have been adjusted to reflect the three-for-one-split we declared and paid on April 14, 2000, or the 2000 Split; the two-for-one-split we declared and paid on October 22, 2004, or the 2004 Split; and the two-for-one-split we declared on February 17, 2006 and paid on February 24, 2006, or the 2006 Split. The 2000 Split, the 2004 Split and the 2006 Split are collectively referred to as the Splits.

MATTERS TO COME BEFORE THE ANNUAL MEETING
PROPOSAL ONE:
Election of Directors

Nominees

At the Annual Meeting, nine directors, who have been nominated by the Nominating and Governance Committee (referred to as the Nominating Committee), are to be elected, each to hold office (subject to our Bylaws) until the next annual meeting and until his or her successor has been elected and qualified. All of the nominees for director currently serve as directors and were elected by the stockholders at the 2008 Annual Meeting.

Each nominee has consented to being named as a nominee in this proxy statement and to serve if elected. If any nominee listed in the table below should become unavailable for any reason, which the Board of Directors does not anticipate, the proxy will be voted for any substitute nominee or nominees who may be selected by the Board of Directors prior to or at the Annual Meeting, or, if no substitute is selected by the Board of Directors prior to or at the Annual Meeting, for a motion to reduce the membership of the Board of Directors to the number of nominees available. Directors will be elected by an affirmative vote of a plurality of the votes cast at the Annual Meeting in person or by proxy. There are no family relationships between any of our directors and executive officers. The information concerning the nominees and their security holdings has been furnished by them to us.

Name	Age	Position
Sol J. Barer, Ph.D.	62	Chief Executive Officer and Chairman of the Board
Robert J. Hugin	54	President, Chief Operating Officer and Director
Michael D. Casey	63	Director
Rodman L. Drake	66	Director
Arthur Hull Hayes, Jr., M.D.	75	Director
Gilla Kaplan, Ph.D.	62	Director
James J. Loughlin	66	Director
Ernest Mario, Ph.D.	71	Director
Walter L. Robb, Ph.D.	81	Director

Sol J. Barer, Ph.D. has served as our Chief Executive Officer since May 1, 2006. Immediately prior, Dr. Barer served as our President, an office he held since October 1993, and as our Chief Operating Officer, an office he held since March 1994. Dr. Barer has served as the Chairman of our Board of Directors since January 2, 2007 and, since March 1994, has served as one of our directors. He is also the Chairman of the Executive Committee of our Board of Directors. Dr. Barer was Senior Vice President Science and Technology and Vice President/General Manager Chiral Products from October 1990 to October 1993 and our Vice President Technology from September 1987 to October 1990. Dr. Barer received a Ph.D. in organic chemistry from Rutgers University and is on the Rutgers Board of Trustees, Rutgers Graduate School Dean's Advisory Council (Founding Chair) and the Rutgers Bioscience Commercialization Advisory Board. Dr. Barer is also a director of Amicus Therapeutics and serves on the Board of Trustees of BioNJ and the Board of the Brooklyn College Foundation. Dr. Barer previously served as Commissioner of the New Jersey Commission on Science and Technology.

Robert J. Hugin has served as our Chief Operating Officer and President since May 1, 2006. He served as our Senior Vice President and Chief Financial Officer from June 1999 until May 1, 2006. Mr. Hugin has served as one of our directors since December 2001. Previously, Mr. Hugin had been a Managing Director at J.P. Morgan & Co. Inc., which he joined in 1985. Mr. Hugin received an A.B. degree from Princeton University and an M.B.A. from the University of Virginia. Mr. Hugin is also a director of The Medicines Company, Atlantic Health System, Inc., a non-profit health care system, and Family Promise, a national non-profit network assisting homeless families.

Michael D. Casey has served as one of our directors since August 2002, is Chairman of the Nominating Committee and a member of the Executive Committee (since December 2006) and the Management Compensation and Development Committee (referred to as the Compensation Committee) (since April 2006) of our Board of Directors. He became our lead independent director in June 2007. Mr. Casey was a member of the Audit Committee from August 2002 through December 2006. From September 1997 to February 2002, Mr. Casey served as the Chairman, President, Chief Executive Officer and a director of Matrix Pharmaceutical, Inc. From November 1995 to September 1997, Mr. Casey was Executive Vice President at Schein Pharmaceutical, Inc. In December 1996, he was appointed President of the retail and specialty products division of Schein. From June 1993 to November 1995, he served as President and Chief Operating Officer of Genetic Therapy, Inc. Mr. Casey was President of McNeil Pharmaceutical (a unit of Johnson & Johnson) from 1989 to June 1993 and Vice President, Sales and Marketing for Ortho Pharmaceutical Corp. (a subsidiary of Johnson & Johnson) from 1985 to 1989. Mr. Casey is also a director of Allos Therapeutics, Inc., Durect Corp. and AVI BioPharma.

Rodman L. Drake has served as one of our directors since April 2006, is Chairman of the Compensation Committee since June 2007 and a member of the Nominating Committee of our Board of Directors. Since January 2002, Mr. Drake has been Managing Director of Baringo Capital LLC, a private equity group he co-founded. From November 1997 to January 2002, Mr. Drake was president of Continuation Investments Group Inc., a private equity firm. Prior to that, Mr. Drake was co-chairman of the KMR Power Company and Chief Executive Officer and Managing Director of Cresap McCormick and Paget, a leading management consulting firm, and served as President of the Mandrake Group, a consulting firm specializing in strategy and organizational design. He is a member of the boards of directors of The Student Loan Corporation, Jackson Hewitt Tax Service, Inc., Crystal River Capital, Inc. and The Animal Medical Center of New York. He is the Chairman of the Helios Funds and a Trustee of the Columbia Atlantic Funds.

Arthur Hull Hayes, Jr., M.D. has served as one of our directors since 1995 and is a member of the Audit Committee of our Board of Directors. Dr. Hayes was President and Chief Operating Officer of MediScience Associates, a consulting organization that works with pharmaceutical firms, biomedical companies and foreign governments, from July 1991 through December 2005, and clinical professor of medicine and pharmacology at the Pennsylvania State University College of Medicine from 1981 to 2004. From 1986 to 1990, Dr. Hayes was President and Chief Executive Officer of E.M. Pharmaceuticals, a unit of E. Merck AG, and from 1981 to 1983 was Commissioner of the U.S. Food and Drug Administration. Dr. Hayes is also a director of QuantRx Biomedical Corporation.

Gilla Kaplan, Ph.D. has served as one of our directors since April 1998 and is a member of the Audit Committee of our Board of Directors. Dr. Kaplan is head of the Laboratory of Mycobacterial Immunity and Pathogenesis at The Public Health Research Institute Center at the University of Medicine and Dentistry of New Jersey in Newark, New Jersey, where she was appointed full Member in 2002. Dr. Kaplan also was appointed, in 2005, Professor of Medicine at the University of Medicine and Dentistry of New Jersey. Previously, Dr. Kaplan was an immunologist in the Laboratory at Cellular Physiology and Immunology at The Rockefeller University in New York where she was an Associate Professor.

James J. Loughlin has served as one of our directors since January 2007, is Chairman of the Audit Committee (since June 2008) and a member of the Compensation Committee (since June 2008) of our Board of Directors. Mr. Loughlin served as the National Director of the Pharmaceuticals Practice at KPMG, including a five-year term as member of the Board of Directors of KPMG LLP. Additionally, Mr. Loughlin served as Chairman of the Pension and Investment Committee of the KPMG Board from 1995 through 2001. He also served as Partner in charge of Human Resources, Chairman of the Personnel and Professional Development Committee, Secretary and Trustee of the Peat Marwick Foundation and a member of the Pension, Operating and Strategic Planning Committees.

Ernest Mario, Ph.D. has served as one of our directors since August 2007 and is a member of the Nominating Committee (since August 2007) and the Executive Committee (since June 2008) of our Board of Directors. Dr. Mario is a former Deputy Chairman and Chief Executive of Glaxo Holdings plc and a former Chairman and Chief Executive Officer of ALZA Corporation. Dr. Mario has been a Director of Boston Scientific since October 2001 and currently is Chairman of Pharmaceutical Product Development. From 2003 to 2007, he was Chairman and Chief Executive of Reliant Pharmaceuticals. Dr. Mario currently is the Chief Executive Officer and Chairman of Capnia, Inc., a privately held specialty pharmaceutical company in Palo Alto, CA. A former Trustee of Duke University, he serves on the Board of the Duke University Health System. He is a past Chairman of the American Foundation for Pharmaceutical Education and serves as an advisor to the pharmacy schools at the University of Maryland, the University of Rhode Island and The Ernest Mario School of Pharmacy at Rutgers University. Dr. Mario is the recipient of the 2007 Remington Honor Medal, which is the highest recognition given by the American Pharmacists Association.

Walter L. Robb, Ph.D. has served as one of our directors since 1992 and is a member of the Audit Committee of our Board of Directors. He has been a private consultant and President of Vantage Management Inc., a consulting and investor services company, since January 1993. Dr. Robb was Senior Vice President for Corporate Research and Development of General Electric Company, and a member of its Corporate Executive Council from 1986 to December 1992. Dr. Robb is Chairman of the Board of Directors of Capital District Sports. He also is a director of Mechanical Technology, Inc., a public company, and several private companies.

RECOMMENDATION OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS UNANIMOUSLY

RECOMMENDS A VOTE FOR THE ELECTION OF EACH NOMINEE UNDER PROPOSAL ONE.

Security Ownership of Certain Beneficial Owners and Management

The table below sets forth the beneficial ownership of Common Stock as of March 17, 2009 by (i) each director, (ii) each Named Executive Officer (as defined below), (iii) all of our directors and Named Executive Officers as a group and (iv) all persons known by the Board of Directors to be beneficial owners of more than five percent of the outstanding shares of Common Stock. Shares of Common Stock subject to warrants and/or options that are currently exercisable or exercisable within 60 days of March 17, 2009 are deemed outstanding for computing the ownership percentage of the stockholder holding such warrants and/or options, but are not deemed outstanding for computing the ownership percentage of any other stockholder. Unless otherwise noted, the address of each stockholder is Celgene Corporation, 86 Morris Avenue, Summit, New Jersey 07901.

Name and Address	Amount and Nature of Beneficial Ownership	Percent of Class
of Beneficial Ownership		
Sol J. Barer, Ph.D.	3,397,650(1)(2)(3)	*
Robert J. Hugin	2,498,688(1)(2)(4)	*
David W. Gryska	203,213(1)(2)	*
Aart Brouwer	511,500(1)	*
Graham Burton, MBBS, FRCP	410,968(1)(2)	*
Michael D. Casey	161,000(1)	*
Rodman L. Drake	46,205(1)	*
Arthur Hull Hayes, Jr., M.D.	161,000(1)	*
Gilla Kaplan, Ph.D.	301,000(1)(5)	*
James J. Loughlin	28,250(1)	*
Ernest Mario, Ph.D.	30,125(1)	*
Walter L. Robb, Ph.D.	91,148(1)	*
All our directors and current executive officers as a group (12 persons)	7,840,747(6)	1.7%
FMR LLC (FMR) 82 Devonshire Street Boston, MA 02109	31,607,169(7)	6.9%
Janus Capital Management LLC (Janus Capital) 151 Detroit Street Denver, CO 80206	34,985,929(8)	7.6%

* Less than one percent (1%)

(1) Includes shares of Common Stock that the directors and executive officers have the right to acquire through the exercise of warrants and/or options within

60 days of
March 17, 2009
as follows: Sol
J. Barer
2,773,234
(2,736,874
through the
exercise of
options and
36,360 through
the exercise of
warrants);
Robert J. Hugin
1,922,574;
David W.
Gryski
202,986; Aart
Brouwer
411,500;
Graham Burton
316,772;
Michael D.
Casey 161,000;
Rodman L.
Drake 43,500;
Arthur Hull
Hayes, Jr.
161,000; Gilla
Kaplan
278,232; James
J. Loughlin
27,250; Ernest
Mario 20,125;
and Walter L.
Robb 78,500.
Shares of
Common Stock
underlying
options and/or
warrants are
deemed
outstanding and
beneficially
owned by such
director or
executive
officer if such
options and/or
warrants may be
exercised within
60 days of

March 17, 2009,
regardless of
whether such
exercise is
actually
effected.

Does not
include shares
of Common
Stock that the
directors and
executive
officers have the
right to acquire
through the
exercise of
options not
exercisable
within 60 days
of March 17,
2009, as
follows: Sol J.
Barer -0; Robert
J. Hugin -0;
David W.
Gryska -0; Aart
Brouwer -0;
Graham Burton
-0; Michael D.
Casey 13,875;
Rodman L.
Drake 23,875;
Arthur Hull
Hayes, Jr.
13,875; Gilla
Kaplan 13,875;
James J.
Loughlin
28,875; Ernest
Mario 32,625;
and Walter L.
Robb 13,875.

Pursuant to our current 2008 Stock Incentive Plan, options granted to employees (including executive officers) are immediately exercisable, whether or not they are subject to a vesting schedule (with the shares of Common Stock acquired upon exercise to be held until fully vested); thus executive officers have the right to exercise all options granted within 60 days of March 17, 2009 (and shares underlying all such options are included in the executive officer s beneficial ownership reported in the above table). Options granted to non-employee directors under the 1995 Non-Employee Directors Incentive Plan, as amended and restated as of June 22, 2000 and as further amended

(referred herein as the Directors Incentive Plan) are not immediately exercisable; thus certain options as indicated above that are subject to vesting may not be exercised within 60 days of March 17, 2009 (and shares underlying such options are not included in the applicable director s beneficial ownership amount).

- (2) Includes shares of Common Stock held under our 401(k) Plan as follows: Sol J. Barer 60,758; Robert J. Hugin 12,243; David W. Gryska 227; and Graham Burton 2,768.
- (3) Includes with respect to Dr. Barer
 - (i) 19,774 shares of Common Stock owned by a family foundation of which Dr. Barer is a trustee, (ii) 408,337 shares of Common Stock underlying options that are exercisable within 60 days of

March 17, 2009 held by the Sol Barer 2008 Grantor Retained Annuity Trust, and (iii) 398,523 shares of Common Stock underlying options that are exercisable within 60 days of March 17, 2009 held by the Meryl Barer 2008 Grantor Retained Annuity Trust. Meryl Barer is Dr. Barer s spouse. Dr. Barer disclaims beneficial ownership over shares of Common Stock underlying options held by Meryl Barer s 2008 Grantor Retained Annuity Trust.

(4) Includes with respect to Mr. Hugin 143,857 shares of Common Stock owned by a family foundation of which Mr. Hugin is a trustee and an aggregate of 4,800 shares of Common Stock owned by Mr. Hugin s children.

(5) Includes 22,768 shares of

Common Stock underlying the options that are exercisable within 60 days of March 17, 2009 held by Dr. Kaplan's family trusts. The trustee of the trusts is Dr. Kaplan's brother-in-law and the beneficiaries of the trusts are Dr. Kaplan's immediate family members. Dr. Kaplan disclaims beneficial ownership over the shares of Common Stock underlying options held by the trusts.

- (6) Includes or excludes, as the case may be, shares of Common Stock as indicated in the preceding footnotes and shares of Common Stock subject to options that are currently exercisable or exercisable within 60 days of March 17, 2009.
- (7) Information regarding FMR was obtained from a Schedule 13G/A,

filed by FMR with the SEC on February 17, 2009. Fidelity Management & Research Company (Fidelity), a wholly owned subsidiary of FMR and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940 (Section 203), is the beneficial owner of 30,778,171 shares of Common Stock, as a result of acting as an investment adviser to various investment companies. Each of Edward C. Johnson III, FMR s Chairman, and FMR, through its control of Fidelity, and the investment companies has sole power to dispose of 30,778,171 shares of Common Stock. Strategic Advisers, Inc., a wholly-owned subsidiary of FMR and an investment adviser registered

under Section 203, is the beneficial owner of 2,883 shares of Common Stock, as a result of its service as an investment advisor to individuals.

Pyramis Global Advisors, LLC, an indirect wholly-owned subsidiary of FMR and an investment adviser registered under

Section 203, is the beneficial owner of 102,150 shares of Common Stock, as a result of its service as an investment advisor to various institutional accounts, non-U.S. mutual funds or investment companies.

Pyramis Global Advisors Trust Company, an indirect wholly-owned subsidiary of FMR and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, is the beneficial owner of 415,804 shares of

Common Stock,
as a result of its
serving as
investment
manager of
institutional
accounts owning
such shares.

Fidelity
International
Limited (FIL), an
investment
advisor and
manager to
various non-U.S.
investment
companies and
institutional
investors, is the
beneficial owner
of 308,161 shares
of Common
Stock.

Mr. Johnson is
the Chairman of
FIL, and through
partnerships
controlled
predominantly by
members of his
family or trusts
for their benefit,
has the power to
vote
approximately
47% of FIL
voting stock. As a
result of such
relationships,
FMR beneficially
owns 31,607,169
shares of
Common Stock,
and has sole
dispositive power
over all
31,607,169
shares and sole
voting power
over 822,158 of
such shares.

- (8) Information regarding Janus Capital was obtained from a Schedule 13G/A, filed by Janus Capital with the SEC on February 17, 2009. Such Schedule 13G/A reflects that Janus Capital has an indirect 89.9% ownership stake in INTECH Investment Management (INTECH) and an indirect 78.4% ownership stake in Perkins Investment Management LLC (Perkins). Due to the above ownership structure, holdings for Janus Capital, INTECH and Perkins were aggregated for purposes of the Janus Capital Schedule 13G/A. Janus Capital, INTECH and Perkins are registered investment advisers, each furnishing investment advice to various investment companies registered under

the Investment Company Act of 1940 and to individual and institutional clients (collectively referred to herein as Managed Portfolios). As a result of its role as an investment adviser or sub-adviser to the Managed Portfolios, Janus Capital may be deemed to be the beneficial owner of 30,764,355 shares of Common Stock held by such Managed Portfolios. As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, INTECH may be deemed to be the beneficial owner of 4,221,368 shares of Common Stock held by such Managed Portfolios. As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, Perkins may be deemed to be the beneficial owner of 206 shares of Common Stock

held by such
Managed
Portfolios. Janus
Capital has sole
voting power and
dispositive power
over 30,764,355
shares of
Common Stock
and shared voting
and dispositive
power over
4,221,368 shares
of Common
Stock with
INTECH and 206
shares of
Common Stock
with Perkins.

Board Independence

No director will be deemed to be independent unless the Board of Directors affirmatively determines that the director has no material relationship with us, directly or as an officer, stockholder or partner of an organization that has such a relationship. The Board of Directors observes all criteria for independence established by the Nasdaq Stock Market, or Nasdaq, under its applicable Marketplace Rules. In its annual review of director independence, the Board of Directors has determined that all of our non-employee directors, constituting a majority of all of our directors, may be classified as independent within the meaning of Rule 4200 of the Nasdaq Marketplace Rules. Executive sessions of our independent directors are convened in conjunction with each regularly scheduled Board of Directors meetings.

Board Meetings; Committees and Membership

The Board of Directors held seven meetings during fiscal 2008. During fiscal 2008, each of the directors then in office attended more than 75% of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings of all committees of the Board on which such director served. Our policy is to encourage our Board members to attend all annual meetings and any special meeting of stockholders. All of our directors attended the 2008 Annual Meeting of stockholders.

We maintain the following committees of the Board of Directors: the Executive Committee, the Compensation Committee, the Nominating Committee and the Audit Committee. Except for the Executive Committee, each committee is comprised entirely of directors who may be classified as independent within the meaning of Rule 4200 of the Nasdaq Marketplace Rules. Other than the Executive Committee, each committee acts pursuant to a separate written charter, and each such charter has been adopted and approved by the Board of Directors. A copy of the Amended and Restated Audit Committee Charter, the Compensation Committee Charter and the Nominating Committee Charter are available on our website at <http://www.celgene.com> by choosing the Investor Relations link then clicking on the Corporate Governance section.

The Executive Committee

The Executive Committee's current members are Dr. Sol J. Barer, (Chairman), Michael D. Casey and Ernest Mario, Ph.D. (since June 2008). The Executive Committee did not meet in fiscal 2008. The Executive Committee has and may exercise all of the powers and authority of our full Board of Directors, subject to certain exceptions.

The Compensation Committee

The Compensation Committee's current members are Rodman L. Drake (Chairman), Michael D. Casey and James J. Loughlin (since June 2008). The Compensation Committee held five formal meetings and a series of informal meetings during fiscal 2008. The Compensation Committee annually reviews the total compensation package for all executive officers, including the Chief Executive Officer, considers modification of existing compensation and benefit programs and the adoption of new plans and administers the plans and reviews the compensation of non-employee members of the Board of Directors. The Compensation Committee has (i) the full power and authority to interpret the provisions and supervise the administration of our 1986 Stock Option Plan, the Anthrogenesis Corporation Qualified Employee Incentive Stock Option Plan, the Signal Pharmaceuticals, Inc. 2000 Equity Incentive Plan, our 1992 Long-Term Incentive Plan, our 2008 Stock Incentive Plan and the Pharmion Corporation 2000 Stock Incentive Plan, (ii) the full power and authority to administer and interpret the Celgene Corporation 2005 Deferred Compensation Plan, or the Nonqualified Plan, and (iii) the authority to review all matters relating to our personnel.

The Nominating Committee

The Nominating Committee's current members are Michael D. Casey (Chairman), Rodman L. Drake and Ernest Mario. The Nominating Committee held five meetings in fiscal 2008. The Nominating Committee determines the criteria for nominating new directors, recommends to the Board of Directors candidates for nomination to the Board of Directors and oversees the evaluation of the Board of Directors. The Nominating Committee's process to identify and evaluate candidates for nomination to the Board of Directors includes consideration of candidates for nomination to the Board of Directors recommended by stockholders. Such stockholder recommendations must be delivered to our Corporate Secretary, together with the information required to be filed in a proxy statement with the SEC regarding director nominees, and each such nominee must consent to serve as a director if elected, no later than the deadline for submission of stockholder proposals as set forth in our Bylaws and under the section of this proxy statement entitled "Stockholder Nominations." In considering and evaluating such stockholder proposals that have been properly submitted, the Nominating Committee will apply substantially the same criteria that the Nominating Committee believes must be met by a Nominating Committee-recommended nominee as described below. To date, we have not received any recommendation from stockholders requesting that the Nominating Committee consider a candidate for inclusion among the Nominating Committee's slate of nominees in our proxy statement.

In addition, certain identification and disclosure rules apply to director candidate proposals submitted to the Nominating Committee by any single stockholder or group of stockholders that has beneficially owned more than five percent of Common Stock for at least one year, referred to as a Qualified Stockholder Proposal. If the Nominating Committee receives a Qualified Stockholder Proposal with the necessary notice, information and consent provisions as referenced above, the proxy statement to which the Qualified Stock Proposal referred will disclose the name of the proposed candidate and the stockholder (or stockholder group) who recommended the candidate and will also disclose whether or not the Nominating Committee chose to nominate the proposed candidate. However, no such disclosure will be made without the written consent of both the stockholder (or stockholder group) and the proposed candidate to be so identified. The procedures described in this paragraph are meant to establish additional requirements and are not meant to replace or limit stockholders' general nomination rights in any way.

In evaluating director nominees, the Nominating Committee currently considers the following factors:

- our needs with respect to the particular competencies and experience of our directors;
- the knowledge, skills and background of nominees, including experience in relevant functional areas, in light of prevailing business conditions and the knowledge, skills, background and experience already possessed by other members of our Board of Directors;
- familiarity with our business and businesses similar or analogous to ours; and
- financial acumen and corporate governance experience.

The Nominating Committee identifies nominees first by evaluating the current members of the Board of Directors willing to continue in service. If any member of the Board does not wish to continue in service or if the Nominating Committee or the Board of Directors decides not to re-nominate a member for re-election, the Nominating Committee will identify the required skills, background and experience of a new nominee, in tandem with prevailing business conditions, and will source relevant candidates and present to the Board of Directors suggestions as to individuals who

meet the required criteria. The Nominating Committee utilizes the services of an outside search firm to assist it in finding appropriate nominees for the Board of Directors.

The Audit Committee

The Audit Committee's current members are James J. Loughlin (Chairman), Walter L. Robb, Arthur Hull Hayes, Jr. and Gilla Kaplan. The Audit Committee held nine meetings in fiscal 2008. Each of Dr. Robb and Mr. Loughlin is an audit committee financial expert within the meaning of the rules of the SEC and, as such, Dr. Robb and Mr. Loughlin satisfy the requirements of Rule 4350 of the Nasdaq Marketplace Rules. The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. In fulfilling its responsibility, the Audit Committee pre-approves, subject to Board approval and stockholder ratification, the selection of our independent registered public accounting firm. The Audit Committee also reviews our consolidated financial statements and the adequacy of our internal controls. The Audit Committee meets at least quarterly with our management and our independent registered public accounting firm to review and discuss the results of audits or reviews of our consolidated financial statements, the evaluation of the effectiveness of our internal controls over financial reporting and disclosure controls and procedures, the overall quality of our financial reporting and our critical accounting policies and to approve any related-party transactions. The Audit Committee's responsibility is to monitor and oversee these processes, including the activities of the Internal Audit function. The Audit Committee meets separately, at least quarterly, with the independent registered public accounting firm. In addition, the Audit Committee oversees our existing procedures for the receipt, retention and handling of complaints related to auditing, accounting and internal control issues, including the confidential, anonymous submission by employees of concerns on questionable accounting and auditing matters.

Review and Approval of Transactions with Related Persons

During fiscal 2008, we did not engage in any related person transaction, or series of similar such transactions, which are required to be disclosed pursuant to Regulation S-K, Item 404.

Related Person Transaction Policies and Procedures

At the beginning of each calendar year, each member of our Board of Directors and each company executive officer is required to complete an extensive questionnaire that we utilize when preparing our annual proxy statement as well as our Annual Report on Form 10-K. The purpose of the questionnaire is to obtain information from directors and executive officers to verify disclosures required to be made in these documents. Regarding related party transactions, it serves two purposes; first, to remind each executive officer and director of their obligation to disclose any related party transaction entered into between themselves (or family members or entities in which they hold an interest) and Celgene that in the aggregate exceeds \$120,000 (related person transaction) that might arise in the upcoming year; and second, to ensure disclosure of any related person transaction that is currently proposed or that occurred during the preceding year. When completing the questionnaire, each director and executive officer is required to report any such transaction.

Compensation Committee Interlocks and Insider Participation

The current members of the Compensation Committee are Rodman L. Drake, Chairman, Michael D. Casey and James L. Loughlin. Each member is an independent director within the meaning of the Nasdaq listing requirements. There was no interlock among any of the members of the Compensation Committee and any of our executive officers.

Code of Ethics

We have adopted a Financial Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer and other financial professionals. This Financial Code of Ethics is posted on our website, <http://www.celgene.com> by choosing the Investor Relations link and clicking on the Corporate Governance section. We intend to satisfy the disclosure requirement regarding any amendment to, or a waiver of, a provision of the Financial Code of Ethics by posting such information on our website. We undertake to provide to any person a copy of this Financial Code of Ethics upon request to our Corporate Secretary at our principal executive offices.

Stockholder Nominations

Our Bylaws provide that nominations for the election of directors may be made at an annual meeting: (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder who (i) is a stockholder of record on the date of the giving of the notice and on the record date for the determination of stockholders entitled to vote at such annual meeting and (ii) complies with the notice procedures set forth below.

In addition to any other applicable requirement for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to our Corporate Secretary.

To be timely, a stockholder's notice to the Corporate Secretary must be delivered to or mailed and received at our principal executive offices not less than 60 days nor more than 90 days prior to the date of the annual meeting; provided, however, that in the event that less than 70 days' notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by the stockholder (in order to be timely) must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Corporate Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of our capital stock which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice: (i) the name and record address of such stockholder, (ii) the class or series and number of shares of our capital stock which are owned beneficially or of record by such stockholder, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to nominate the persons named in his or her notice and (v) any other information relating to such stockholder that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and serving as a director if elected.

Stockholder Communications

Our Board of Directors has determined that, to facilitate communications with the Board of Directors, or any individual member or any Committee of the Board of Directors, stockholders should direct all communication in writing to our Corporate Secretary at our principal executive offices. Our Corporate Secretary will forward all such correspondence to the Board of Directors, individual members of the Board of Directors or applicable chair persons of any Committee of the Board of Directors, as appropriate.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Exchange Act, each of our directors, executive officers and any person beneficially owning more than 10 percent of Common Stock is required to report his, her or its ownership of Common Stock and any change in that ownership, on a timely basis, to the SEC. We believe that all applicable acquisitions and dispositions of Common Stock, including grants of options under our Directors' Incentive Plan and the 2008 Stock Incentive Plan, were filed on a timely basis for fiscal 2008, with the following exceptions: (i) Form 4 reports filed on June 24, 2008 with respect to grants of stock options pursuant to our Directors' Incentive Plan to Michael D. Casey, Rodman L. Drake, Arthur Hull Hayes, Jr., Gilla Kaplan, James J. Loughlin, Ernest Mario and Walter L. Robb; (ii) Form 4 report filed on June 25, 2008 with respect to a grant of stock options to Andre Van Hoek; (iii) Form 4 report filed on August 8, 2008 with respect to a termination of a prepaid variable forward arrangements of Richard C.E. Morgan; and (iv) Form 4 report filed on January 5, 2009 with respect to a sale of shares of our Common Stock by Rodman L. Drake.

EXECUTIVE COMPENSATION
Compensation Discussion and Analysis

Our Compensation Discussion and Analysis provides an overview and analysis of our compensation programs, the compensation decisions we have made under those programs and the factors we considered in making those decisions. Later in this section, under the heading *Additional Information Regarding Executive Compensation*, we include a series of tables containing specific information about the compensation earned by the following individuals in fiscal 2008, whom we refer to as our Named Executive Officers:

Sol J. Barer, Ph.D., Chief Executive Officer, who joined the Company in September 1987 and assumed this office effective May 1, 2006;

Robert J. Hugin, President and Chief Operating Officer, who joined the Company in June 1999 and assumed this office effective May 1, 2006;

David W. Gryska, Chief Financial Officer, who joined the Company in December 2006 and assumed this office effective December 6, 2006;

Aart Brouwer, Chairman International and Senior Advisor to Celgene Chairman and Chief Executive Officer, who joined the Company in November 2005 and assumed this office effective January 1, 2009; and Graham Burton, MBBS, FRCP, Senior Vice President Global Regulatory Affairs, Pharmacovigilance, Corporate Quality and Compliance, who joined the Company in July 2003 and assumed this office effective July 1, 2003.

This discussion is intended to help you understand the detailed information provided in the tables and to put that information into the context of our overall compensation program.

Executive Summary

Our overall compensation goal is to reward our executive officers in a manner that supports our strong pay-for-performance philosophy while maintaining an overall level of compensation that we believe is reasonable, responsible and competitive. We believe this is accomplished through the following principles and processes that we follow in establishing executive compensation:

1. *Benchmarking.* We benchmark executive officer compensation annually against a set of peer group companies that the Compensation Committee reviews each year in order to ensure that our compensation programs are within the competitive range of comparative norms. Our peer group is selected on the basis of employee headcount, industry, revenue, stage of development, complexity and market capitalization.
2. *Target Compensation.* We strive to establish our target total direct compensation (defined as base salary, annual short-term incentive bonus, long-term incentive bonus and equity awards) at the 60th percentile of our peer group with the potential to achieve at the 75th percentile based upon delivery of corporate and individual performance objectives.
3. *Fiscal 2008 Corporate Performance.* Our fiscal 2008 corporate performance remained strong despite a very challenging external environment and challenges within the healthcare industry. We achieved the following results for fiscal 2008:
 - a. *Total Revenue.* Non-GAAP total revenue increased 59% to \$2.238 billion; GAAP total revenue for fiscal 2008 was \$2.255 billion.
 - b. *Revenue by Product.* REVLIMID[®] net product sales increased 71% to \$1.325 billion; THALOMID[®] (inclusive of Thalidomide Pharmion[™] subsequent to the acquisition of Pharmion Corporation, or Pharmion, on March 7, 2008) net product sales were \$505 million; and VIDAZA[®] net product sales since the acquisition of Pharmion in March 2008 were \$207 million.

- c. *Net Income/Net Loss.* Non-GAAP net income increased to \$719 million; GAAP net loss for fiscal 2008 was \$1.534 billion.
- d. *EPS.* Non-GAAP diluted earnings per share increased to \$1.56; GAAP loss for fiscal 2008 was \$3.46 per diluted share.

On the basis of these performance factors and other corporate and individual performance assessments made by our Compensation Committee, the actual bonus amounts awarded to our Named Executive Officers for fiscal 2008 ranged from 119.5% to 130% of target.

In addition to being viewed as metrics to assess the performance of our Named Executive Officers, non-GAAP financial measures provide investors and management with supplemental measures of operating performance and trends that facilitate comparisons between periods before, during and after certain items that would not otherwise be apparent on a GAAP basis. See *Cash Bonus/Performance-Based Incentive Compensation Management Incentive Plan* for more information regarding non-GAAP financial measures.

- 4. *Performance-Based Compensation.* A significant portion of total direct compensation is in the form of variable performance-based cash and stock-based compensation linked directly to company performance and increasing stockholder value. This structure ensures that there is an appropriate balance between our long- and short-term performance as well as a balance between annual operating objectives and long-term delivery of stockholder return. For fiscal 2008, our variable, short-term compensation comprised 13% of the total compensation target for the Named Executive Officers while long-term compensation ranged between 64% to 71% of their total compensation.
- 5. *Risk Mitigation.* We do not believe that the performance-based nature of our executive compensation program encourages excessive risk-taking by our Named Executive Officers that would potentially threaten the economic viability the Company. Each component of variable performance-based compensation, both short- and long-term, is subject to a cap. As noted above, a significant portion of the Named Executive Officers' compensation is designed to focus on long-term growth, which ensures focus on the health of our business, the development of a sustainable product pipeline, and the delivery of key performance metrics that will deliver stockholder value over time. Further, effective in fiscal 2009, we added restricted stock units, or RSUs, to our equity program in order to provide an effective incentive award with a strong retention component. Equity awards will be divided between stock options and RSUs based on a two-thirds and one-third mix (respectively) using a three to one ratio of stock options to RSUs in calculating the number of RSUs. In connection with the addition of RSUs, we instituted stock ownership guidelines that encourage our Named Executive Officers to maintain a substantial ownership interest in Celgene, further aligning their interests to those of our stockholders while mitigating the chance of excessive risk-taking.
- 6. *Employee Benefits.* We do not offer guaranteed retirement, pension benefits or other significant requisite benefits. Instead, we provide our Named Executive Officers with the opportunity to accumulate retirement income through equity awards, the deferral of current compensation into our Nonqualified Plan and participation in our 401(k) plan.

For fiscal 2008, the actual total compensation for our Named Executive Officers ranged from below the 50th percentile up to the 75th percentile of our peer group. Fifty-six percent of our short-term management incentive plan (MIP) is tied to achievement of financial measures (revenue and diluted earnings per share) while the remaining 44% is tied to achievement of key strategic, research and development and organizational objectives. Our long-term, multi-year incentive plan (LTIP) is tied 100% to achievement of financial measures and as such is focused on maximizing long-term stockholder value. Given our strong company performance and performance relative to industry peers, we believe the level of compensation in effect for fiscal 2008 for the Named Executive Officers was reasonable and appropriate.

Compensation Philosophy

Our overall executive compensation philosophy is set by the Compensation Committee of our Board of Directors and links executive pay primarily to the achievement of short- and long-term financial and strategic corporate performance objectives that are directly related to the achievement of our long-term strategic business plan. Within our philosophy, we seek to be competitive with our peer companies, ensure internal equity and be closely aligned with the interests of our stockholders as described below.

Our executive compensation arrangements, which represent a portion of our corporate-wide total rewards program covering all employees including our Named Executive Officers, are designed to:

- link compensation with corporate performance and stockholder returns over the long-term;
- enable us to compete for talented executives;
- attract, motivate and retain executives who are critical to our long-term success; and
- provide equity compensation to build executive ownership and align financial incentives focused on the achievement of long-term strategic goals (both financial and non-financial). This ensures the long-term health of our business plan in delivering for patients in the area of unmet medical needs as well as ensuring an alignment of executive interests with stockholder interests.

As described below, the components of our executive compensation program are base salary, an annual bonus component linked to key annual (short-term) performance targets (both financial and strategic), a long-term bonus component linked to key three-year performance targets (financial only) and an equity component that aligns our Named Executive Officers' interests with those of our stockholders. In fiscal 2008, we granted equity compensation to our Named Executive Officers in the form of stock options that vest over time, subject to the Named Executive Officer's continued service with us. In addition, certain eligible Named Executive Officers received Company matching contributions under our 401(k) plan, as well as, matching contributions on deferred salary.

Our long-term performance program is directly linked to our long-term strategic plan and is designed to focus our Named Executive Officers on key financial metrics that drive long-term stockholder growth. We deliver compensation only if those financial metrics are met. Corporate and individual performance and compensation levels are evaluated and approved by the Compensation Committee annually to ensure that we maintain a focus on delivering results and stockholder value. In fiscal 2009, the equity compensation provided to our Named Executive Officers will include a mix of stock options that are subject to service-based vesting over the first four years, i.e., 25% on each anniversary, and RSUs that are subject to a three-year, service-based cliff vesting schedule. Both the stock options and RSUs are subject to accelerated vesting in certain limited circumstances.

As further described below, our compensation decisions with respect to the components of executive compensation provided to our Named Executive Officers (including base salary, annual incentives and long-term incentives such as stock options and RSUs) are influenced by:

- the Named Executive Officer's individual role, scope of responsibility and performance during the year;
- corporate performance as measured against our corporate objectives; and
- our assessment of the competitive marketplace, including peer companies.

Overview of Compensation Committee

The Compensation Committee is responsible for overseeing our executive compensation and benefit programs, which include the following plans:

- Our 2008 Stock Incentive Plan;
- The Anthrogenesis Corporation Qualified Employee Incentive Stock Option Plan (no future grant);
- The Signal Pharmaceuticals, Inc. 2000 Equity Incentive Plan (no future grant);

The Pharmion Corporation 2000 Stock Incentive Plan (no future grant);
Our 1992 Long-Term Incentive Plan (no future grant); and
Our Nonqualified Plan.

The Compensation Committee's responsibilities include, among others, establishment of the base salary, incentive compensation, equity awards and any other compensation for Named Executive Officers, including our Chief Executive Officer, and the review and approval of the Chief Executive Officer's recommendations for the compensation of certain Named Executive Officers reporting to him. The Compensation Committee relies on the judgment of the Chief Executive Officer regarding setting Named Execu