

# **CELGENE CORPORATION**

## **CORPORATE GOVERNANCE GUIDELINES**

**(As Adopted by the Board of Directors on December 16, 2010)**

The Board of Directors (the “Board”) of Celgene Corporation (the “Company”) has developed and adopted a set of corporate governance principles to provide the framework for the governance of the Company and to assist the Board in the exercise of its responsibilities. These guidelines reflect the Board’s commitment to monitoring the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing stockholder value over the long term. These guidelines are in addition to, and are not intended to change or interpret, any federal or state law or regulation, including the Delaware General Company Law, or the Company’s Certificate of Incorporation or Bylaws. The Board may amend these guidelines from time to time in its discretion and consistent with its duties and responsibilities to the Company and its stockholders. These guidelines are posted on the Company’s website.

### **I. ROLE OF THE BOARD**

The Board is responsible for oversight of the business and affairs of the Company, its long-term strategy and objectives and its management of risks. In the discharge of its general oversight responsibilities, the Board will:

- Review, evaluate, and, where appropriate, approve the Company’s business strategies and long-term plans, and evaluate its performance against such plans;
- Review, evaluate and approve major corporate actions;
- • Oversee management’s efforts to establish and maintain for the Company appropriate standards of legal and ethical conduct, including with respect to (i) the integrity of the Company’s accounting, financial reporting and finance processes and systems of internal control, and
- (ii) compliance with laws; and
- Select, evaluate and compensate the Company’s executive officers and oversee senior management succession planning.

## II. BOARD COMPOSITION

### A. Director Selection

The Nominating and Governance Committee of the Board will consider, and make recommendations to the Board concerning, nominees for election (including those intended to fill vacancies on the Board that may occur between annual meetings of stockholders) and re-election to the Board.

### B. Director Qualifications

1. Independence. In conformity with the requirements of NASDAQ, at least a majority of the members of the Board directors will be independent, as that term is defined by NASDAQ.
2. Other Criteria. The Nominating and Governance Committee shall periodically assess the Board's composition with a view to identifying the qualifications to be sought in new director candidates. The Nominating and Governance Committee shall identify and evaluate candidates for the Board who it believes possess such qualifications. In assessing the qualifications of a director candidate or incumbent director, the Nominating and Governance Committee shall consider: (i) the Company's needs with respect to the particular competencies and experience of the members of the Board; (ii) the knowledge, skills and background of director 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 the Board; (iii) the familiarity of director nominees with the Company's business and businesses similar or analogous to the Company's; (iv) the financial acumen and corporate governance experience of director nominees; and (v) the other commitments of director nominees, including full-time positions, service as a director of other public company boards of directors, and the extent to which such other commitments could materially interfere with his or her service as a director of the Company.

### C. Size of the Board

The Nominating and Governance Committee shall consider and make recommendations to the Board concerning the appropriate size and composition of the Board. The number of directors may change from time to time, depending upon the needs of the Board and the availability of qualified candidates.

#### D. Term Limits and Retirement Age

Directors are not subject to a term limit or mandatory retirement age; such limits would deprive the Board of the important contribution of directors who have developed, over a period of time, increasing insight into the Company and its operations. As an alternative to term limits, the Board will, through the director candidate selection process described herein, strive to ensure that the composition of the Board reflects an appropriate diversity of viewpoints.

#### E. Former Officer's Board Membership

When an officer who is also a member of the Board resigns, retires or is otherwise terminated as an officer of the Company, the Board will consider whether that officer will continue as a member of the Board.

#### F. Majority Voting Standard

Directors shall be elected annually. In accordance with the Company's By-laws, in an uncontested election, a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board. The Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for re-election.

If an incumbent director fails to receive the required vote for re-election, then, within 90 days following certification of the shareholder vote, the Nominating and Governance Committee will act to determine whether to accept the Director's resignation and will submit that recommendation for prompt consideration by the Board, and the Board will act on the Committee's recommendation. The Nominating and Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a Director's resignation.

The Board's decision-making process and decision regarding whether to accept the director's resignation offer (or the reason(s) for rejecting the resignation offer, if applicable), shall be promptly disclosed to stockholders.

### **III. BOARD OPERATIONS**

#### A. Chair of the Board

The Board will decide whether, at any given point in time, the roles of the Chief Executive Officer and Chair of the Board will be separate or combined.

#### B. Independent Lead Director

The Board will designate an independent director as Lead Director who shall provide guidance concerning the agenda for each Board meeting, preside over executive sessions of the independent directors that are held on a regular basis, communicate with the Chair and Chief Executive Officer after each executive session of the independent directors to provide feedback and to effectuate the decisions and recommendations of the independent directors, and act as an intermediary between the independent directors and management on a regular basis and when communication out of the ordinary course is appropriate.

#### C. Board Meetings

1. Director Commitment and Attendance. Absent unusual or unanticipated circumstances, directors are expected to attend all Board meetings and meetings of the committee(s) on which they serve and to attend annual meetings of the Company's stockholders in person.
2. Agenda. The Chair of the Board shall work with the Chief Executive Officer and the Lead Director to establish the agenda for each Board meeting. Any director may suggest items for inclusion on the agenda and may, at any meeting, raise subjects that are not on the agenda for that meeting.
3. Advance Distribution of Board Materials. To the extent practical and appropriate, meeting agendas and information that is important to the Board's understanding of the business to be conducted at a Board or committee meeting, shall be distributed in writing to the directors in advance of the meeting. Any directors may at any time request any additional information regarding the Company and its business that he or she believes may be helpful to his or her understanding of the business to be conducted at a Board or committee meeting.
4. Executive Sessions. The independent directors shall meet regularly in executive session, coincident with regular Board meetings and at other times, as necessary.

#### D. Access to Management and Independent Advisors

Each director shall have full access to the executive officers of the Company and the Company's outside advisors and, in doing so, shall use his or her judgment to avoid unnecessary disruption to the business operations of the Company.

Legal counsel, outside accountants, compensation experts and other outside advisors may assist the Board in its consideration of matters. The Board and any Board committee has the right to retain, at the Company's expense, outside financial, legal and other outside advisors of its choice with respect to any issues relating to its activities.

E. Director Education

The Nominating and Governance Committee shall assist individual directors in arranging for orientation and/or education that it or the director believes would enhance the director's performance as a member of the Board or any committee of the Board.

**IV. BOARD COMMITTEES**

A. Committees and Charters

The Board shall have an Executive Committee, an Audit Committee, a Management Compensation and Development Committee, and a Nominating and Governance Committee. Each committee will perform its duties as assigned by the Board in compliance with the Company's By-laws, and shall have a charter that establishes the purposes, goals and responsibilities of the committees as well as the qualifications for committee membership. Committee charters will be posted on the Company's website. The Board may establish or maintain additional permanent or *ad hoc* committees from time to time as it deems appropriate.

B. Committee Membership

The members of the Audit Committee, Management Compensation and Development Committee and the Nominating and Governance Committee shall be independent in accordance with the provisions of the NASDAQ listing requirements and any other applicable rules and regulations. Committee members will be appointed annually by the Board, taking into account the recommendations of the Nominating and Governance Committee. Each committee will have a chair designated by the Board, or, if the Board does not do so, the members of each committee shall elect a chair by a vote of the majority of the full committee.

### C. Committee Meetings, Agendas and Reports

The chair of each committee shall preside at each committee meeting and, in consultation with the other members of that committee and in a manner consistent with the committee's charter, shall set the frequency of committee meetings. The chair of each committee, in consultation with members of the committee and the Company's senior management, shall also set the agenda of items to be addressed at each meeting. To the extent practical and appropriate, the chair of each committee shall ensure that the agenda for each meeting is circulated to each committee member in advance of the meeting. Committee members may suggest additional agenda items and may, at any meeting of the Committee, raise subjects that are not on the agenda. Each committee shall report regularly to the full Board with respect to its activities.

## **V. MANAGEMENT EVALUATION AND SUCCESSION PLANNING**

### A. Selection of Chief Executive Officer

The Board selects and evaluates the Company's Chief Executive Officer in the manner that it determines to be in the best interests of the Company's stockholders.

### B. Evaluation of Chief Executive Officer

The Management Compensation and Development Committee shall annually review and make recommendations to the Board concerning the Chief Executive Officer's compensation on the basis of the Company's performance in relation to corporate goals and objectives established or approved by the Board for the most recently completed fiscal year and in relation to proposed corporate goals and objectives for the ensuing year.

### C. Management Succession

The Board is responsible for planning for the succession to the position of Chief Executive Officer. The Nominating and Governance Committee shall consider and make recommendations to the Board concerning succession planning for the position of Chief Executive Officer. The Management Compensation and Development Committee shall consider with management succession planning for other senior management positions.

## **VI. DIRECTOR COMPENSATION AND STOCK OWNERSHIP**

### **A. Director Compensation**

The Board is responsible for determining the level and form of compensation and benefits for directors who are not employees of the Company. The Management Compensation and Development Committee shall consider and make recommendation to the Board concerning such matters. No additional compensation shall be paid to members of management for serving on the Board.

### **B. Stock Ownership**

Each non-employee director is expected to achieve a target level of Company stock ownership by the later of June 16, 2014 or the fifth anniversary of such director's initial election as a member of the Board. The target ownership level is an amount equal to three times the then-annual cash retainer of the director divided by the stock price on June 17, 2009, the date of the Company's 2009 Annual Meeting of Stockholders. In determining whether a director meets this guideline, owned shares and vested restricted or deferred stock units will be considered, but not stock options. The Board shall periodically assess this guideline and make such adjustments as it deems appropriate.

## **VI. ANNUAL PERFORMANCE EVALUATIONS**

The Nominating and Governance Committee shall oversee an annual self-evaluation of the Board's effectiveness and performance and will report its conclusions to the full Board. Each of the Audit, Management Compensation and Development, and Nominating and Governance Committees will conduct periodic self-evaluations. In connection with its performance evaluation process, each committee will assess its charter and make such recommendations to the Board concerning its charter as it deems appropriate.