

July 19, 2012

Mr. Leonard D. Schaeffer
Chair, Corporate Responsibility and Compliance
Amgen, Inc.
One Amgen Center Drive
Thousand Oaks, CA 91320

Dear Mr. Schaeffer

We write to you to express our concerns about the company's relationship with the American Legislative Exchange Council ("ALEC") and believe this involvement deserves the urgent attention of Amgen Inc.'s Board and management.

We are investors and advocates who are encouraging companies to be transparent regarding their political spending and lobbying expenditures, policies and oversight. As you are aware, the opportunity for increased corporate political spending in the aftermath of the 2010 U.S. Supreme Court *Citizens United* decision has prompted a widespread public debate on the role of corporations in the political process.

In recent years, investors and advocates have participated in hundreds of discussions with companies about best disclosure practices for political spending and lobbying. These discussions have included a focus on third party spending through trade associations, as well as payments to, and membership in, think tanks and tax-exempt organizations that write and endorse model legislation.

This year, membership in and contributions to ALEC have come under special scrutiny. Since a primary objective of ALEC is to influence public policy and legislation, investors and advocates are assessing company ties to this highly controversial and partisan organization as part of their evaluation of disclosure of political spending and lobbying activities. Numerous companies have withdrawn membership and funding after deciding that their involvement was neither a prudent use of corporate resources, nor worth the risk to their brand and reputation.

Corporate reputation is an important component of shareholder value. According to a Conference Board study, companies with a high reputation rank perform better financially than lower ranked companies. Executives also find it is much harder to recover from a reputational failure than to build and maintain reputation.¹

¹ "Reputation Risk," The Conference Board, 2007, p. 6.

We write today because we understand that Amgen Inc. is a member of ALEC. We question if this relationship exposes the company to unnecessary reputational and business risk, associating the company with controversial public positions that include Stand Your Ground laws, anti-immigration legislation and an aggressive attack on the Environmental Protection Agency. The company's public commitment to corporate responsibility is undercut by its involvement in ALEC.

In our view, the risks of supporting this organization outweigh the benefits. We are also skeptical that internal controls can adequately mitigate such risks. Thus we urge you to consider publicly withdrawing your membership and financial support from ALEC.

The reputational issues raised by ALEC present an important opportunity for the Board to examine safeguards and processes in place to ensure that membership in and support for organizations that influence public policy do not undermine Amgen Inc.' corporate reputation. Hence, we believe that the Board Governance Committee should initiate a comprehensive review of the business rationale and other criteria used to evaluate memberships in, or contributions to, major trade associations, political organizations, and think tanks and lobbying organizations starting with ALEC. Board involvement provides important oversight as well as an independent perspective that can reflect investor interests and input.

We recommend that the Board take the following steps for each organization the company is funding:

- Review the philosophy, major objectives and actions taken by the organization;
- Assess the level of consistency between the company's stated policies, principles and Code of Conduct with those of the funded organization;
- Evaluate management's rationale supporting its involvement with the organization, with a focus on the long-term best interests of the company and its stakeholders;
- Determine if the relationship contributes to reputational risk and if there are other negative impacts on stakeholders.
- Assess current and potential internal controls regarding the use of corporate assets for these political purposes

We recommend that the Board share a summary of this review and its findings with shareholders. A number of companies have initiated reviews of the pros and cons of continuing this relationship and decided to end their ties. As noted previously, we believe such a review will show that the company's relationship with ALEC presents significant reputational and business risk that merits the Board's focused attention and action. We look forward to your response to this

request. Please reply to Tim Smith at Walden Asset Management who will communicate with all of the signatories to this letter.

Sincerely,



Timothy Smith
Senior Vice President, Director of ESG
Shareholder Engagement
Walden Asset Management
One Beacon Street
Boston, MA 02108
617-726-7155
tsmith@bostontrust.com



Paul Booth
Executive Assistant to the President
AFSCME
1625 L Street NW
Washington DC, 20036



Bennett Freeman
Senior Vice President
Sustainability Research & Policy
Calvert Investments
4550 Montgomery Avenue
Bethesda, MD 20814



Adam Kanzer, Esq.
Managing Director & General Counsel
Domini Social Investments
532 Broadway, 9th Floor
New York, NY 10012

Julie Fox Gorte, Ph.D
Senior Vice President for Sustainable
Investing
Pax World Management LLC
30 Penhallow Street
Portsmouth, NH 03801

Laura Berry
Executive Director
Interfaith Center on Corporate
Responsibility
475 Riverside Drive, Suite 1842
New York, NY 10115

Lauren Compere
Managing Director
Boston Common Asset Management
84 State Street, Suite 940
Boston, MA 02110
Richard W. Torgerson

Susan Smith Makos
Vice President of Social
Responsibility
Mercy Investment Services, Inc.
4776 South Lake Drive
Boynton Beach, FL 33436

Sister Patricia Daly, OP
Executive Director, Tri-State Coalition
for Responsible Investment
Representative, Congregation of the
Sisters of St. Dominic of Caldwell NJ
40 South Fullerton Avenue
Montclair, NJ 07042

Director of Social Research &
Shareholder Advocacy
Progressive Asset Management, Inc.
1814 Franklin Street, #503
Oakland, CA 94612

Judy Byron, OP
Director
Northwest Coalition for Responsible
Investment
1216 NE 65th Street
Seattle, WA 98115

Lincoln Pain, CFP®, AIF®
CFP Practitioner
Effective Assets™
1510 Walnut Street, Suite E
Berkeley, CA 94709

Kristina Curtis
Senior Vice President
Green Century Capital Management
114 State Street, Suite 200
Boston, MA 02109

Rob Thomas
President and Chief Executive Officer
Social(k)
250 Albany Street
Springfield, MA 01105

Ann Krumboltz
Executive Director
The Brainerd Foundation
1601 Second Avenue
Seattle, WA 98101

Thomas E. Ellington, II
Shareholder Advocacy & SRI
Research
The Sustainability Group of Loring,
Wolcott & Coolidge
230 Congress Street
Boston, MA 02110

Daniel Stranahan
Secretary-Treasurer
The Needmor Fund
2123 West Webster Avenue
Chicago, IL 60647

Barbara Jennings, CSJ
Director
Midwest Coalition for Responsible
Investment
6400 Minnesota Avenue
St. Louis, MO 63111

Bro. Steven O'Neil, SM
Shareholder Action Coordinator
Marianist Province of the US
340 Jackson Avenue
Mineola, NY 11501

Gwen Farry, BVM
Representative
Sisters of Charity, BVM
205 W Monroe, Suite 500
Chicago, IL 60606

Timothy Brennan
Treasurer and Chief Financial Officer
Unitarian Universalist Association
25 Beacon Street
Boston, MA 02108

Victor De Luca
President
Jessie Smith Noyes Foundation
6 East 39th Street
New York, NY 10016

Jenny Russell
Executive Director
Merck Family Fund
95 Eliot Street
Milton, MA 02186

Andrew Behar
CEO
As You Sow
311 California Street, Suite 650
San Francisco, CA 94104

Rev. Joseph P. LaMar, M.M.
Assistant Chief Financial Officer
(Corporate Social Responsibility)
Maryknoll Fathers and Brothers
P. O. Box 305
Maryknoll, NY 10545

Shelley Alpern
Trillium Asset Management
711 Atlantic Avenue, 4th floor
Boston, MA 02111

Richard Woo
Chief Executive Officer
The Russell Family Foundation
3025 Harborview Drive
Gig Harbor, WA 98335

Stephen Viederman
Chair, Finance Committee
Christopher Reynolds Foundation
135 East 83rd Street, 15A
New York, NY 10028

Stella Storch
CSA Justice Coordinator
Congregation of Sisters of St. Agnes
(General Council)
320 County Road K
Fond du Lac, WI 54937

Sister Ruth Geraets
Congregational Treasurer
Presentation Sisters of the BVM
1500 North 2nd Street
Aberdeen, SD 57401

Sonia Kowal
Director of Socially Responsible
Investing
Zevin Asset Management, LLC
50 Congress Street, Suite 1040
Boston, MA 02109

Nora M. Nash, OSF
Director Corporate Social
Responsibility
Sisters of St. Francis of Philadelphia
609 South Convent Road
Aston, PA 19014

Carolyn Whited
Sisters of the Holy Family
159 Washington Boulevard
Mission San Jose, CA 94539

Linda Hincken
Chief Financial Officer
Sisters of the Order of St. Dominic
555 Albany Avenue
Amityville, NY 11701

Reverend Chet Artysiewicz
President
The Home Missioners of America
P. O. Box 465618
Cincinnati, OH 45246

Srs. Edie Daly, Barbara Metz,
Maureen Marr
Boston Province Leadership Team
Sisters of Notre Dame de Namur
Boston Province Center
351 Broadway, Everett, MA 02149

Dr. Clifford I Johnson
President
American Baptist Home Mission
Societies
P.O. Box 851
Valley Forge, PA 19482-0851

Denise Granger, SSJ
Coordinator, Office of Justice and
Peace
Sisters of St. Joseph of Springfield
34 Lower Westfield Road
Holyoke, MA

Cathy Rowan
Corporate Responsibility Coordinator
Maryknoll Sisters
P. O. Box 311
Maryknoll, NY 10462

Laura Campos
Director of Shareholder Activities
The Nathan Cummings Foundation
475 Tenth Avenue, 14th Floor
New York, NY 10018

Sisters of St. Dominic of Blauvelt, NY
Leadership Team
496 Western Highway
Blauvelt, NY 10913

Richard W. Torgerson
Registered Principal
Financial West Group
1755 Gablehammer Road
Westminster, MD 21157

cc: Mr. Robert A. Bradway, CEO

Appendix: Companies Leaving ALEC and/or Heartland and Sample Press Coverage:

Corporations Cutting Ties with ALEC: *(as of July 10, 2012)*

PepsiCo	Kaplan
Coca-Cola Company	Scantron Corporation
Kraft Foods	Amazon.com
Intuit	Wal-Mart
McDonald's	Medtronic
Wendy's	Johnson & Johnson
Mars	Dell
Arizona Public Service	Best Buy
Reed Elsevier	John Deere
American Traffic Solutions	Hewlett-Packard
Blue Cross Blue Shield	CVS Caremark
YUM! Brands	MillerCoors
Procter & Gamble	

Corporations Cutting Ties with Heartland Institute: *(as of June 22, 2012)*

LKQ Corporation	Eli Lilly & Co.
Verizon	USAA
CUNA	Nationwide Insurance
Bayer Corporation	Allied World Insurance
GlaxoSmithKline	XL Group
Wisconsin Insurance Alliance	Renaissance ReService, Ltd.
BB&T	State Farm Insurance
PepsiCo	Diageo
Farmers Insurance	Assoc. Bermuda Insurers
General Motors	Amgen Corporation

The following excerpts from stories exemplify some of the controversies and risks relationships with ALEC and Heartland entail.

Florida's now-infamous Stand Your Ground law, which lets you shoot someone you consider threatening without facing arrest, let alone prosecution, sounds crazy — and it is. And it's tempting to dismiss this law as the work of ignorant yahoos. But similar laws have been pushed across the nation, not by ignorant yahoos but by big corporations.²

The corporations abandoning ALEC aren't explicitly citing the Stand Your Ground statutes as the reason for their decision. But many joined the group for narrower reasons, like fighting taxes on soda or snacks, and clearly have little interest in

² Paul Krugman, "Lobbyists, Guns and Money," New York Times, March 25, 2012.

voter ID requirements or the N.R.A.'s vision of a society where anyone can fire a concealed weapon at the slightest hint of a threat.³

Johnson & Johnson was smart to sever its ties to the American Legislative Exchange Council, a secretive political group that's become notorious for generating harmful legislation around the country. ... Other major companies, including Wal-Mart, Coca-Cola, Pepsi, Amazon and McDonald's, have already broken up with ALEC because they don't want their brands tarnished by its sloppy legislation and backroom methods. The group writes self-serving bills and feeds them straight to legislators (mostly Republican). It's less transparent than lobbying, and it's not surprising that the results often encroach on people's rights.⁴

"Worse ensued early this month after the institute put up a digital billboard in Chicago that linked belief in global warming to madness and terrorism. It depicted the 'Unabomber', a mass-murderer called Ted Kaczynski, with the slogan, 'I still believe in Global Warming. Do you?' The offending sign lasted only for a day. But PepsiCo, BB&T bank and Eli Lilly, a pharma company, are among donors that announced the end of their support."⁵

The publicity around the donors' list made it difficult for companies with public commitment to sustainability, such as the General Motors Foundation, to continue funding Heartland. The GM Foundation soon announced it was ending its support of \$15,000 a year. But what had been a gradual collapse gathered pace when Heartland advertised its climate conference with a billboard on a Chicago expressway comparing believers in climate science to the Unabomber.⁶

³ "Embarrassed by Bad Laws," New York Times, 4/16/12.

⁴ "Johnson & Johnson right to pull out of ALEC," The Star-Ledger, June 13, 2012.

⁵ "Toxic shock: A climate-change skeptic is melting," The Economist, May 26th, 2012.

⁶ Suzanne Goldenberg, "Heartland Institute facing uncertain future as staff depart and cash dries up," The Guardian, May 9 2012.