February 12, 2020

Marc S. Gerber
Skadden, Arps, Slate, Meagher & Flom LLP
marc.gerber@skadden.com

Re: Johnson & Johnson
Incoming letter dated December 18, 2019

Dear Mr. Gerber:

This letter is in response to your correspondence dated December 18, 2019 and January 14, 2020 concerning the shareholder proposal (the “Proposal”) submitted to Johnson & Johnson (the “Company”) by the Hammerman Family Revocable Inter Vivos Trust and the UAW Retiree Medical Benefits Trust (the “Proponents”) for inclusion in the Company’s proxy materials for its upcoming annual meeting of security holders. We also have received correspondence on the Proponents’ behalf dated January 7, 2020. Copies of all of the correspondence on which this response is based will be made available on our website at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml.

Sincerely,

M. Hughes Bates
Special Counsel

Enclosure

cc: Joshua Ratner
JLens Investor Network
rabbiratner@jlensnetwork.org
Response of the Office of Chief Counsel  
Division of Corporation Finance

Re: Johnson & Johnson  
Incoming letter dated December 18, 2019

The Proposal urges the Compensation & Benefits Committee (the “Committee”) to change any annual cash incentive program to provide that any award to a senior executive that is based on financial measurements where the performance period is one year or shorter shall not be paid in full for some period following the award.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(7), as relating to the Company’s ordinary business operations. In our view, the Proposal micromanages the Company by seeking to impose specific methods for implementing complex policies.

Despite the fact that the supporting statement says that the Committee could develop the methodology for determining the length of the deferral period and adjusting the remainder of the bonus over the deferral period, in reaching this position, we note your statement that “the Proposal’s request to categorically prohibit immediate full payment of short-term bonus awards to senior executives would strip the Compensation & Benefits Committee of the discretion and flexibility it requires to properly exercise its business judgment.”

Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(7). We have not found it necessary to address the alternative bases for omission upon which the Company relies.

Sincerely,

Michael Killoy  
Attorney-Adviser
January 14, 2020

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, N.E.  
Washington, D.C. 20549

RE: Johnson & Johnson – 2020 Annual Meeting  
Supplement to Letter dated December 18, 2019  
Relating to Shareholder Proposal of JLens Investor Network and the UAW Retiree Medical Benefits Trust

Ladies and Gentlemen:

We refer to our letter dated December 18, 2019 (the “No-Action Request”), submitted on behalf of our client, Johnson & Johnson, a New Jersey corporation, pursuant to which we requested that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with Johnson & Johnson’s view that the shareholder proposal and supporting statement (the “Proposal”) submitted by the JLens Investor Network (“JLens”) on behalf of the Hammerman Family Revocable Inter Vivos Trust (the “Hammerman Trust”), and co-filed by the UAW Retiree Medical Benefits Trust (the “UAW Trust”), may be excluded from the proxy materials to be distributed by Johnson & Johnson in connection with its 2020 annual meeting of shareholders (the “2020 proxy materials”). JLens, the Hammerman Trust and the UAW Trust are sometimes collectively referred to as the “Proponents.”
This letter is in response to the letter to the Staff, dated January 7, 2020, submitted by JLens on behalf of the Proponents (the “Proponents’ Letter”), and supplements the No-Action Request. In accordance with Rule 14a-8(j), a copy of this letter also is being sent to the Proponents.

I. The Proposal Consists of Multiple Proposals.

The Proponents’ Letter seeks to recast the Proposal as one that calls for changing Johnson & Johnson’s annual cash incentive program to defer incentive compensation and as merely “suggest[ing]” that the Compensation & Benefits Committee “harmonize” the requested bonus deferral methodology with Johnson & Johnson’s recoupment policy. In other words, according to the Proponents’ Letter, the Compensation & Benefits Committee “might take recoupment into account” when implementing the bonus deferral policy.

The Proponents’ attempt to portray the Proposal as a single proposal, relating to a unifying concept, disregards the plain text of the Proposal. The Proposal itself clearly states that (1) the Compensation & Benefits Committee should develop a methodology to delay paying in full annual incentive awards for some period of time and (2) such deferral methodology “should … facilitate JNJ’s recoupment of Bonus compensation pursuant to its recoupment policy.” As a result, the Proposal relates to the separate and distinct matters of bonus deferral and recoupment of compensation, and therefore, as described in the No-Action Request, requests different actions that lack a single unifying concept.

Accordingly, as demonstrated in the No-Action Request, the Proposal is excludable under Rule 14a-8(c).


The Proponents’ Letter also seeks to recast the Proposal by arguing that the Proposal does not micromanage Johnson & Johnson because the Proposal “respects the Committee’s role by suggesting bonus deferral” (emphasis added). Again, the Proponents’ Letter ignores the text of the Proposal, which, while precatory, calls for the Compensation & Benefits Committee to adopt a bonus deferral methodology. The Proposal is unambiguous in this regard with its request that the Compensation & Benefits Committee “change any annual cash incentive program … to provide that an award … to a senior executive that is based on one or more financial measurements … whose performance measurement period … is one year or shorter shall not be paid in full for a period … following the award.” Therefore, as described in the No-Action Request, the Proposal seeks to micromanage Johnson &
Johnson by attempting to impose a specific method for implementing complex policies.

Further, the Proponents’ Letter also argues that the Proposal does not involve complex policies and that “[s]hareholders often make informed judgements on compensation practices like bonus deferral.” Staff Legal Bulletin No. 14J (Oct. 23, 2018) affirms, however, that proposals relating to executive compensation that seek to impose specific timeframes or methods for implementing complex policies can be excluded on the basis of micromanagement. See, e.g., AbbVie Inc. (Feb. 15, 2019) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that asked the company to prohibit adjusting financial performance metrics to exclude legal or compliance costs in determining senior executive incentive compensation awards, noting that “the Proposal micromanages the Company by seeking to impose specific methods for implementing complex policies”). In this instance, as described in the No-Action Request, the Proposal would impose a specific method for implementing a complex policy and thus impermissibly seeks to micromanage Johnson & Johnson.

Accordingly, for the reasons described above, the Proposal is excludable under Rule 14a-8(i)(7).

III. **Johnson & Johnson has Satisfied the Proposal’s Essential Objective.**

The Proponents’ Letter disagrees with the No Action Letter’s description of the essential objective. However, the No Action Letter’s description of the essential objective — discouraging senior executives from taking on excessive risk and to promote a longer-term perspective — is derived from the supporting statement to the Proposal, which notes that the purpose of the Proposal is to “foster a longer-term orientation” and to “align senior executives’ incentives with the company’s long-term success.”

In addition, in describing the essential objective of the Proposal, the Proponents’ Letter states that “the Proponents are concerned about the extent to which annual incentive programs may promote short-termism.” Given this essential objective, Johnson & Johnson’s disclosures already have addressed these concerns by explaining that the Compensation & Benefits Committee “[r]evews the company’s employee compensation policies and practices to assess whether such policies and practices could lead to unnecessary risk-taking behavior.” Therefore, as described further in the No-Action Request, Johnson & Johnson believes that it has satisfied the Proposal’s essential objective and that its policies compare favorably with the Proposal.

Accordingly, as demonstrated in the No-Action Request, the Proposal is excludable under Rule 14a-8(i)(10).
IV. Conclusion

For the reasons stated above and in the No-Action Request, Johnson & Johnson respectfully requests that the Staff concur that it will take no action if Johnson & Johnson excludes the Proposal from the 2020 proxy materials.

Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Johnson & Johnson’s position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff’s response. Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,

Marc S. Gerber

cc: Matthew Orlando
Johnson & Johnson

Joshua Ratner
Director of Advocacy
JLens Investor Network

Meredith Miller
Chief Corporate Governance Officer
UAW Retiree Medical Benefits Trust
January 7, 2020

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Johnson & Johnson to omit proposal submitted by the JLens Investor Network, on behalf of the Hammerman Family Revocable Inter Vivos Trust, and the UAW Retiree Medical Benefits Trust

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, the JLens Investor Network, acting on behalf of the Hammerman Family Revocable Inter Vivos Trust, and the UAW Retiree Medical Benefits Trust (together, the “Proponents”) submitted a shareholder proposal (the "Proposal") to Johnson & Johnson (“J&J” or the “Company”). The Proposal asks J&J to defer payment of some portion of senior executive bonuses that are based on financial metrics measured over one year or less.

In a letter to the Division dated December 18, 2019 (the "No-Action Request"), J&J stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the 2020 annual meeting of shareholders. J&J argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(c), as violating the “one proposal” limitation; Rule 14a-8(i)(7), on the ground that the Proposal relates to J&J’s ordinary business operations; and Rule 14a-8(i)(10), as substantially implemented. As discussed more fully below, J&J has not met its burden of proving its entitlement to exclude the Proposal on any of those bases, and the Proponents ask that its request for relief be denied.
The Proposal

The Proposal states:

RESOLVED that shareholders of Johnson & Johnson ("JNJ") urge the Compensation and Benefits Committee (the "Committee") to change any annual cash incentive program ("Bonus Program") to provide that an award (a "Bonus") to a senior executive that is based on one or more financial measurements (a "Financial Metric") whose performance measurement period ("PMP") is one year or shorter shall not be paid in full for a period (the "Deferral Period") following the award, including developing a methodology for determining the length of the Deferral Period and adjusting the remainder of the Bonus over the Deferral Period.

The methodology referenced above should allow accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and facilitate JNJ's recoupment of Bonus compensation pursuant to its recoupment policy.

The changes should be implemented in a way that does not violate any existing contractual obligation or the terms of any compensation or benefit plan currently in effect.

The One-Proposal Limitation

Rule 14-8 allows a proponent to submit only one proposal to a company. J&J claims that the Proposal is made up of two proposals: one asking that J&J implement a bonus deferral mechanism and the other requesting "that the methodology sought by the Proposal should 'facilitate [Johnson & Johnson's] recoupment of Bonus compensation pursuant to its recoupment policy.'" That interpretation misreads the Proposal, whose elements all relate to the "single well-defined unifying concept" of bonus deferral.

Central to J&J's argument is the idea that the Proposal asks the Company to take some action regarding actual recoupment of incentive pay. J&J argues that "the deferral of compensation and recoupment of compensation require entirely different actions. The former involves delaying the payment of compensation, while recoupment of compensation involves the recovery or 'clawing back' of compensation that has already been paid." But the Proposal does not urge J&J to recover or claw back compensation already paid to an executive, nor does it seek to affect the

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1 No-Action Request, at 5.
2 No-Action Request, at 6.
circumstances under which recoupment would occur or the process by which J&J would recoup compensation. All such matters are governed by J&J’s recoupment policy.3

Instead, the Proposal asks that the Committee, when determining the methodology for bonus deferral, give consideration to the potential use of deferral to facilitate recoupment. In other words, the Proposal suggests that the bonus deferral methodology—the single well-defined unifying concept of the Proposal—be designed to harmonize with the existing recoupment policy. For example, the Committee might take recoupment into account when determining the length of the Deferral Period. Rather than serving a “meaningfully different purpose,”4 then, the reference to recoupment is subordinate to, and consistent with, the Proposal’s subject of bonus deferral. Accordingly, the Proponents have not submitted multiple Proposals to J&J.

Ordinary Business

Rule 14a-8(i)(7) permits a company to omit a proposal that “deals with a matter relating to the company’s ordinary business operations.” J&J argues that the Proposal is excludable on ordinary business grounds because it attempts to micromanage the Company by “mandat[ing] bonus deferral.”5

J&J mischaracterizes the balance the Commission and Division have struck regarding the appropriate specificity of shareholder proposals. The Commission made clear in a 1998 adopting release that a proposal micromanages a company, and is therefore excludable on ordinary business grounds, when it “prob[es] too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” The release stated that micromanagement “may come into play in a number of circumstances, such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.”6

Staff Legal Bulletin 14K added that a proposal may micromanage when it “prescribes specific actions that the company’s management or the board must undertake without affording them sufficient flexibility or discretion in addressing the complex matter presented by the proposal.”7 Thus, the micromanagement analysis focuses on whether the subject is too complex for shareholders to understand and whether the proposal is overly prescriptive.

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3 See http://www.investor.jnj.com/gov/compensation-recoupment-policy.cfm
4 See No-Action Request, at 6.
5 No-Action Request, at 8.
7 Staff Legal Bulletin 14K (Oct. 16, 2019).
Here, the answer to both of those question is no.

Shareholders often make informed judgments on compensation practices like bonus deferral. Reporting companies are required to give shareholders the opportunity to cast an advisory vote on senior executive compensation programs, policies and decisions, and these votes occur annually at most companies. The Compensation Discussion and Analysis section of the proxy statement, which provides the information on which shareholders base those votes, contains detailed information about executive compensation arrangements, including vesting and payout schedules. Shareholders also vote to approve complex equity-based compensation plans. They therefore have the expertise necessary to analyze and cast an informed vote on the Proposal.

As to prescriptiveness, J&J wrongly claims that only the broadest-stroke requests can avoid exclusion on micromanagement grounds. Bonus deferral, to hear J&J tell it, is simply “one approach to managing compensation-related risk.” Under J&J’s logic, a proponent would be limited to asking J&J to better manage compensation-related risk and would have to remain agnostic on the best way to accomplish that goal. Such a general request, however, would risk exclusion on vagueness grounds because neither shareholders nor the company would be able to determine with any reasonable certainty the actions or measures the proposal requires.9

J&J’s approach would also impair the communication function of Rule 14a-8. A proposal under Rule 14a-8 is a request that “the company and/or its board of directors take action,” and proponents are urged to “state as clearly as possible the course of action that [they] believe the company should follow.”10 It can’t be the case, then, that asking a company to adopt a new corporate governance or compensation practice constitutes micromanagement, absent excessive prescriptiveness.

The Proposal does not cross that line. It respects the Committee’s role by suggesting bonus deferral and then giving the Committee substantial discretion to determine how the deferral would work. The Proposal does not specify the length of the Deferral Period, for example, or the proportion of a Bonus that should be deferred. It does not dictate how adjustments should be made during the Deferral Period, though it does suggest that the Committee take into account how the deferral methodology can be harmonized with J&J’s recoupment policy. The Proposal does not, as J&J claims, seek to “impose specific methods for implementing

8 No-Action Request, at 8.
10 Rule 14a-8(a).
complex policies.” J&J thus has not met its burden of demonstrating its entitlement to omit the Proposal in reliance on the ordinary business exclusion.

Substantial Implementation

Rule 14a-8(i)(10) permits exclusion of a proposal that has been “substantially implemented.” J&J argues that it has satisfied the “essential objective” of the Proposal, which it characterizes as “discourage[ing] senior executives from taking on excessive risk and promot[ing] a longer-term perspective.” J&J touts various design features of its compensation programs as reducing incentives for senior executives to take excessive risks and thereby accomplishing that goal.

None of the arrangements to which J&J points, however, deal with the timing of annual bonus payouts, the central focus of the Proposal. The Proponents are concerned about the extent to which annual incentive programs may promote short-termism, especially where, as at J&J, financial metrics in the bonus program are also used in long-term incentive programs. (J&J’s performance share units program (one of the long-term incentive programs) uses one-year operational sales targets, while sales growth is a factor in bonus determinations.) As a result, the Proposal suggests that the payout schedule for bonuses be extended, with details of that extension determined by the Committee.

The “essential objective” J&J attributes to the Proposal is far too vague to support exclusion on substantial implementation grounds. Using J&J’s reasoning, a board declassification proposal whose supporting statement refers to increasing board accountability could be deemed substantially implemented by any other governance arrangement, like proxy access or majority voting, that could plausibly be described as promoting greater board accountability. Although substantial implementation no longer requires a company to have taken the exact action requested, it is not as flexible as J&J claims.

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For the reasons set forth above, the Proponents respectfully ask that J&J’s request for relief be denied.

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11 No-Action Request, at 7.
12 No-Action Request, at 10.
The Proponents appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (203) 610-4104.

Sincerely,

[Signature]
Rabbi Joshua Ratner
Director Of Advocacy
JLens Investor Network
rabbiratner@jlenstrain.org

cc: Marc S. Gerber
Skadden, Arps, Slate, Meagher & Flom LLP
Marc.Gerber@Skadden.com
December 18, 2019

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: Johnson & Johnson – 2020 Annual Meeting
Omission of Shareholder Proposal of the JLens Investor Network and the UAW Retiree Medical Benefits Trust

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we are writing on behalf of our client, Johnson & Johnson, a New Jersey corporation, to request that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with Johnson & Johnson’s view that, for the reasons stated below, it may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by the JLens Investor Network (“JLens”) on behalf of the Hammerman Family Revocable Inter Vivos Trust (the “Hammerman Trust”), and co-filed by the UAW Retiree Medical Benefits Trust (the “UAW Trust”), from the proxy materials to be distributed by Johnson & Johnson in connection with its 2020 annual meeting of shareholders (the “2020 proxy materials”). JLens, the Hammerman Trust and the UAW Trust are sometimes collectively referred to as the “Proponents.”
In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponents as notice of Johnson & Johnson’s intent to omit the Proposal from the 2020 proxy materials.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponents that if they submit correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to Johnson & Johnson.

I. The Proposal

The text of the resolution contained in the Proposal is set forth below:

RESOLVED that shareholders of Johnson & Johnson (“JNJ”), urge the Compensation & Benefits Committee (the “Committee”) of the board to change any annual cash incentive program (“Bonus Program”) to provide that an award (a “Bonus”) to a senior executive that is based on one or more financial measurements (a “Financial Metric”) whose performance measurement period (“PMP”) is one year or shorter shall not be paid in full for a period (the “Deferral Period”) following the award, including developing a methodology for determining the length of the Deferral Period and adjusting the remainder of the Bonus over the Deferral Period.

The methodology referenced above should allow accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and facilitate JNJ’s recoupment of Bonus compensation pursuant to its recoupment policy.

The changes should be implemented in a way that does not violate any existing contractual obligation or the terms of any compensation or benefit plan currently in effect.
II. Bases for Exclusion

We hereby respectfully request that the Staff concur with Johnson & Johnson’s view that the Proposal may be excluded from the 2020 proxy materials pursuant to:

- Rule 14a-8(c) because the Proposal consists of multiple proposals;
- Rule 14a-8(i)(7) because the Proposal deals with matters relating to Johnson & Johnson’s ordinary business operations; and
- Rule 14a-8(i)(10) because Johnson & Johnson has substantially implemented the Proposal.

III. Background

On November 12, 2019, Johnson & Johnson received the Proposal, accompanied by a cover letter from JLens dated November 11, 2019, an authorization letter from the Hammerman Trust and a letter from Charles Schwab & Co. Also on November 12, 2019, Johnson & Johnson received a copy of the Proposal, accompanied by a cover letter from the UAW Trust, indicating it was co-filing the Proposal with JLens. On November 14, 2019 Johnson & Johnson received a letter from State Street Bank and Trust Company, dated November 14, 2019, verifying the UAW Trust’s stock ownership. Also on November 14, 2019, in accordance with Rule 14a-8(f)(1), Johnson & Johnson sent a letter to JLens (the “JLens Deficiency Letter”) via email requesting a written statement verifying that the Hammerman Trust owned the requisite number of shares of Johnson & Johnson common stock for at least one year as of November 12, 2019, the date the Proposal was submitted to Johnson & Johnson. The JLens Deficiency Letter also notified JLens and the Hammerman Trust of Johnson & Johnson’s belief that the submission contained more than one shareholder proposal in violation of Rule 14a-8 and of the Proponents’ obligation to reduce the submission to a single proposal. In addition, on November 15, 2019, in accordance with Rule 14a-8(f)(1), Johnson & Johnson sent a letter to the UAW Trust (together with the JLens Deficiency Letter, the “Deficiency Letters”) via email notifying the UAW Trust of Johnson & Johnson’s belief that the submission contained more than one shareholder proposal in violation of Rule 14a-8 and of the Proponents’ obligation to reduce the submission to a single proposal. Also on November 15, 2019, Johnson & Johnson received a letter from Charles Schwab & Co., dated November 15, 2019, verifying the Hammerman Trust’s stock ownership. Johnson & Johnson did not receive a revised Proposal from the
Proponents. Copies of the Proposal, cover letters, broker letters, Deficiency Letters and related correspondence are attached hereto as Exhibit A.

IV. The Proposal May Be Excluded Pursuant to Rule 14a-8(c) Because the Proposal Consists of Multiple Proposals.

Rule 14a-8(c) provides that a shareholder may submit no more than one proposal pursuant to Rule 14a-8 to a company for a particular shareholders’ meeting. As indicated above, consistent with its obligations under Rule 14a-8(f)(1), Johnson & Johnson notified the Proponents in the Deficiency Letters of Johnson & Johnson’s belief that the submission contained more than one proposal and therefore must be reduced to a single proposal to comply with Rule 14a-8(c). Johnson & Johnson did not receive a revised Proposal from the Proponents.

The Staff has consistently recognized that Rule 14a-8(c) permits the exclusion of proposals that, although presented as one proposal, combine separate and distinct matters that lack a single unifying concept. For instance, in Textron, Inc. (Mar. 7, 2012, recon. denied Mar. 30, 2012), the Staff concurred with the exclusion of a proposal entitled “Proxy Access” that sought to allow shareholders to make board nominations in the company’s proxy materials by requiring that the company amend its governing documents consistent with seven enumerated provisions in the proposal. Six of the seven provisions focused on providing shareholders with the ability to nominate board members through proxy access. In contrast, the remaining provision required that any election resulting in a majority of board seats being filled by operation of the proposed proxy access mechanism must not be considered to be a change of control by the company, its board or its officers. The Staff concurred with the company’s view that this “change of control” provision diverged from the proposal’s unifying concept of providing shareholders with proxy access and instead sought to address a possible consequence of shareholders utilizing the proposed proxy access mechanism. Given this divergence, the Staff granted relief to exclude the proposal under Rule 14a-8(c), noting that the change of control provision “constitute[d] a separate and distinct matter from the proposal relating to the inclusion of shareholder nominations for director in Textron’s proxy materials.”

Similarly, in Parker-Hannifin Corp. (Sep. 4, 2009), the Staff concurred with the exclusion of a proposal entitled “Triennial Executive Pay Vote program” that consisted of three elements: (i) a triennial executive pay vote to approve the compensation of the company’s executive officers; (ii) a triennial executive pay vote ballot that would provide shareholders an opportunity to register their approval or disapproval of three components of the executives’ compensation; and (iii) a triennial forum, by webcast or otherwise, that would allow shareholders to engage in a dialogue with the compensation committee regarding the company’s executive
compensation policies and practices. The Staff concurred with the company’s view that implementation of the third element would require completely distinct and separate actions from the first two elements of the proposal. The Staff specifically noted that the third element of the proposed Triennial Executive Pay Vote program was a “separate and distinct matter” from the first and second elements and thus determined the proponent’s entire submission could be excluded. See also Eaton Corp. (Feb. 21, 2012) (concurring in the exclusion of a proposal where the Staff noted that the request relating to the method of reporting corporate ethics involved a separate and distinct matter from the three other requests relating to employee compensation, accounting practices and operations in India); PG&E Corp. (Mar. 11, 2010) (concurring in the exclusion of a proposal where the Staff noted that the request relating to license renewal involved a separate and distinct matter from the requests relating to mitigating risks and production levels).

Similar to the multiple-proposal submissions described above, the Proposal consists of multiple proposals that combine separate and distinct matters that lack a single unifying concept in violation of Rule 14a-8(c). The Proposal can be broken out as requesting that the Compensation & Benefits Committee take steps to implement the following items: (1) change the annual cash incentive program (assuming certain criteria) to defer payment of the award for some period of time; (2) develop a methodology to determine the length of the deferral period; (3) the methodology should allow accurate assessment of risks taken during the relevant period; and (4) the methodology should allow Johnson & Johnson to recoup compensation. The unifying concept of the first three items contained in the Proposal is deferral of annual cash incentive compensation to discourage senior executives from taking on excessive risk and to promote a longer-term perspective. Consistent with that unifying concept, the supporting statement expresses the concern that “short-term incentive plans can encourage senior executives to take on excessive risk” and explains that the Proposal “asks that the [Compensation & Benefits] Committee develop a methodology for withholding some portion of Bonuses to allow adjustment of the unpaid portion during the Deferral Period” in order “[t]o foster a longer-term orientation.”

However, the fourth item requested by the Proposal contains a separate and distinct request – that the methodology sought by the Proposal should “facilitate [Johnson & Johnson’s] recoupment of Bonus compensation pursuant to its recoupment policy.”

The deferral of incentive compensation and the recoupment of compensation are separate and distinct matters that lack a single unifying concept. For instance, the deferral of compensation and recoupment of compensation require entirely
different actions. The former involves delaying the payment of compensation, while recoupment of compensation involves the recovery or “clawing back” of compensation that already has been paid. Indeed, the supporting statement recognizes this distinction by stating that “[d]eferral is ‘particularly important’ because it allows ‘late-arriving information about risk-taking and outcomes’ to alter payouts and reduces the need to claw back compensation already paid out.” (Emphasis added.)

Not only is recoupment a distinct concept from deferral and one that requires different actions, the ability to recoup compensation serves a variety of purposes entirely unrelated to the unifying concept of the other elements of the Proposal (deferring annual cash incentive compensation to discourage senior executives from taking on excessive risk and to promote a longer-term perspective). For example, as described in Johnson & Johnson’s definitive proxy statement for its 2019 annual meeting of shareholders (the “2019 Proxy Statement”), such other purposes of recoupment policies include recouping “all or part of any compensation paid to an executive officer in the event of a material restatement of the company’s financial results … [or] in the event of significant misconduct resulting in a violation of a significant company policy, law, or regulation relating to manufacturing, sales or marketing of products that causes material harm to Johnson & Johnson.” Excerpts of the 2019 Proxy Statement are attached hereto as Exhibit B. Thus, by requesting that Johnson & Johnson’s annual cash incentive program be changed to defer incentive compensation and to facilitate the recoupment of compensation, the Proposal has requested different actions that serve meaningfully different purposes and, therefore, combines separate and distinct matters that lack a single unifying concept in violation of Rule 14a-8(c).

Accordingly, the Proposal consists of multiple proposals and may be excluded under Rule 14a-8(c).

V. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to Johnson & Johnson’s Ordinary Business Operations.

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company’s proxy materials if the proposal “deals with matters relating to the company’s ordinary business operations.” In Exchange Act Release No. 34-40018 (May 21, 1998) (the “1998 Release”), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain tasks are so fundamental to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject
to direct shareholder oversight. The second consideration relates to the degree to which the proposal seeks to “micro-manage” the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

In accordance with these principles, the Staff has consistently agreed that shareholder proposals attempting to micromanage a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment are excludable under Rule 14a-8(i)(7). See the 1998 Release; see also JPMorgan Chase & Co. (Mar. 22, 2019); Royal Caribbean Cruises Ltd. (Mar. 14, 2019); Walgreens Boots Alliance, Inc. (Nov. 20, 2018); RH (May 11, 2018); JPMorgan Chase & Co. (Mar. 30, 2018); Amazon.com, Inc. (Jan. 18, 2018). In addition, in Staff Legal Bulletin No. 14J (Oct. 23, 2018) (“SLB 14J”), the Staff reminded companies and proponents that in assessing whether a proposal micromanages, the Staff looks at the manner in which a proposal addresses an issue and not whether a proposal’s subject matter itself is proper for a shareholder proposal under Rule 14a-8. The Staff also explained that proposals addressing executive compensation that seek intricate detail, or seek to impose specific timeframes or methods for implementing complex policies, can be excluded under Rule 14a-8(i)(7) on the basis of micromanagement. The Staff further explained, in Staff Legal Bulletin No. 14K (Oct. 16, 2019), that when a proposal prescribes specific actions that the company’s management or the board must undertake without affording them sufficient flexibility or discretion, the proposal may micromanage the company to such a degree that exclusion of the proposal would be warranted.

Consistent with this guidance, the Staff has permitted exclusion on the basis of micromanagement where a proposal related to executive compensation matters but sought to “impose specific methods for implementing complex policies.” In JPMorgan Chase & Co. (Mar. 22, 2019), for example, the Staff concurred with the exclusion of a proposal that asked the Company to prohibit “vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service.” The Staff found that “the Proposal micromanages the Company by seeking to impose specific methods for implementing complex policies.” See also Johnson & Johnson (Feb. 14, 2019) (permitting exclusion on the basis of micromanagement of a proposal that asked the company’s board of directors to adopt a policy that no financial performance metric be adjusted to exclude legal or compliance costs when evaluating performance for purposes of determining the amount or vesting of any senior executive incentive compensation award, noting that the proposal sought to “impose specific methods for implementing complex policies”); AbbVie Inc. (Feb. 15, 2019) (same).
In this case, the Proposal seeks to micromanage Johnson & Johnson by prescribing specific methods for implementing complex policies. It does so by requesting that the Compensation & Benefits Committee “change any annual cash incentive program … to provide that an award … to a senior executive that is based on one or more financial measurements … whose performance measurement period … is one year or shorter shall not be paid in full for a period … following the award.” In other words, the Proposal would mandate bonus deferral. Decisions concerning the timing and amount of incentive compensation payments to senior executives, and the interplay between executive compensation and incentivizing appropriate risk-taking but not excessive risk-taking, entail a complex process. This process involves the exercise of business judgment by the Compensation & Benefits Committee, which, as disclosed in the 2019 Proxy Statement, employs a variety of methods to appropriately incentivize senior executives, including, among other things, a balanced approach to performance-based awards, considering different performance periods and vesting schedules, balancing the mix of pay components, capping incentive awards and adopting stock ownership guidelines. Compensation & Benefits Committee decisions concerning these various matters, made with the assistance of its independent advisors, “work to reduce the possibility that [Johnson & Johnson] executive officers, either individually or as a group, make excessively risky business decisions that could maximize short-term results at the expense of long-term value.” Notwithstanding the Compensation & Benefits Committee’s efforts and judgments, and the advice of the committee’s independent advisors, the Proposal would prescribe one approach to managing compensation-related risk – bonus deferral.

Although the Proposal purports to give the Compensation & Benefits Committee the discretion to determine the precise methodology for implementing bonus deferral, this discretion relates to implementation of a decision imposed on the committee and does not salvage the Proposal. The Proposal’s request to categorically prohibit immediate full payment of short-term bonus awards to senior executives would strip the Compensation & Benefits Committee of the discretion and flexibility it requires to properly exercise its business judgment. Thus, the Proposal attempts to impose specific methods for implementing complex policies and, therefore, probes too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment.

Accordingly, consistent with the precedent described above, the Proposal may be excluded under Rule 14a-8(i)(7) as seeking to micromanage Johnson & Johnson’s ordinary business operations.
VI. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(10) Because Johnson & Johnson Has Substantially Implemented the Proposal.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the “substantially implemented” standard in 1983 after determining that the “previous formalistic application” of the rule defeated its purpose, which is to “avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” See Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the “1983 Release”) and Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be “fully effected” provided that they have been “substantially implemented” by the company. See 1983 Release.

Applying this standard, the Staff has permitted exclusion under Rule 14a-8(i)(10) when the company’s policies, practices and procedures compare favorably with the guidelines of the proposal. See, e.g., Visa Inc. (Oct. 11, 2019) (permitting exclusion of a proposal recommending that the compensation committee reform the company’s executive compensation philosophy to include social factors to enhance the company’s social responsibility where the company’s “policies, practices and procedures compare[d] favorably with the guidelines of the [p]roposal and the [c]ompany … therefore, substantially implemented the [p]roposal”); Exxon Mobil Corp. (Mar. 17, 2015) (permitting exclusion of a proposal requesting that the company commit to increasing the dollar amount authorized for capital distributions to shareholders through dividends or share buybacks where the company’s long-standing capital allocation strategy and related “policies, practices and procedures compare[d] favorably with the guidelines of the proposal and … therefore, substantially implemented the proposal”); The Goldman Sachs Group, Inc. (Mar. 12, 2018); Wells Fargo & Co. (Mar. 6, 2018); Kewaunee Scientific Corp. (May 31, 2017); Wal-Mart Stores, Inc. (Mar. 16, 2017); Dominion Resources, Inc. (Feb. 9, 2016); Ryder Sys., Inc. (Feb. 11, 2015); Wal-Mart Stores, Inc. (Mar. 27, 2014); Peabody Energy Corp. (Feb. 25, 2014); The Goldman Sachs Group, Inc. (Feb. 12, 2014); Hewlett-Packard Co. (Dec. 18, 2013); Deere & Co. (Nov. 13, 2012); Duke Energy Corp. (Feb. 21, 2012); Exelon Corp. (Feb. 26, 2010); ConAgra Foods, Inc. (July 3, 2006); The Gap, Inc. (Mar. 16, 2001); Nordstrom, Inc. (Feb. 8, 1995); and Texaco, Inc. (Mar. 6, 1991, recon. granted Mar. 28, 1991).

In addition, the Staff has permitted exclusion under Rule 14a-8(i)(10) where a company already addressed the underlying concerns and satisfied the essential objective of the proposal, even if the proposal had not been implemented exactly as proposed by the proponent. See, e.g., MGM Resorts Int’l (Feb. 28, 2012) (permitting
exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company’s sustainability policies and performance and recommending the use of the Governance Reporting Initiative Sustainability Guidelines, where the company published an annual sustainability report but did not follow the Governance Reporting Initiative Sustainability Guidelines or cover all of the suggested topics; Alcoa Inc. (Feb. 3, 2009) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report that describes how the company’s actions to reduce its impact on global climate change may have altered the current and future global climate, where the company published general reports on climate change, sustainability and emissions data on its website); Allegheny Energy, Inc. (Feb. 20, 2008) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a policy that a significant portion of future stock option grants to senior executives be performance-based where the company had adopted a policy making stock option vesting contingent upon performance).

Johnson & Johnson has substantially implemented the Proposal, the essential objective of which is the payment of executive compensation over a period of time in order to discourage senior executives from taking on excessive risk and to promote a longer-term perspective. In this regard, the supporting statement expresses that “[w]e are concerned that short-term incentive plans can encourage senior executives to take on excessive risk.” The supporting statement also explains that the purpose of the Proposal is to “foster a longer-term orientation” and to “align senior executives’ incentives with the company’s long-term success.”

Johnson & Johnson already has implemented policies to discourage senior executives from taking on excessive risk and to promote a longer-term perspective. Specifically, as disclosed in the 2019 Proxy Statement, the largest portion of compensation for named executive officers was long-term incentive compensation. The 2019 Proxy Statement also explains that the Compensation & Benefits Committee “[r]eviews the company’s employee compensation policies and practices to assess whether such policies and practices could lead to unnecessary risk-taking behavior.” Further, the 2019 Proxy Statement describes how the “characteristics of [Johnson & Johnson’s] executive compensation program work to reduce the possibility that [Johnson & Johnson’s] executive officers, either individually or as a group, make excessively risky business decisions that could maximize short-term results at the expense of long-term value.” These characteristics include that: (1) “[p]erformance targets are tied to multiple financial metrics, including operational sales growth, free cash flow, adjusted operational earnings per share growth, and long-term total shareholder return”; (2) “performance period and vesting schedules for long-term incentives overlap and, therefore, reduce the motivation to maximize performance in any one period”; (3) “[t]he target compensation mix is not overly
weighted toward annual incentive awards and represents a balance of cash and long-
term equity-based compensation vesting over three years”; and (4) Johnson &
Johnson’s stock ownership guidelines require Johnson & Johnson’s CEO to directly
or indirectly own equity in the company equal to six times salary, and the other
members of the Executive Committee (the principal management group) to own
equity equal to three times salary, and to retain this level of equity at all times while
serving as an Executive Committee member. In addition, the 2019 Proxy Statement
discloses that in assessing named executive officer contributions to Johnson &
Johnson’s performance, the Compensation & Benefits Committee “not only looks to
results-oriented measures of performance, but also considers how those results were
achieved [and] … whether the decisions and actions leading to the results were
consistent with the values embodied in Our Credo and the long-term impact of their
decisions.” As reflected in the 2019 Proxy Statement, Johnson & Johnson has
designed its executive compensation program to discourage excessive risk taking by
senior executives and has done so by, among other measures, limiting short-term
incentive compensation for its senior executives in favor of long-term incentive
compensation.

Therefore, given the current design of Johnson & Johnson’s executive
compensation program, which seeks to discourage excessive risk taking and
emphasize a longer-term perspective, Johnson & Johnson has substantially
implemented the Proposal. Accordingly, the Proposal may be excluded under
Rule 14a-8(i)(10).

VII. Conclusion

Based upon the foregoing analysis, Johnson & Johnson respectfully requests
that the Staff concur that it will take no action if Johnson & Johnson excludes the
Proposal from its 2020 proxy materials.
Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Johnson & Johnson’s position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff’s response. Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,

Marc S. Gerber

Enclosures

cc: Matthew Orlando
Worldwide Vice President, Corporate Governance and Corporate Secretary
Johnson & Johnson

Joshua Ratner
Director of Advocacy
JLens Investor Network

Meredith Miller
Chief Corporate Governance Officer
UAW Retiree Medical Benefits Trust
EXHIBIT A

(see attached)
November 11, 2019

Via UPS and Email
Matt Orlando
Office of the Corporate Secretary
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

E-mail: MOrland3@ITS.JNJ.COM

RE: Shareholder proposal for 2020 Annual Meeting

Dear Mr. Orlando,

JLens Investor Network hereby submits the enclosed shareholder proposal with Johnson & Johnson ("JNJ" or the "Company") for inclusion in the Company’s 2020 proxy statement for its 2020 annual meeting of stockholders in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

JLens is a network of institutional and individual investors dedicated to investing through a Jewish values lens. JLens conducts shareholder engagement for the Jewish Advocacy Strategy, managed by Lens Investments LLC. Our investors, who are the beneficial owners of shares of JNJ, care deeply about the devastating consequences of the opioid crisis. Our proposal asks the Compensation and Benefits Committee of JNJ’s board of directors to modify your annual cash incentive program ("Bonus Program") for senior executives to promote a longer-term perspective. Taking this step will help reassure JNJ’s investors that compensation policies for senior executives are better aligned with the company’s long-term success and no longer encourage senior executives to take on the type of excessive risk that helped perpetuate the opioid crisis.

We are filing this shareholder resolution on behalf of our client, the Hammerman Family Revocable Inter Vivos Trust (the “Trust”). JLens has been designated to act as the Trust’s representative in filing this shareholder proposal and has the authority and discretion to make any additional statements and take any necessary actions on the Trust’s behalf in support of this shareholder resolution. A designation letter from the Trust attesting to this authority is included, affirming as well that the Trust has been a shareholder continuously for more than one year, holding at least $2,000 in JNJ stock, and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. The verification of ownership by Schwab, our DTC custodian, is enclosed with this letter.

JLens Investor Network is the primary filer for this resolution. We will send a representative to the stockholders’ meeting to move the shareholder proposal as required by SEC rules. We may be joined by one or more co-filers.

We look forward to having productive conversations with the company. Please direct any communications to me at (203) 610-4104 or rabiratner@jlenisspace.org. We request copies of any documentation related to this proposal. We also would appreciate confirmation of receipt of this letter via email.

Sincerely,

Joshua Ratner
Director of Advocacy
JLens Investor Network
Enclosures: Shareholder Proposal; Trust Authorization Letter; DTC Verification Letter
RESOLVED that shareholders of Johnson & Johnson ("JNJ") urge the Compensation & Benefits Committee (the "Committee") of the board to change any annual cash incentive program ("Bonus Program") to provide that an award (a "Bonus") to a senior executive that is based on one or more financial measurements (a "Financial Metric") whose performance measurement period ("PMP") is one year or shorter shall not be paid in full for a period (the "Deferral Period") following the award, including developing a methodology for determining the length of the Deferral Period and adjusting the remainder of the Bonus over the Deferral Period.

The methodology referenced above should allow accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and facilitate JNJ's recoupment of Bonus compensation pursuant to its recoupment policy.

The changes should be implemented in a way that does not violate any existing contractual obligation or the terms of any compensation or benefit plan currently in effect.

SUPPORTING STATEMENT

As long-term shareholders, we support compensation policies that align senior executives' incentives with the company's long-term success. We are concerned that short-term incentive plans can encourage senior executives to take on excessive risk.

In our view, the opioid crisis reflects overly risky behavior by companies in the supply chain, including manufacturers such as JNJ. In August 2019, an Oklahoma judge ruled that JNJ subsidiary Janssen engaged in "false, deceptive and misleading" marketing regarding opioids that contributed to the opioid crisis in Oklahoma, which constituted a "public nuisance," and awarded the state of Oklahoma $572 million.1 JNJ has also been dogged by compliance failures related to off-label promotion, kickbacks and foreign bribery.2

To foster a longer-term orientation, this proposal asks that the Committee develop a methodology for withholding some portion of Bonuses to allow adjustment of the unpaid portion during the Deferral Period. The Committee would have discretion to set the terms and mechanics of this process.

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Bonus deferral is widely used in the banking industry, where overly risky behavior was widely viewed as contributing to the financial crisis. In 2009, the Financial Stability Board ("FSB"), which coordinates national financial authorities in developing strong financial sector policies, adopted *Principles for Sound Compensation Practices* and implementation standards for those principles, including bonus deferral. Deferral is “particularly important” because it allows “late-arriving information about risk-taking and outcomes” to alter payouts and reduces the need to claw back compensation already paid out, which may “fac[e] legal barriers,” in the event of misconduct. Banking supervisors in 16 jurisdictions, including the US, have requirements or expectations regarding bonus deferral. (https://www.fsb.org/wp-content/uploads/P170619-1.pdf)

We urge shareholders to vote FOR this proposal.
November 11, 2019

The Hammerman Family Revocable Inter Vivos Trust ("stockholder") authorizes the JLens Investor Network ("JLens") to file a shareholder proposal with Johnson & Johnson ("J&J") requesting that the Compensation and Benefits Committee of J&J’s board of directors modify its annual cash incentive program for senior executives to promote a longer-term perspective. The stockholder gives JLens the authority and discretion to make any additional statements and take any necessary actions on our behalf in support of this shareholder resolution, to be included in J&J's 2020 Proxy Statement in accordance with Rule 14a-8 of the Securities and Exchange Act of 1934.

We also confirm that we have owned at least $2,000 worth of J&J shares since at least November 11, 2018, and that we intend to continue holding at least $2,000 worth of J&J shares through the date of J&J's 2020 Annual Meeting of Shareholders.

Julie Hammerman, Trustee

Jason Hammerman, Trustee
November 11, 2019

Hammerton Family Revocable Inter Vivos Trust
Charles Schwab & Co., Custodian
2423 E. Lincoln Dr.
Phoenix, AZ 85016

Account #: ***
Questions: 800-435-9050

Here is the account information you requested.

To whom it may concern,

I am writing in response to your request for information on the above referenced account.

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 152 shares of Johnson & Johnson (JNJ) common stock, valued in excess of $2,000.00. The Hammerton Family Revocable Inter Vivos Trust has continuously held at least $2,000.00 worth of shares of JNJ for the one-year period preceding and including November 11, 2019.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Company.

Please note that this letter applies only to the account number(s) noted above. Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").

This letter is for informational purposes only and is not an official record. Please refer to your statements and/or trade confirmations as they are the official record of your account(s).

Thank you for choosing Schwab. We appreciate your business and look forward to serving you in the future. If you have any questions, please call me or any Client Service Specialist at 800-435-9050.

Sincerely,

Rene Teran

Rene Teran
Sr. Specialist | Escalation Support
2423 E Lincoln Dr
Phoenix, AZ 85016-1215
November 12, 2019

Matthew Orlando  
Office of the Corporate Secretary  
Johnson & Johnson  
One Johnson & Johnson Plaza  
New Brunswick, NJ 08933

Dear Mr. Orlando:

The purpose of this letter is to submit the attached shareholder resolution co-filed by the UAW Retiree Medical Benefits Trust ("we" or the "Trust") for inclusion in the Johnson & Johnson ("JNJ" or the "Company") proxy statement for the 2020 Annual Meeting of Stockholders. The JLens Investor Network is the primary filer.

This resolution is submitted pursuant to Rule 14(a) -8 of the General Rules and Regulations promulgated under the Exchange Act. The Trust is filing the attached resolution to call on the Board of Directors to change its annual cash incentive program.

The Trust is the beneficial owner of more than $2,000 in market value of the Company’s stock and has held such stock continually for over one year. Furthermore, the Trust intends to continue to hold the requisite number of shares through the date of the 2020 annual meeting. Proof of ownership will be sent by the Trust’s custodian, State Street Bank and Trust Company, under separate cover.

If you have questions about this proposal please contact me at (734) 887-4964 or mamiller@rhac.com.

Sincerely,

Meredith Miller  
Chief Corporate Governance Officer  
UAW Retiree Benefits Trust  
777 East Eisenhower Parkway, Suite 800  
Ann Arbor, MI 48108
BONUS DEFERRAL

RESOLVED that shareholders of Johnson & Johnson (“JNJ”) urge the Compensation & Benefits Committee (the “Committee”) of the board to change any annual cash incentive program (“Bonus Program”) to provide that an award (a “Bonus”) to a senior executive that is based on one or more financial measurements (a “Financial Metric”) whose performance measurement period (“PMP”) is one year or shorter shall not be paid in full for a period (the “Deferral Period”) following the award, including developing a methodology for determining the length of the Deferral Period and adjusting the remainder of the Bonus over the Deferral Period.

The methodology referenced above should allow accurate assessment of risks taken during the PMP that could have affected performance on the Financial Metric(s) and facilitate JNJ’s recoupment of Bonus compensation pursuant to its recoupment policy.

The changes should be implemented in a way that does not violate any existing contractual obligation or the terms of any compensation or benefit plan currently in effect.

SUPPORTING STATEMENT

As long-term shareholders, we support compensation policies that align senior executives’ incentives with the company’s long-term success. We are concerned that short-term incentive plans can encourage senior executives to take on excessive risk.

In our view, the opioid crisis reflects overly risky behavior by companies in the supply chain, including manufacturers such as JNJ. In August 2019, an Oklahoma judge ruled that JNJ subsidiary Janssen engaged in “false, deceptive and misleading” marketing regarding opioids that contributed to the opioid crisis in Oklahoma, which constituted a “public nuisance,” and awarded the state of Oklahoma $572 million.\(^1\) JNJ has also been dogged by compliance failures related to off-label promotion, kickbacks and foreign bribery.\(^2\)

To foster a longer-term orientation, this proposal asks that the Committee develop a methodology for withholding some portion of Bonuses to allow adjustment of the unpaid portion


during the Deferral Period. The Committee would have discretion to set the terms and mechanics of this process.

Bonus deferral is widely used in the banking industry, where overly risky behavior was widely viewed as contributing to the financial crisis. In 2009, the Financial Stability Board (“FSB”), which coordinates national financial authorities in developing strong financial sector policies, adopted Principles for Sound Compensation Practices and implementation standards for those principles, including bonus deferral. Deferral is “particularly important” because it allows “late-arriving information about risk-taking and outcomes” to alter payouts and reduces the need to claw back compensation already paid out, which may “fac[e] legal barriers,” in the event of misconduct. Banking supervisors in 16 jurisdictions, including the US, have requirements or expectations regarding bonus deferral. (https://www.fsb.org/wp-content/uploads/P170619-1.pdf)

We urge shareholders to vote FOR this proposal.
DATE: November 14, 2019

Matthew Orlando  
c/o Office of the Corporate Secretary  
Johnson & Johnson  
One Johnson & Johnson Plaza  
New Brunswick, NJ 08933

Re: Shareholder Proposal Record Letter for Johnson & Johnson: Cusip (478160104)

Dear Mr. Matthew Orlando,

State Street Bank and Trust Company is custodian for 27,405 shares of Johnson & Johnson: Cusip (478160104), common stock held for the benefit of the UAW Retiree Medical Benefits Trust (the "Trust") as of 11/12/2019. The Trust has continuously owned the Company's common stock since for at least one year through November 12, 2018.

As custodian for the Trust, State Street holds these shares at its Participant Account at the Depository Trust Company ("DTC"). FIORDPIER + CO., the nominee name at DTC, is the record holder of these shares.

If there are any questions concerning this matter, please do not hesitate to contact me at 916-291-7687.

Best regards,

[Signature]

Erica Hogans  
Client Service  
Assistant Vice President  
State Street Bank and Trust Company

Information Classification: Limited Access
VIA EMAIL

Joshua Ratner  
Director of Advocacy  
JLens Investor Network  
rabbiratner@jlensnetwork.org

Dear Mr. Ratner:

This letter acknowledges receipt by Johnson & Johnson, on November 12, 2019, of the shareholder proposal submitted by JLens Investor Network on behalf of the Hammerman Family Revocable Inter Vivos Trust (the “Proponent”) pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Rule”), for consideration at the Company’s 2020 Annual Meeting of Shareholders (the “Proposal”).

Paragraph (b) of the Rule provides that shareholder proponents must submit sufficient proof of their continuous ownership of at least $2,000 in market value, or 1%, of a company’s shares entitled to vote on the proposal for at least one year preceding and including the date the shareholder proposal was submitted, which was November 12, 2019. The Company’s stock records do not indicate that the Proponent is a record owner of Company shares, and to date, we have not received sufficient proof that the Proponent has satisfied the Rule’s ownership requirements.

You have provided a letter from Charles Schwab & Co. indicating ownership of Company shares for the period from November 11, 2018 through November 11, 2019. There is a gap in the period of ownership covered by the letter in that it does not establish a continuous one-year ownership period preceding and including November 12, 2019.

Accordingly, please furnish to us, within 14 days of your receipt of this letter, a written statement from the “record” holder of the Proponent’s shares (usually a broker or a bank) and a participant in the Depository Trust Company (“DTC”) verifying that the Proponent beneficially owned the requisite number of Company shares continuously for at least the one-year period preceding, and including, November 12, 2019, the date the Proposal was submitted. The Proponent can confirm whether a particular broker or bank is a DTC participant by asking the broker or bank or by checking DTC’s participant list, which is currently available on the Internet at: http://www.dtcc.com/client-center/dtc-directories.
If the Proponent’s broker or bank is not on the DTC participant list, the Proponent will need to obtain a written statement from the DTC participant through which the Proponent’s shares are held verifying that the Proponent beneficially owned the requisite number of Company shares continuously for at least the one-year period preceding, and including, November 12, 2019, the date the Proposal was submitted. The Proponent should be able to find who this DTC participant is by asking the Proponent’s broker or bank. If the broker is an introducing broker, the Proponent may also be able to learn the identity and telephone number of the DTC participant through the Proponent’s account statements, because the clearing broker identified on the account statements will generally be a DTC participant. If the DTC participant knows the Proponent’s broker or bank’s holdings, but does not know the Proponent’s holdings, the Proponent can satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that, for at least the one-year period preceding and including November 12, 2019, the required amount of securities was continuously held – one from the Proponent’s broker or bank confirming the Proponent’s ownership, and the other from the DTC participant confirming the Proponent’s broker or bank’s ownership.

In addition, paragraph (c) of the Rule specifies that each shareholder may submit no more than one proposal to a company for a particular shareholders’ meeting. We believe your Proposal contains more than one shareholder proposal. As such, the Proposal is required by the Rule to be reduced to a single proposal.

The SEC’s rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, NJ 08933, Attention: Corporate Secretary. For your convenience, a copy of the Rule is enclosed.

Once we receive any response, we will be in a position to determine whether the Proposal is eligible for inclusion in the proxy materials for the Company’s 2020 Annual Meeting of Shareholders. We reserve the right to seek relief from the Securities and Exchange Commission as appropriate.

In the interim, you should feel free to contact either my colleague, Renee Brutus, Assistant Corporate Secretary, at (732) 524-1531 or me at (732) 524-2472 if you wish to discuss the Proposal or have any questions or concerns that we can help to address.

Very truly yours,

Matthew Orlando

cc: Renee Brutus
§ 240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to “you” are to a shareholder seeking to submit the proposal.

(a) Question 1: What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word “proposal” as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting. If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the “record” holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§ 240.13d-101), Schedule 13G (§ 240.13d-102), Form 3 (§ 249.103 of this chapter), Form 4 (§ 249.104 of this chapter) and/or Form 5 (§ 249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and
(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) Question 3: How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) Question 4: How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) Question 5: What is the deadline for submitting a proposal? (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§ 249.308a of this chapter), or in shareholder reports of investment companies under § 270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section? (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under § 240.14a-8 and provide you with a copy under Question 10 below, § 240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) Question 8: Must I appear personally at the shareholders' meeting to present the proposal? (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.
(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal? (1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

NOTE TO PARAGRAPH (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) Violation of law: If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

NOTE TO PARAGRAPH (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) Violation of proxy rules: If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including § 240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) Personal grievance; special interest: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) Relevance: If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) Absence of power/authority: If the company would lack the power or authority to implement the proposal;

(7) Management functions: If the proposal deals with a matter relating to the company's ordinary business operations;

(8) Director elections: If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;
(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) Conflicts with company's proposal: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

NOTE TO PARAGRAPH (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) Substantially implemented: If the company has already substantially implemented the proposal;

NOTE TO PARAGRAPH (i)(10): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K (§ 229.402 of this chapter) or any successor to Item 402 (a "say-on-pay vote") or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by § 240.14a-21(b) of this chapter a single year (i.e., one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by § 240.14a-21(b) of this chapter.

(11) Duplication: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) Resubmissions: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) Specific amount of dividends: If the proposal relates to specific amounts of cash or stock dividends.

(j) Question 10: What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;
(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) **Question 11:** May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) **Question 12:** If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) **Question 13:** What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, § 240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under § 240.14a-6.
November 15, 2019

VIA EMAIL

Meredith Miller
Chief Corporate Governance Officer
UAW Retiree Medical Benefits Trust
mamiller@rhac.com

Dear Ms. Miller:

This letter acknowledges receipt by Johnson & Johnson, on November 12, 2019, of the shareholder proposal submitted by the UAW Retiree Medical Benefits Trust (the “Proponent”) pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Rule”), for consideration at the Company’s 2020 Annual Meeting of Shareholders (the “Proposal”).

Paragraph (c) of the Rule specifies that each shareholder may submit no more than one proposal to a company for a particular shareholders’ meeting. We believe your Proposal contains more than one shareholder proposal. As such, the Proposal is required by the Rule to be reduced to a single proposal.

The SEC’s rules require that any response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, NJ 08933, Attention: Corporate Secretary. For your convenience, a copy of the Rule is enclosed.

Once we receive any response, we will be in a position to determine whether the Proposal is eligible for inclusion in the proxy materials for the Company’s 2020 Annual Meeting of Shareholders. We reserve the right to seek relief from the Securities and Exchange Commission as appropriate.
In the interim, you should feel free to contact either my colleague, Renee Brutus, Assistant Corporate Secretary, at (732) 524-1531 or me at (732) 524-2472 if you wish to discuss the Proposal or have any questions or concerns that we can help to address.

Very truly yours,

Matthew Orlando

cc: Renee Brutus
§ 240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to “you” are to a shareholder seeking to submit the proposal.

(a) **Question 1:** What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word “proposal” as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) **Question 2:** Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the “record” holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§ 240.13d-101), Schedule 13G (§ 240.13d-102), Form 3 (§ 249.103 of this chapter), Form 4 (§ 249.104 of this chapter) and/or Form 5 (§ 249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and
(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) Question 3: How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) Question 4: How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) Question 5: What is the deadline for submitting a proposal? (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§ 249.308a of this chapter), or in shareholder reports of investment companies under § 270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section? (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under § 240.14a-8 and provide you with a copy under Question 10 below, § 240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) Question 8: Must I appear personally at the shareholders' meeting to present the proposal? (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.
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(i) **Question 9:** If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?  
  (1) **Improper under state law:** If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

  **NOTE TO PARAGRAPH (i)(1):** Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

  (2) **Violation of law:** If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

  **NOTE TO PARAGRAPH (i)(2):** We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

  (3) **Violation of proxy rules:** If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including § 240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

  (4) **Personal grievance; special interest:** If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

  (5) **Relevance:** If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

  (6) **Absence of power/authority:** If the company would lack the power or authority to implement the proposal;

  (7) **Management functions:** If the proposal deals with a matter relating to the company's ordinary business operations;

  (8) **Director elections:** If the proposal:

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     (ii) Would remove a director from office before his or her term expired;

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(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

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**NOTE TO PARAGRAPH (i)(9):** A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

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(11) **Duplication:** If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) **Resubmissions:** If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

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(2) The company must file six paper copies of the following:

(i) The proposal;
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(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.
November 15, 2019

Hammerman Family Revocable Inter Vivos Trust  
Charles Schwab & Co., Custodian  
2423 E. Lincoln Dr.  
Phoenix, AZ 85016

Here is the account information you requested.

To whom it may concern,

I am writing in response to your request for information on the above referenced account.

This letter is to confirm that Charles Schwab & Co. holds as custodian for the above account 152 shares of Johnson & Johnson (JNJ) common stock, valued in excess of $2,000.00. The Hammerman Family Revocable Inter Vivos Trust has continuously held at least $2,000.00 worth of shares of JNJ for the one-year period preceding and including November 15, 2019.

These shares are held at Depository Trust Company under the nominee name of Charles Schwab & Company.

Please note that this letter applies only to the account number(s) noted above. Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").

This letter is for informational purposes only and is not an official record. Please refer to your statements and/or trade confirmations as they are the official record of your account(s).

Thank you for choosing Schwab. We appreciate your business and look forward to serving you in the future. If you have any questions, please call me or any Client Service Specialist at 800-435-9050.

Sincerely,

Rene Teran
Sr. Specialist | Escalation Support
2423 E Lincoln Dr
Phoenix, AZ 85016-1215

Questions: 800-435-9050

Account #: *****-***

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EXHIBIT B

(see attached)
EXECUTIVE COMPENSATION RECOUPMENT POLICY

The Board can recoup all or part of any compensation paid to an executive officer in the event of a material restatement of the company’s financial results. The Board will consider:

- whether any executive officer received compensation based on the original financial statements because it appeared he or she achieved financial performance targets that in fact were not achieved based on the restatement; and
- the accountability of any executive officer whose acts or omissions were responsible, in whole or in part, for the events that led to the restatement and whether such actions or omissions constituted misconduct.

The Board can also recoup compensation from senior executives in the event of significant misconduct resulting in a violation of a significant company policy, law, or regulation relating to manufacturing, sales or marketing of products that causes material harm to Johnson & Johnson.


TAX IMPACT ON COMPENSATION

We consider objectives such as attracting, retaining and motivating leaders when we design our executive compensation programs. We also consider the tax-deductibility of compensation, but it is not our sole consideration. Given the limitations on deductibility of compensation for our named executive officers imposed as a result of U.S. tax reform, we expect that tax deductibility will have less of an impact on our program design for our named executive officers in the future.

For federal income taxes, compensation is an expense that is fully tax-deductible for almost all our U.S. employees. Following tax reform, annual compensation in excess of $1 million paid to our named executive officers who are covered employees under Section 162(m) of the Internal Revenue Code will generally not be tax deductible, even if such compensation is performance-based or paid following termination of employment.

The tax reform legislation includes a “grandfather rule” under which compensation payable pursuant to a written binding contract that was in effect on November 2, 2017 will remain tax deductible for U.S. federal income tax purposes. We generally expect to preserve the “grandfathered” status of any of our plans or awards (or portions thereof) that qualify for such status.

COMPENSATION DECISIONS FOR 2017 PERFORMANCE

The following compensation figures included in this year’s Summary Compensation Table were granted to the named executive officers in February 2018 for performance in 2017:

- 2018 PSU and RSU awards included in the “Stock Awards” column
- The 2018 option award included in the “Option Awards” column

The decisions regarding these awards were discussed in detail in our 2018 Proxy Statement dated March 14, 2018. For a full understanding of these decisions, please refer to the section of our 2018 Proxy Statement entitled “Compensation Discussion and Analysis — 2017 Performance and Compensation.”
## Risk Related to Executive Compensation

The following characteristics of our executive compensation program work to reduce the possibility that our executive officers, either individually or as a group, make excessively risky business decisions that could maximize short-term results at the expense of long-term value:

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Description</th>
<th>Page #</th>
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<tbody>
<tr>
<td><strong>Balanced Approach to Performance-Based Awards</strong></td>
<td>Performance targets are tied to multiple financial metrics, including operational sales growth, free cash flow, adjusted operational earnings per share growth, and long-term total shareholder return. Performance-based awards are based on the achievement of strategic and leadership objectives in addition to financial metrics. See &quot;Base Salary, Annual Performance Bonus, and Long-Term Incentives.&quot;</td>
<td>58</td>
</tr>
<tr>
<td><strong>Performance Period and Vesting Schedules</strong></td>
<td>The performance period and vesting schedules for long-term incentives overlap and, therefore, reduce the motivation to maximize performance in any one period. Performance Share Units, Restricted Share Units, and Stock Options vest three years from the grant date. See &quot;Long-Term Incentives.&quot;</td>
<td>59</td>
</tr>
<tr>
<td><strong>Balanced Mix of Pay Components</strong></td>
<td>The target compensation mix is not overly weighted toward annual incentive awards and represents a balance of cash and long-term equity-based compensation vesting over three years. See &quot;2018 Pay Mix at Target.&quot;</td>
<td>61</td>
</tr>
<tr>
<td><strong>Capped Incentive Awards</strong></td>
<td>Annual performance bonuses and long-term incentive awards are capped at 200% of target. See &quot;Aligning Compensation to &quot;The What&quot; &amp; &quot;The How&quot;.&quot;</td>
<td>64</td>
</tr>
<tr>
<td><strong>Stock Ownership Guidelines</strong></td>
<td>These guidelines require our CEO to directly or indirectly own equity in our company equal to six times salary, and the other members of our Executive Committee (the principal management group) to own equity equal to three times salary, and to retain this level of equity at all times while serving as an Executive Committee member. See &quot;Stock Ownership Guidelines for Named Executive Officers.&quot; In addition, the company has adopted the Johnson &amp; Johnson Policy Against Pledging Company Stock. See <a href="http://www.investor.jnj.com/gov.cfm">www.investor.jnj.com/gov.cfm</a>.</td>
<td>67</td>
</tr>
<tr>
<td><strong>Executive Compensation Recoupment Policy</strong></td>
<td>This Policy gives our Board authority to recoup executive officers’ past compensation in the event of a material restatement of our financial results and for events involving material violations of company policy relating to the manufacturing, sales or marketing of our products. See &quot;Executive Compensation Recoupment Policy.&quot;</td>
<td>68</td>
</tr>
<tr>
<td><strong>No Change-in-Control Arrangements</strong></td>
<td>None of our executive officers have in place any change-in-control arrangements that would result in guaranteed payouts. See &quot;2018 Potential Payments Upon Termination.&quot;</td>
<td>88</td>
</tr>
</tbody>
</table>
2018 Total Direct Compensation

In the table below, we show the salary paid during 2018 and the annual performance bonus and long-term incentive grant approved on February 11, 2019 for performance in 2018 for each named executive officer.

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary Earned ($)</th>
<th>Annual Performance Bonus ($)</th>
<th>Long-Term Incentive ($)</th>
<th>Total Direct Compensation ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Gorsky</td>
<td>$1,642,308</td>
<td>$3,030,000</td>
<td>$13,500,000</td>
<td>$18,172,308</td>
</tr>
<tr>
<td>J. Wo k</td>
<td>597,542</td>
<td>728,000</td>
<td>3,940,000</td>
<td>5,265,542</td>
</tr>
<tr>
<td>P. Slottfels</td>
<td>1,178,300</td>
<td>1,550,000</td>
<td>6,800,000</td>
<td>9,528,300</td>
</tr>
<tr>
<td>J. Duato</td>
<td>934,046</td>
<td>1,400,000</td>
<td>6,580,000</td>
<td>8,914,046</td>
</tr>
<tr>
<td>M. Ullmann</td>
<td>788,077</td>
<td>835,000</td>
<td>2,920,000</td>
<td>4,543,077</td>
</tr>
<tr>
<td>D. Caruso</td>
<td>630,538</td>
<td>0</td>
<td>0</td>
<td>630,538</td>
</tr>
<tr>
<td>S. Peterson</td>
<td>808,500</td>
<td>1,005,500</td>
<td>0</td>
<td>1,814,000</td>
</tr>
</tbody>
</table>

Salary Earned (Column B)

Column B includes the base salaries paid during 2018.

Annual Performance Bonus (Column C)

Based on 2018 company performance and individual performance as discussed on pages 44 to 48, the Board and the Committee awarded annual performance bonuses on February 11, 2019 ranging from 105% to 132% of target for the named executive officers. See the “2018 Grants of Plan-Based Awards” table on page 75 for the target bonus amounts.

Mr. Caruso retired on August 31, 2018 and was not eligible for an annual performance bonus for 2018 since he retired before October 1st. Ms. Peterson retired on October 1, 2018 and received a prorated annual performance bonus based on working three-quarters of the year during 2018.

Long-Term Incentive Awards (for 2018 performance) (Column D)

The Board and the Committee granted long-term incentive awards on February 11, 2019 (ranging from 105% to 140% of target) to the named executive officers based on their 2018 performance, impact on the company’s long-term results, competitive market data, and long-term potential within the organization.

In the table below, we show: the total long-term incentive awards granted; the weighting of Performance Share Units (PSUs), Options, and Restricted Share Units (RSUs); and the individual award values.

<table>
<thead>
<tr>
<th>Name</th>
<th>PSUs ($)</th>
<th>Options ($)</th>
<th>RSUs ($)</th>
<th>Total Long-Term Incentives ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Award Weight 60%</td>
<td>30%</td>
<td>10%</td>
<td>100%</td>
</tr>
<tr>
<td>A. Gorsky</td>
<td>$8,100,000</td>
<td>$4,050,000</td>
<td>$1,350,000</td>
<td>$13,500,000</td>
</tr>
<tr>
<td>J. Wo k</td>
<td>2,364,000</td>
<td>1,182,000</td>
<td>394,000</td>
<td>3,940,000</td>
</tr>
<tr>
<td>P. Stottfels</td>
<td>4,080,000</td>
<td>2,040,000</td>
<td>680,000</td>
<td>6,800,000</td>
</tr>
<tr>
<td>J. Duato</td>
<td>3,948,000</td>
<td>1,974,000</td>
<td>858,000</td>
<td>6,800,000</td>
</tr>
<tr>
<td>M. Ullmann</td>
<td>1,752,000</td>
<td>876,000</td>
<td>202,000</td>
<td>2,020,000</td>
</tr>
</tbody>
</table>
## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit</td>
<td>Oversees the company’s financial management and accounting, as well as financial reporting processes and practices, and monitors risks related to financial disclosure, tax and treasury through frequent engagements with management and our external auditor.</td>
</tr>
<tr>
<td>Compensation &amp; Benefits</td>
<td>Reviews the company’s employee compensation policies and practices to assess whether such policies and practices could lead to unnecessary risk-taking behavior.</td>
</tr>
<tr>
<td>Nominating &amp; Corporate Governance</td>
<td>Oversees the company’s governance structure and other corporate governance matters, including succession planning to ensure that the company has the leadership and oversight required to manage current and future business risks.</td>
</tr>
<tr>
<td>Regulatory Compliance</td>
<td>Oversees the company’s non-financial regulatory compliance in the areas of healthcare compliance, anti-corruption laws, the manufacture and supply of products consistent with applicable high-quality standards, and compliance with applicable laws and regulations related to medical product safety, environmental regulations, employee health and safety, privacy, cybersecurity and political expenditures.</td>
</tr>
<tr>
<td>Science, Technology &amp; Sustainability</td>
<td>Oversees the company’s policies and programs designed to promote sustainable business practices, mitigate risks related to employee health and safety, and environmental compliance and stewardship, including the company’s Health for Humanity 2020 Goals, the key performance indicators of the company’s external citizenship and sustainability commitments.</td>
</tr>
</tbody>
</table>

## Board Oversight of Talent Development and Human Capital Management

The Board and Committees are actively engaged in overseeing the company’s talent development and human capital management strategies designed to attract, develop and retain global business leaders who can drive financial and strategic growth objectives and build long-term shareholder value. The Board’s involvement in leadership development and succession planning is systematic and ongoing, and the Board provides input on important decisions in each of these areas. The Board has primary responsibility for succession planning for the CEO and oversight of succession planning for other executive officer positions. The Nominating & Corporate Governance Committee oversees the development of the process and protocols regarding succession plans for the CEO, and other executive officer positions. The Nominating & Corporate Governance Committee reviews succession plans for the Executive Committee on an annual basis with the CEO and Chief Human Resources Officer.

To improve the Board’s understanding of the company’s culture and talent pipeline, the Board conducts meetings and schedules site visits at the company’s locations and meets regularly with high-potential executives in formal and informal settings. More broadly, the Board is regularly updated on key talent indicators for the overall workforce, including diversity and inclusion, recruiting and development programs, and is updated on the company’s human capital development strategy. For more information on Johnson & Johnson’s approach to talent development and engagement, please see healthforhumanityreport.jnj.com/our-people.

The Compensation & Benefits Committee, along with the Management Compensation Committee, oversees the design and management of corporate compensation programs, including long-term incentive compensation programs, as well as the design of the pension, savings, and health and benefit plans covering the company’s employees. The Compensation & Benefits Committee provides Board-level oversight regarding these matters.

Product quality and safety are top business priorities embodied in Our Credo. Johnson & Johnson’s businesses apply a scientific, evidence-based approach in decisions about the research, marketing and use of their products.

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### A Note About Talc Litigation:

Personal injury claims alleging that talc causes cancer have been made against Johnson & Johnson and its affiliates arising out of the use of body powders containing talc, primarily JOHNSON'S® Baby Powder. Johnson & Johnson is committed to defending the safety of JOHNSON'S® Baby Powder, based on extensive scientific evidence that demonstrates:

- JOHNSON'S® Baby Powder is safe;
- The talc used in JOHNSON'S® Baby Powder does not increase the risk of cancer; and
- JOHNSON'S® Baby Powder does not contain asbestos.

There has been extensive media coverage of talc product liability cases, including instances of inaccurate and misleading reporting, and this media coverage adversely impacted our share price during a period in which the stock market as a whole dropped significantly. Johnson & Johnson’s management, in concert with diligent Board oversight, has taken proactive steps to assure all stakeholders that the company views product quality and safety to be a top priority. Please see www.factsabouttalc.com for information about the safety of talc.
Compensation Decision Process

IMPORTANCE OF CREDO VALUES IN ASSESSING PERFORMANCE

Since 1943, the Johnson & Johnson Credo has guided us in fulfilling our responsibilities to our customers, employees, communities, and shareholders. In assessing our named executive officers’ contributions to Johnson & Johnson’s performance, the Committee not only looks to results-oriented measures of performance, but also considers how those results were achieved. It considers whether the decisions and actions leading to the results were consistent with the values embodied in Our Credo and the long-term impact of their decisions.

Credo-based behavior is not something that can be precisely measured. Thus, there is no formula for how Credo-based behavior can, or will, impact an executive’s compensation. The Committee and the Chairman/CEO use their judgment and experience to evaluate whether an executive’s actions were aligned with our Credo values.

ASSESSING "THE WHAT" AND "THE HOW"

We evaluate the performance of our named executive officers based on what objectives they have accomplished and how they have accomplished them.

- **The “What”:** We evaluate each of them against financial and strategic goals for the company and for the business or function that they lead.
- **The “How”:** We also consider how they accomplished their goals. This includes whether the executive achieves business results in a manner that is consistent with the values embodied in Our Credo.

During the first quarter:

- The Committee reviews the financial and strategic goals for the company and each of the businesses for the current year.
- The Chairman/CEO provides his assessment to the Committee of “the what” and “the how” for each of the other named executive officers for the prior year.
- The independent members of the Board of Directors evaluate “the what” and “the how” for the Chairman/CEO for the prior year.

ALIGNING COMPENSATION TO "THE WHAT" AND "THE HOW"

An individual employee can earn from 0% to 200% of the applicable target for annual performance bonuses and long-term incentives based on his or her individual performance on both “the what” and “the how”. This broad range allows for meaningful differentiation based on performance.

The Committee determines annual performance bonuses, long-term incentive awards and salary rates on a component-by-component and total direct compensation basis. The Committee also compares the position of actual compensation for the prior year and target compensation for the current year to Executive Peer Group data.

The independent directors (in the case of the Chairman/CEO) and the Committee (in the case of the other named executive officers) use their judgment and experience to determine annual performance bonuses, long-term incentives, and salary rates. Performance against goals is the most significant input in determining compensation levels. However, it does not determine them in a formulaic manner. In addition, we do not consider an employee’s previous long-term incentive awards and total equity ownership when making annual long-term incentive awards.