STATE SETTLEMENT AGREEMENT

I. PARTIES

This settlement Agreement ("Agreement") is entered into between the State of New York ("the State") and Amgen Inc., hereinafter collectively referred to as "the Parties."

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. At all relevant times, Amgen, a Delaware corporation with its principal place of business in California, developed, manufactured, distributed, marketed and sold biologic products, including biologics under the trade name Aranesp.

B. On June 14, 2011, Frank Kurnik ("Relator") filed a *qui tam* action in the United States District Court for the District of South Carolina captioned *United States of America ex rel. Frank Kurnik et al., v. Amgen, Inc. et al.*, Civil Action No. 3:11-cv-01464 (hereinafter the "Civil Action").

C. Amgen has entered into a separate civil settlement agreement (the "Federal Settlement Agreement") with the United States (as that term is defined in the Federal Settlement Agreement).

D. The State contends that Amgen caused claims for payment to be submitted to the State's Medicaid Program, 42 U.S.C. §§ 1396-1396(v), for Aranesp.

E. The State contends that Amgen engaged in the conduct described in this Paragraph E, which shall constitute the "Covered Conduct." The State further contends that it has certain civil and administrative causes of action against Amgen arising out of

the Covered Conduct, as a result of which Amgen knowingly caused false and fraudulent Medicaid claims to be submitted to the State's Medicaid Program for Aranesp. At certain times between September 1, 2003 and December 31, 2011, the State alleges that Amgen offered and paid illegal remuneration to long-term care pharmacy providers Omnicare Inc. (Omnicare), PharMerica Corporation (PharMerica), and Kindred Healthcare Inc. (Kindred) in the form of purported market-share rebates, purported volume-based rebates, grants, honoraria, speaker fees, consulting services, dinners, travel, or the purchase of unnecessary data, and that this illegal remuneration was offered and paid for the purpose of inducing Omnicare, PharMerica, and Kindred to recommend Aranesp and to influence health care providers' selection and utilization of Aranesp within nursing homes, skilled nursing facilities, and long-term care settings. The State alleges that Amgen encouraged the implementation of "Therapeutic Interchange" programs (also known as "switching" programs) intended to identify patients who were taking a competitor drug and switch those patients to Aranesp. The State further alleges that Amgen urged Omnicare, PharMerica, and Kindred to expand the market for Aranesp by: (a) pressuring consultant pharmacists employed by Omnicare, PharMerica, and Kindred to recommend Aranesp for patients for whom no physician had diagnosed anemia associated with chronic renal failure, when the patient had no prior history of anemia associated with chronic renal failure and the patient had no outward symptoms of anemia associated with chronic renal failure; and (b) promoting the use of protocols, distributing materials, and sponsoring programs designed to recommend Aranesp's use in patients who did not have "anemia associated with chronic renal failure," as specified in the approved labeling for Aranesp. The State alleges that as a result of the foregoing Covered Conduct, Amgen knowingly

caused false and/or fraudulent claims for Aranesp to be submitted to the State Medicaid Program.

F. This Agreement is made in compromise of disputed claims. This Agreement is neither an admission of facts or liability by Amgen, nor a concession by the State that its allegations are not well founded. Amgen expressly denies the allegations of the State as set forth herein and in the Civil Action, and denies that it engaged in any wrongful conduct in connection with the Covered Conduct.

G. To avoid the delay, expense, inconvenience, and uncertainty of protracted litigation of these causes of action, the Parties mutually desire to reach a full and final settlement as set forth below.

III. TERMS AND CONDITIONS

NOW, THEREFORE, in reliance on the representations contained herein and in consideration of the mutual promises, covenants and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. Amgen agrees to pay to the United States and the Medicaid Participating States (as defined hereinafter), collectively, the sum of $24,900,000, plus accrued interest on that amount of 1.25 % per annum commencing on September 7, 2012, and continuing and including the day before payment is made under this Agreement (collectively, the "Settlement Amount"). The Settlement Amount shall constitute a debt immediately due and owing to the United States and the Medicaid Participating States on the Effective Date of the Federal Agreement and subject to the terms of this Agreement. The debt

shall forever be discharged by payments to the United States and the Medicaid Participating States, under the following terms and conditions:

a. Amgen shall pay the United States the sum of $17,804,210.88 plus accrued interest at the rate of 1.25% per annum from September 7, 2012, continuing until and including the day before payment is made (the "Federal Settlement Amount"). The Federal Settlement Amount shall be paid no later than seven (7) business days after this Agreement is fully executed by the Parties and delivered to Amgen's attorneys. The Federal Settlement Amount shall be paid by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

b. Amgen shall pay the Medicaid Participating States the sum of $7,095,789.12 plus accrued interest in accordance with the Medicaid State Settlement Agreements, no later than seven (7) business days after the expiration of the 60 day opt-in period for Medicaid Participating States described in sub-paragraph (c) below. The Medicaid Participating State Settlement Amount shall be paid by electronic funds transfer to the New York State Attorney General's National Global Settlement Account pursuant to written instructions from the State Negotiating Team ("State Team"), which written instructions shall be delivered to counsel for Amgen.

c. Amgen shall execute a State Settlement Agreement with any State that executes such an Agreement in the form to which Amgen and the State

Team have agreed, or in a form otherwise agreed to by Amgen and an individual State. The State shall constitute a Medicaid Participating State in this Settlement Agreement provided this Settlement Agreement is fully executed by the State and delivered to Amgen's attorneys within the period of 60 days immediately following receipt of this Settlement Agreement. If this condition is not satisfied within 60 days, Amgen's offer to resolve this matter with the individual State shall become null and void absent written agreement between counsel for Amgen and the State Team to extend the 60 day period.

d. The total portion of the Settlement Amount paid by Amgen in settlement for the Covered Conduct for the State is $3,240,395.96, consisting of a portion paid to the State under this Agreement and another portion paid to the Federal Government as part of the Federal Settlement Agreement. The amount allocated to the State under this Agreement is the sum of $1,889,385.08, plus applicable interest (the "State Amount"). If the State does not execute this Agreement within the period of 60 days immediately following receipt of this Settlement Agreement, the State Amount shall be deducted from the Medicaid State Settlement Amount and shall not be paid by Amgen absent written agreement between counsel for Amgen and the State Team to extend the time period for executing this Agreement.

2. Upon receipt of the State Amount, and to the extent the State has any claims pending against Amgen in State or Federal Court, the State shall dismiss such claims with prejudice.

3. Subject to the exceptions in Paragraph 4 below, and in consideration of the obligations of Amgen set forth in this Agreement, conditioned upon receipt by the State of its share of the Medicaid State Settlement Amount, and subject to Paragraph 10 below, the State agrees to release Amgen, its predecessors and current and former parents, divisions, subsidiaries, successors, transferees, heirs, and assigns, and their current and former directors, officers, employees, and agents individually and collectively (collectively, the "Amgen Released Entities"), from any civil or administrative monetary cause of action that the State has for any claims submitted or caused to be submitted to the State Medicaid Program as a result of the Covered Conduct.

4. Notwithstanding any term of this Agreement, the State specifically does not release any person or entity from any of the following liabilities:

a. Any criminal, civil, or administrative liability arising under state revenue codes;

b. Any criminal liability;

c. Any civil or administrative liability that any person or entity, including any Released Entities, has or may have to the State or to individual consumers or state program payors under any statute, regulation or rule not expressly covered by the release in Paragraph 3 above, including but not limited to, any and all of the following claims: (i) State or federal anti-

trust violations; (ii) Claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;

d. Any liability to the State for any conduct other than the Covered Conduct;

e. Any liability which may be asserted on behalf of any other payors or insurers, including those that are paid by the State's Medicaid program on a capitated basis;

f. Any liability based upon obligations created by this Agreement;

g. Except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusions from the State's Medicaid program;

h. Any liability of individuals other than those specifically released in Paragraph 3;

i. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

j. Any liability for failure to deliver goods or services due; or

k. Any liability for personal injury or property damages or for other consequential damages arising from the Covered Conduct.

5. In consideration of the obligations of Amgen set forth in this Agreement, and conditioned on receipt by the State of its share of the State Medicaid Settlement Amount, except as reserved in Paragraph 4 above, the State agrees to release and refrain from instituting, recommending, directing, or maintaining any administrative action seeking exclusion from the State's Medicaid program against the Amgen Released

Entities for the Covered Conduct. Nothing in this Agreement precludes the State from taking action against Amgen in the event that Amgen is excluded by the federal government, or for conduct and practices other than the Covered Conduct.

6. Amgen waives and shall not assert any defenses it may have to criminal prosecution or administrative action for the Covered Conduct, which defenses may be based in whole or in part on a contention, under the Double Jeopardy Clause of the Fifth Amendment of the Constitution or the Excessive Fines Clause of the Eighth Amendment to the Constitution, that this Agreement bars a remedy sought in such criminal prosecution or administrative action.

7. In consideration of the obligations of the State set forth in this Agreement, Amgen waives and discharges the State, its agencies, political subdivisions, employees, servants, and agents from any causes of actions (including attorneys' fees, costs, and expenses of every kind and however denominated) which Amgen has asserted, could have asserted, or may assert in the future against the State, its agencies, political subdivisions, employees, servants, and agents, arising from the State's investigation and prosecution of the Covered Conduct.

8. The amount that Amgen must pay to the State pursuant to Paragraph 1(d) above will not be decreased as a result of the denial of claims for payment now being withheld from payment by the State's Medicaid program, or any other state payor, for the Covered Conduct; and, if applicable, Amgen agrees not to resubmit to the State's Medicaid program or any other state payor, any previously denied claims, which denials were based on the Covered Conduct, and agrees not to appeal or cause the appeal of any such denials of claims.

9. Amgen shall not seek payment for any of the claims for reimbursement to Medicaid covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors.

10. Amgen expressly warrants that it has reviewed its financial condition and that it is currently solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(B)(ii)(I), and shall remain solvent following payment of the Settlement Amount due hereunder. Further, the Parties expressly warrant that, in evaluating whether to execute this Agreement, the Parties (a) have intended that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Amgen within the meaning of 11 U.S.C. § 547(c)(1), and (b) have concluded that these mutual promises, covenants and obligations do, in fact, constitute such a contemporaneous exchange.

11. The Parties each represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

12. Amgen agrees to cooperate fully and truthfully with any State investigation of individuals or entities not released in this Agreement. Upon reasonable notice, Amgen shall facilitate, and agrees not to impair, the cooperation of its directors, officers, employees or agents, for interviews and testimony, consistent with the rights and privileges of such individuals and of the Amgen Released Entities. Upon request, Amgen agrees to furnish to the State complete and unredacted copies of all non-privileged documents including, but not limited to, reports, memoranda of interviews, and records in its possession, custody or control, concerning the Covered Conduct. Amgen shall be responsible for all costs it may incur in complying with this paragraph.

13. Except as expressly provided to the contrary in this Agreement, each Party to this Agreement shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

14. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any liability against any person or entity, other than those released by Paragraph 3 above.

15. Nothing in this Agreement constitutes an agreement by the State concerning the characterization of the amounts paid hereunder for purposes of the State's revenue code.

16. In addition to all other payments and responsibilities under this Agreement, Amgen agrees to pay all reasonable expenses and travel costs of the State Team, including reasonable consultant fees and expenses. Amgen will pay this amount by separate check made payable to the National Association of Medicaid Fraud Control Units, after the Medicaid Participating States execute their respective Agreements, or as otherwise agreed by the Parties.

17. This Agreement is governed by the laws of the State, and venue for addressing and resolving any and all disputes relating to this Agreement shall be the state courts of appropriate jurisdiction of the State.

18. The undersigned Amgen signatories represent and warrant that they are authorized as a result of appropriate corporate action to execute this Agreement. The undersigned State signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement on behalf of the State through their respective agencies and departments.

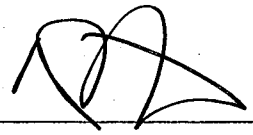
19. The "Effective Date" of this Agreement shall be the date of signature of the last signatory to this Agreement. Facsimiles of signatures shall constitute acceptable binding signatures for purposes of this Agreement.

20. This Agreement shall be binding on all successors, transferees, heirs, and assigns of the Parties.

21. This Settlement Agreement constitutes the complete agreement between the Parties with respect to this matter and shall not be amended except by written consent of the Parties.

22. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same Agreement.

State of NEW YORK

By:  Dated: February 13, 2013

Name: Monica J. Hickey-Martin
Title: Special Deputy Attorney General
OFFICE OF THE ATTORNEY GENERAL

FOR AMGEN INC.

By: _____ Dated: 4/2/13

DAVID J. SCOTT
Sr. Vice President, General Counsel
Amgen Inc.

By: _____ Dated: 4/1/13

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