

JOHNSON & JOHNSON
Form DEF 14A
March 13, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for the Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under § 240.14a-12

JOHNSON & JOHNSON

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Table of Contents

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

Notice of Annual Meeting and Proxy Statement

March 13, 2013

The Annual Meeting of Shareholders of Johnson & Johnson will be held on Thursday, April 25, 2013 at 10:00 a.m. at the Hyatt Regency Hotel, Two Albany Street, New Brunswick, New Jersey, to:

1. Elect as Directors the nominees named in the Proxy Statement;
2. Conduct an advisory vote to approve named executive officer compensation;
3. Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2013; and
4. Transact such other business, including action on three shareholder proposals, as may properly come before the meeting, and any adjournment or postponement.

Shareholders as of the record date of February 26, 2013 are cordially invited to attend the meeting. **If you plan to attend the meeting, please request an admission ticket in advance. Please note our admission ticket procedures detailed on page 4 of the Proxy Statement.**

If you are unable to attend the meeting, you will be able to view and listen to the meeting via the Internet. We will broadcast the meeting as a live webcast through our website. The webcast will remain available for replay for three months following the meeting. Visit our Investor Relations website at www.investor.jnj.com and click on Webcasts & Presentations for details.

By order of the Board of Directors,

DOUGLAS K. CHIA

Secretary

Scan this QR code to
view digital versions
of our Proxy Statement
and 2012 Annual
Report.

You can vote in one of four ways:

Visit the website listed on your proxy card to vote **VIA THE INTERNET**

Call the telephone number on your proxy card to vote **BY TELEPHONE**

Sign, date and return your proxy card in the enclosed envelope to vote **BY MAIL**

Attend the meeting to vote **IN PERSON**

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on April 25, 2013: The Proxy Statement and Annual Report to Shareholders are available at www.investor.jnj.com/annual-reports.cfm.

Table of Contents

Table of Contents

<u>2013 PROXY STATEMENT SUMMARY</u>	1
<u>GENERAL INFORMATION</u>	2
<u>Shareholders Entitled to Vote</u>	2
<u>How to Vote</u>	2
<u>Revoking Your Proxy or Changing Your Vote</u>	3
<u>Effect of Not Casting Your Vote</u>	3
<u>Proxy Solicitation</u>	3
<u>Electronic Access to Proxy Materials and Annual Report</u>	4
<u>Admission Ticket Procedures</u>	4
<u>Reduce Duplicate Mailings</u>	4
<u>Johnson & Johnson Employee Savings Plans</u>	5
<u>Advance Notice of Shareholder Proposals and Other Items of Business</u>	5
<u>CORPORATE GOVERNANCE</u>	6
<u>ITEM 1: ELECTION OF DIRECTORS</u>	14
<u>Director Compensation 2012</u>	22
<u>STOCK OWNERSHIP AND SECTION 16 COMPLIANCE</u>	25
<u>TRANSACTIONS WITH RELATED PERSONS</u>	27
<u>COMPENSATION COMMITTEE REPORT</u>	29
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	30
<u>Executive Summary</u>	31
<u>2013 Compensation Decisions for 2012 Performance</u>	36
<u>Executive Compensation Philosophy</u>	41
<u>Components of Executive Compensation</u>	41
<u>Setting Compensation & Performance Targets</u>	43
<u>Compensation Decision Process</u>	47
<u>Governance of Executive Compensation</u>	48
<u>Additional Information Concerning Executive Compensation</u>	49
<u>EXECUTIVE COMPENSATION</u>	52
<u>Summary Compensation Table</u>	52
<u>Grants of Plan-Based Awards</u>	57
<u>Outstanding Equity Awards at Fiscal Year-End</u>	60
<u>Option Exercises and Stock Vested</u>	61
<u>Pension Benefits</u>	62
<u>Non-Qualified Deferred Compensation</u>	63
<u>ITEM 2: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION</u>	66
<u>AUDIT COMMITTEE REPORT</u>	67
<u>ITEM 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	68
<u>ITEM 4: SHAREHOLDER PROPOSAL EXECUTIVES TO RETAIN SIGNIFICANT STOCK</u>	70
<u>ITEM 5: SHAREHOLDER PROPOSAL ON POLITICAL CONTRIBUTIONS AND CORPORATE VALUES</u>	72
<u>ITEM 6: SHAREHOLDER PROPOSAL ON INDEPENDENT BOARD CHAIRMAN</u>	74
<u>OTHER MATTERS</u>	76

Table of Contents

Johnson & Johnson

2013 Proxy Statement Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider. You should read the entire Proxy Statement carefully before voting.

GENERAL INFORMATION

(see pages 2-5)

Meeting: Annual Meeting of Shareholders

Date: Thursday, April 25, 2013

Time: 10:00 a.m., Eastern

Location: Hyatt Regency Hotel, Two Albany Street,

New Brunswick, New Jersey

Record Date: February 26, 2013

Ticket Requests: *AnnualMeeting@its.jnj.com*

Stock Symbol: JNJ

Exchange: NYSE

Common Stock Outstanding: 2-8 billion shares

Registrar & Transfer Agent: Computershare

State of Incorporation: New Jersey

Year of Incorporation: 1887

Public Company Since: 1944

Corporate Headquarters: One Johnson & Johnson Plaza,

New Brunswick, New Jersey 08933

Corporate Website: *www.jnj.com*

Investor Relations Website: *www.investor.jnj.com*

Annual Report: www.investor.jnj.com/annual-reports.cfm

EXECUTIVE COMPENSATION

(see pages 29-65)

CEO: Alex Gorsky (age 52; CEO since April 2012)

CEO 2012 Total Direct Compensation:

Base Salary: \$1.1 million

Annual Performance Bonus: \$1.5 million

Long-Term Incentives: \$8.9 million

Compensation Highlights:

- Director meetings with institutional investors
- Reduction of planned bonuses for executive officers
- Elimination of above median targeting for executive officers
- Elimination of tax gross-ups for executive officers

CEO Employment Agreement: No

Change-In-Control Agreement: No

Stock Ownership Guidelines: Yes

Recoupment Policy: Yes

Hedging Policy: Yes

CORPORATE GOVERNANCE

(see pages 6-28)

Director Nominees: 12

Mary Sue Coleman (Independent)

James G. Cullen (Independent)

Ian E. L. Davis (Independent)

Alex Gorsky (Management)(Chairman)

Michael M. E. Johns (Independent)

Susan L. Lindquist (Independent)

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Anne M. Mulcahy (Independent)(Lead)

Leo F. Mullin (Independent)

William D. Perez (Independent)

Charles Prince (Independent)

A. Eugene Washington (Independent)

Ronald A. Williams (Independent)

Director Term: One year

Director Election Standard: Majority of votes cast

Board Meetings in 2012: 9

Standing Board Committees (Meetings in 2012):

Audit (4), Compensation & Benefits (8), Nominating & Corporate Governance (4), Regulatory, Compliance & Government Affairs (3), Science, Technology & Sustainability (4), Finance (0)

Supermajority Voting Requirements: No

Shareholder Rights Plan: No

Corporate Governance Materials:

www.investor.jnj.com/governance/materials.cfm

Board Communication:

www.investor.jnj.com/governance/communication.cfm

OTHER ITEMS TO BE VOTED ON

(see pages 66-76)

Advisory Vote to Approve Named Executive

Officer Compensation

Ratification of Appointment of Independent

Registered Public Accounting Firm

(PricewaterhouseCoopers LLP)

Shareholder Proposals on:

Executives to Retain Significant Stock

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Political Contributions and Corporate Values

Independent Board Chairman

Johnson & Johnson 2013 Proxy Statement 1

Table of Contents

General Information

This Proxy Statement is furnished in connection with the solicitation of proxies by our Board of Directors for the Annual Meeting of Shareholders. This Proxy Statement and accompanying proxy are being mailed to our shareholders on or about March 13, 2013, concurrently with the mailing of our 2012 Annual Report to Shareholders.

Shareholders Entitled to Vote Shareholders of record of our Common Stock at the close of business on February 26, 2013 are entitled to notice of and to vote at the Annual Meeting of Shareholders and at any and all adjournments or postponements of the meeting. Each share entitles its owner to one vote. The holders of a majority of the shares entitled to vote at the meeting must be present in person or represented by proxy in order to constitute a quorum for all matters to come before the meeting. On February 26, 2013, there were 2,797,036,100 shares outstanding.

Each matter to be submitted to the shareholders, including the election of Directors, requires the affirmative vote of a majority of the votes cast at the meeting. For purposes of determining the number of votes cast with respect to a particular matter, only those cast For or Against are included. Abstentions and broker non-votes are counted only for purposes of determining whether a quorum is present at the meeting.

How to Vote Shareholders of record (that is, shareholders who hold their shares in their own name) can vote any one of four ways:

Via the Internet: Go to the website listed on your proxy card to vote via the Internet. You will need to follow the instructions on your proxy card and the website. If you vote via the Internet, you may incur telephone and Internet access charges.

By Telephone: Call the telephone number on your proxy card to vote by telephone. You will need to follow the instructions on your proxy card and the voice prompts.

By Mail: Sign, date and return your proxy card in the enclosed postage-paid envelope. If you sign and return your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors.

In Person: Attend the Annual Meeting, or send a personal representative with an appropriate proxy, to vote by ballot.

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

If your shares are held in street name (that is, in the name of a bank, broker or other holder of record), you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Internet and/or telephone voting also will be offered to shareholders owning shares through most banks and brokers. If you wish to vote in person at the meeting, you must obtain a legal proxy from the bank, broker or other holder of record that holds your shares.

2 Johnson & Johnson 2013 Proxy Statement

Table of Contents

Revoking Your Proxy or Changing Your Vote

You may change your vote at any time before the proxy is exercised. For shareholders of record, if you voted by mail, you may revoke your proxy at any time before it is voted by executing and delivering a timely and valid later-dated proxy, by voting by ballot at the meeting or by giving written notice to the Secretary. If you voted via the Internet or by telephone you may also change your vote with a timely and valid later Internet or telephone vote, as the case may be, or by voting by ballot at the meeting. Attendance at the meeting will not have the effect of revoking a proxy unless (1) you give proper written notice of revocation to the Secretary before the proxy is exercised or (2) you vote by ballot at the meeting.

If your shares are held in street name, you must follow the specific voting directions provided to you by your bank, broker or other holder of record to change or revoke any instructions you have already provided. Alternatively, obtain a proxy from your bank, broker or other holder of record and bring it with you to hand in with a ballot in order to be able to vote your shares at the meeting.

Effect of Not Casting Your Vote

If you hold your shares in street name it is critical that you cast your vote if you want it to count in the election of Directors (Item 1). In the past, if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of Directors, your bank or broker was allowed to vote those shares on your behalf in the election of Directors, as they felt appropriate. Recent changes in regulation took away the ability of your bank or broker to vote your uninstructed shares in the election of Directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of Directors, no votes will be cast on your behalf. Your bank or broker will, however, have discretion to vote any uninstructed shares on the ratification of the appointment of our independent registered public accounting firm (Item 3). They will not have discretion to vote uninstructed shares on the advisory vote to approve named executive officer compensation (Item 2), or the shareholder proposals (Items 4, 5 and 6). If you are a shareholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the Annual Meeting.

Proxy Solicitation

In addition to the solicitation of proxies by mail, several regular employees of Johnson & Johnson may solicit proxies in person or by telephone. We have also retained the firm of Morrow & Co., LLC to aid in the solicitation of brokers, banks and institutional and other shareholders for a fee of approximately \$20,000, plus reimbursement of expenses. We will bear all costs of the solicitation of proxies. On the accompanying proxy, a shareholder may substitute the name of another person in place of those persons presently named as proxies. In order to vote, a substitute must present adequate identification to the Secretary before the voting occurs.

Table of Contents

Electronic Access to Proxy Materials and Annual Report

This Proxy Statement and our 2012 Annual Report are available on our website at www.investor.jnj.com/annual-reports.cfm. Instead of receiving paper copies of next year's Proxy Statement and Annual Report by mail, you can elect to receive an e-mail message that will provide a link to those documents on the Internet. By opting to access your proxy materials via the Internet, you will:

gain faster access to your proxy materials;

Scan this QR code to

see how you can

save us the cost of producing and mailing documents to you;

register to access future proxy materials via the Internet.

reduce the amount of mail you receive; and

help preserve environmental resources.

Johnson & Johnson shareholders who have enrolled in the electronic access service previously will receive their materials online this year.

Shareholders of record may enroll in the electronic proxy and Annual Report access service for future Annual Meetings of Shareholders by registering online at www.computershare-na.com/green. If you vote via the Internet, simply follow the prompts that will link you to that website. Street name shareholders who wish to enroll for electronic access may register for online delivery of materials by going to <http://enroll.icsdelivery.com/jnj>.

Admission Ticket Procedures

If you plan to attend the meeting in person, please request an admission ticket in advance as follows:

If you are a registered shareholder, there is a box on the proxy card that you should mark to request an admission ticket.

If you are a registered shareholder and vote via the Internet or by telephone, there will be applicable instructions to follow when voting to indicate if you would like to receive an admission ticket.

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If your shares are held in the name of a bank, broker or other holder of record and you plan to attend, you must send a written request for an admission ticket by regular mail to the Office of the Corporate Secretary, Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933 or by e-mail to AnnualMeeting@its.jnj.com. You must include evidence of your stock ownership as of the record date of February 26, 2013, which you can obtain from the bank, broker or other holder of record.

Reduce Duplicate Mailings

We are required to provide an Annual Report to all shareholders who receive this Proxy Statement. If you are a shareholder of record and have more than one account in your name, or at the same address as other shareholders of record, you may authorize us to discontinue duplicate mailings of future Annual Reports (commonly referred to as "householding"). To do so, mark the designated box on each proxy card for which you wish to discontinue receiving an Annual Report. If you are voting via the Internet or by telephone, you can either follow the prompts when you vote or give instructions to discontinue duplicate mailings of future Annual Reports. Street name shareholders who wish to discontinue receiving duplicate mailings of future Annual Reports should review the information provided in the proxy materials mailed to them by their bank or broker. If, now or in the future, you wish to receive a separate copy of the Annual Report, please notify us by calling (800) 950-5089 or sending a written request to the Secretary at the address noted above, and we will promptly deliver a separate copy.

Table of Contents

Johnson & Johnson Employee Savings Plans

If you are an employee of a Johnson & Johnson company and hold shares in one of our employee savings plans, you will receive one proxy card that covers those shares held for you in your savings plan, as well as any other shares registered in your own name (but not shares held in street name). If you vote via the Internet, by telephone or by mail, as described above, by 5:00 p.m. (Eastern) on April 23, 2013, the Trustee of your savings plan will vote your shares as you have directed (your voting instructions will be kept confidential). It is important that you direct the Trustee how to vote your shares. In accordance with the terms of the Johnson & Johnson Savings Plan and the Johnson & Johnson Puerto Rico Retirement Savings Plan, if you hold shares in either plan and do not vote, the plan Trustee will vote your shares in direct proportion to the shares held in that plan for which votes will be cast. If you hold shares in any other Johnson & Johnson employee savings plan, including the Johnson & Johnson Savings Plan for Union Represented Employees, and do not vote, the plan Trustee will not vote your shares. Participants in the Johnson & Johnson employee savings plans may attend the Annual Meeting. However, shares held in those plans can only be voted as described in this paragraph, and cannot be voted at the meeting.

Advance Notice of Shareholder Proposals and Other Items of Business

To be included in the Proxy Statement and proxy card for the 2014 Annual Meeting of Shareholders, a shareholder proposal must be received at our principal office on or before November 13, 2013 and must comply with Rule 14a-8 under the U.S. Securities and Exchange Act of 1934, as amended.

In addition, under the terms of our By-Laws, a shareholder who intends to present an item of business at the 2014 Annual Meeting of Shareholders (other than a proposal submitted for inclusion in our proxy materials) must provide us with written notice of such business, including the information specified in the By-Laws, which must be received on or before November 13, 2013.

Proposals and other items of business should be directed to the attention of the Secretary at our principal office, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933.

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Table of Contents

Corporate Governance

Director Independence. The Board of Directors has determined that the following Directors, comprising all of the Non-Employee Directors, are independent under the listing standards of the New York Stock Exchange (NYSE) and our Standards of Independence: Dr. Coleman, Mr. Cullen, Mr. Davis, Dr. Johns, Dr. Lindquist, Ms. Mulcahy, Mr. Mullin, Mr. Perez, Mr. Prince, Dr. Satcher, Dr. Washington and Mr. Williams. In order to assist the Board in making this determination, the Board has adopted **Standards of Independence** as part of our Principles of Corporate Governance, which can be found on our website at www.investor.jnj.com/governance/policies.cfm. These Standards identify, among other things, material business, charitable and other relationships that could interfere with a Director's ability to exercise independent judgment.

As highly accomplished individuals in their respective industries, fields and communities, the Non-Employee Directors are affiliated with numerous corporations, educational institutions, hospitals and charities, as well as civic organizations and professional associations, many of which have business, charitable or other relationships with the company. The Board considered each of these relationships in light of the Standards of Independence and determined that none of these relationships conflict with the interests of the company or would impair the relevant Non-Employee Director's independence or judgment. The following table describes the relationships that were considered in making this determination. The nature of the transactions, relationships and arrangements summarized in the table below, and the role of each of the Directors at their respective organizations, were such that none of the Non-Employee Directors had any direct business relationships with the company in 2012 or received any direct personal benefit from any of these transactions, relationships or arrangements.

Director	Organization	Type of Organization	Relationship to Organization	Type of Transaction, Relationship or Arrangement	2012 Aggregate Magnitude
M. S. Coleman	University of Michigan	Educational Institution	Executive officer	Sales of health care products and services; educational and research grants and fellowships; conference exhibit fees	<1%
M. M. E. Johns	Emory University	Educational Institution	Employee	Sales of health care products and services; royalty payments; educational and research grants	<1%
S. L. Lindquist	Massachusetts Institute of Technology	Educational Institution	Employee	Research program and other research related payments	<1%
	Whitehead Institute for Biomedical Research	Research Institute	Employee	Research grants	<1%; <\$1 million
A. M. Mulcahy	Save the Children	Charitable Organization	Trustee	Contributions	<1%; <\$1 million
W. D. Perez	Cornell University	Educational Institution	Trustee	Tuition; grants and fellowships	<1%; <\$1 million
D. Satcher ⁽¹⁾	CDC Foundation	Non-Profit Organization	Trustee	Grants and membership dues	<1%; <\$1 million
	Morehouse School of Medicine	Educational Institution	Employee	Grants and meeting fees	<1%; <\$1 million
A. E. Washington	UCLA Health System	Health Care Institution	Executive Officer	Sales of health care products and services; rebates	<1%
R. A. Williams	Save the Children	Charitable Organization	Trustee	Contributions	<1%; <\$1 million

⁽¹⁾ Not standing for re-election in 2013.

Table of Contents

All of the transactions, relationships and arrangements of the type listed above were entered into, and payments were made or received, by us in the ordinary course of business and on competitive terms. Aggregate payments to each of the relevant organizations did not exceed the greater of \$1 million or 1% of the company's or that organization's consolidated gross revenues for 2010, 2011 or 2012. The company's transactions with, or discretionary charitable contributions to, each of the relevant organizations (not including gifts made under our matching gifts program) did not exceed the greater of \$1 million or 1% of the company's or that organization's consolidated gross revenues for 2010, 2011 or 2012.

In the event of Board-level discussions pertaining to a potential transaction, relationship or arrangement involving an organization with which a Director is affiliated, that Director would be expected to recuse himself or herself from the deliberation and decision-making process. In addition, none of the Non-Employee Directors have the authority to review, approve or deny any grant to, or research contract with, an organization.

Board Meetings. During 2012, the Board of Directors held seven regularly-scheduled and two special meetings. Each Director attended at least 75% of the total regularly-scheduled and special meetings of the Board of Directors and the committees on which he or she served (held during the period that he or she served). A discussion of the role of the Board of Directors in our strategic planning process can be found on our website at www.investor.jnj.com/governance/strategic-planning.cfm.

Annual Meeting Attendance. It has been our longstanding practice for all Directors to attend the Annual Meeting of Shareholders. All 13 Directors who were elected to the Board at the 2012 Annual Meeting were in attendance.

Board Leadership Structure. Alex Gorsky, our current Chief Executive Officer (CEO), also serves as the **Chairman** of our Board of Directors. Our independent Directors determined that for effective board governance it is important to have an independent **Lead Director** and have selected Anne M. Mulcahy to serve as the designated Lead Director for 2013.

Mr. Gorsky became our CEO and a member of our Board of Directors on April 26, 2012, the date of our 2012 Annual Meeting of Shareholders. At the same time, our Chairman/CEO, William C. Weldon, stepped down from the CEO role. Mr. Weldon continued to serve as the Executive Chairman of our Board until December 28, 2012, at which point Mr. Gorsky became Chairman. During this eight-month transitional period, Mr. Weldon worked closely with Mr. Gorsky to ensure a seamless transition of leadership, transferring all day-to-day management and operational responsibilities to Mr. Gorsky. The Board saw Mr. Weldon's contributions during this eight-month transitional period as critical to the success of the company's leadership transition.

Our Directors believe that each of the possible leadership structures for a board has its particular pros and cons, which must be considered in the context of the specific circumstances, culture and challenges facing a company, and that such consideration falls squarely on the shoulders of a company's board that has a diversity of views and experiences. As discussed in Item 1: Election of Directors on pages 14 to 21 of this Proxy Statement, our Directors come from a variety of organizational backgrounds with direct experience with a wide range of leadership and management structures. The makeup of our Board puts it in a very strong position to evaluate the pros and cons of the various types of board leadership structures and to ultimately decide which one will work in the best interests of our stakeholders, as they are defined in Our Credo.

Our Board believes that it is in the best interests of the company to have Mr. Gorsky serve as both Chairman and CEO. During the transitional period when Mr. Weldon served as Executive Chairman and Mr. Gorsky served as CEO, the Board gave thoughtful and rigorous consideration to its governance structure and ultimately determined that combining the Chairman and CEO positions under the strong leadership of Mr. Gorsky will benefit all our stakeholders. Recombining the roles of Chairman and CEO in Mr. Gorsky creates clear and unambiguous authority, which is essential to effective management. The Board and management can respond more effectively to a clearer line of authority. By designating the new CEO as its Chairman, the Board also sends an important signal to employees and shareholders about who is accountable. Further, given he is closer to the company's businesses than any other Board member and has the benefit of over 20

The Board gave thoughtful and rigorous consideration to its governance structure and ultimately determined that combining the Chairman and CEO positions under the strong leadership of

Mr. Gorsky will benefit all our stakeholders.

Table of Contents

years of operational and leadership experience within the Johnson & Johnson Family of Companies, Mr. Gorsky is best-positioned to set the Board’s agenda and provide leadership. Mr. Gorsky’s career experience also gives him unquestioned industry knowledge, which the Board believes is critical for the chairman of the board of a company that operates in a highly-regulated industry such as health care. The combined Chairman/CEO model is a leadership model that has served our shareholders well for many generations, through numerous economic cycles and through a succession of effective leaders, and the Board believes this will continue under Mr. Gorsky.

While deciding to recombine the Chairman and CEO roles under Mr. Gorsky, the Board also recognized the importance for a board to have in place, and build upon, a strong counterbalancing structure to ensure that it functions in an appropriately independent manner. Thus, at the same time that it decided to designate Mr. Gorsky as its Chairman, the Board took steps to enhance its governance structure. Specifically, the Board changed the title of the Presiding Director position, originally created in 2002, to Lead Director, and expanded the duties and responsibilities of the position. The following table describes the duties and responsibilities of our independent Lead Director.

Duties and Responsibilities of the Independent Lead Director

Board Agendas and Schedules	<p>Approves information sent to the Board and determines timeliness of information flow from management.</p> <p>Periodically provides feedback on quality and quantity of information flow from management.</p> <p>Participates in setting, and ultimately approves, the agenda for each Board meeting.</p> <p>Approves meeting schedules to assure that there is sufficient time for discussion of all agenda items.</p> <p>With the Chair/CEO, determines who attends Board meetings, including management and outside advisors.</p>
Committee Agendas and Schedules	<p>Reviews in advance the schedule of committee meetings.</p>
Board Executive Sessions	<p>Monitors flow of information from Committee Chairs to the full Board.</p> <p>Has the authority to call meetings and Executive Sessions of the Independent Directors.</p>
Communicating with Management	<p>Presides at all meetings of the Board at which the Chair/CEO is not present, including Executive Sessions of the Independent Directors.</p> <p>After each Executive Session of the Independent Directors, communicates with the Chair/CEO to provide feedback and also to effectuate the decisions and recommendations of the Independent Directors.</p>
Communicating with Stakeholders	<p>Acts as liaison between the Independent Directors and the Chair/CEO and management on a regular basis and when special circumstances exist or communication out of the ordinary course is necessary.</p> <p>As necessary, meets with major shareholders or other external parties, after discussions with the Chair/CEO.</p>

Is regularly apprised of inquiries from shareholders and involved in correspondence responding to these inquiries.

Under the Board's guidelines for handling shareholder and employee communications to the Board, is advised promptly of any communications directed to the Board or any member of the Board that allege misconduct on the part of company management, or raise legal, ethical or compliance concerns about company policies or practices.

Chair and CEO Performance Evaluations	Leads the annual performance evaluation of the Chair/CEO, distinguishing as necessary between performance as Chair and performance as CEO.
Board Performance Evaluation	Leads the annual performance evaluation of the Board.
New Board Member Recruiting	Interviews Board candidates, as appropriate.
CEO Succession	Leads the CEO succession process.
Crisis Management	Plays an increased role in crisis management oversight, as appropriate.
Limits on Leadership Positions of Other Boards	May only serve as chair, lead or presiding director, or similar role, or as CEO or similar role at another public company if approved by the full Board upon recommendation from the Nominating & Corporate Governance Committee.

Table of Contents

The Chairman of the Board will continue to be designated annually by the Board, and the independent Lead Director of the Board will continue to be designated annually by the independent members of the Board. Our Board, through its Nominating & Corporate Governance Committee, will continue to periodically review its leadership structure in a serious and open-minded fashion to ensure it is still appropriate for the company.

Standing Board Committees. The Board of Directors has a standing Audit Committee, Compensation & Benefits Committee, Nominating & Corporate Governance Committee, Regulatory, Compliance & Government Affairs Committee and Science, Technology & Sustainability Committee, each composed entirely of Non-Employee Directors determined to be independent under the listing standards of the NYSE and our Standards of Independence. Under their written charters adopted by the Board, each of these committees is authorized and assured of appropriate funding to retain and consult with external advisors, consultants and counsel. In addition, the Board has a standing Finance Committee, composed of the Chairman of the Board and the Lead Director.

The following table shows the Directors who are currently members or chairmen of each of the standing Board Committees and the number of meetings each committee held in 2012.

Board Committee Membership

- (1) Designated as an audit committee financial expert for purposes of Section 407 of the Sarbanes-Oxley Act.
- (2) Does not include teleconferences held prior to each release of quarterly earnings (four in total) and teleconferences held prior to the filing of each Quarterly Report on Form 10-Q (three in total).
- (3) The Regulatory, Compliance & Government Affairs Committee superseded the Public Policy Advisory Committee in April 2012.
- (4) Not standing for re-election in 2013.
- (5) Served as Chairman of Science, Technology & Sustainability Committee in 2012.

The **Audit Committee** represents and assists the Board by providing oversight of financial management, the internal auditors and the independent auditor and providing that management is maintaining an adequate system of internal control such that there is reasonable assurance that assets are safeguarded and that financial reports are properly prepared; that there is consistent application of generally accepted accounting principles; and that there is compliance with management's financial reporting policies and procedures. In performing these functions, the Audit Committee meets periodically with the independent auditor, management, and internal auditors (including in private sessions) to review their work and confirm that they are properly discharging their respective responsibilities. In addition, the Audit Committee appoints the independent auditor. A copy of the charter of the Audit Committee is available on our website at www.investor.jnj.com/governance/committee.cfm. For more information on Audit Committee activities in 2012, see the Audit Committee Report on page 67.

Table of Contents

Any employee or other person who wishes to contact the Audit Committee to report fiscal improprieties or complaints about internal accounting control or other accounting or auditing matters can do so by writing to them c/o Johnson & Johnson, One Johnson & Johnson Plaza, Room WH 2136, New Brunswick, NJ 08933 or by using the online submission form at www.investor.jnj.com/governance/communication.cfm. Such reports may be made anonymously.

The Board has designated Mr. Cullen, the Chairman of the Audit Committee and an independent Director, as an audit committee financial expert under the rules and regulations of the U.S. Securities and Exchange Commission (SEC) after determining that he meets the requirements for such designation. This determination was based on Mr. Cullen's experience while President and Chief Executive Officer of Bell Atlantic Enterprises, New Jersey Bell and President and Chief Operating Officer of Bell Atlantic Corporation, where he actively supervised persons performing the functions of principal financial officer, principal accounting officer and controller.

The primary function of the *Compensation & Benefits Committee* is to discharge the Board's duties and responsibilities relating to compensation of our Non-Employee Directors and executive officers, and oversee the design and management of the various pension, long-term incentive, savings, health and welfare plans that cover our employees.

The Compensation & Benefits Committee's duties and responsibilities under its charter with respect to the compensation of our Directors and executive officers include:

- recommending to the Board the Chairman/CEO's compensation based on the independent Directors' annual evaluation of his or her performance;

- reviewing and approving compensation decisions recommended by the Chairman/CEO for the other executive officers, including setting base salaries, annual performance bonuses, long-term incentive awards, severance benefits and perquisites;

- setting our compensation philosophy and composition of the group of peer companies used for comparison of executive compensation;

- approving the establishment of competitive targets versus the group of peer companies used for comparison of executive compensation and all equity-based plans requiring shareholder approval;

- reviewing the eligibility criteria and award guidelines for the corporate-wide compensation programs in which the executive officers participate;

- reviewing the philosophy and policies of the non-Board Management Compensation Committee (MCC) with respect to management compensation, perquisites and other compensation policies for non-executive employees; and

- reviewing, and recommending for approval by the Board, the compensation for the Non-Employee Directors.

The Compensation & Benefits Committee has retained an independent compensation consultant from Frederic W. Cook & Co., Inc. for matters related to executive officer and Director compensation. Frederic W. Cook & Co., Inc. does not provide any other services to the company. The compensation consultant reports directly to the Committee. For further discussion of the role of the Compensation & Benefits Committee in the executive compensation decision-making process, and for a description of the nature and scope of the consultant's assignment, see Compensation Discussion and Analysis Governance of Executive Compensation on pages 48 and 49 of this Proxy Statement.

The Compensation & Benefits Committee also reviews the compensation philosophy and policies of the MCC, a non-Board committee composed of Mr. Gorsky (Chairman/CEO), Mr. Dominic J. Caruso (Chief Financial Officer) and Dr. Peter M. Fasolo (Vice President, Global Human Resources), which, under delegation from the Compensation & Benefits Committee, determines management compensation and establishes perquisites and other compensation policies for employees (except for our executive officers). The Compensation & Benefits

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Committee is also responsible for the oversight of our annual performance bonus and long-term incentive plans and is the approving authority for management recommendations with respect to performance bonuses and long-term incentive awards under those plans. A copy of the charter of the Compensation & Benefits Committee can be found on our website at www.investor.jnj.com/governance/committee.cfm.

The *Nominating & Corporate Governance Committee* is responsible for overseeing matters of corporate governance, including the evaluation of the performance and practices of the Board of Directors. The Nominating & Corporate Governance Committee also oversees the process for performance evaluations of the committees of the Board. It is also within the charter of the Nominating & Corporate Governance Committee to

Table of Contents

review our executive succession plans, review and recommend director orientation and continuing orientation programs for Board members, and consider questions of possible conflicts of interest, as such questions arise. In addition, the Nominating & Corporate Governance Committee reviews possible candidates for the Board, as discussed on page 14 of this Proxy Statement, and recommends the nominees for Directors to the Board for approval. A copy of the charter of the Nominating & Corporate Governance Committee can be found on our website at www.investor.jnj.com/governance/committee.cfm.

The **Regulatory, Compliance & Government Affairs Committee** assists the Board by providing oversight of regulatory, compliance, quality and governmental matters that may impact the company. The Regulatory, Compliance & Government Affairs Committee oversees the company's major compliance programs with respect to regulatory requirements; oversees compliance with any ongoing Corporate Integrity Agreements or any similar significant undertakings by the company with a government agency; reviews the organization, implementation and effectiveness of the company's compliance and quality programs; oversees the company's Policy on Business Conduct and Code of Business Conduct & Ethics for Members of the Board of Directors and Executive Officers; reviews the company's governmental affairs strategies and priorities; and reviews the policies, practices and priorities for the company's political expenditure and lobbying activities. A copy of the charter of the Regulatory, Compliance & Government Affairs Committee can be found on our website at www.investor.jnj.com/governance/committee.cfm.

The **Science, Technology & Sustainability Committee** assists the Board of Directors in the general oversight of the significant scientific and technological aspects of the company's businesses and the company's sustainability activities. The Science, Technology & Sustainability Committee monitors and reviews the overall strategy, direction and effectiveness of the company's research and development; serves as a resource and provides input, as needed, regarding the scientific and technological aspects of product safety matters; reviews the company's policies, programs and practices on environment, health, safety and sustainability; assists the Board in identifying and comprehending significant emerging science and technology policy and public health issues and trends that may impact the company's overall business strategy; and assists the Board in its oversight of the company's major acquisitions and business development activities as they relate to the acquisition or development of new science or technology. A copy of the charter of the Science, Technology & Sustainability Committee can be found on our website at www.investor.jnj.com/governance/committee.cfm.

The **Finance Committee** is composed of the Chairman and Lead Director of the Board. The Committee exercises the authority of the Board during the intervals between Board meetings, as permitted by law. The Finance Committee generally does not hold formal meetings and instead acts from time-to-time between Board meetings by unanimous written consent in lieu of a meeting, as needed. Any such action is taken pursuant to specific advance delegation by the Board or is later ratified by the Board.

Executive Sessions. During 2012, each of the Audit, Compensation & Benefits, Nominating & Corporate Governance, Regulatory, Compliance & Government Affairs, and Science, Technology & Sustainability Committees met in Executive Sessions without members of management present. The independent Directors met nine times during 2012 in Executive Sessions, at every Board meeting, without the Chairman/CEO or any other member of management present, at which the Presiding Director acted as Chairman.

Board Oversight of Risk Management. The Board believes that overseeing how management manages the various risks we face is one of its most important responsibilities to our stakeholders. Our enterprise risk management framework reflects a collaborative process, whereby our Board of Directors, management and other personnel apply a common risk management approach to strategy setting and other decisions across the enterprise that is designed to identify potential events that may affect the entity and manage the associated risks and opportunities.

The Board believes that, in light of the interrelated nature of the risks we face, oversight of risk management is ultimately the responsibility of the full Board. In carrying out this critical responsibility, the Board meets at regular intervals with key members of management with primary responsibility for risk management in their respective areas of responsibility. The subject matter of these meetings can generally be grouped into the following categories and risk areas:

Strategy: Business Vitality; Strategic Planning; Talent Management; Reputation; Sustainability; Diversity

Reporting: Financial Results; Finance/Accounting; Internal Audit; Independent Audit; Tax; Treasury

Compliance: Law/Legal Proceedings; Legislative/Regulatory Environment; Health Care Compliance; Foreign Corrupt Practices Act; Environment, Health & Safety; Privacy; Quality; Product Safety/Scientific Issues

Table of Contents

Operations: Supply Chain (including Manufacturing/Business Continuity Planning); Security (including security of products, sites, personnel, and information); Research & Development

The Board also receives regular reports on aspects of our risk management from senior representatives of our independent auditor. In addition, the Audit Committee meets in private sessions with the Chief Financial Officer; General Counsel; Vice President of Internal Audit; and representatives of our independent auditor at the conclusion of every regularly-scheduled meeting, where aspects of risk management are discussed. The Regulatory, Compliance & Government Affairs Committee meets in private sessions with the General Counsel; Chief Compliance Officer; Chief Quality Officer; and Vice President of Internal Audit, where aspects of risk management are discussed.

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

Balanced Mix of Pay Components: 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 [Setting Compensation Targets](#) on page 47 of this Proxy Statement.

Balanced Approach to Performance-Based Awards:

Performance targets are tied to multiple financial metrics, including operational sales growth, free cash flow, adjusted 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 [Long-Term Incentives](#) on pages 42 and 43 of this Proxy Statement.

Performance Period and Vesting Schedules: 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.

Capped Incentive Awards: Salary increases, annual performance bonuses, and long-term incentive awards are capped at 200% of target. See [Range of Awards](#) on page 48 of this Proxy Statement.

Stock Ownership Guidelines: The guidelines require our CEO to directly or indirectly own equity in our company of six times salary, and our other Executive Committee members to own equity of three times salary, and to retain this level of equity at all times while serving as an Executive Committee member. See [Stock Ownership Guidelines for Named Executive Officers](#) on pages 50 and 51 of this Proxy Statement.

Executive Compensation Recoupment Policy: The policy gives our Board the authority to recoup executive officers' past compensation in the event of a material restatement of our financial results. This will be expanded to cover events involving material violations of company policy. See [Executive Compensation Recoupment Policy](#) on page 51 of this Proxy Statement.

No Change-in-Control Arrangements: None of our executive officers have in place any change-in-control arrangements that would result in guaranteed payouts. See [No Change-in-Control Arrangements and Agreements](#) on page 50 of this Proxy Statement.

Communication with the Board. Shareholders, employees and others may contact the Board or any of our Directors (including the Lead Director) by writing to them c/o Johnson & Johnson, One Johnson & Johnson Plaza, Room WH 2136, New Brunswick, NJ 08933. Shareholders, employees and others may also contact the Board or any of the Non-Employee Directors by using the online submission form on our website at www.investor.jnj.com/governance/communication.cfm. General comments to the company (including complaints or questions about a product)

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should be sent by accessing <https://secure-www.jnj.com/wps/wcm/jsp/contactus.jsp>. Our process for handling communications to the Board or the individual Directors has been approved by the independent Directors and can be found at www.investor.jnj.com/governance/communication.cfm.

Corporate Governance Materials. Shareholders can see our Restated Certificate of Incorporation; By-Laws; Principles of Corporate Governance; Charters of the Audit Committee, Compensation & Benefits Committee, Nominating & Corporate Governance Committee, Regulatory, Compliance & Government Affairs Committee and Science, Technology & Sustainability Committee; Policy on Business Conduct for employees; Code of Business

Table of Contents

Conduct & Ethics for Members of the Board of Directors and Executive Officers; and other corporate governance materials on our website at www.investor.jnj.com/governance/materials.cfm. Copies of these documents, as well as additional copies of this Proxy Statement, are available to shareholders, without charge, upon request to the Secretary at our principal address.

Majority Vote Standard in Uncontested Director Elections. Our By-Laws require that, in uncontested elections (those where the number of nominees does not exceed the number of Directors to be elected), Director nominees receive the affirmative vote of a majority of the votes cast in order to be elected to our Board of Directors. The majority standard applies only to uncontested Director elections. The proxy card for uncontested elections, including the election of Directors at the 2013 Annual Meeting, will allow shareholders to vote For or Against each nominee and also will allow shareholders to Abstain from voting on any nominee. In accordance with New Jersey law, abstentions will have no effect in determining whether the required majority vote has been obtained.

Under our By-Laws and in accordance with New Jersey law, a Director's term extends until his or her successor is duly elected and qualified, or until he or she resigns or is removed from office with cause by a majority vote of shareholders entitled to vote. Thus, an incumbent Director who fails to receive the required vote for re-election at our Annual Meeting of Shareholders would continue serving as a Director (sometimes referred to as a holdover director), generally until the next meeting of shareholders. In order to address the situation where an incumbent Director receives more votes Against his or her re-election than votes For his or her re-election in an uncontested election, the Board has adopted a Director Resignation Policy for Incumbent Directors in Uncontested Elections, which would require that Director to promptly tender an offer of his or her resignation following certification of the shareholder vote. The Nominating & Corporate Governance Committee and the Board would then consider and take appropriate action on such offer of resignation in accordance with the Policy.

Contested Director elections (those where the number of Director nominees exceeds the number of Directors to be elected) would be governed by the plurality standard under New Jersey law. The proxy card for contested elections would allow shareholders to vote For each nominee or Withhold from voting on any nominee, as is typically the practice under the plurality standard. The Director Resignation Policy for Incumbent Directors in Uncontested Elections would not apply to contested elections.

Our By-Laws and Principles of Corporate Governance, including the Director Resignation Policy for Incumbent Directors in Uncontested Elections, can be found on our website at www.investor.jnj.com/governance/materials.cfm.

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Table of Contents

Item 1: Election of Directors

Director Nomination Process. The Nominating & Corporate Governance Committee of the Board of Directors reviews possible candidates for the Board and recommends the nominees for Directors to the Board for approval. The Board has adopted **General Criteria for Nomination to the Board of Directors**, which, as part of the Principles of Corporate Governance, are posted on our website at www.investor.jnj.com/governance/policies.cfm. These criteria describe specific traits, abilities and experience that the Nominating & Corporate Governance Committee and the Board look for in determining candidates for election to the Board, including:

the highest ethical character and shared values with Our Credo;

reputation consistent with our image and reputation;

accomplishment within candidate's field, with superior credentials and recognition;

active and former chief executive officers of public companies and leaders of major complex organizations, including scientific, government, educational and other non-profit institutions;

widely recognized leaders in the fields of medicine or biological sciences, including those who have received the most prestigious awards and honors in their fields;

relevant expertise and experience and the ability to offer advice and guidance to the CEO based on that expertise and experience;

independence, without the appearance of any conflict in serving as a Director, and ability to represent all shareholders;

ability to exercise sound business judgment; and

diversity reflecting gender, ethnic background and professional experience.

The Nominating & Corporate Governance Committee annually considers the size, composition and needs of the Board in light of these criteria and accordingly considers and recommends candidates for membership on the Board.

The Nominating & Corporate Governance Committee considers suggestions from many sources, including shareholders, regarding possible candidates for Directors. Such suggestions, together with appropriate biographical information, should be submitted to the Secretary at our principal office at One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933. Possible candidates suggested by shareholders are evaluated by the Nominating & Corporate Governance Committee in the same manner as other possible candidates.

Nominees. There are 12 nominees for election as Directors of the company to hold office until the next Annual Meeting and until their successors have been duly elected and qualified.

If the enclosed proxy is properly executed and received in time for the meeting, it is the intention of the persons named in the proxy to vote the shares represented thereby For or Against the persons nominated for election as Directors, or Abstain from voting, as instructed. See Corporate Governance Majority Vote Standard in Uncontested Director Elections on page 13 of this Proxy Statement. If any nominee should refuse or be unable to serve, an event which is not anticipated, the proxy will be voted for such person as shall be designated by the Board of Directors to

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replace such nominee or, in lieu thereof, the Board of Directors may reduce the number of Directors.

Except for A. Eugene Washington, who was appointed to the Board in November 2012, all of the nominees were elected to the Board at the last Annual Meeting. All of the nominees are currently serving as Directors of the company. Dr. Washington was initially identified as a potential nominee by members of the Science, Technology & Sustainability Committee and recommended for nomination by the Nominating & Corporate Governance Committee.

In keeping with the Board's policy on retirement of Directors, Dr. David Satcher, elected to the Board in 2002, will not stand for re-election. Mr. William C. Weldon, former Chairman of the Board of Directors, Chief Executive Officer, and Chairman of the Executive Committee, appointed to the Board in 2001, retired from the Board as of December 28, 2012. The Board thanks Dr. Satcher and Mr. Weldon for their service.

Table of Contents

Below are summaries of the background, business experience and description of the principal occupation of each of the nominees.

MARY SUE COLEMAN, Ph.D., President, University of Michigan

Director since: 2003

Having served as President of two of the nation's largest and most prestigious public universities and having a long and decorated career in the sciences, Dr. Coleman brings to our Board a unique point of view regarding organizational management and academic research vital to a company competing in science-based industries.

Independent

Dr. Coleman, 69, joined the Board of Directors in 2003 and is a member of the Audit Committee and the Science, Technology & Sustainability Committee. She has served as President of the University of Michigan since August 2002, after having served as President of the University of Iowa from 1995 to July 2002. In addition to her current position as President, Dr. Coleman is a Professor of Biological Chemistry in the University of Michigan Medical School and a Professor of Chemistry in the University of Michigan College of Literature, Science and the Arts. Prior to 1995, Dr. Coleman served as Provost and Vice President for Academic Affairs at the University of New Mexico, Vice Chancellor for Graduate Studies & Research and Associate Provost and Dean of Research at the University of North Carolina at Chapel Hill, and a member of the biochemistry faculty and an administrator at the Cancer Center of the University of Kentucky in Lexington. Elected to the National Academy of Sciences Institute of Medicine in 1997, Dr. Coleman is a Fellow of the American Academy of Arts and Sciences and the American Association for the Advancement of Science. Dr. Coleman is a Trustee of the Gerald R. Ford Foundation.

Other Public Company Board Service: Meredith Corporation (1997 to present)

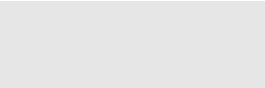
JAMES G. CULLEN, Retired President and Chief Operating Officer, Bell Atlantic Corporation

Director since: 1995

With years of demonstrated managerial ability as CEO and COO of a large telecommunications company, and as the current independent, non-executive Chairman of the Board of Directors of Agilent Technologies, Inc. and NeuStar, Inc., Mr. Cullen brings to our Board a wealth of knowledge of organizational and operational management, as well as board leadership experience, essential to a large public company.

Independent

Mr. Cullen, 70, joined the Board of Directors in 1995 and is the Chairman of the Audit Committee and a member of the Nominating & Corporate Governance Committee. Mr. Cullen served as the Presiding Director of the Board from 2003 to 2012. Mr. Cullen retired as President and Chief Operating Officer of Bell Atlantic Corporation (communications) in 2000. He had assumed those positions in 1998, after having been Vice Chairman since 1995 and, prior to that, President since 1993. He was President and Chief Executive Officer of Bell Atlantic-New Jersey, Inc. from 1989 to 1993. Mr. Cullen is a Director of Eisenhower Medical Center.



Other Public Company Board Service: Agilent Technologies, Inc. (2000 to present; Non-Executive Chairman since 2005), NeuStar, Inc. (2005 to present; Non-Executive Chairman since 2010), Prudential Financial, Inc. (2001 to present; Lead Director since 2011)

Table of Contents**IAN E. L. DAVIS, Senior Advisor, Apax Partners; Former Chairman and Worldwide Managing Director, McKinsey & Company****Director since: 2010**

Having served as Chairman and Worldwide Managing Director of one of the world's leading management consulting firms, and as a consultant to a range of global organizations across the public, private and not-for-profit sectors, Mr. Davis brings considerable global experience, management insight and business knowledge to our Board.

Independent

Mr. Davis, 62, joined the Board of Directors in 2010 and is a member of the Audit Committee and the Science, Technology & Sustainability Committee. Mr. Davis is currently a Senior Advisor at Apax Partners, a private equity advisory firm. Mr. Davis retired from McKinsey & Company (management consulting) in 2010 as a Senior Partner, having served as Chairman and Worldwide Managing Director from 2003 until 2009. In his more than 30 years at McKinsey, he served as a consultant to a range of global organizations across the public, private and not-for-profit sectors. Prior to becoming Chairman and Worldwide Managing Director, he was Managing Partner of McKinsey's practice in the United Kingdom and Ireland. His experience includes oversight for McKinsey clients and services in Asia, Europe, the Middle East and Africa, as well as expertise in the consumer products and retail industries. Mr. Davis is a Director of Teach for All, a global network of independent social enterprises working to expand educational opportunities in their nations; a non-executive Director of global energy group, BP plc.; a non-executive member of the UK's Cabinet Office Board; and a non-executive Director of Majid Al Futtaim Holding LLC.

Other Public Company Board Service: BP plc (2010 to present)

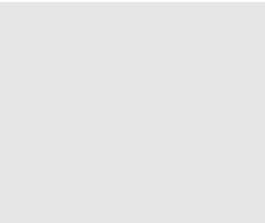
ALEX GORSKY, Chairman, Board of Directors, Chief Executive Officer, Chairman, Executive Committee, Johnson & Johnson**Director since: 2012**

Having started his career at Johnson & Johnson in 1988 and having been promoted to positions of increasing responsibility across business segments, culminating in his appointment to CEO and election to the Board of Directors in 2012, Mr. Gorsky brings a full range of strategic management expertise, a broad understanding of the issues facing a multinational business in the healthcare industry and an in-depth knowledge of the company's business, history and culture to the Board and the Chairman position.

Management

Mr. Gorsky, 52, assumed his current position as Chairman, Board of Directors, in December 2012. He was named Chief Executive Officer, Chairman of the Executive Committee and joined the Board of Directors in April 2012. Mr. Gorsky began his Johnson & Johnson career as a sales representative with Janssen Pharmaceutica Inc. in 1988. Over the next 15 years, he advanced through positions of increasing responsibility in sales, marketing, and management. In 2001, Mr. Gorsky was appointed President of Janssen Pharmaceutical Inc., and in 2003 he was named Company Group Chairman of the Johnson & Johnson pharmaceuticals business in Europe, the Middle East and Africa. Mr. Gorsky left Johnson & Johnson in 2004 to join the Novartis Pharmaceuticals Corporation, where he served as head of the company's pharmaceuticals business in North America. Mr. Gorsky returned to Johnson & Johnson in 2008 as Company Group Chairman for Ethicon. In early 2009, he was appointed Worldwide Chairman of the Surgical Care Group and member of the Executive Committee. In September 2009, he was appointed

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Worldwide Chairman of the Medical Devices and Diagnostics Group. Mr. Gorsky became Vice Chairman of the Executive Committee in January 2011. Mr. Gorsky also serves on the board of the Travis Manion Foundation.

Other Public Company Board Service: None.

Table of Contents**MICHAEL M. E. JOHNS, M.D., Professor, Emory School of Medicine and Rollins School of Public Health; Chancellor and Executive Vice President of Health Affairs Emeritus, Emory University****Director since: 2005**

Having served in numerous senior leadership positions at some of the nation's most prestigious academic institutions, hospitals and health care systems, Dr. Johns provides to our Board a valuable combination of experience at the highest levels of both patient care and medical research, as well as organizational management skills and public health policy expertise, making him an integral board member of a company in the health care industry.

Independent

Dr. Johns, 71, joined the Board of Directors in 2005 and is a member of the Compensation & Benefits Committee and the Science, Technology & Sustainability Committee. Dr. Johns is a Professor in the Emory School of Medicine and the Rollins School of Public Health. He served as Chancellor of Emory University from 2007 to 2012, and as Executive Vice President for Health Affairs and Chief Executive Officer of the Robert W. Woodruff Health Sciences Center of Emory University from 1996 to 2007. As the Executive Vice President for Health Affairs, he oversaw Emory University's widespread academic and clinical programs in health sciences and led strategic planning initiatives for both patient care and research. In addition, from 1996 to 2007, he served as the Chairman of the Board of Emory Healthcare, the largest health care system in Georgia. From 1990 to 1996, Dr. Johns served as Dean of the Johns Hopkins School of Medicine and Vice President of the Medical Faculty at Johns Hopkins University. Dr. Johns is Past Chair of the Council of Teaching Hospitals, a fellow of the American Association for the Advancement of Science and a member of the Institute of Medicine. He is a member of the editorial board of the Journal of the American Medical Association (JAMA) and chairs the Publication Committee of the journal Academic Medicine.

Other Public Company Board Service: AMN Healthcare Services, Inc. (2008 to present), Genuine Parts Company (2000 to present)

SUSAN L. LINDQUIST, Ph.D., Member and Former Director, Whitehead Institute for Biomedical Research; Professor of Biology, Massachusetts Institute of Technology**Director since: 2004**

With her long and decorated career in scientific research and her global reputation as a pioneer in biomedical innovation, Dr. Lindquist brings to our Board an incomparable perspective on the intersection of academic and commercial medical research critical to a company in the health care industry.

Independent

Dr. Lindquist, 63, joined the Board of Directors in 2004 and is Chairman of the Science, Technology & Sustainability Committee and a member of the Regulatory, Compliance & Government Affairs Committee. She is a member of the Whitehead Institute, a non-profit, independent research and educational institution, a Professor of Biology at the Massachusetts Institute of Technology and an Investigator of the Howard Hughes Medical Institute. Dr. Lindquist served as Director of the Whitehead Institute from 2001 to 2004. Previously she was affiliated with the University of Chicago where she was the Albert D. Lasker Professor of Medical Sciences in the Department of Molecular Genetics and Cell Biology. Dr. Lindquist was elected to the American Academy of Arts and Sciences in 1996, the National Academy of Sciences in 1997, the American Philosophical Society in 2003 and the Institute of Medicine in 2006. She received the Novartis/Drew Award for Biomedical Research in 2000, the Dickson Prize in Medicine in 2002, the Sigma

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Xi William Procter Prize for Academic Achievement in 2006, the Nevada Silver Medal for Scientific Achievement in 2007, the Genetics Society of America Medal and the Centennial Medal of the Harvard University Graduate School of Arts and Sciences in 2008. In 2010, she received the Mendel Medal from the Genetics Society (UK), The Delbrück Medal from Bayer Schering, and the National Medal of Science (USA). In 2012, Dr. Lindquist received the Wilson Medal in Cell Biology and in 2013 the Dart Prize in Biotechnology. She has served on the Scientific Advisory boards of many independent research institutes, associations and foundations, including: The Genetics Society of America, the Hereditary Disease Foundation, the Massachusetts General Hospital and the Institute für Molekulare Biotechnology GmbH. Dr. Lindquist is also a Co-Founder of FoldRx Pharmaceuticals, Inc., a subsidiary of Pfizer Inc.

Other Public Company Board Service: None

Table of Contents**ANNE M. MULCAHY, Former Chairman and Chief Executive Officer, Xerox Corporation****Director since: 2009**

Having served as Chairman and CEO of a large, global manufacturing and services company with one of the world's most recognized brands and track record for innovation, Ms. Mulcahy presents to our Board valuable insight into organizational and operational management issues crucial to a large public company, as well as a strong reputation for leadership in business innovation and talent development.

Independent**Lead Director**

Ms. Mulcahy, 60, joined the Board of Directors in 2009 and became the Lead Director of the Board in December 2012. Ms. Mulcahy is a member of the Audit Committee, the Nominating & Corporate Governance Committee, and the Finance Committee. Ms. Mulcahy was both Chairman and Chief Executive Officer of Xerox Corporation (business equipment and services) until July 2009, when she retired as CEO after eight years in the position. Prior to serving as CEO, Ms. Mulcahy was President and Chief Operating Officer of Xerox. She has also served as President of Xerox's General Markets Operations, which created and sold products for reseller, dealer and retail channels. During a career at Xerox that began in 1976, Ms. Mulcahy also served as Vice President for Human Resources with responsibility for compensation, benefits, human resource strategy, labor relations, management development and employee training; and Vice President and Staff Officer for Customer Operations, covering South America and Central America, Europe, Asia and Africa. Ms. Mulcahy has been a U.S. Board Chair of Save the Children since March 2010.

Other Public Company Board Service: Target Corporation (1997 to present), The Washington Post Company (2008 to present)

Recent Past Public Company Board Service: Citigroup Inc. (2004 to 2009), Xerox Corporation (2000 to 2010; Executive Chairman 2009 to 2010)

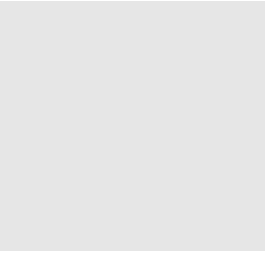
LEO F. MULLIN, Retired Chairman and Chief Executive Officer, Delta Air Lines, Inc.**Director since: 1999**

Mr. Mullin's depth and breadth of exposure to complex issues from having served as Chairman and CEO of one of the nation's largest airlines, and his long and distinguished career in the banking industry, make him a skilled advisor who provides critical insight into organizational and operational management, global business and financial matters to our Board.

Independent

Mr. Mullin, 70, joined the Board of Directors in 1999 and is a member of the Audit Committee and Chairman of the Regulatory, Compliance & Government Affairs Committee. Mr. Mullin currently serves as a Senior Advisor, on a part-time basis, to Goldman Sachs Capital Partners, a private equity fund group. Mr. Mullin retired as Chief Executive Officer of Delta Air Lines, Inc. (transportation) in December 2003 and Chairman in April 2004, after having served as Chief Executive Officer of Delta since 1997 and Chairman since 1999. Mr. Mullin was Vice Chairman of Unicom Corporation and its principal subsidiary, Commonwealth Edison Company, from 1995 to 1997. He was an executive of First Chicago Corporation from 1981 to 1995, serving as that company's President and Chief Operating Officer from 1993 to 1995, and as Chairman and Chief Executive Officer of American National Bank, a subsidiary of First Chicago

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Corporation, from 1991 to 1993. Mr. Mullin was Board Chairman of the Juvenile Diabetes Research Foundation (JDRF) from 2008 to 2010, and served as interim Chief Executive Officer of JDRF from July through December 2008.

Other Public Company Board Service: ACE Limited (2007 to present), Education Management Corporation (2009 to present)

Table of Contents**WILLIAM D. PEREZ, Senior Advisor, Greenhill & Co., Inc.; Retired President and Chief Executive Officer, Wm. Wrigley Jr. Company****Director since: 2007**

With his experience as CEO of several large, consumer-focused companies across a wide variety of industries, Mr. Perez contributes to our Board significant organizational and operational management skills, combined with a wealth of experience in global, consumer-oriented businesses vital to a large public company in the consumer products space.

Independent

Mr. Perez, 65, joined the Board of Directors in 2007 and is Chairman of the Nominating & Corporate Governance Committee and a member of the Compensation & Benefits Committee. Mr. Perez is currently a Senior Advisor at Greenhill & Co., Inc., (investment banking). Mr. Perez served as President and Chief Executive Officer for the Wm. Wrigley Jr. Company (confectionary and chewing gum) from 2006 to 2008. Before joining Wrigley, Mr. Perez served as President and Chief Executive Officer of Nike, Inc. Previously, he spent 34 years with S.C. Johnson & Son, Inc., including eight years as its President and Chief Executive Officer. Mr. Perez is a Trustee for Cornell University and Northwestern Memorial Hospital.

Other Public Company Board Service: Whirlpool Corporation (2009 to present)

Recent Past Public Company Board Service: Campbell Soup Company (2009 to 2012), Wm. Wrigley Jr. Company (2006 to 2008)

CHARLES PRINCE, Retired Chairman and Chief Executive Officer, Citigroup Inc.**Director since: 2006**

Having served as Chairman and CEO of the nation's largest and most diversified financial institution, Mr. Prince brings to our Board a strong mix of organizational and operational management skills combined with well-developed legal, global business and financial acumen critical to a large public company.

Independent

Mr. Prince, 63, joined the Board of Directors in 2006 and is Chairman of the Compensation & Benefits Committee and a member of the Nominating & Corporate Governance Committee. Mr. Prince served as Chief Executive Officer of Citigroup Inc. (financial services) from 2003 to 2007 and as Chairman from 2006 to 2007. Previously he served as Chairman and Chief Executive Officer of Citigroup's Global Corporate and Investment Bank from 2002 to 2003 and Chief Operating Officer from 2001 to 2002. Mr. Prince began his career as an attorney at U.S. Steel Corporation in 1975. Mr. Prince is a member of the Council on Foreign Relations and The Council of Chief Executives.

Other Public Company Board Service: Xerox Corporation (2008 to present)

Table of Contents**A. EUGENE WASHINGTON, M.D., M.Sc., Vice Chancellor of Health Sciences, Dean of the David Geffen School of Medicine at the University of California, Los Angeles (UCLA); Chief Executive Officer of the UCLA Health System****Director since: 2012****Independent**

Dr. Washington brings to the Board his distinct expertise born of significant achievements as a senior executive in academia, an accomplished clinical investigator, an innovator in health care, and a leader in shaping national health policy. With his unique combination of knowledge, skills and experience in organizational management, medical research, patient care, and public health policy, Dr. Washington provides an invaluable perspective for a company in the health care industry.

Dr. Washington, 62, joined the Board of Directors in November 2012 and is a member of the Science, Technology & Sustainability Committee and the Regulatory, Compliance & Government Affairs Committee. Dr. Washington is currently Vice Chancellor of Health Sciences, Dean of the David Geffen School of Medicine at UCLA; Chief Executive Officer of the UCLA Health System; and Distinguished Professor of Gynecology and Health Policy at UCLA. Prior to UCLA, he served as Executive Vice Chancellor and Provost at the University of California, San Francisco (UCSF) from 2004 to 2010. Dr. Washington co-founded UCSF's Medical Effectiveness Research Center for Diverse Populations in 1993 and served as the director until 2005. He was Chair of the Department of Obstetrics, Gynecology, and Reproductive Sciences at UCSF from 1996 to 2004. Dr. Washington also co-founded the UCSF-Stanford Evidence-based Practice Center and served as its first director from 1997 to 2002. Prior to UCSF, Dr. Washington worked at the Centers for Disease Control and Prevention. Dr. Washington was elected to the National Academy of Sciences Institute of Medicine in 1997, where he served on its governing Council. He also served as Chair of the Board of Directors of the California HealthCare Foundation and as a member of the Scientific Management Review Board for the National Institutes of Health. Dr. Washington is currently Chair of the Board of Governors of the Patient-Centered Outcomes Research Institute and a Vice Chairman of the Board of Directors of The California Wellness Foundation.

Other Public Company Board Service: None**RONALD A. WILLIAMS, Former Chairman and Chief Executive Officer, Aetna Inc.****Director since: 2011****Independent**

With his long and distinguished career in the health care industry, from his experience leading one of Fortune's Most Admired health care companies to his career-long role as an advocate for meaningful health care reform, Mr. Williams provides our Board with an exceptional combination of operational management expertise and insight into both public health care policy and the health care industry critical to a large public company in the health care industry.

Mr. Williams, 63, joined the Board of Directors in June 2011 and is a member of the Compensation & Benefits Committee and the Regulatory, Compliance & Government Affairs Committee. Mr. Williams served as Chairman and Chief Executive Officer of Aetna Inc. (managed care and health insurance) from 2006 to 2010, and as Chairman from 2010 until his retirement in April 2011. He currently serves on President Obama's Management Advisory Board, which is helping to bring the best of business practices to the management and operation of federal government. He is also an advisor to the private equity firm, Clayton, Dubilier & Rice, LLC, and serves as Chairman of the board of Emergency Medical Services

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Corporation, a leading provider of facility-based physician services and medical transportation services in the U.S. In addition, Mr. Williams lends his time and expertise to a number of organizations, such as the International Federation of Health Plans. He also serves on the boards of the Peterson Institute for International Economics and Save the Children and on the Advisory Board of the Peterson Center on Healthcare. Previously, Mr. Williams served as Chairman of the Council for Affordable Quality Healthcare from 2007 to 2010 and Vice Chairman of The Business Council from 2008 to 2010.

Other Public Company Board Service: The Boeing Company (2010 to present); American Express Company (2007 to present)

Recent Past Public Company Board Service: Aetna Inc. (2006 to 2011; Executive Chairman 2010 to 2011)

Table of Contents

Other Information. SEC regulations require us to describe certain legal proceedings, including bankruptcy and insolvency filings, involving nominees for the Board of Directors or companies of which a nominee was an executive officer. Mr. Mullin retired as Chief Executive Officer of Delta Air Lines, Inc. in December 2003 and Chairman in April 2004. In September 2005, Delta Air Lines voluntarily filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The Nominating & Corporate Governance Committee of the Board of Directors does not believe that this proceeding is material to an evaluation of Mr. Mullin's ability to serve as a Director.

The Board of Directors recommends a vote FOR election of each of the above-named nominees.

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Table of Contents**Director Compensation 2012**

The following table provides information concerning the compensation of our Non-Employee Directors for 2012. Messrs. Gorsky and Weldon were employees of the company and therefore received no additional compensation for their service as a Director. For a complete understanding of the table, please read the footnotes and the narrative disclosures that follow the table.

A Name	B Fees Earned or Paid in Cash (\$)	C Stock Awards (\$)	D All Other Compensation(\$)	E Total (\$)
M. S. Coleman	\$110,000	\$144,913	\$20,000	\$274,913
J. G. Cullen	165,000	144,913	0	309,913
I. E. L. Davis	110,000	144,913	0	254,913
M. M. E. Johns	110,000	144,913	20,000	274,913
S. L. Lindquist	110,000	144,913	4,000	258,913
A. M. Mulcahy	110,000	144,913		