

Corporate Governance Principles

The following principles have been approved by the Board of Directors and, along with the charters of the Board committees, provide the framework for the governance of Biogen Idec. The Board will review these principles and other aspects of Biogen Idec governance annually or more often if deemed necessary.

Role of Board and Management

Biogen Idec's business is conducted by its employees, managers and officers, under the direction of the Executive Chairman, the Chief Executive Officer (CEO) and the oversight of the Board, to enhance the long-term value of the Company for its shareholders. The Board of Directors is elected by the shareholders to oversee management and to assure that the long-term interests of shareholders are being served. Both the Board of Directors and management recognize the long-term interests of shareholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties including employees, customers, partners, suppliers, patients, the medical community, local communities, government bodies and the public at large.

Functions of Board

The Board of Directors will generally have five scheduled meetings a year to review and discuss reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. Directors are expected to attend all scheduled Board and committee meetings. In addition to its general oversight of management, the Board and its committees also perform a number of specific functions, including:

- selecting, evaluating and compensating the Executive Chairman and the CEO and overseeing their succession planning;
- providing counsel and oversight on the selection, evaluation, development and compensation of senior management;
- reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- assessing major risks facing the company---and reviewing options for their mitigation; and
- ensuring processes are in place for maintaining the integrity of the company--- the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with

customers, suppliers, patients, the medical community, and local communities and the integrity of relationships with other stakeholders.

Qualifications

Directors should possess the highest personal and professional ethics and integrity, understand and be aligned with Biogen Idec's core values (<http://www.biogenidec.com/site/018.html>), and be committed to representing the long-term interests of the shareholders. They must also be inquisitive and objective and have practical wisdom and mature judgment. We endeavor to have a Board representing diverse experience at strategic and policy-making levels in business, government, education, healthcare, science and technology, and the international arena.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors shall offer their resignation in the event of any significant change in their personal circumstances, including a change in their principal job responsibilities.

Directors who also serve in full-time positions should not serve on more than two boards of public companies in addition to the Biogen Idec Board (excluding their own company) and other directors should not serve on more than six Boards of public companies in addition to the Biogen Idec Board.

The Board does not believe that arbitrary term limits on directors' service are appropriate, nor does it believe that directors should expect to be re-nominated. The Board self-evaluation process described below will be an important determinant for Board tenure. Directors will offer their resignation to the Board at the Board meeting following their 75th birthday.*

Independence of Directors and Committees

A majority of the directors will be independent directors under the Nasdaq Stock Exchange rules. The Company will not make any personal loans or extensions of credit to directors or executive officers. A director will not be deemed to be independent if the director or an immediate family member provides personal or

* To facilitate the integration and transition efforts related to the Biogen/Idec merger transaction, Mary Good and Thomas Keller, if nominated by the Corporate Governance Committee and elected to serve, may continue to serve for one additional term of three years after the end of their current terms or until their earlier resignation or removal.

professional services for compensation to the Company or is otherwise not considered independent under the applicable SEC or NASDAQ rules.

All Committee members will be independent. The Corporate Governance Committee will review annually the independence status of the outside directors.

Interlocking Directorships

Interlocking directorships will not be allowed except with respect to joint ventures or significant corporate collaborations. An interlocking directorship would occur if a Biogen Idec executive officer serves on the Board of Company X and an executive officer of Company X serves on the Biogen Idec Board.

Size of Board and Selection Process

The Board believes that given the size and scope of activities of the Company, the size of the Board should be in the range of 10-15 directors. Under the Company's charter directors are divided into three classes serving staggered three-year terms. Staggered Boards provide continuity for the Company and help attract qualified Board candidates.

At each annual meeting the Board proposes a slate of nominees to the shareholders for election of directors in the class whose term is expiring. Between annual meetings, the Board may elect directors to fill vacancies with new directors allocated among classes to ensure, to the extent possible, that class sizes remain equal. Shareholders may propose nominees for consideration by the Corporate Governance Committee by submitting the names and supporting information to: Corporate Secretary, Biogen Idec Inc., 14 Cambridge Center, Cambridge, MA. Director nominations will be recommended by the Corporate Governance Committee and approved by a majority of the independent directors of the Board.

Board Committees

The Board has established the following committees to assist the board in discharging its responsibilities: Finance and Audit; Compensation; and Corporate Governance. The current charters and key practices of these committees are published on the Biogen Idec website, and will be mailed to shareholders on written request. The committee chairs report the highlights of their meetings to the full Board following each meeting of the respective committees.

Setting Board Agenda

The Board shall be responsible for its agenda. Prior to each Board meeting, the Executive Chairman will discuss the specific agenda items for the meeting with the Presiding Director. The Executive Chairman and the presiding director, or committee chair as appropriate, shall determine the nature and extent of information that shall be provided regularly to the directors before each scheduled Board or committee meeting. Directors are urged to make suggestions for agenda items, or additional pre-meeting materials, to the Executive Chairman, the CEO, the Presiding Director, or appropriate committee chair at any time.

Meetings of Non-Employee Directors

The Board will have at least two regularly scheduled meetings each year for the non-employee directors without management present. The directors have determined that the chairman of the Corporate Governance Committee appointed each year by the Board will preside at such meetings, and will serve as the Presiding Director in performing such other functions as the board may direct, including advising on the selection of committee chairs and advising management on the agenda for board meetings. The non-employee directors may meet without management present at such other times as determined by the Presiding Director or if requested by at least two other directors.

Self-Evaluation

The Board and each of the committees will perform an annual self-evaluation. At the end of each year the directors and senior management will be requested to provide their assessments of the effectiveness of the Board and the committees. The individual assessments will be organized and summarized for discussion with the Board and the committees at the first regularly scheduled Board meeting of each year.

Ethics

The Board expects Biogen Idec directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising Biogen Idec's Code of Business Conduct. The Board will not permit any waiver of any ethics policy for any director or officer.

Reporting of Concerns to Non-Employee Directors or the Audit Committee

Anyone who has a concern about Biogen Idec's conduct or compliance with the law, or about the Company's accounting, internal accounting controls or other

financial or auditing matters, may communicate that concern to the chair of the Finance and Audit Committee, to the presiding director, or to any or all of the non-employee directors in addition to the internal reporting channels available to employees. Such communications may be confidential or anonymous, and may be submitted in writing or by e-mail to addresses that will be published on the Company's website. Concerns relating to accounting, internal controls, auditing or financial matters shall be sent immediately to the Chair of the Finance and Audit Committee. All other concerns addressed to directors will be forwarded to the appropriate directors for their review. All concerns raised will be processed and handled by the Company's Legal and Finance staffs, under the oversight of the Corporate Compliance Committee, unless the Finance and Audit Committee, its Chair or the presiding director directs the Company to retain outside counsel or other outside advisors. The members and role of the Corporate Compliance Committee are described in the Company's Code of Business Conduct available on the Company's website. The Company's Code of Business Conduct prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern. The Finance and Audit Committee will review the status of compliance activities and investigations at such frequency as the Committee deems appropriate.

Conflicts of Interest

If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Executive Chairman, the CEO and the presiding director. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board shall resolve any conflict of interest issues involving the Executive Chairman, the CEO, the COO or Executive Vice-Presidents. The Corporate Compliance Committee shall review and resolve any conflict involving any other employee. The Executive Chairman and CEO shall be informed of any such conflict of interest.

Compensation of Board

The Compensation Committee, in consultation with the Corporate Governance Committee, shall have the responsibility for recommending to the Board compensation and benefits for non-employee directors. In discharging this duty, the Compensation Committee shall be guided by three goals: compensation should fairly pay directors for work required in a company of Biogen Idec's size and scope; compensation should align directors' interests with the long-term interests of shareholders; and the structure of the compensation should be simple and easy to understand. The Board believes these goals will be served by providing a significant portion of the compensation in equity with ownership

requirements during the term of board service. Compensation for retainer and meeting fees will be paid annually in cash and in stock option grants. Committee chair will receive higher payments for retainer and meeting fees due to the workload and leadership responsibilities of these roles. At the end of each year, the Compensation Committee shall review non-employee director compensation and benefits.

Succession Planning and Management Development

The Board shall be provided with an annual report on the Company's planning for executive succession and program for management development. The Board shall approve and maintain a succession plan for the Executive Chairman, CEO and senior executives, based upon recommendations from the Compensation Committee.

Formal Evaluation of the Executive Chairman and Chief Executive Officer

The Compensation Committee, with the input of the full Board, shall undertake a formal evaluation of the Executive Chairman and the Chief Executive Officer on an annual basis. The evaluation shall be based upon objective criteria, including performance of the business and achievement of specific goals and long-term strategic objectives, as well as judgment on the officer's leadership performance and enhancement of long-term shareholder value and their contribution to the Company's commitment to corporate responsibility including their success in creating a culture of unyielding integrity and compliance with applicable laws and the Company's Code of Conduct. The evaluations shall be communicated by the Chairman of the Compensation Committee.

Annual Compensation Review of Senior Management

The Compensation Committee, with the input of the full Board, shall annually approve the goals and objectives for compensating the Executive Chairman and the CEO and shall evaluate the performance of such officers in light of these goals. The Compensation Committee recommends the salary, bonus and other incentive and equity compensation for the Executive Chairman and CEO for approval by the full Board. The full Board shall take such action at an executive session of the independent directors of the Board. The Compensation Committee shall annually approve the compensation for the Company's executive officers, and shall evaluate their performance before approving their salary, bonus and other incentive and equity compensation.

Access to Senior Management

Non-employee directors are encouraged to interact directly with management of the Company at the officer level or below as and when the directors deem appropriate.

Access to Independent Advisors

The Board and its Committees shall have the right at any time to retain independent outside financial, legal or other advisors.

Director Orientation

The general counsel and the chief financial officer shall be responsible for providing an orientation for new directors, and for periodically providing materials or briefing sessions for all directors on subjects that would assist them in discharging their duties. Each new director shall, within six months of election to the Board, spend a day at corporate headquarters for personal briefing by senior management on the company's strategic plans, its financial statements, and its key policies and practices.