

ALEXION PHARMACEUTICALS INC  
Form DEF 14A  
March 31, 2016

SCHEDULE 14A  
INFORMATION REQUIRED IN PROXY STATEMENT  
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 Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

ALEXION PHARMACEUTICALS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

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3) Filing Party:

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4) Date Filed:

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100 College Street  
New Haven, Connecticut 06510  
March 31, 2016

Dear Fellow Shareholder:

You are cordially invited to attend Alexion's 2016 Annual Meeting of Shareholders on Wednesday, May 11, 2016, at The Study at Yale, 1157 Chapel Street, New, Haven, CT 06511, at 5:30 p.m. local time.

This year we are using the "Notice and Access" method of providing proxy materials to you via the Internet. As a result, we are mailing to you a Notice of Internet Availability of Proxy Materials instead of a paper copy of the proxy materials and 2015 annual report. Notice and Access provides a convenient way for you to access Alexion's proxy materials and vote your shares on the Internet, and also allows us to reduce the costs of printing and distributing the proxy materials and conserve resources. The Notice includes instructions on how to access our proxy statement and our 2015 annual report and how to vote your shares. The Notice also contains instructions on how to receive a paper copy of the proxy materials and our 2015 annual report, if you prefer.

Our proxy statement describes the business to be considered at the meeting. Whether or not you plan to be with us, your vote is extremely important. I urge you to vote your shares and be represented at the meeting. If you are viewing the proxy statement on the Internet, you may submit your proxy electronically via the Internet by following the instructions on the Notice Regarding the Availability of Proxy Materials and the instructions listed on the Internet site. If you have received a paper copy of the proxy statement and proxy card, you may submit your proxy by completing and mailing the proxy card enclosed with the proxy statement, or you may submit your proxy electronically via the Internet or by telephone by following the instructions on the proxy card.

On behalf of Alexion, I thank you for supporting Alexion's mission of transforming patients' lives. I hope you can attend our annual meeting and look forward to seeing you there.

Very truly yours,  
David Hallal  
Chief Executive Officer

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100 College Street

New Haven, Connecticut 06510

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 11, 2016

Alexion's 2016 Annual Meeting of Shareholders will be held on Wednesday, May 11, 2016, at The Study at Yale, 1157 Chapel Street, New, Haven, CT 06511, at 5:30 p.m. local time. This year, we are asking shareholders:

- (1) To elect eleven directors to Alexion's Board of Directors, constituting the entire Board, to serve for the ensuing year.
- (2) To consider a non-binding advisory vote on 2015 compensation paid to Alexion's named executive officers.
- (3) To ratify the appointment of PricewaterhouseCoopers LLP as Alexion's independent registered public accounting firm.
- (4) To vote upon a shareholder proposal, if properly presented at the 2016 Annual Meeting, to amend Alexion's governing documents to give shareholders owning 10% of Alexion stock the power to call a special meeting; and
- (5) To transact such other business as may properly come before the 2016 Annual Meeting or any adjournment thereof.

Shareholders of record at the close of business on March 15, 2016 will be entitled to notice of and to vote at the 2016 Annual Meeting or any adjournment of the meeting.

Whether or not you plan to attend the 2016 Annual Meeting, please vote by voting on the Internet, completing and returning a proxy card, or voting by phone at your earliest convenience so that your shares may be represented at the meeting. Alexion will begin mailing its Notice of Internet Availability of Proxy Materials to shareholders on March 31, 2016.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 11, 2016:

The Notice of Internet Availability of Proxy Materials, Notice of Annual Meeting of Shareholders, proxy statement and the 2015 Annual Report on Form 10-K and the means to vote by Internet are available free of charge at: [www.proxyvote.com](http://www.proxyvote.com).

March 31, 2016

Michael V. Greco

Senior Vice President of Law and Corporate Secretary

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## ALEXION PHARMACEUTICALS, INC. PROXY STATEMENT

### General Information

The mailing address of our principal executive offices is Alexion Pharmaceuticals, Inc., 100 College Street, New Haven, CT 06510. We will begin mailing the Notice of Internet Availability of Proxy Materials to shareholders on March 31, 2016. We will make arrangements with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy materials to the beneficial owners of shares and will reimburse them for their expenses in so doing. Proxies may be solicited, without extra compensation, by officers, agents and employees of Alexion who may communicate with shareholders, banks, brokerage houses and others by telephone, facsimile, email or in person to request that proxies be furnished. All expenses incurred in connection with this solicitation will be paid for by Alexion.

Why are we soliciting proxies?

We are furnishing this proxy statement and form of proxy to the holders of Alexion's common stock, par value \$0.0001 per share, in connection with the solicitation by our Board of Directors of proxies for use at our 2016 Annual Meeting.

When and where is the 2016 Annual Meeting?

The 2016 Annual Meeting will be held on Wednesday, May 11, 2016, at The Study at Yale, 1157 Chapel Street, New Haven, CT 06511, at 5:30 p.m. local time, or at any future date and time following an adjournment or postponement of the meeting.

What business will be conducted at the 2016 Annual Meeting?

The business to be considered at the 2016 Annual Meeting is described in the accompanying Notice of 2016 Annual Meeting. Alexion's Board of Directors is not currently aware of any other business that will come before the meeting.

Who can vote?

The record date for voting is March 15, 2016. Only shareholders of record at the close of business on March 15, 2016 are entitled to notice of and to vote at the 2016 Annual Meeting and any adjournment or postponement of the meeting. On March 15, 2016, there were 224,706,702 shares of our common stock outstanding. Each share is entitled to one vote on each of the matters to be presented at the 2016 Annual Meeting.

Who can attend the 2016 Annual Meeting?

Attendance at the 2016 Annual Meeting will be limited to record or beneficial owners of Alexion common stock as of March 15, 2016 (or their authorized representatives). When you arrive at the meeting, you must present photo identification, such as a driver's license. If your shares are held by a bank, broker or other nominee, you must also present your bank or broker statement evidencing your beneficial ownership of Alexion common stock to gain admission to the 2016 Annual Meeting. Alexion reserves the right to deny admittance to anyone who cannot show sufficient proof of share ownership as of March 15, 2016.

Why did I receive a "Notice of Internet Availability of Proxy Materials" but no proxy materials?

We are distributing our proxy materials to certain shareholders via the Internet under the "Notice and Access" approach permitted by rules of the Securities and Exchange Commission, or SEC. This approach conserves natural resources and reduces our distribution costs, while providing a timely and convenient method of accessing the materials and voting. On March 31, 2016, we will begin mailing a "Notice of Internet Availability of Proxy Materials" to participating shareholders, containing instructions on how to access the proxy materials on the Internet.

Can I access the proxy materials on the Internet?

This Notice of Annual Meeting and Proxy Statement and our 2015 Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com). Instead of receiving future proxy statements and accompanying materials by mail, most shareholders can elect to receive an email that will provide electronic links to them. Opting to receive your proxy materials online will conserve natural resources and will save us the cost of producing documents and mailing them to you, and will also give you an electronic link to the proxy voting site.

How do I vote?

Whether or not you plan to attend the 2016 Annual Meeting, it is important that you vote.

If you own shares in your own name (a record owner), you can vote any one of four ways:

n By Internet: Go to the Internet website – [www.proxyvote.com](http://www.proxyvote.com) – and follow the instructions. You must vote by 11:59 P.M. Eastern on May 10, 2016.

n By Telephone: Call the toll-free number 800-690-6903 to vote by telephone. You must follow the instructions on your proxy card and the recorded telephone instructions. You must vote by 11:59 P.M. Eastern on May 10, 2016.

n By Mail: Mark, sign and date the proxy card and return it promptly in the self-addressed, stamped envelope. If a proxy card is signed and returned without instructions, your shares will be voted in the manner recommended by our Board of Directors. Your proxy card must be received by May 10, 2016.

n In Person: You can attend the 2016 Annual Meeting to vote by ballot.

If your shares are held in a brokerage account in your broker's name, you will receive voting instructions from your bank, broker or other nominee that you must follow in order for your shares to be voted. Internet and telephone voting also will be offered to shareholders owning shares through most banks and brokers.

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, you should not mail a proxy card.

How can I change or revoke my vote?

You may revoke the authority granted by your execution of a proxy at any time prior to the 2016 Annual Meeting by:  
n filing a timely written notice of revocation with the Corporate Secretary, Alexion Pharmaceuticals, Inc., 100 College Street, New Haven, CT 06510;

n mailing a duly executed proxy bearing a later date;

n re-voting by phone or the Internet prior to the date and time described on the proxy; or

n voting in person at the 2016 Annual Meeting.

Only your latest vote will be counted.

What constitutes a quorum?

The holders of a majority of the outstanding shares of common stock entitled to vote must be present in person or represented by proxy to constitute a quorum at the 2016 Annual Meeting. Abstentions and "broker non-votes" will be counted for purposes of determining the presence or absence of a quorum.

How do I make sure my vote will be counted?

If you are a record holder you must vote by telephone, by Internet, by signing, dating and returning a printed proxy card, or by attending the 2016 Annual Meeting.

If you are the beneficial owner of shares held in "street name," your bank, broker or other nominee, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If instructions are not provided, the broker's ability to vote the shares depends on the proposal. Your bank, broker or other nominee has discretionary authority to vote your shares on

"routine" matters, even absent instructions. A broker may not, however, vote on "non-routine" matters without receiving specific voting instructions from you. Uninstructed shares whose votes cannot be counted on non-routine matters result in what are commonly referred to as "broker non-votes."

If you do not give your broker voting instructions, your broker (1) will be entitled to vote your shares on the ratification of our

independent accounting firm and (2) will not be entitled to vote your shares on the election of directors, the advisory vote on executive compensation, the employee stock purchase plan, or the shareholder proposal.

We urge you to provide instructions to your bank, broker or other nominee so that your votes may be counted on all of these important matters.

What vote is required for each proposal?

		Board's Recommendation	Broker Discretionary Voting Allowed	Abstentions	Required Vote
Proposal 1	Election of Directors	FOR ALL Nominees	No	No affect	Majority of votes cast
Proposal 2	Non-binding Advisory Vote on Executive Compensations	FOR	No	No affect	Majority of votes cast
Proposal 3	Ratification of PricewaterhouseCoopers as independent auditors	FOR	Yes	No affect	Majority of votes cast
Shareholder Proposal					
Proposal 4	10% Ownership to Call a Special Meeting	AGAINST	No	No affect	Majority of votes cast

## Beneficial Ownership Of Common Stock

The following table sets forth certain information as of March 15, 2016 (except as otherwise noted) regarding the beneficial ownership (as defined by the Securities and Exchange Commission, or SEC) of our common stock of: (i) each person known by us to own beneficially more than five percent of our outstanding common stock; (ii) each named executive officer (NEO) listed in the Summary Compensation Table below; (iii) each director; and (iv) all directors and executive officers of Alexion as a group.

Name and Address of Beneficial Owner <sup>(1)</sup>	Number of Shares of Common Stock Beneficially Owned <sup>(2)</sup>	Percentage of Outstanding Shares of Common Stock	
T. Rowe Price Associates, Inc. <sup>(3)</sup> 100 E. Pratt Street Baltimore, MD 21202	28,295,427	12.50	%
Capital Research Global Investors <sup>(4)</sup> 333 South Hope Street Los Angeles, CA 90071	27,602,207	12.20	%
BlackRock, Inc. <sup>(5)</sup> 55 East 52nd Street New York, NY 10055	15,573,419	6.90	%
FMR LLC <sup>(6)</sup> 245 Summer Street Boston, MA 02210	14,919,664	6.62	%
The Vanguard Group <sup>(7)</sup> 100 Vanguard Blvd. Malvern, PA 19355	12,973,958	5.75	%
Leonard Bell, M.D. <sup>(8)(24)</sup>	1,551,917	*	
David Hallal <sup>(9)(24)</sup>	482,367	*	
Clare Carmichael <sup>(10)(24)</sup>	114,098	*	
Martin Mackay, Ph.D. <sup>(11)(24)</sup>	75,347	*	
John Moriarty, J.D. <sup>(12)(24)</sup>	97,548	*	
Vikas Sinha, M.B.A., C.A. <sup>(13)(24)</sup>	487,813	*	
Carsten Thiel, Ph.D. <sup>(14)(24)</sup>	29,667	*	
Felix Baker, Ph.D. <sup>(15)</sup>	6,702,819	2.98	%
David Brennan <sup>(16)</sup>	7,017	*	
M. Michele Burns <sup>(17)</sup>	6,517	*	
Christopher J. Coughlin <sup>(18)</sup>	6,517	*	
John T. Mollen <sup>(19)</sup>	6,596	*	
R. Douglas Norby <sup>(20)</sup>	23,504	*	
Alvin S. Parven <sup>(21)</sup>	40,994	*	
Andreas Rummelt, Ph.D. <sup>(22)</sup>	26,171	*	
Ann M. Veneman, J.D. <sup>(23)</sup>	31,490	*	
All directors and executive officers as a group (20 persons) <sup>(25)</sup>	9,902,547	4.41	%



\* Less than one percent.

(1) Unless otherwise indicated, the address of all persons is 100 College Street, New Haven, Connecticut 06510.

To our knowledge, except as set forth below, the persons named in the table have sole voting and investment (2) power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable and the information contained in the footnotes in this table.

These figures are based upon information set forth in Schedule 13G filed with the SEC on February 12, 2016.

These securities are owned by various individual and institutional investors which T. Rowe Price Associates, Inc., or Price Associates, serves as investment adviser with power to direct investments and/or sole power to vote the (3) securities. T. Rowe Price Associates, Inc., has sole voting power with respect to 9,098,377 of the shares listed and sole dispositive power over all of the shares. For the purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

These figures are based upon information set forth in Schedule 13G filed with the SEC on February 16, 2016.

Capital Research Global Investors (CRGI) is a division of Capital Research and Management Company (CRMC). (4) CRGI is deemed to be the beneficial owner of these securities as a result of CRMC acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. These securities are owned by accounts under the discretionary investment management of CRGI. CRGI serves as investment advisor with power to direct investments and/or sole power to vote the securities.

These figures are based upon information set forth in Schedule 13G filed with the SEC on February 10, 2016.

(5) BlackRock, Inc. has sole voting power with respect to 13,736,287 of the shares listed and sole dispositive power over all of the shares.

These figures are based upon information set forth in Schedule 13G filed with the SEC on February 12, 2016. FMR

(6) LLC has sole voting power with respect to 1,344,385 of the shares listed and sole dispositive power over all of the shares.

These figures are based upon information set forth in Schedule 13G filed with the SEC on February 10, 2016.

(7) Vanguard Group Inc. has sole voting power with respect to 421,151 of the shares listed and sole dispositive power over 12,530,112 of the shares.

(8) Includes 1,146,453 shares of common stock that may be acquired by Dr. Bell upon the exercise of options that are exercisable within 60 days of March 15, 2016, and 9,000 shares held in a family trust.

(9) Includes 368,157 shares of common stock which may be acquired, directly or indirectly, by Mr. Hallal upon the exercise of options that are exercisable within 60 days of March 15, 2016, and 65,984 shares held in a family trust.

(10) Includes 99,432 shares of common stock which may be acquired by Ms. Carmichael upon the exercise of options that are exercisable within 60 days of March 15, 2016.

(11) Includes 52,825 shares of common stock which may be acquired by Dr. Mackay upon the exercise of options that are exercisable within 60 days of March 15, 2016.

(12) Includes 81,494 shares of common stock which may be acquired by Mr. Moriarty upon the exercise of options that are exercisable within 60 days of March 15, 2016.

(13) Includes 368,432 shares of common stock which may be acquired by Mr. Sinha upon the exercise of options that are exercisable within 60 days of March 15, 2016 and 25,974 shares held in a family trust.

(14) Includes 15,825 shares of common stock which may be acquired by Dr. Thiel upon the exercise of options that are exercisable within 60 days of March 15, 2016.

(15) Dr. Baker has shared voting and investment power over the 6,476,002 shares of common stock owned by Baker Bros. Advisors LP and has shared voting and investment power over 94,410 shares of common stock owned by FBB Associates. Includes 12,763 and 20,226 shares acquired Julian C. Baker and Stephen R. Biggar, respectively, upon exercise of stock options issued by Synageva BioPharma Corp., acquired by the Company in June 2015. Dr. Baker disclaims beneficial ownership of these shares except to the extent of his pecuniary interests therein. Dr. Baker joined the Board of Directors in June 2015. In connection with his appointment, he was granted 2,329 options and 696 restricted stock units.

- (16) Includes 5,049 shares of common stock which may be acquired by Mr. Brennan upon the exercise of options that are exercisable within 60 days of March 15, 2016.
- (17) Includes 5,049 shares of common stock which may be acquired by Mr. Burns upon the exercise of options that are exercisable within 60 days of March 15, 2016.
- (18) Includes 5,049 shares of common stock which may be acquired by Mr. Coughlin upon the exercise of options that are exercisable within 60 days of March 15, 2016.
- (19) Includes 5,128 shares of common stock which may be acquired by Mr. Mollen upon the exercise of options that are exercisable within 60 days of March 15, 2016.
- (20) Includes 5,128 shares of common stock which may be acquired by Mr. Norby upon the exercise of options that are exercisable within 60 days of March 15, 2016.
- (21) Includes 40,294 shares of common stock which may be acquired by Mr. Parven upon the exercise of options that are exercisable within 60 days of March 15, 2016.
- (22) Includes 11,790 shares of common stock which may be acquired by Dr. Rummelt upon the exercise of options that are exercisable within 60 days of March 15, 2016.
- (23) Includes 27,340 shares of common stock which may be acquired by Ms. Veneman upon the exercise of options that are exercisable within 60 days of March 15, 2016.
- (24) Named executive officer under Item 402 of Regulation S-K.
- (25) Includes 2,420,325 shares of common stock which may be acquired by all directors and officers as a group upon the exercise of options that are exercisable within 60 days of March 15, 2016, and 20,701 shares of common stock which will be acquired upon the vesting of restricted stock units that will vest within 60 days of March 15, 2016.

Proposal No. 1 – Election Of Directors

Eleven directors have been nominated for re-election at the 2016 Annual Meeting to serve until the next annual meeting of shareholders and until their successors have been duly elected and qualified. In the event any of the nominees are unable to serve as a director, the shares represented by the proxy will be voted for such other candidate, if any, who is nominated by the Board of Directors to replace the nominee. All nominees have consented to be named in the proxy statement and have indicated their intent to serve if elected. The Board of Directors has no reason to believe that any of the nominees will be unable to serve. Alexion's directors are elected by majority vote in uncontested director elections, such as this one. The voting standard for contested director elections is a plurality standard. The majority voting standard provides that a nominee for director in an uncontested election will be elected to Alexion's Board if the votes cast "for" such nominee's election exceed the votes cast "against" such nominee's election. In an uncontested election, an incumbent director nominee who does not receive the required votes for re-election is required to tender his or her resignation and the

Nominating and Corporate Governance Committee will recommend to the Board whether to accept or reject the resignation. Within 90 days following certification of the election results, the Board will act on the committee's recommendation and publicly disclose the Board's decision regarding the tendered resignation, including the rationale for the decision.

The number of candidates for election as directors at the 2016 Annual Meeting is the same as the number of directors to be elected at the meeting. Therefore, this is an uncontested election and directors will be elected by the affirmative vote of a majority of the votes cast by the shares present or represented and entitled to vote at the 2016 Annual Meeting, in person or by proxy.

**THE BOARD OF DIRECTORS DEEMS "PROPOSAL NO. 1 – ELECTION OF DIRECTORS" TO BE IN THE BEST INTERESTS OF ALEXION AND OUR SHAREHOLDERS AND RECOMMENDS A VOTE "FOR" EACH NOMINEE.**

#### General Information About The Board Of Directors

Each director nominee, if re-elected, will hold office until the next annual meeting of shareholders and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Each officer of the company serves at the discretion of the Board of Directors. Dr. Bell is party to a consulting agreement with Alexion and Mr. Hallal is party to an employment agreement with Alexion.

The Board seeks independent directors who represent a range of viewpoints, backgrounds, skills, experience and expertise. Directors should possess the attributes necessary to be an effective member of the Board, including the following: personal and professional integrity, high ethical values, sound business judgment, demonstrated exceptional business and professional skills and experience, teamwork and a commitment to the long-term interests of Alexion and its shareholders. In evaluating candidates, the Nominating and Corporate Governance Committee also considers

potential conflicts of interest, diversity, the requirement to maintain a Board that is composed of a majority of independent directors, and the extent to which a candidate would fill a present or anticipated need. In any particular situation, the Nominating and Corporate Governance Committee may focus on individuals possessing a particular background, experience or qualifications which the committee believes would be important to enhance the effectiveness of the Board.

The current Alexion directors represent a desirable range of viewpoints, backgrounds, skills, experience and expertise. The biography of each director and a description of certain specific experiences, qualifications, attributes and skills of each director that led the Board to conclude that the individual should serve as a director are below:

Leonard Bell, M.D.

Age: 57

Alexion Director Since: 1992; Chairman since 2014

Committee Memberships: None

Other Public Company Directorships

Current: None

Past 5 Years: None

#### Qualifications

n Principal founder of Alexion

n Unique combination of scientific, clinical and business skills employed throughout career

n Depth of operating, research and development and commercial experience in the biotechnology industry

The principal founder of Alexion, Dr. Bell was Alexion's Chief Executive Officer since its founding in January 1992 until he retired as CEO on March 31, 2015. From 1991 to 1992, Dr. Bell was an Assistant Professor of Medicine and Pathology and co-Director of the program in Vascular Biology at the Yale University School of Medicine. From 1990 to 1992, Dr. Bell was an attending physician at the Yale-New Haven Hospital and an Assistant Professor in the Department of Internal Medicine at the Yale University School of Medicine. Dr. Bell was a recipient of the Physician Scientist Award from the National Institutes of Health and Grant-in-Aid from the American Heart Association as well as various honors and awards from academic and professional organizations. His work has resulted in more than 20 scientific publications and 9 patent applications. Dr. Bell received his A.B. from Brown University and M.D. from Yale University School of Medicine. Dr. Bell is currently an Adjunct Assistant Professor of Medicine and Pathology at the Yale University School of Medicine.



R. Douglas Norby

Age: 80

Alexion Director Since: 1999, Lead Independent Director since 2014

Committee Memberships: Audit and Finance, Leadership and Compensation, Nominating and Corporate Governance

Other Public Company Directorships

Current: MagnaChip Semiconductor Corporation

Past 5 Years: Ikanos Communications, Inc., InveSense Inc., Stats ChipPAC, Ltd,

#### Qualifications

- n Extensive experience in financial and accounting matters, including public accounting and reporting
- n 40 year career, served in executive management positions at several multinational organizations, including as president, chief operating officer and chief financial officer
- n Extensive experience in financial and accounting reporting processes and internal control systems

- n Experience serving on public company boards provides valued perspective on corporate governance and financial matters

Felix J. Baker, Ph.D.

Age: 47

Alexion Director Since: 2015

Committee Memberships: Quality Compliance, Strategy and Risk  
Other Public Company Directorships

Current: Genomic Health, Inc., Seattle Genetics, Inc.

Past 5 Years: Synageva BioPharma Corp., AnorMed Inc., Ardea Bioscience, Inc., Conjuchem Inc., Neurogen Corporation

#### Qualifications

- n Broad experience serving as both a director and investor of biotechnology companies providing a strategic perspective of the industry
- n Extensive experience evaluating and developing strategic business plans and transactions in the biotechnology industry

Mr. Norby served as Sr. Vice-President and Chief Financial Officer of Tessera Technologies, Inc., a provider of intellectual property for advanced semiconductor packaging from July 2003 until January 31, 2006. From March 2002 to February 2003, Mr. Norby served as Senior Vice President and Chief Financial Officer of Zambeel, Inc., a data storage systems company. From December 2000 to March 2002, Mr. Norby served as Senior Vice President and Chief Financial Officer of Novalux, Inc., a manufacturer of lasers for optical networks. From 1996 until December 2000, Mr. Norby served as Executive Vice President and Chief Financial Officer of LSI Logic Corporation, a semiconductor company. From July 1993 until November 1996, he served as Senior Vice President and Chief Financial Officer of Mentor Graphics Corporation, a software company. Mr. Norby served as President of Pharmedix Corporation, a drug delivery company, from July 1992 to September 1993, and from 1985 to 1992, he was President and Chief Operating Officer of Lucasfilm, Ltd., an entertainment company. From 1979 to 1985, Mr. Norby was Senior Vice President and Chief Financial Officer of Syntex Corporation, a pharmaceutical company. Mr. Norby received a B.A. in Economics from Harvard University and an M.B.A. from Harvard Business School.

Dr. Baker is Co-Managing Member of Baker Bros. Advisors LP, an investment advisor focused on investments in life science and biotechnology companies. Dr. Baker and his brother, Julian Baker, started their fund management careers in 1994 when they co-founded a biotechnology investing partnership with the Tisch Family. Dr. Baker holds a B.S. and a Ph.D. in Immunology from Stanford University, where he also completed two years of medical school.

David R. Brennan

Age: 62

Alexion Director Since: 2014

Committee Memberships: Quality Compliance, Strategy and Risk

Other Public Company Directorships

Current: Innocoll AG, Insmmed Incorporated

Past 5 Years: AstraZeneca PLC, Reed Elsevier PLC

#### Qualifications

n Extensive experience as an executive leader in the pharmaceutical industry, serving as chief executive officer of one of the largest multinational pharmaceutical companies in the world

n Significant industry and regulatory knowledge from a more than 39 year career in the pharmaceutical industry and serving as a director on multiple public company and industry trade group boards

n Extensive experience evaluating and developing complex strategic business plans

n Brings valued operational perspectives to the Board on matters of talent recruiting and development, executive compensation, benefits and leadership

n Extensive global and deep M&A experience

M. Michele Burns

Age: 58

Alexion Director Since: 2014

Committee Memberships: Leadership and Compensation,

Nominating and Corporate Governance, Strategy and Risk (Chair)

Other Public Company Directorships

Current: The Goldman Sachs Group, Cisco Systems, Inc., Etsy, Inc., AB InBev

Past 5 Years: Wal-Mart Stores, Inc.

#### Qualifications

n Extensive experience and expertise in executive management, human resources, finance, strategy and operations of global organizations

n Broad experience serving on public company and non-profit boards provides valued perspective on corporate governance, executive compensation and strategic matters

n Extensive experience in financial accounting and reporting

Mr. Brennan served as Chief Executive Officer and Executive Director of AstraZeneca PLC, one of the world's largest pharmaceutical companies, from 2006 to 2012. Mr. Brennan worked for AstraZeneca in increasing roles of responsibility from 1992 through 2012, including as Executive Vice President of North America from 2001 to 2006, and as Senior Vice President of Commercialization and Portfolio Management from 1999 to 2001. Prior to the merger of Astra AB and Zeneca Plc, he served as Senior Vice President of Business Planning and Development of Astra Pharmaceuticals LP, the American subsidiary of Astra AB. Mr. Brennan began his career at Merck and Co. Inc., where he rose from Sales Representative in the U.S. Division to General Manager of Chibret International, a French subsidiary of Merck. He received a BA in business administration from Gettysburg College, where he is a member of the Board of Trustees.

From 2006 to 2012, Ms. Burns served as the Chairwoman and Chief Executive Officer of Mercer LLC, a subsidiary of Marsh & McLennan Companies, Inc. (MMC), a global professional services and consulting firm. She currently serves as Center Fellow and Strategic Advisor, Stanford University Center on Longevity. She served in senior executive roles with MMC, including as Chief Executive Officer, Retirement Policy Center sponsored by MMC from 2012 to 2014, Chief Executive Officer of Mercer from 2006 to 2012, and Executive Vice President and Chief Financial Officer of MMC in 2006. From 2004 to 2006, Ms. Burns served as Executive Vice President, Chief Financial and Chief Restructuring Officer for Mirant Corporation. From 1999 to 2004 she worked in increasing roles of responsibility at Delta Air Lines, serving as Executive Vice President and Chief Financial Officer of Delta from 2000 to 2004. Michele began her career with Arthur Andersen, and over an 18-year tenure rose to Senior Partner, leading Andersen's Southern Region Federal Tax Practice, heading its U.S. Healthcare Tax Practice and its Southeastern Region Financial Services Tax Practice, and

serving on its Global Advisory Council. Ms. Burns also serves on the Executive Board and as Treasurer of the Elton John Aids Foundation. She received a BBA in business administration and a Master of Accountancy from the University of Georgia.



Christopher Coughlin

Age: 63

Alexion Director Since: 2014

Committee Memberships: Audit and Finance (Chair), Quality Compliance

Other Public Company Directorships

Current: Allergan plc, Dun & Bradstreet Corp, Hologic, Inc.

Past 5 Years: Covidien Ltd., Forest Laboratories, Dipexium Pharmaceuticals

#### Qualifications

n Extensive experience in complex financial and accounting matters, including public accounting and reporting

n Extensive experience evaluating and developing strategic goals for global organizations

n Broad experience serving on public international and domestic company boards provides valued perspective on corporate governance and financial matters

David Hallal

Age: 49

Alexion Director Since: 2014

Committee Memberships: None

Other Public Company Directorships

Current: None

Past 5 Years: None

#### Qualifications

n Extensive knowledge and experience with all aspects of Alexion's business

n More than 27 years of experience in the biopharmaceutical industry

n Extensive experience managing biopharmaceutical global commercial operations

Mr. Coughlin is currently a Senior Advisor, McKinsey & Co., where he has served since 2012. He served as Advisor to the Chairman and CEO of Tyco International Ltd., a global provider of diversified products, services and industries, from 2010 to 2012, and as Executive Vice President and Chief Financial Officer of Tyco from 2005 to 2010, during a period of significant international growth and restructuring. Mr. Coughlin previously served at the Interpublic Group of Companies, Inc. as Executive Vice President, Chief Operating Officer from 2003 to 2004. From 1998 to 2003, he served as Executive Vice President and Chief Financial Officer of Pharmacia Corporation. From 1997 to 1998 he was President, International at Nabisco Group Holdings and from 1996 to 1997 was Executive Vice President and Chief Financial Officer of Nabisco. From 1981 to 1996, Mr. Coughlin held various positions with Sterling Winthrop Incorporated, including Chief Financial Officer. Mr. Coughlin received a BS in accounting from Boston College.

Mr. Hallal became Chief Executive Officer on April 1, 2015. Previously, he was Alexion's Chief Operating Officer since September 2014. From October 2012 to September 2014, Mr. Hallal served as Alexion's Executive Vice President, Chief Commercial Officer. From May 2010 until October 2012, Mr. Hallal was Senior Vice President, Global Commercial Operations and was Senior Vice President, Commercial Operations, Americas from May 2008 until May 2010. Mr. Hallal joined Alexion in June 2006 to build and lead Alexion's U.S. commercial operations, initially with the company's first product launch of Soliris. Prior to joining Alexion in 2006, he had 18 years of commercial operations and leadership experience at a number of companies, including OSI Eyeteq, Biogen, Amgen, and Upjohn and he was involved in multiple blockbuster product launches in the areas of hematology, oncology, nephrology and immunology. Mr. Hallal holds a BA in Psychology from the University of New Hampshire.

John T. Mollen

Age: 65

Alexion Director Since: 2014

Committee Memberships: Audit and Finance, Leadership and Compensation (Chair), Nominating and Corporate Governance

Other Public Company Directorships

Current: None

Past 5 Years: None

#### Qualifications

- n Significant experience in executive compensation policy and administration
- n More than 30 years as chief human resources senior executive
- n Extensive operational experience leading human resource function for large, public, complex, global organizations, including a Fortune 200 company
- n Brings valued operational perspectives to the Board on matters of talent recruiting and development, executive compensation, benefits and leadership
  
- n Extensive global and deep M&A experience

Alvin S. Parven

Age: 75

Alexion Director Since: 1999

Committee Memberships: Audit and Finance, Leadership and Compensation, Nominating and Corporate Governance

Other Public Company Directorships

Current: None

Past 5 Years: None

#### Qualifications

- n More than 30 years in executive management positions at a multinational insurance company
- n Extensive experience in managing developed organizations that provide specialized and technical services, particularly in the areas of health insurance and benefits
- n Possesses extensive experience in provider operations, which brings an important perspective to the Board and to management on matters of reimbursement
- n Brings valued operational perspectives to the Board on matters of talent recruiting and development, executive compensation, benefits and leadership
- n Extensive global and deep M&A experience

Mr. Mollen served as Executive Vice President, Human Resources of EMC Corporation from May 2006 until his retirement in February 2014, including two years as special advisor to the President. He joined EMC as Senior Vice President, Human Resources in September 1999. Prior to joining EMC, Mr. Mollen was Senior Vice President of Human Resources with Citigroup Inc., a financial services company, from July 1997 - September 1999. Prior to Citigroup, he held a number of positions of increasing responsibility with Harris Corp., an international communications and technology company, including Vice President of Administration. Mr. Mollen serves as a director for a number of not-for-profit and professional boards, including the New England Healthcare Institute, the HR Policy Association, and the Center on Executive Compensation, and is an advisory board member for Working Mother magazine, and he is a member of the Board of Trustees of Worcester Polytechnic Institute and Chairman of the Compensation Committee. Mr. Mollen received a B.A. in Economics from St. John Fisher College, and a Master's degree in Labor Relations from St. Francis College in Pennsylvania.

Mr. Parven has been President of ASP Associates, a management and strategic consulting firm, since 1997. From 1994 to 1997, Mr. Parven was Vice President at Aetna Business Consulting, reporting to the Office of the Chairman of Aetna. From 1987 to 1994, Mr. Parven was Vice President, Operations at Aetna Health Plans. Prior to 1987, he served in various capacities at Aetna including Vice President, Pension Services from 1983 to 1987. Mr. Parven is a trustee of the Employee Retirement Board of the Town of Palm Beach and a director of the Palm Beach Civic Association. Mr. Parven received his B.A. from Northeastern University.



Andreas Rummelt

Age: 59

Alexion Director Since: 2010

Committee Memberships: Quality Compliance (Chair), Strategy and Risk

Other Public Company Directorships

Current: None

Past 5 Years: None

#### Qualifications

n More than 25 years in the areas of pharmaceutical manufacturing, quality and technical development, providing an important perspective to the Board and to management

n More than 20 years in executive management positions in the pharmaceutical industry, including as a chief executive officer and as a senior executive of a large, multinational pharmaceutical company

n Possesses a broad understanding of international business operations, particularly with respect to manufacturing, quality and technical matters

Ann M. Veneman, J.D.

Age: 66

Alexion Director Since: 2010

Committee Memberships: Nominating and Corporate Governance (Chair), Quality Compliance, Strategy and Risk

Other Public Company Directorships:

Current: Nestle SA

Past 5 Years: S&W Seed Company

#### Qualifications

n An attorney who has dedicated more than 25 years to government service, including senior national and international positions

n Led state and federal government agencies and an international organization

n Possesses extensive experience working with government leaders and organizations

n Worked closely with national governments throughout the world and possesses a deep understanding of international political organizations

n Public service experience brings an important perspective to the Board and an important understanding of state and federal government and international organizations

Dr. Rummelt has served as the Chief Executive Officer of InterPharmaLink AG, a management consulting firm focused on advising companies in the healthcare industry, since July 2011. From December 2008 until January 2010, Dr. Rummelt was Group Head of Quality Assurance and Technical Operations at Novartis. He had been a member of the Executive Committee of Novartis from January 2006 until his resignation in January 2010. He joined Sandoz Pharma Ltd. in 1985 and held various positions of increasing responsibility in development. In 1994, he was appointed Head of Worldwide Technical Research and Development, a position he retained following the merger that created Novartis in 1996. From 1999 to 2004, Dr. Rummelt served as Head of Technical Operations of the Novartis Pharmaceuticals Division and from 2004 to 2008 as Head of Sandoz. Dr. Rummelt graduated with a Ph.D. in pharmaceutical sciences from the University of Erlangen-Nuernberg, Germany.

Ms. Veneman served as Executive Director of UNICEF, appointed by the United Nations Secretary General, from May 2005 until April 2010. As Executive Director, Ms. Veneman worked on behalf of the United Nations children's agency to help children around the world by advocating for and protecting their rights. Ms. Veneman was responsible for more than 11,000 UNICEF staff members in more than 150 countries. Prior to joining UNICEF, Ms. Veneman served as Secretary of the U.S. Department of Agriculture, or USDA, from January 2001 until January 2005. From 1986 until 1993, she served in various positions at the USDA, including Deputy Secretary, Deputy Undersecretary for International Affairs and Commodity Programs, and Associate Administrator of the Foreign Agricultural Service. From 1995 until 1999, Ms. Veneman served as Secretary of the California Department of Food and Agriculture. Ms. Veneman has also practiced law in Washington, DC and California in both the private and public sectors. Ms. Veneman serves on the not-for-profit boards of the Global Health Innovative Technology Fund, the Close Up Foundation, the National 4-H Council, and Landesa. Ms. Veneman received a B.A. from the

University of California, Davis, a Master's degree in Public Policy from the University of California, Berkeley, and a J.D. from the University of California, Hastings College of Law.

#### Meetings and Committees

During the year ended December 31, 2015, the Board of Directors held 18 meetings. No incumbent director attended fewer than 75% of the total number of meetings of the Board of Directors and

the committees of the Board of Directors on which he or she served. Members of the Board of Directors are expected to attend and be present at the annual shareholders meeting and all incumbent directors attended the 2015 Annual Meeting, other than Mr.

Coughlin who was unable to attend due to a pre-existing commitment.

The Board of Directors has determined that nine of the eleven nominees (Ms. Burns, Dr. Baker, Mssrs. Brennan, Coughlin, Mollen, Norby, and Parven, Dr. Rummelt and Ms. Veneman) are "independent directors" as that term is defined under the NASDAQ Stock Market Listing Standards and the SEC rules and regulations. During a majority of the five regularly scheduled meetings in fiscal year 2015 the Board of Directors met in executive session where only the independent directors were present without any members of Alexion's management.

Neither we nor any of our subsidiaries are party to any material proceedings to which any of our directors, officers, affiliates, 5% or more shareholders, or any of their respective associates are a party. We do not believe that any of our directors, officers, affiliates, 5% or more shareholders, or any of their respective associates are adverse to us or any of our subsidiaries or have a material interest that is adverse to us or any of our subsidiaries.

A description of each standing committee of the Board is provided below:

Audit and Finance

Current Members:

Mr. Coughlin (Chair)

Mr. Mollen

Mr. Norby

Mr. Parven

No. of Meetings during 2015:

10

Charter:

In February 1993, the Board established a separately designated standing Audit Committee, now called the Audit and Finance Committee, to review the internal accounting procedures of Alexion, consult with our independent registered public accounting firm and review the services provided by the independent registered public accounting firm. The Audit and Finance Committee operates pursuant to a charter which has been approved and adopted by the Board of Directors and is reviewed and reassessed annually by the Audit and Finance Committee. The Board of Directors has determined that each member of the Audit and Finance Committee is an "independent director" as that term is defined under the NASDAQ Stock Market Listing Standards and the SEC rules and regulations. Our Board of Directors has also determined that Mr. Coughlin and Mr. Norby are each an "audit committee financial expert" as that term is defined under the NASDAQ Stock Market Listing Standards and the SEC rules and regulations.

[http://alxn.com/pdfs/Audit\\_and\\_Finance\\_Comm\\_Charter.pdf](http://alxn.com/pdfs/Audit_and_Finance_Comm_Charter.pdf)

#### Leadership and Compensation

##### Current Members:

Mr. Mollen (Chair)

Ms. Burns

Mr. Norby

Mr. Parven

##### No. of Meetings during 2015:

6

##### Charter:

[http://alxn.com/pdfs/Leadership\\_Comp\\_Comm\\_Charter.pdf](http://alxn.com/pdfs/Leadership_Comp_Comm_Charter.pdf)

In February 1993, the Board of Directors established a Compensation Committee, now called the Leadership and Compensation Committee. The Leadership and Compensation Committee assists the board in oversight of executive level talent management and succession planning, determines and approves compensation of our chief executive officer and all other executive officers, and administers our equity compensation and incentive plans. The Leadership and Compensation Committee operates pursuant to a charter which has been approved and adopted by the Board of Directors and is reviewed and reassessed annually by the committee. The Board of Directors has determined that each member of the Leadership and Compensation Committee is an "independent director" as that term is defined under the NASDAQ Stock Market Listing Standards and the SEC rules and regulations. For more information on the responsibilities and activities of the Leadership and Compensation Committee, including the committee's processes for determining executive compensation, see the Compensation Discussion and Analysis below in this proxy statement.

#### Quality Compliance Committee

##### Current Members:

Dr. Rummelt (Chair)

Dr. Baker

Mr. Brennan

Mr. Coughlin

Ms. Veneman

##### No. of Meetings during 2015:

4

##### Charter:

[http://alxn.com/pdfs/Quality\\_Compliance\\_Comm\\_Charter.pdf](http://alxn.com/pdfs/Quality_Compliance_Comm_Charter.pdf)

In December 2004, the Board established a Compliance and Quality Committee, now called the Quality Committee. The Quality Compliance Committee provides leadership and guidance to Alexion on aspects of quality compliance and related regulatory matters. The Quality Compliance Committee operates pursuant to a charter which has been approved and adopted by the Board of Directors and is reviewed and reassessed annually by the committee. The Board of Directors has determined that each member of the Quality Compliance Committee is an "independent director" as that term is defined under the NASDAQ Stock Market Listing Standards.

#### Nominating and Corporate Governance

##### Current Members:

Ms. Veneman (Chair)

Ms. Burns

Mr. Mollen

Mr. Norby

Mr. Parven

##### No. of Meetings during 2015:

5

In June 2003, the Board of Directors established the Nominating and Corporate Governance Committee to provide leadership and guidance to Alexion, review and recommend new directors to the Board of Directors, establish the necessary Board committees to provide oversight to Alexion, and make recommendations regarding committee membership. The Nominating and Corporate Governance Committee operates pursuant to a charter which has been approved and adopted by the Board of Directors and is reviewed and reassessed annually by the committee. The Board of Directors has determined that each member is an

Charter: "independent director" as that term is defined under the  
NASDAQ Stock Market Listing Standards.  
[http://alxn.com/pdfs/Nom\\_Corp\\_Gov\\_Comm-Charter.pdf](http://alxn.com/pdfs/Nom_Corp_Gov_Comm-Charter.pdf)

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Strategy and Risk

Members:

Ms. Burns (Chair)

Dr. Baker

Mr. Brennan

Dr. Rummelt

Ms. Veneman

No. of Meetings during 2015:

4

In May 2013, the Board of Directors established the Risk Committee, now called the Strategy and Risk Committee. The Committee oversees Alexion's strategic planning process and risk management processes. The Strategy and Risk Committee operates pursuant to a charter which has been approved and adopted by the Board of Directors and will be reviewed and reassessed annually by the committee. The Board of Directors has determined that each member is an "independent director" as that term is defined under the NASDAQ Stock Market Listing Standards.

Charter:

[http://alxn.com/pdfs/Strategy\\_Risk\\_Comm\\_Charter.pdf](http://alxn.com/pdfs/Strategy_Risk_Comm_Charter.pdf)

## Corporate Governance

Alexion strives to maintain strong corporate governance practices that protect and enhance accountability for the benefit of all of Alexion's shareholders. We regularly review and continually refine our governance practices to align with evolving practices and issues raised by our shareholders.

In January 2016, the Board of Directors adopted an amendment to its bylaws to include (i) a proxy access provision requiring Alexion to include in its proxy materials any person nominated for election to the Board by a shareholder or group of shareholders that has continuously beneficially owned at least 3% of Alexion's outstanding common stock for at least 3 years, and (ii) a reduced shareholder ownership threshold to call a special meeting from 50% to 25%. These changes result from the Company's engagement and discussions with shareholders during the 2015 proxy season and the fall of 2015. Although a shareholder proposal for proxy access and the ownership threshold did not receive majority support at the 2015 annual meeting, the Board determined it was in the best interests of Alexion and our shareholders to make these changes based in large part on the feedback from our shareholders in 2015.

Below are key corporate governance facts about our Company.

Majority voting for directors	Yes
Annual elections for all directors	Yes
Proxy Access - 3%-3 years	Yes
Board-Level Strategy and Risk Committee	Yes
Annual Board and Committee evaluations	Yes
Separation of Chairman and CEO	Yes <sup>(1)</sup>
Lead Independent Director	Yes
All Board Committees are composed exclusively of independent directors	Yes
Size of the Board	11
Number of Independent Directors	9
Average Age of Directors	61
Average Director Tenure (in years)	6.6
Annual Advisory Vote of Executive Compensation	Yes
Shareholder Ability to Call a Special Meeting - 25%	Yes
Act by Written Consent	Yes
Rights Plan, or "Poison Pill"	No
Supermajority voting provisions	No

(1) Dr. Bell served as both CEO and Chairman from October 2014, until his retirement as CEO on March 31, 2015. See "Board Leadership Structure."

#### Process for Selecting Nominees and Shareholder Nominations

The Nominating and Corporate Governance Committee considers candidates for Board membership recommended by Nominating and Corporate Governance Committee members and other Board members, management, our shareholders, third party search firms, and any other appropriate sources. If a shareholder submits a nominee, the Nominating and Corporate Governance Committee will evaluate the qualifications of such shareholder nominee using the same selection criteria the committee uses to evaluate other potential nominees.

In accordance with Alexion's Bylaws, a shareholder may recommend a person for consideration as a nominee for director at an annual meeting by giving timely notice of the nomination in proper form, including a completed and signed questionnaire, representation and agreement required by Alexion's Bylaws, as described below, and timely updates and supplements relating to the nomination.

**Nominations Not for Inclusion in Alexion's Proxy Statement.** To be timely, assuming the date of the 2017 annual meeting of shareholders is not more than 30 days before or more than 60 days after the anniversary of the 2016 Annual Meeting, a shareholder's notice and recommendation must be received no earlier than the close of business on January 12, 2017, and not later than the close of business on February 11, 2017.

In addition, to be considered timely, a shareholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at Alexion's principal executive offices not later than five (5) business days after the record date for the meeting in the case of the update and supplement

required to be made as of the record date, and not later than eight (8) business days prior to the date for the meeting or any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof.

Our Bylaws provide that a shareholder's advance notice of a nomination must contain the following information for each person whom the shareholder proposes to nominate for election or reelection to the Board: (1) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations promulgated thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, (2) a detailed description of all direct and indirect compensation and other monetary agreements, arrangements and understandings during the prior 3 years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K, (3) a completed and signed questionnaire, provided by the Corporate Secretary upon written request, with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made, and (4) a written representation and agreement, provided by the Corporate Secretary upon written request, that such person (a) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity

as to how such person, if elected as a director, will act or vote on any issue or question (a Voting Commitment) that has not been disclosed to Alexion or (ii) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director, with such person's fiduciary duties under applicable law, (b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than Alexion with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed in accordance with Alexion's Bylaws, (c) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director, and will comply, with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of Alexion publicly disclosed from time to time, and (d) will abide by the requirements of the director voting provisions of Alexion's Bylaws. In addition, Alexion may require any proposed nominee to furnish such other information as may reasonably be required by Alexion to determine the eligibility of such proposed nominee to serve as an independent director or that could affect a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee.

In addition, our Bylaws provide that to be in proper form, a shareholder's notice must set forth, with respect to the shareholder, beneficial owner and their respective affiliate or associate acting in concert, giving notice of the nomination: (1) the name and address of the shareholder, as they appear on Alexion's books, or such beneficial owner, if any, and of their respective affiliates or associates or others acting in concert, (2) (a) the class or series and number of shares of Alexion which are, directly or indirectly, owned beneficially and of record by such shareholder, beneficial owner and their respective affiliates or associates or others acting in concert, (b) any "derivative instrument" directly or indirectly owned

beneficially by such shareholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert, (c) any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareholder has a right to vote any class or series of shares of Alexion, (d) any "short interest" involving such shareholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert, (e) any rights to dividends on the shares of Alexion owned beneficially by such shareholder that are separated or separable from the underlying shares of Alexion, (f) any proportionate interest in shares of Alexion or "derivative instruments" held, directly or indirectly, by a general or limited partnership in which such shareholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership, (g) any performance-related fees (other than an asset-based fee) that such shareholder is entitled to based on any increase or decrease in the value of Alexion's shares or "derivative instruments," (h) any significant equity interests or any "derivative instruments" or "short interests" in any principal competitor of Alexion held by such shareholder, and (i) any direct or indirect interest of such shareholder in any contract with Alexion, any affiliate of Alexion or any principal competitor of Alexion, and (3) any other information relating to such shareholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement and form or proxy or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

You may write to our Corporate Secretary at our principal executive office - Alexion Pharmaceuticals, Inc., 100 College Street, New Haven, Connecticut 06510, Attn: Corporate Secretary - to deliver the notices discussed above and for a copy of the relevant Bylaw provisions regarding the requirements for nominating director candidates pursuant to our Bylaws.

Shareholder Nominations Under Proxy Access Bylaw. Our Bylaws provide that under certain circumstances, a shareholder, or group of up to 20 shareholders, who have maintained continuous ownership of at least 3% of our common stock for at least 3 years may nominate and include a specified number of director nominees in our annual meeting proxy statement.

The number of shareholder-nominated candidates appearing in our annual meeting proxy statement cannot exceed the greater of 20% of the number of directors then serving on the Board and 2 directors. If 20% is not a whole number, the maximum number of shareholder-nominated candidates would be the closest whole number below 20%. The following persons will be considered shareholder-nominated candidates and counted against the 20% maximum: (i) shareholder-nominated candidates that the Board of Directors determines to include in the Company's proxy materials as Board-nominated candidates, (ii) any shareholder-nominated candidate that is subsequently withdrawn, and (iii) any director who had been a shareholder-nominated candidate at any of the two preceding annual meetings of shareholders and whose reelection at the upcoming annual meeting is being recommended by the Board. Nominating shareholders are required to provide a list of their proposed nominees in rank order. If the number of shareholder-nominated candidates exceeds 20%, the highest ranking qualified individual from the list proposed by each nominating shareholder, beginning with the nominating shareholder with the largest qualifying ownership and proceeding through the list of nominating shareholders in descending order of qualifying ownership, will be selected for inclusion in the Company proxy materials until the maximum number is reached. If the maximum number of shareholder-nominated candidates is not reached after the highest ranking qualified individual has been selected, this process will continue as many times as necessary, following the same order each time, until the maximum number is reached.

Requests to include shareholder-nominated candidates in the Company's proxy materials must be received no earlier than 150 days and no later than 120 days before the anniversary of the date that the Company issued its proxy statement for the previous year's annual meeting of shareholders. However, if no annual meeting of shareholders was held in the previous year or the date of the annual meeting of shareholders is more than 30 days before or later than the first anniversary of the previous year's annual meeting of shareholders, we must receive the request not later than the close of business on the earlier of (i) the 60th day prior to the date we issue our proxy statement in connection with such annual meeting of shareholders or (2) the 10th day after public announcement of the date of such annual meeting of shareholders is first made. The nominating shareholder or group of shareholders also must deliver the information required by our Bylaws, and each nominee must meet the qualifications required by our Bylaws.

Nominating shareholders are permitted to include in the proxy statement a 500-word statement in support of their nominee(s). The Company may omit any information or statement that it, in good faith, believes would violate any applicable law or regulation.

#### Board Diversity

Alexion's Nominating and Corporate Governance Committee is responsible for advising the Board on diversity, including gender, ethnic background, country of citizenship and professional experience. The committee is responsible for recommending, as necessary, measures that contribute to a Board that, as a whole, reflects a range of viewpoints, backgrounds, skills, experience and expertise. Alexion's Board is diverse, and our nominees reflect a Board of diverse gender, age, skills, experiences and points of view. We believe that diversity enhances the overall effectiveness of our Board by presenting different perspectives inside the boardroom and to management, and we encourage diversity within all levels of our global organization.

The committee reviews Board composition on an annual basis. The committee assesses the

effectiveness of its responsibilities concerning diversity at least once each year, and takes action as warranted. For example, in conducting director searches in early 2014, we instructed our search agency to identify female candidates and candidates of diverse race and ethnicity for consideration by the committee.

For the 2016 Annual Meeting, two nominees for election at the annual meeting are female: Ms. Burns, Chair of the Strategy and Risk Committee, and Ms. Veneman, Chair of the Nominating and Corporate Governance Committee.

#### Board Leadership Structure

Dr. Bell, Alexion's former Chief Executive Officer, has served as Chairman of the Board since October 2014. Prior to Dr. Bell's appointment as Chairman and from the Company's inception in 1992, Alexion had separated the positions of Chairman and CEO. Dr. Bell is the principal founder of Alexion and was Chief Executive Officer from 1992 - 2015. He assumed the role of Chairman immediately following the sudden death of the Board's longtime Chairman, Dr. Max Link. At the same time of Dr. Bell's appointment to Chairman, the Board appointed Mr. Norby as lead independent director.

The Board believes that having Dr. Bell serve as non-independent Chairman, in conjunction with a lead independent director, is the most effective leadership structure for Alexion's Board. As founder of Alexion and the only Chief Executive Officer in the Company's history, until April 1, 2015, Dr. Bell brings a unique perspective to our boardroom. He possesses a comprehensive knowledge of Alexion's business; he was a key contributor to its significant growth and maturation; and he possesses an in-depth understanding of the biotechnology industry and the challenges of operating a global organization that serves patients suffering from rare diseases. The Board has six directors with less than two years of tenure and the Board believes that continuity in leadership and membership is important for board effectiveness. The Board recognizes Alexion's growth under Dr. Bell's leadership and the value

created for our shareholders during his time as CEO, and the Board believes that Dr. Bell's intimate knowledge of Alexion's business will enable the Board to more effectively oversee execution of the Company's strategic priorities. The Board believes that its governance practices and leadership structure achieve independent oversight and management accountability, and enhance the Board's ability to objectively monitor the performance of the Company, the CEO, and management. The independent directors designated a Lead Independent Director. Mr. Norby has served as Lead Independent Director since the date of Dr. Bell's appointment as Chairman of the Board. As set forth in the Lead Independent Director Charter adopted by our Board, the Lead Independent Director is selected annually by the independent directors, presides at meetings of the Board at which the Chairman is not present, including executive sessions of our independent directors, serves as a liaison and supplemental channel of communication between directors and the Chairman, serves as an independent point of contact for shareholders wishing to communicate with the Board other than through the Chairman, and has other duties described in the charter. A more detailed description of the responsibilities of the Lead Independent Director is included in our Lead Independent Director Charter, which is available on our website at [http://alxn.com/pdfs/Lead\\_Independent\\_Director\\_Charter.pdf](http://alxn.com/pdfs/Lead_Independent_Director_Charter.pdf).

#### Board's Role in Risk Oversight

The Board has ultimate responsibility for overseeing Alexion's risk management processes. In May 2013, the Board formed a Risk Committee, now called the Strategy and Risk Committee, to assist the Board in its oversight of enterprise risk management processes. The Committee also has responsibility for overseeing Alexion's strategic planning process on behalf of the Board - see "Board's Role in Strategy" below. The Board believes it is important to align Alexion's strategic priorities with the Company's risk management program. By designating a single Board committee to oversee both strategy and risk, the Board can

execute its oversight and decision-making responsibilities as the Company's strategic priorities and risks evolve with the business and external conditions. Under Ms. Burns' leadership, the Committee focuses on detailed matters of strategy and risk, and the Committee amended its charter in 2015 to reflect the Committee's and the Board's current responsibilities with respect to strategy and risk management. The Committee evaluates management's processes for reviewing, refreshing and modifying its enterprise risk management system and processes. Alexion is committed to fostering a company culture of risk-adjusted decision-making without constraining reasonable risk-taking and innovation, and the Committee oversees the Company's efforts to foster this culture. The Committee reviews with management and external advisors the identification, prioritization and management of risks, the accountabilities and roles of the company functions involved with enterprise risk management, the risk portfolio and the corresponding actions implemented by management. The Committee regularly informs the full Board of Alexion's most significant risks and how these risks are managed. The Strategy and Risk Committee seeks to inform the Board of enterprise risks that are or should be delegated to other committees of the Board for review or monitoring.

#### Board's Role in Strategy

The Board designated the Strategy and Risk Committee to oversee that management has established and periodically re-evaluates a corporate strategic plan. The Company's strategic planning process is dynamic and evolves throughout any given year, culminating in a review and approval of the proposed plan by the full Board at least annually.

Throughout the year, the Committee reviews the planning process with management and monitors progress, advising management on a variety of matters involving both process and strategy. Following approval of the strategic plan by the Board, the Committee and sometimes the full Board regularly receive updates from management concerning implementation of the plan. The Committee evaluates the Company's

progress, and suggests modifications. The Committee also reviews on a regular basis specific proposed transactions or opportunities, and supports and advises management as it deems appropriate. Both the Board and the Committee are regularly informed of factors affecting the Company's implementation of its strategic plan, including Company performance and progress against the plan, enterprise risks, and the impact of industry and global developments.

#### Succession Planning

An important responsibility of the Board and the CEO is to ensure long term continuity of leadership. The Nominating and Corporate Governance Committee annually reviews and makes recommendations to the Board relating to management succession planning. In addition, the CEO and Alexion's senior executives discuss future candidates for leadership positions at all levels within Alexion's global organization. On a regular basis, the Leadership and Compensation Committee reviews and discusses leadership succession plans, leader development and organizational capabilities across all functions of the Company, and these discussions are held with the CEO and Chief Human Resources Officer. The Board considers succession planning to be an important factor in managing the long term planning and success of Alexion's business.

In January 2015, Alexion announced the retirement of Dr. Bell, principal founder of Alexion and its only Chief Executive Officer since its inception in 1992, and the election of Mr. Hallal as the Company's second CEO effective April 1, 2015. The Board's succession planning oversight enabled the Company to implement the important transition in a manner that promotes the continued successful performance of the Company's business and employees. The Board and management, particularly during the last several years, have sought to hire and develop experienced and effective leaders throughout all levels within our global organization to position Alexion for success in its next stages of growth and innovation. Mr. Hallal, an Alexion executive since 2006, has been a

key contributor to Alexion's success and a member of Alexion's senior leadership team, and his appointment is in-line with the Board's long-term succession plan.

#### Board Refreshment and Evaluations

The Board has been deliberate in its approach to succession planning and Board refreshment. The Board appointed four independent directors in 2014 and another independent director in 2015. Five of the Board's 9 independent directors have tenure of less than 2 years. The recent appointments bring significant commercial, financial, risk management and operational expertise to the Board. Their global operational expertise and experience serving on the boards of other multinational organizations have been important for our growing business.

The Nominating and Corporate Governance Committee oversees an annual assessment of the effectiveness of each Committee and the Board. In 2015, the Board and each committee completed written evaluations to evaluate its own performance. Directors discuss the results of these evaluations during committee meetings and in executive sessions of the Board. The Committee and the Board are committed to maximizing Board effectiveness, which requires periodic assessments and regular dialogue, both during and outside of meetings, particularly with the number of new directors now serving. Directors have demonstrated their willingness to refresh the Board and to conduct open and honest evaluations of its performance.

#### Shareholder Communications with the Board of Directors

Our Board of Directors has provided a process for shareholders to send communications to the Board. Shareholders who wish to send communications to the Board, or any particular director, should address such communications to the Board of Directors, c/o Alexion Pharmaceuticals, Inc., 100 College Street, New Haven, Connecticut 06510, Attention: Corporate Secretary. All such communications should include a representation

from the submitting shareholder setting forth the shareholder's address and the number of shares of Alexion common stock beneficially owned by the shareholder.

The Corporate Secretary will (i) be primarily responsible for monitoring communications from shareholders and (ii) provide copies or summaries of such communications to the Board, or the director to whom such communication is addressed, as the Corporate Secretary considers appropriate. Each shareholder communication will be forwarded if it relates to a substantive matter and includes suggestions or comments that the Corporate Secretary considers to be important for the directors, or director, to know. In general, shareholder communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than shareholder communications relating to personal grievances and matters as to which we tend to receive repetitive or duplicative communications. The Board will give appropriate attention to written communications on such issues and will respond as appropriate.

#### Code of Ethics

In 2015, we adopted a new code of ethics, the Alexion Pharmaceuticals, Inc. Code of Ethics and Business Conduct (Code), that applies to directors, officers and employees of Alexion and its subsidiaries and complies with SEC rules and regulations and the listing standards of the NASDAQ Global Select Market. Our directors, officers and employees are required to comply with the Code. The Code is intended to focus our directors, officers and employees on individual ethical and professional accountability to ensure they follow appropriate standards and comply with legal requirements concerning Alexion's business. The Code covers areas of professional conduct relating to individual's service to Alexion, including conflicts of interest, ethical conduct, anti-bribery and anti-corruption, gifts, workplace matters, and oversight of ethics and compliance by employees of the Company. The Code is located on our website



at [http://alxn.com/pdfs/Code\\_of\\_Ethics.pdf](http://alxn.com/pdfs/Code_of_Ethics.pdf). We will disclose any future amendments to, or waivers from, provisions of these ethics policies and standards on our website as promptly as practicable, as may be required under applicable laws, rules and regulations of the SEC and NASDAQ.

#### Corporate Governance Guidelines

The Board believes that sound governance practices and policies provide an important framework to assist it in fulfilling its duty to shareholders. The Board has adopted Corporate Governance Guidelines and relies on the guidelines to provide that framework. The guidelines are not absolute rules, and can be modified to reflect changes in Alexion's organization or business environment. The Board reviews the guidelines on an annual basis and if necessary, modifies the guidelines to reflect current good governance practices and policies. Alexion's Corporate Governance Guidelines are located on our website at [http://alxn.com/pdfs/Corp\\_Gov\\_Guidelines.pdf](http://alxn.com/pdfs/Corp_Gov_Guidelines.pdf).

#### Recent Actions in Response to Shareholder Feedback – Proxy Access and Special Meeting Ownership Threshold

We regularly analyze shareholder feedback and incorporate such feedback into our assessment of our governance practices and our business. Our shareholders voted on two shareholder proposals at the 2015 annual meeting - proxy access and a proposal to reduce the ownership threshold to call a special meeting to 10%. Prior to the meeting, we discussed both proposals with many of our largest shareholders, which expressed a number of different views concerning proxy access and no consensus emerged. Many shareholders would only support a provision requiring Alexion to include in its proxy materials any person nominated for election to the Board by a shareholder or group of shareholders that has continuously beneficially owned at least 3% of Alexion's outstanding common stock for at least 3 years, while others would only support a provision requiring the nominating shareholders to beneficially own 5% of Alexion's outstanding

common stock. Certain shareholders were supportive of proxy access generally but were flexible with specific provisions, including the ownership threshold. Certain shareholders were against proxy access entirely, while others had not developed a concrete position on proxy access. The applicable shareholder proposal did not receive majority support and we committed to discuss proxy access later in 2015. During the fall of 2015, we engaged again with our largest shareholders and found that shareholder's opinions about proxy access had evolved. While the discussions during the spring were primarily around the concept of proxy access, our discussions with shareholders during the fall focused on specific provisions of proxy access. Following this period of engagement, it was our belief that there was greater support among our shareholders for 3%/3 years, but no consensus on the various other provisions. In early December 2015, the Board again discussed proxy access, and authorized management to proceed with implementing a 3%/3 year approach, to be approved by the Board at a later date. The Board considered a number of factors in making its decision, including shareholder feedback, the Board's assessment of the probability that proxy access would be utilized, and the Board's belief that proxy access would likely become more widely adopted.

Similarly, with respect to the ownership threshold to call a special meeting, we had discussions with our shareholders in the spring of 2015 and the fall of 2015. During the spring, most shareholders communicated that the then current bylaw provision was too high - 50% - but the proposed 10% was too low. During outreach in the fall of 2015, it was the Company's belief that consensus existed in support of a reduction in the threshold necessary to call a special meeting to 25%.

In January 2016, the Board adopted bylaw amendments to provide for 3%/3 years proxy access and to reduce the ownership threshold to call a special meeting from 50% to 25%.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act of 1934, as amended, requires our directors, executive officers and persons who beneficially own more than ten percent of our common stock, to file initial reports of beneficial ownership of our stock and reports of changes in beneficial ownership of our stock with the SEC. Executive officers, directors and greater than ten percent beneficial owners are required by the SEC to furnish us with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to us and written representations from our executive officers and directors, we believe that during the year ended December 31, 2015 all Section 16(a) filing requirements applicable to our executive officers, directors and greater than ten percent beneficial owners were complied with on a timely basis, other than the Form 4 filed by Ms. Heidi Wagner on October 8, 2015.

## Executive Compensation

### Compensation Discussion and Analysis

#### Executive Summary

**Purpose.** Alexion's executive compensation program is designed to attract, retain, incentivize and reward performance. The Leadership and Compensation Committee (for purposes of this CD&A, the "Committee") seeks to deliver competitive compensation to help us retain and motivate our key talent, and to recognize our executives for their contributions to Alexion and our patients, and for the value they create for all of our shareholders.

**Regular Review of Program.** The Committee regularly reviews our executive compensation program, taking into account evolving best practices, competitive market information, shareholder feedback, including consistently high "say-on-pay" results, and the Committee's assessment of whether the program drives performance and is consistent with the Committee's compensation philosophy.

**Evolving Compensation Governance Practices.** The Committee makes its executive compensation decisions in the context of an evolving framework of compensation governance practices. Over time, the Committee has considered and adopted a number of governance practices to enhance the overall effectiveness of our executive compensation program. See "Compensation Practices – What We Do and Don't Do" on page 29. Following the end of our 2015 fiscal year, we and our executives agreed to eliminate 280G gross-ups in all employment agreements and no employee is any longer entitled to a tax gross-up payment for any excise tax imposed on them under Section 280G or Section 4999 of the Internal Revenue Code. This change is an evolution of our 2013 prior policy of not entering into new agreements that include 280G gross-up provisions.

**Performance-Based Awards.** A substantial portion of an executive's total compensation is

performance-based. See "Pay for Performance - How Does the Leadership and Compensation Committee Define Performance-based Compensation" on page 30.

**Consistent Plan Design.** Other than the introduction of PSUs in 2013 and TSR-PSUs in 2014, the plan design of our executive compensation program has remained generally constant over the last several years. The Committee regularly reviews the executive compensation program and continues to believe that its consistent approach has contributed to Alexion's long-term success and has driven exceptional company and individual performance, and at the same time has provided predictability for our executives and other key employees and motivated them to achieve outcomes year after year that benefit Alexion, our shareholders, and the patients we serve.

#### 2015 Performance

In 2015, Alexion transitioned from a single commercial product company to a three product company. Overall, we delivered strong operational performance, generated solid financial results, achieved several significant milestones across our pipeline, and successfully completed the acquisition of Synageva BioPharma Corp.

Although we had many strong accomplishments in 2015, during this year our business was affected by substantial industry and market pressures and the impact of foreign currency headwinds.

For the last several years, we have focused on positioning Alexion for its future growth. In line with this focus, we, successfully executed on several company priorities in 2015 that we believe will have long-term benefits for Alexion, our patients and our shareholders.

#### 2015 Business Highlights

Below are business highlights from 2015.