

REGENERON PHARMACEUTICALS INC
Form PRE 14A
March 16, 2015

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SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Soliciting Material under Rule 14a-12
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials

Regeneron Pharmaceuticals, Inc.

(Name of Registrant as Specified In Its Charter)

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

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(1) Amount Previously Paid:

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PRELIMINARY PROXY MATERIAL SUBJECT TO COMPLETION

**777 Old Saw Mill River Road
Tarrytown, New York 10591-6707**

April [•], 2015

Dear Fellow Shareholders:

It is my pleasure to invite you to attend the 2015 Annual Meeting of Shareholders of Regeneron Pharmaceuticals, Inc. to be held on Friday, June 12, 2015 at 10:30 a.m., Eastern Time, at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York 10591.

This year we are again using the "Notice and Access" method of providing proxy materials to you via the Internet. We believe that this process provides you with a convenient and quick way to access your proxy materials and vote your shares, while allowing us to reduce the costs of printing and distributing the proxy materials and conserve resources. On or about April [•], 2015, we will mail to our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement and our 2014 annual report and vote via the Internet. The Notice also contains instructions on how to receive a paper copy of the proxy materials and our 2014 annual report. Similar to last year, our proxy materials are presented in an enhanced format, with a Proxy Summary and an expanded Compensation Discussion and Analysis, which we hope will make your review of these materials easier.

One of the priorities of the board of directors and Company management is ensuring robust outreach and engagement with our shareholders. Over the last year, we have spent a significant amount of time speaking with some of our shareholders about executive compensation and corporate governance. These discussions were valuable because they allowed us to receive direct feedback from our shareholders and consider how we can improve. As a result of these discussions, we have implemented several changes to our executive compensation program and continued the implementation of our existing compensation and governance initiatives. We encourage you to read the Compensation Discussion and Analysis section of the proxy statement beginning on page 36 for details of our executive compensation program and these recent changes and initiatives.

Each of the Notice of Internet Availability of Proxy Materials that will be mailed and the Notice of Annual Meeting of Shareholders and proxy statement contained herein identifies the items we plan to address at the Annual Meeting. At the Annual Meeting, we will also present a brief report on the Company and our business and give you the opportunity to ask questions.

Your vote is important. Whether or not you plan to attend the Annual Meeting, you can cast your vote via the Internet or by telephone, or, if you receive paper copies of the proxy materials, by completing the accompanying proxy and returning it in the prepaid envelope provided. If you attend the Annual Meeting, you may vote in person if you wish, even if you previously submitted a proxy.

I look forward to seeing you on June 12th.

Sincerely,

P. Roy Vagelos, M.D.
Chairman of the Board of Directors

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REGENERON PHARMACEUTICALS, INC.

**777 Old Saw Mill River Road
Tarrytown, New York 10591**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2015 Annual Meeting of Shareholders of Regeneron Pharmaceuticals, Inc. (the "Company") will be held on Friday, June 12, 2015, commencing at 10:30 a.m., Eastern Time, at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York, for the following purposes:

- (1) to elect four Class III directors for a term of three years;
- (2) to ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015;
- (3) to approve the Regeneron Pharmaceuticals, Inc. Cash Incentive Bonus Plan;
- (4) to approve an amendment to the Company's certificate of incorporation to increase the number of authorized shares of capital stock and common stock;
- (5) if properly presented, to vote on a nonbinding shareholder proposal relating to proxy access; and
- (6) to act upon such other matters as may properly come before the meeting and any adjournment(s) or postponement(s) thereof.

The board of directors has fixed the close of business on April 16, 2015 as the record date for determining shareholders entitled to notice of, and to vote at, the Annual Meeting and at any adjournment(s) or postponement(s) thereof.

Pursuant to the rules of the Securities and Exchange Commission, we have elected to provide access to our proxy materials over the Internet. Accordingly, we will mail, beginning on or about April [●], 2015, a Notice of Internet Availability of Proxy Materials to our shareholders of record and beneficial owners as of the record date. As of the date of mailing of the Notice of Internet Availability of Proxy Materials, all shareholders and beneficial owners will have the ability to access all of the proxy materials on a website referenced in the Notice of Internet Availability of Proxy Materials.

The Notice of Internet Availability of Proxy Materials also contains a toll-free telephone number, an e-mail address, and a website where shareholders can request a paper or electronic copy of the proxy statement, our 2014 annual report, and/or a form of proxy relating to the Annual Meeting. These materials are available free of charge. The Notice also contains information on how to access and vote the form of proxy.

As Authorized by the Board of Directors,

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Joseph J. LaRosa

Senior Vice President, General Counsel and Secretary

April [•], 2015

REGENERON PHARMACEUTICALS, INC.

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Note Regarding Forward-Looking Statements and Non-GAAP Financial Measures

See Appendix A for important information regarding forward-looking statements and financial measures not calculated in accordance with U.S. Generally Accepted Accounting Principles contained in this proxy statement.

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The summary below highlights information that is described in more detail elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and we urge you to read the entire proxy statement carefully before voting.

General Information (see "General Information about the Meeting" on page 7 for more information)

Date: June 12, 2015
Time: 10:30 a.m., Eastern Time
Place: Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York 10591
Record Date: April 16, 2015

Meeting Agenda

- | | |
|--|---------------------------|
| 1. Election of four Class III directors for a term of three years | For each director nominee |
| 2. Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015 | For |
| 3. Approval of the Regeneron Pharmaceuticals, Inc. Cash Incentive Bonus Plan | For |
| 4. Approval of an amendment to the Company's certificate of incorporation to increase the number of authorized shares of capital stock and common stock | For |
| 5. Nonbinding shareholder proposal relating to proxy access | Against |

Proposal No. 1 Our Director Nominees (see "Proposal No. 1: Election of Directors" on page 11 for more information)

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The following individuals have been nominated for election at the 2015 Annual Meeting:

Class III	Charles A. Baker	82	1989	Former Chairman, President, and Chief Executive Officer of The Liposome Company, Inc.	ü	Audit Committee
Class III	Arthur F. Ryan	72	2003	Former Chairman of the Board and Chief Executive Officer of Prudential Financial, Inc.	ü	Compensation Committee Audit Committee Corporate Governance and Compliance Committee
Class III	George L. Sing	65	1988	Managing Director of Lancet Capital and Chief Executive Officer of Stemnion, Inc.	ü	Audit Committee (Chairman) Compensation Committee
Class III	Marc Tessier-Lavigne, Ph.D.	55	2011	President of The Rockefeller University and Carson Family Professor and head of the Laboratory of Brain Development at The Rockefeller University	ü	Compensation Committee (Chairman) Technology Committee

*

As of April 16, 2015.

Each director nominee is a current director and attended at least 75% of the aggregate of all 2014 meetings of the board of directors and each committee on which he or she served.

Corporate Governance (see "Corporate Governance" on page 16 for more information)

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Regeneron is committed to good corporate governance, which we believe promotes the long-term interests of shareholders, strengthens the accountability of the board of directors and

management, and helps build trust in the Company. The following chart summarizes key information regarding our corporate governance.

Size of Board	12
Number of Independent Directors	9
Separate Chairman and Chief Executive Officer	ü
Director Resignation Policy	ü
Number of Meetings of the Board of Directors Held in 2014	7
Independent Directors Meet in Executive Sessions Without Management Present	ü
Code of Business Conduct and Ethics Applicable to All Employees, Officers, and Directors	ü
Annual Board and Committee Self-Evaluations	ü
Stock Ownership Guidelines for Directors and Senior Executives	ü
Active Shareholder Engagement	ü
Shareholder Right to Remove Directors for Cause	ü
Shareholder Right to Call Special Shareholder Meeting	ü

*

As of April 16, 2015.

Proposal No. 2 Ratification of PricewaterhouseCoopers LLP (see "Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm" on page 34 for more information)

We ask that our shareholders ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2015. Below is a summary of fees related to services provided to the Company by PricewaterhouseCoopers LLP for the years ended December 31, 2014 and 2013.

Audit Fees	\$	1,567,493	\$	1,298,800
All Other Fees		4,812		1,800
Total Fees	\$	1,572,305	\$	1,300,600

2014 Performance Overview (see "Executive Compensation Compensation Discussion and Analysis Section 1 Summary 2014 Performance Overview" on page 36 for more information)

2014 was another extraordinary year for Regeneron. Our key accomplishments in 2014 included:

48% growth in EYLEA® global net product sales as compared to 2013;

34% growth in our total revenues as compared to 2013;

26% growth in non-GAAP net income as compared to 2013 (non-GAAP net income is not a measure calculated

in accordance with U.S. Generally Accepted Accounting Principles; see Appendix A for a definition of non-GAAP net income and a reconciliation of non-GAAP net income to net income);

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advances in our EYLEA® franchise, including regulatory approval of EYLEA® for the treatment of diabetic macular edema in the United States and in the European Union and regulatory approval of EYLEA® for the treatment of retinal vein occlusion, including macular edema following branch retinal vein occlusion, in the United States;

positive Phase 3 data for PRALUENT from nine ODYSSEY studies (global Phase 3 program for PRALUENT) and filing of applications for regulatory approval of PRALUENT for lowering LDL-cholesterol in the United States and the European Union;

positive Phase 3 data for sarilumab from the SARIL-RA-MOBILITY trial (Phase 3 clinical trial in adult patients with active rheumatoid arthritis who were inadequate responders to methotrexate therapy);

positive data for dupilumab in atopic dermatitis (Phase 2b), asthma (Phase 2b), and chronic sinusitis with nasal polyps (Phase 2), as well as the grant of Breakthrough Therapy designation to dupilumab by the U.S. Food and Drug Administration (the "FDA") for the treatment of adults with moderate-to-severe atopic dermatitis who are not adequately controlled with topical prescription therapy and/or for whom these treatments are not deemed appropriate;

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continued growth of our clinical development pipeline, which includes 15 fully-human monoclonal antibody product candidates that were in clinical development as of December 31, 2014, based on the Company's *VelocImmune*® technology;

significant progress with the construction of a new manufacturing facility in Limerick, Ireland and increasing headcount on a year-over-year basis by approximately 25% as of December 31, 2014; and

fully operational status of the Regeneron Genetics Center LLC.

Our strong performance is reflected in the appreciation of our stock price, which increased 49%, 640%, and 1597% over the one-, three-, and five-year periods ended December 31, 2014, respectively. This shareholder return places our common stock in the 89th, 98th, and 99th percentile, respectively, of all NASDAQ-listed companies with a market capitalization greater than \$5 billion in those periods.

Executive Compensation (see "Executive Compensation" on page 36 for more information)

We believe that the leadership of the current executive team has been instrumental to our success in 2014 and prior years, and that an executive compensation program that attracts, motivates, and helps retain key executives, including the Named Officers, is critical to our long-term success.

The main objectives of our executive compensation program are to pay for performance; closely align the interests of shareholders and management; strike an appropriate balance