

SUSMAN SALLY  
Form 4  
March 03, 2008

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SUSMAN SALLY

(Last) (First) (Middle)

PFIZER INC. ATT: CORPORATE SECRETARY, 235 EAST 42ND STREET

(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
PFIZER INC [PFE]

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/28/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Senior Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount (D) Price		
Common Stock	02/28/2008		A		16,462 <u>(1)</u>	A	\$ 0 16,462 D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying Security (Instr. 3 and 4)
Stock Appreciation Rights	\$ 22.55	02/28/2008		A	66,607	02/28/2013 <sup>(2)</sup> 02/28/2013 <sup>(2)</sup>	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SUSMAN SALLY PFIZER INC. ATT: CORPORATE SECRETARY 235 EAST 42ND STREET NEW YORK, NY 10017			Senior Vice President	

## Signatures

By: Lawrence A. Fox, by power of atty. 03/03/2008

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The reported transaction constitutes the grant of restricted stock units.
- (2) The stock appreciation rights will be settled in shares of Pfizer common stock on the fifth anniversary of the date of grant

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. Dr. Lander held stock awards representing an aggregate of 72,939 shares of our common stock (including 11,051 shares of our common stock held by the Lander-Wiener Family Trust) and options to purchase an aggregate of 30,335 shares of our common stock. For purposes of this footnote, 9,819 shares of our common stock held by Dr. Lander, which were obtained upon the conversion of shares of preferred stock of Old Infinity in connection with the merger, have not been treated as stock awards.

- (6) Consists of consulting fees paid to Dr. Lander in Fiscal 2006. The agreement under which Dr. Lander provided consulting services to us, as a member of our scientific advisory board, expired in December 2006.

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- (7) Mr. Lee was granted an option award on September 12, 2006, which had a grant date fair value of \$246,375. As of December 31, 2006, Mr. Lee did not hold any stock awards or options to purchase shares of our common stock. For purposes of this footnote, 1,176,284 shares of our common stock held by entities affiliated with Advent Venture Partners LLP, which are identified as being beneficially owned by Mr. Lee in the table located above under the heading "Stock Ownership of Certain Beneficial Owners and Management," and which were obtained upon the conversion of shares of preferred stock of Old Infinity in connection with the merger, have not been treated as stock awards.
- (8) Dr. Levine was granted one option award on June 12, 2006, which had a grant date fair value of \$4,549, and two option awards on September 12, 2006, which had grant date fair values of \$32,850 and \$246,375. As of December 31, 2006, Dr. Levine held stock awards representing an aggregate of 18,787 shares of our common stock and options to purchase an aggregate of 34,085 shares of our common stock.
- (9) Consists of consulting fees paid to Dr. Levine in Fiscal 2006. The agreement under which Dr. Levine provided consulting services to us, as a member of our scientific advisory board, was terminated in November 2006.
- (10) Dr. Moss was granted option awards on June 12, 2006, which had a grant date fair value of \$4,549, and September 12, 2006, which had a grant date fair value of \$246,375. As of December 31, 2006, Dr. Moss held stock awards representing an aggregate of 38,818 shares of our common stock (including 33,154 shares of our common stock held by Dr. Moss, together with Kimberley S. Moss, as joint tenants with the right of survivorship) and options to purchase an aggregate of 30,335 shares of our common stock. For purposes of this footnote, 17,310 shares of our common stock held by Dr. Moss, which were obtained upon the conversion of shares of preferred stock of Old Infinity in connection with the merger, have not been treated as stock awards.
- (11) Mr. Rosenman was granted two option awards on September 12, 2006, which had grant date fair values of \$32,850 and \$246,375. As of December 31, 2006, Mr. Rosenman did not hold any stock awards, but held options to purchase an aggregate of 49,375 shares of our common stock.
- (12) Dr. Sato was granted one option award on June 12, 2006, which had a grant date fair value of \$4,549, and two option awards on September 12, 2006, which had grant date fair values of \$82,125 and \$246,375. As of December 31, 2006, Dr. Sato held stock awards representing an aggregate of 11,051 shares of our common stock and options to purchase an aggregate of 47,445 shares of our common stock.
- (13) Consists of consulting fees paid to Dr. Sato in Fiscal 2006. The agreement under which Dr. Sato provided consulting services to us, as a member of our scientific advisory board, was terminated in November 2006.
- (14) Dr. Tananbaum was granted two option awards on September 12, 2006, which had grant date fair values of \$16,425 and \$246,375. As of December 31, 2006, Dr. Tananbaum held stock awards representing an aggregate of 134,690 shares of our common stock (which stock awards were held entirely through a trust for which he serves as trustee and has voting and investment power) and held options to purchase an aggregate of 30,000 shares of our common stock. For purposes of this footnote, 1,417,508 shares of our common stock held by Prospect Venture Partners II, L.P., which are identified as being beneficially owned by Dr. Tananbaum in the table located above under the heading "Stock Ownership of Certain Beneficial Owners and Management," and which were obtained upon the conversion of shares of preferred stock of Old Infinity in connection with the merger, have not been treated as stock awards.
- (15) Dr. Lewis served on DPI's board of directors until the closing of the merger in September 2006.
- (16) Consists of a fee of \$30,000 paid to Dr. Lewis in connection with the termination of his service on DPI's board of directors upon the closing of the merger and consulting fees of \$12,500 paid to Dr. Lewis in Fiscal 2006.
- (17) Sir Dollery served on DPI's board of directors until the closing of the merger in September 2006.
- (18) Consists of a fee paid to Sir Dollery in connection with the termination of his service on DPI's board of directors upon the closing of the merger.

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The following is a summary of the standard compensation of our non-employee directors as of December 31, 2006:

a \$10,000 annual retainer;

a \$25,000 annual retainer for service as lead outside director;

a \$10,000 annual retainer for service as lead research and development director;

a \$10,000 annual retainer for service as chair of the Audit Committee;

a \$5,000 annual retainer for service as chair of the Compensation Committee;

a \$5,000 annual retainer for service as chair of the Corporate Governance Committee;

\$1,500 for each board meeting attended in person;

\$500 for each board meeting attended by telephone; and

\$500 for each meeting of the Audit Committee, Compensation Committee or Corporate Governance Committee attended in person or by telephone.

Each non-employee director is also reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of the board of directors or any committee of the board of directors.

No director who is an employee receives compensation for services rendered as a director.

In addition to the cash compensation discussed above, non-employee directors are eligible to receive non-statutory stock options, restricted stock and other stock-based awards for our common stock under our 2000 Stock Incentive Plan as follows:

Each non-employee director who served on the board of directors immediately after the closing of the merger and each new director, on the date of his or her election to the board of directors, will receive a non-statutory stock option to purchase 28,125 shares of our common stock which will vest as to 9,375 of the shares on the first anniversary of the grant date and the remainder in quarterly installments of 2,343 shares beginning at the end of the first quarter thereafter, provided that the holder continues to serve as a director. However, the shares will immediately vest in full upon certain changes in control or ownership or upon the optionee's death or disability while a board member.

Each non-employee director serving as a director on the third anniversary of (a) the closing of the merger, in the case of directors serving on the board of directors immediately after the closing of the merger, or (b) his or her election to the board, in the case of directors elected after the closing of the merger, will receive a non-statutory stock option to purchase 5,625 shares of our common stock, referred to as an annual option, on the date of the first annual meeting of stockholders following such third anniversary and on the date of each annual meeting of stockholders thereafter. Shares of our common stock subject to the annual option will be

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exercisable in equal quarterly installments of 1,406 shares beginning at the end of the first quarter after the date of grant, provided that the holder of the annual option continues to serve as a director. However, the shares will immediately vest in full upon certain changes in control or ownership or upon the optionee's death or disability while a board member.

Each non-employee director who serves in the following positions will receive additional options to purchase shares of our common stock in the amounts indicated below upon the date of commencement of service in such position and upon each anniversary thereafter. Each of these grants will be exercisable in equal quarterly installments beginning at the end of the first quarter after the date of grant, provided that the holder of such option continues to serve in the applicable position, however,

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the shares will immediately vest in full upon certain changes in control or ownership or upon the optionee's death or disability while a board member:

<b>Position</b>	<b>Stock Option Grant</b>
Lead Outside Director	9,375 shares
Lead Research and Development Director	3,750 shares
Chair of Audit Committee	3,750 shares
Chair of Compensation Committee	1,875 shares
Chair of Corporate Governance Committee	1,875 shares

Each automatic grant will have an exercise price per share equal to the fair market value per share of our common stock on the grant date and will have a term of 10 years, subject to earlier termination following the optionee's cessation of board service.

Our board of directors has approved an amendment to our 2000 Stock Incentive Plan, which amendment is subject to, and will become effective upon, the filing of the restated certificate of incorporation with the Secretary of State of the State of Delaware if Proposal 2 is approved by stockholders at the 2007 annual meeting of stockholders. The amendment provides for the following grants of non-statutory stock options to our non-employee directors:

Each non-employee director initially elected to the board following September 12, 2006, on the date of his or her initial election to the board, will receive a non-statutory option to purchase 9,375 shares of our common stock. Shares subject to each such option will become exercisable in equal quarterly installments beginning at the end of the first quarter after the date of grant, provided that the holder of the option continues to serve as a director.

Each non-employee director shall, on the date of the first annual stockholders meeting following the first anniversary of his or her initial election to the board and on the date of each annual stockholders meeting thereafter, receive a non-statutory option to purchase 5,625 shares of common stock; provided, however, that such options will not be granted to non-employee directors serving on the board on September 13, 2006 until the first annual stockholders meeting after September 12, 2009. Shares of common stock subject to each such option will be exercisable in equal quarterly installments beginning at the end of the first quarter after the date of grant, provided that the holder of the option continues to serve as a director.

The amendment will not change the additional grants of non-statutory stock options made to our lead outside director, lead research and development director, chair of our Audit Committee, chair of our Compensation Committee and chair of Corporate Governance Committee, for service in such positions, as described above.

**Table of Contents****Securities Authorized for Issuance under Equity Compensation Plans**

The following table provides information about the securities authorized for issuance under our equity compensation plans as of December 31, 2006:

Plan Category	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights(1)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for
			future issuance under equity compensation plans (excluding securities reflected in column (a))
(a)	(b)	(c)	
Equity compensation plans approved by security holders	579,470	\$ 15.75	1,852,810(2)
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>579,470</b>	<b>\$ 15.75</b>	<b>1,852,810(2)</b>

- (1) This table excludes an aggregate of 1,310,102 shares of our common stock issuable upon exercise of outstanding options granted by Old Infinity and assumed by DPI in connection with the merger. The weighted average exercise price of the excluded options is \$3.78. This table also excludes an aggregate of 246,629 shares of our common stock issuable upon exercise of outstanding warrants issued by Old Infinity and assumed by DPI in connection with the merger. The weighted average exercise price of the excluded warrants is \$12.75.
- (2) Consists of shares of our common stock available for future issuance under our 2000 Stock Incentive Plan. In addition, the number of shares of our common stock available for future issuance under our 2000 Stock Incentive Plan automatically increases on the first trading day of each calendar year by an amount equal to 4% of the total number of shares of our common stock that were outstanding on the last trading day of the preceding calendar year, but in no event shall any such annual increase exceed 2,000,000 shares.

**Compensation Committee Interlocks and Insider Participation**

The current members of the Compensation Committee are Drs. Evnin and Moss and Mr. Lee. Other than Dr. Moss, who was an employee of Old Infinity in 2003, no member of the Compensation Committee was at any time during 2006, or formerly, an officer or employee of ours or any subsidiary of ours, nor has any member of the Compensation Committee had any relationship with us requiring disclosure under Item 404 of Regulation S-K under the Exchange Act.

No executive officer of Infinity has served as a director or member of the Compensation Committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served as a director of or member of our Compensation Committee.

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with our management. Based on this review and discussion, the Compensation Committee recommended to our board of directors that the Compensation Discussion and Analysis be included in this proxy statement.

By the Compensation Committee of the Board of Directors

Anthony B. Evnin, Ph.D. (Chair)

Patrick Lee





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**PROPOSAL 2 AMENDMENT AND RESTATEMENT  
OF THE CERTIFICATE OF INCORPORATION**

**General Information**

Article VI of our certificate of incorporation, as amended, provides that our board of directors be divided into three classes, as nearly equal in number as possible, with members of each class serving three-year terms. In addition, Article VI also provides that, generally, directors can be removed from our board of directors only for cause by the holders of at least sixty-six and two-thirds percent of our common stock. This system for electing and removing directors was adopted prior to our becoming a publicly traded company in 2000.

Our board of directors has unanimously adopted resolutions, subject to stockholder approval, approving and declaring the advisability of amending and restating our certificate of incorporation to declassify the board of directors such that directors shall be elected annually and to allow the holders of a majority the outstanding shares of our common stock to remove a director with or without cause. As described below under Proposal 3 Amendment of the By-laws, our board of directors has also approved an amendment to our by-laws that, if approved by our stockholders, would make our by-laws consistent with the amendment and restatement of the certificate of incorporation.

If our stockholders approve the proposed amendment and restatement of our certificate of incorporation and the amendment to our by-laws, the terms for all of our directors would end at our 2008 annual meeting. Accordingly, beginning with the 2008 annual meeting, all directors would be elected for one-year terms at each annual meeting and the holders of a majority of the outstanding shares of our common stock would be entitled to remove directors with or without cause. If these proposals are adopted, any director appointed by the board as a result of the newly created directorship or to fill a vacancy on the board of directors would hold office until the next annual meeting.

If the proposal to amend and restate our certificate of incorporation is not approved, our board of directors will remain classified and the directors elected at the 2007 annual meeting of stockholders will serve three-year terms expiring in 2010. All other directors will remain in office for the remainder of their three-year terms.

**Background of Proposal**

Classified or staggered boards have been widely adopted and have a long history in corporate law. Proponents of classified boards assert they promote the independence of directors because directors elected for multi-year terms are less subject to outside influence. Proponents of a staggered system for the election of directors also believe it provides continuity and stability in the management of the business and affairs of a company because a majority of directors always have prior experience as directors of the company. This continuity and long-term focus is particularly important to research-based organizations, such as ours, where product and technology development is complex and long-term. Proponents further assert that classified boards may enhance stockholder value by forcing an entity seeking control of a target company to initiate arms-length discussions with the board of a target company because the entity is unable to replace the entire board in a single election.

On the other hand, some investors view classified boards as having the effect of reducing the accountability of directors to stockholders because classified boards limit the ability of stockholders to evaluate and elect all directors on an annual basis. The election of directors is a primary means for stockholders to influence corporate governance policies and to hold management accountable for implementing those policies. In addition, opponents of classified boards assert that a staggered structure for the election of directors may discourage proxy contests in which stockholders have an opportunity to vote for a competing slate of nominees and therefore, may erode stockholder value.

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The Corporate Governance Committee has recommended to our board of directors that we declassify our board of directors. Our full board of directors has considered carefully the advantages and disadvantages of maintaining a classified board structure. After this assessment, the full board of directors, upon the recommendation of our Corporate Governance Committee, has decided that this is an appropriate time to propose declassifying the board. This determination by the board furthers its goal of ensuring that our corporate governance policies maximize management accountability to stockholders and would, if adopted, allow stockholders the opportunity each year to register their views on the performance of the board of directors.

Under Delaware corporate law, stockholders may be limited to removing directors only for cause, but only if the company has a classified board. For Delaware corporations without a classified board, the holders of a majority of the outstanding shares of voting stock are entitled to remove directors with or without cause. Accordingly, we are also proposing to eliminate a provision in Article VI of our certificate of incorporation, as amended, that allows stockholders to remove directors only for cause in conjunction with our proposal to declassify our board. Under Delaware law, directors cannot be removed by other directors, and the proposed amendment will not change this.

## **Restated Certificate of Incorporation**

The proposed amendment and restatement of our certificate of incorporation is set forth in Appendix A, and we have shown the changes to the relevant sections resulting from the amendment and restatement, with deletions indicated by strike-outs and additions indicated by underlining. In addition to the changes that pertain specifically to the declassification of our board, Appendix A also reflects certain changes that we are required to make as a result of amending and restating our certificate of incorporation, specifically changes to incorporate prior amendments of our certificate of incorporation and a previously-filed certificate of designation of Series A Junior Participating Preferred Stock. If approved, this proposal will become effective upon the filing of the restated certificate of incorporation with the Secretary of State of the State of Delaware, which we intend to do promptly after approval of this proposal at the annual meeting in the event that Proposal 3 Amendment of the By-laws is also approved.

**Our board of directors recommends a vote FOR the proposal to adopt the restated certificate of incorporation.**

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**PROPOSAL 3 AMENDMENT AND RESTATEMENT OF THE BY-LAWS**

**General Information**

Article III, Section 1 of our by-laws, as amended, provides that our board of directors be divided into three classes, as nearly equal in number as possible, with members of each class serving three-year terms. In addition, Article III, Section 13 provides that directors can be removed from the board of directors only for cause by the holders of at least two-thirds of the outstanding shares of our common stock. Finally, Article X, Sections 1(b) and (c) provide that the provisions of Article III, Sections 1 and 13 can be amended, repealed or altered only upon the affirmative vote of holders of 66 2/3% of the outstanding shares of our common stock and by 66 2/3% of our directors.

Our board of directors has unanimously adopted resolutions, subject to stockholder approval, approving and declaring the advisability of amending our by-laws to declassify the board of directors such that directors shall be elected annually and to allow the holders of a majority of the outstanding shares of our common stock to remove a director with or without cause. Such amendment will also eliminate the super-majority stockholder and director voting requirements that related to altering these provisions in connection with the elimination of such provisions. As described above under Proposal 2 Amendment and Restatement of the Certificate of Incorporation, the board of directors has also approved amending and restating our certificate of incorporation that, if approved by our stockholders, would make the certificate of incorporation consistent with the amendment of the by-laws. If the proposed amendment of our by-laws and amendment and restatement of our certificate of incorporation are approved by our stockholders, the terms for all of our directors would end at our 2008 annual meeting. Accordingly, beginning with the 2008 annual meeting, all directors would be elected for one-year terms at each annual meeting and the holders of a majority of the outstanding shares of our common stock would be entitled to remove directors with or without cause. If this proposal is adopted, any director appointed by the board as a result of the newly created directorship or to fill a vacancy on the board of directors would hold office until the next annual meeting.

If the proposal to amend our by-laws is not approved, our board of directors will remain classified and the directors elected at the 2007 annual meeting of stockholders will serve three-year terms expiring in 2010. All other directors will remain in office for the remainder of their three-year terms.

The board of directors has set the current number of directors at 12. The proposal would not change the present number of directors and the directors will retain the authority to change that number and to fill any vacancies or newly created directorships.

**Background of Proposal**

For a discussion of the factors that our independent directors and our board of directors considered in determining to declassify our board, please refer to the discussion under Proposal 2 Amendment and Restatement of the Certificate of Incorporation Background of Proposal.

**Amendment to By-laws**

The proposed amendment of our by-laws is set forth in Appendix B, and we have shown the changes to the relevant sections resulting from the amendment, with deletions indicated by strike-outs and additions indicated by underlining. If this proposal and Proposal 2 are both approved, this proposal will become effective upon the filing of the restated certificate of incorporation with the Secretary of State of the State of Delaware, which we intend to do promptly after approval of this proposal at the annual meeting. This proposal will only become effective if Proposal 2 is approved.

**Our board of directors recommends a vote FOR the proposal to adopt the amendment to our by-laws to declassify the board of directors, to allow for the removal of directors without cause and to effect certain other matters.**

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**PROPOSAL 4 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our Audit Committee has selected the firm of Ernst & Young LLP as our independent registered public accounting firm for the current fiscal year. Ernst & Young LLP has served as the independent registered public accounting firm of Old Infinity since 2001. Although stockholder approval of the selection of Ernst & Young LLP is not required by law, the board of directors believes that it is advisable to give stockholders an opportunity to ratify this selection. If this proposal is not approved at our 2007 annual meeting, our Audit Committee will reconsider its selection of Ernst & Young LLP. Representatives of Ernst & Young LLP are expected to be present at the annual meeting and will have the opportunity to make a statement if they desire to do so and will also be available to respond to appropriate questions from stockholders.

**Board Recommendation**

The board of directors believes that the selection of Ernst & Young LLP as our independent registered public accounting firm is in our best interests and the best interests of our stockholders and therefore recommends a vote FOR this proposal.

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**OTHER MATTERS**

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

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other of our equity securities. Based solely on our review of copies of Section 16(a) reports furnished to us and representations made to us, we believe that during Fiscal 2006, our officers, directors and holders of more than 10% of our common stock complied with all Section 16(a) filing requirements.

**Stockholder Proposals for the 2008 Annual Meeting**

We must receive proposals of stockholders intended to be presented at the 2008 annual meeting of stockholders at our principal executive offices, c/o Gerald E. Quirk, Esq., Vice President and General Counsel, Infinity Pharmaceuticals, Inc., 780 Memorial Drive, Cambridge, Massachusetts 02139, not later than December , 2007, for inclusion in the proxy statement and proxy card for that meeting. However, if the date of our 2008 annual meeting is prior to April 30, 2008 or after June 29, 2008, the deadline is 10 business days before we begin to print and mail our proxy materials for the 2008 annual meeting.

In addition, our by-laws require that we be given advance notice of stockholder nominations for election to our board of directors and of other matters which stockholders wish to present for action at an annual meeting of stockholders (other than matters included in our proxy statement in accordance with Rule 14a-8 of the Exchange Act). The required notice must be received by our Vice President and General Counsel, Gerald E. Quirk, at our principal executive offices not later than January 31, 2008. However, if the date of our 2008 annual meeting is prior to February 29, 2008 or after August 28, 2008, the notice must be received no earlier than the 120th day prior to the 2008 annual meeting and no later than the close of business on the later of (1) the 60th day prior to the 2008 annual meeting and (2) the 10th day following the date on which notice of the date of the annual meeting was mailed or publicly disclosed, whichever occurs first. If the stockholder fails to provide timely notice of a proposal to be presented at the 2008 annual meeting, the chairman of the meeting may exclude the proposal from being brought before the meeting and the proxies designated by our board of directors will have discretionary authority to vote on such proposal should it be allowed to come before the meeting.

By Order of the Board of Directors,

STEVEN H. HOLTZMAN

Chief Executive Officer

April , 2007

**OUR BOARD OF DIRECTORS ENCOURAGES STOCKHOLDERS TO ATTEND THE MEETING. WHETHER OR NOT YOU PLAN TO ATTEND, YOU ARE URGED TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY IN THE ACCOMPANYING ENVELOPE. A PROMPT RESPONSE WILL GREATLY FACILITATE ARRANGEMENTS FOR THE MEETING AND YOUR COOPERATION WILL BE APPRECIATED.**

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Appendix A

**RESTATED CERTIFICATE OF INCORPORATION**  
**OF DISCOVERY PARTNERS INTERNATIONAL, INC.,**  
**OF INFINITY PHARMACEUTICALS, INC.**

**A Delaware Corporation**

~~DISCOVERY PARTNERS INTERNATIONAL~~INFINITY PHARMACEUTICALS, INC., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

FIRST: The name of the corporation is Infinity Pharmaceuticals, Inc. The original Certificate of Incorporation of the corporation was filed with the office of the Secretary of State of the State of Delaware on May 11, 2000 under the name Discovery Partners International, Inc. A Certificate of Ownership was filed with the Secretary of State of the State of Delaware on July 27, 2000, a Certificate of Designation was filed with the Secretary of State of the State of Delaware on February 24, 2003 and Certificates of Amendment were filed with the Secretary of State of the State of Delaware on September 12, 2006.

SECOND: At a meeting of the Board of Directors of the corporation, a resolution was duly adopted pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, approving this Restated Certificate of Incorporation and declaring this Restated Certificate of Incorporation to be advisable. The stockholders of this corporation duly approved this Restated Certificate of Incorporation at a meeting of stockholders in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware. The Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware.

THIRD: This Restated Certificate of Incorporation restates and integrates and further amends the Certificate of Incorporation of the corporation, as heretofore amended or supplemented.

The text of the corporation's Certificate of Incorporation is amended and restated in its entirety as follows:

**ARTICLE I**

The name of this corporation is ~~DISCOVERY PARTNERS INTERNATIONAL, INC.~~INFINITY PHARMACEUTICALS, INC.

**ARTICLE II**

The address of this corporation's registered office in the State of Delaware is ~~30 Old Rudwick Lane, 1209 Orange Street, in the City of Dover, Wilmington, New Castle County of Kent, Delaware, 199801.~~ The name of its registered agent at such address is ~~CorpAmerica, Inc~~The Corporation Trust Company.

**ARTICLE III**

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may now or hereafter be organized under the Delaware General Corporation Law.

**ARTICLE IV**

(A) *Classes of Stock.* This corporation is authorized to issue two classes of stock, denominated Common Stock and Preferred Stock. The Common Stock shall have a par value of \$0.001 per share and the Preferred

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Stock shall have a par value of \$0.001 per share. The total number of shares of Common Stock which the Corporation is authorized to issue is one hundred million (100,000,000), and the total number of shares of Preferred Stock which the Corporation is authorized to issue is one million (1,000,000), which shares of Preferred Stock shall be undesignated as to series.

(B) *Issuance of Preferred Stock.* The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, by filing one or more certificates pursuant to the Delaware General Corporation Law (each, a Preferred Stock Designation ), to fix or alter from time to time the designations, powers, preferences and rights of each such series of Preferred Stock and the qualifications, limitations or restrictions thereof, including without limitation the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and the liquidation preferences of any wholly-unissued series of Preferred Stock, and to establish from time to time the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

(C) *Rights, Preferences, Privileges and Restrictions of Common Stock.*

1. *Dividend Rights.* Subject to the prior or equal rights of holders of all classes of stock at the time outstanding having prior or equal rights as to dividends, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. *Redemption.* The Common Stock is not redeemable upon demand of any holder thereof or upon demand of this corporation.

3. *Voting Rights.* The holder of each share of Common Stock shall have the right to one vote, and shall be entitled to notice of any stockholders meeting in accordance with the Bylaws of this corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law.

(D) *Designated Preferred Stock*

1. Series A Junior Participating Preferred Stock. Pursuant to authority conferred by this Article IV upon the Board of Directors, the Board of Directors created a series of 99,000 shares of Preferred Stock designated as Series A Junior Participating Preferred Stock by filing a Certificate of Designation with the Secretary of State of the State of Delaware on February 24, 2003, and the voting powers, designations, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof, of the Series A Junior Participating Preferred Stock of the Corporation are as set forth in Annex 1 hereto and are incorporated herein by reference.

**ARTICLE V**

(A) *Exculpation.* A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived any improper personal benefit. If the Delaware General Corporation Law is hereafter amended to further reduce or to authorize, with the approval of the corporation's stockholders, further reductions in the liability of the corporation's directors for breach of fiduciary duty, then a director of the corporation shall not be liable for any such breach to the fullest extent permitted by the Delaware General Corporation Law as so amended.

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(B) *Indemnification.* To the extent permitted by applicable law, this corporation is also authorized to provide indemnification of (and advancement of expenses to) such agents (and any other persons to which Delaware law permits this corporation to provide indemnification) through bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the Delaware General Corporation Law, subject only to limits created by applicable Delaware law (statutory or non-statutory), with respect to actions for breach of duty to the corporation, its stockholders and others.

(C) *Effect of Repeal or Modification.* Any repeal or modification of any of the foregoing provisions of this Article V shall be prospective and shall not adversely affect any right or protection of a director, officer, agent or other person existing at the time of, or increase the liability of any director of the corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

**ARTICLE VI**

Elections of directors need not be by written ballot except and to the extent provided in the Bylaws of the corporation. ~~The Directors shall be classified into three classes, as nearly equal in number as possible as determined by the Board of Directors, with the term of office of the first class to expire at the first term of office of each director who is in office immediately prior to the closing of the polls for the election of Directors at the 2008 Annual Meeting of Stockholders, the term of office of the second class to expire at the second Annual Meeting of Stockholders and the term of the third class to expire at the third Annual Meeting of Stockholders. The initial Class I directors shall be Dieter Hoehn and Donald B. Milder. The initial Class II directors shall be Andrew E. Senyei and John P. Walker. The initial Class III directors shall be A. Grant Heidrich, III, Alan J. Lewis, and Riccardo Pigiucci. of the corporation shall expire at such time.~~ At each Annual Meeting of Stockholders following such initial classification and election, ~~Directors elected to succeed those Directors whose terms expire~~ beginning with the 2008 Annual Meeting of Stockholders of the corporation, Directors shall be elected for a term of office to expire at the ~~third succeeding~~ next Annual Meeting of Stockholders after their election, and until their successors are duly elected and qualified, subject to their earlier death, resignation or removal. ~~Additional directorships resulting from an increase in the number of Directors shall be apportioned among the classes as equally as possible as determined by the Board of Directors.~~ Vacancies, including newly created directorships, shall be filled only by a majority of the Directors then in office, though less than a quorum (as defined in the Bylaws), or by a sole remaining Director. Subject to any limitations imposed by a law, the Board of Directors, or any individual Director, may be removed from office at any time ~~only~~ with or without cause by the affirmative vote of the holders of at least ~~sixty-six and two thirds percent (66 2/3%)~~ a majority of the voting power of all the then-outstanding shares of capital stock entitled to vote generally in the election of Directors.

**ARTICLE VII**

No holder of shares of stock of the corporation shall have any preemptive or other right, except as such rights are expressly provided by contract, to purchase or subscribe for or receive any shares of any class, or series thereof, of stock of the corporation, whether now or hereafter authorized, or any warrants, options, bonds, debentures or other securities convertible into, exchangeable for or carrying any right to purchase any share of any class, or series thereof, of stock; but such additional shares of stock and such warrants, options, bonds, debentures or other securities convertible into, exchangeable for or carrying any right to purchase any shares of any class, or series thereof, of stock may be issued or disposed of by the Board of Directors to such persons, and on such terms and for such lawful consideration as in its discretion it shall deem advisable or as the corporation shall have by contract agreed.



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**ARTICLE VIII**

The corporation is to have a perpetual existence.

**ARTICLE IX**

The corporation reserves the right to repeal, alter, amend or rescind any provision contained in this Restated Certificate of Incorporation and/or any provision contained in any amendment to or restatement of this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

**ARTICLE X**

The Board of Directors may from time to time make, amend, supplement or repeal the Bylaws by the requisite affirmative vote of Directors as set forth in the Bylaws; provided, however, that the stockholders may change or repeal any bylaw adopted by the Board of Directors by the requisite affirmative vote of stockholders as set forth in the Bylaws; and, provided further, that no amendment or supplement to the Bylaws adopted by the Board of Directors shall vary or conflict with any amendment or supplement thus adopted by the stockholders.

**ARTICLE XI**

No action shall be taken by the stockholders of the corporation except at an annual or special meeting of stockholders called in accordance with the Bylaws, and no action shall be taken by the stockholders by written consent. Special meetings of the stockholders shall be called only by the Chief Executive Officer, the Chairman of the Board, or a majority of the Board of Directors.

**ARTICLE XII**

Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the corporation shall be given in the manner provided in the Bylaws of the corporation.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation has been signed under the seal of the corporation as of this ~~14~~<sup>30<sup>th</sup></sup> day of May, 20007.

~~/s/ Steven Jonker~~  
~~Steven K. Jonker, Incorporator~~

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**CERTIFICATE OF AMENDMENT**

**OF**

**CERTIFICATE OF INCORPORATION**

**OF**

**DISCOVERY PARTNERS INTERNATIONAL, INC.**

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, Discovery Partners International, Inc., a corporation organized and existing under the laws of the State of Delaware (the Corporation), does hereby certify as follows:

The name of the Corporation is Discovery Partners International, Inc. and the Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on May 11, 2000. The Board of Directors of the Corporation has duly adopted a resolution pursuant to Section 242 of the General Corporation Law of the State of Delaware setting forth a proposed amendment to the Certificate of Incorporation of the Corporation and declaring said amendment to be advisable. The requisite stockholders of the Corporation have duly approved said proposed amendment in accordance with Section 242 of the General Corporation Law of the State of Delaware. The amendment amends the Certificate of Incorporation of the Corporation as follows:

~~Effective upon the filing of this Certificate of Amendment of Certificate of Incorporation with the Secretary of State of the State of Delaware (the Effective Time), the shares of Common Stock issued and outstanding immediately prior to the Effective Time and the shares of Common Stock issued and held in the treasury of the Corporation immediately prior to the Effective Time are reclassified into a smaller number of shares such that each two to six shares of issued Common Stock immediately prior to the Effective Time is reclassified into one share of Common Stock, the exact ratio within the two to six range to be determined by the board of directors of the Corporation prior to the Effective Time and publicly announced by the Corporation. Notwithstanding the immediately preceding sentence, no fractional shares shall be issued and, in lieu thereof, upon surrender after the Effective Time of a certificate which formerly represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time, any person who would otherwise be entitled to a fractional share of Common Stock as a result of the reclassification, following the Effective Time, shall be entitled to receive a cash payment equal to the fraction to which such holder would otherwise be entitled multiplied by the closing price of a share of Common Stock on the NASDAQ Global Market immediately following the Effective Time.~~

~~Each stock certificate that, immediately prior to the Effective Time, represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time shall, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent that number of whole shares of Common Stock after the Effective Time into which the shares of Common Stock formerly represented by such certificate shall have been reclassified (as well as the right to receive cash in lieu of fractional shares of Common Stock after the Effective Time), provided, however, that each person of record holding a certificate that represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time shall receive, upon surrender of such certificate, a new certificate evidencing and representing the number of whole shares of Common Stock after the Effective Time into which the shares of Common Stock formerly represented by such certificate shall have been reclassified. IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by its~~

Steven H. Holtzman  
Chair and Chief Executive Officer ~~this 12th day of  
September, 2006.~~

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**CERTIFICATE OF AMENDMENT**

**OF**

**CERTIFICATE OF INCORPORATION**

**OF**

**DISCOVERY PARTNERS INTERNATIONAL, INC.**

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, Discovery Partners International, Inc., a corporation organized and existing under the laws of the State of Delaware (the Corporation), does hereby certify as follows:

The name of the Corporation is Discovery Partners International, Inc. and the Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on May 11, 2000. The Board of Directors of the Corporation has duly adopted a resolution pursuant to Section 242 of the General Corporation Law of the State of Delaware setting forth a proposed amendment to the Certificate of Incorporation of the Corporation and declaring said amendment to be advisable. The requisite stockholders of the Corporation have duly approved said proposed amendment in accordance with Section 242 of the General Corporation Law of the State of Delaware. The amendment amends the Certificate of Incorporation of the Corporation as follows:

Article I is hereby deleted in its entirety and replaced with the following:

~~The name of this corporation is Infinity Pharmaceuticals, Inc.~~

~~IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by its Chief Executive Officer this 12th day of September, 2006.~~

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Annex 1

**CERTIFICATE OF DESIGNATION**  
**OF**  
**SERIES A JUNIOR PARTICIPATING PREFERRED STOCK**  
**OF**  
**DISCOVERY PARTNERS INTERNATIONAL, INC.,**  
**FEBRUARY 13, 2003**  
**(PURSUANT TO SECTION 151 OF THE**  
**DELAWARE GENERAL CORPORATION LAW)**

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Discovery Partners International, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the Corporation ), hereby certifies that the following resolution was adopted by the board of directors of the Corporation as required by Section 151 of the General Corporation Law at a meeting duly called and held on February 13, 2003;

RESOLVED, that pursuant to the authority granted to and vested in the board of directors of the Corporation (hereinafter the Board ) in accordance with the provisions of the certificate of incorporation of the Corporation, as currently in effect, the Board hereby creates a series of Preferred Stock, par value \$0.001 per share (the Preferred Stock ), of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Series A Junior Participating Preferred Stock:

Section 1. Designation and Amount. The shares of such series shall be designated as Series A Junior Participating Preferred Stock (the Series A Preferred Stock ) and the number of shares constituting the Series A Preferred Stock shall be ninety nine thousand (99,000). Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

Section 2. Dividends and Distributions.

(a) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, each holder of a share of Series A Preferred Stock, in preference to the holders of shares of common stock, par value \$0.001 per share (the Common Stock ), of the Corporation, and of any other junior stock, shall be entitled to receive, when declared by the Board out of funds legally available for the purpose, dividends in an amount per share (rounded to the nearest cent) equal to, subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock. In the event the Corporation shall, at any time after February 13, 2003 (the Rights Declaration Date ), declare or pay any dividend on the Common Stock

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payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock (and an equivalent dividend is not declared on the Series A Preferred Stock or the Series A Preferred Stock is not similarly subdivided or combined), then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the shares of Series A Preferred Stock as provided in Section 2(a) immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided, however, that, in no event shall a dividend or distribution be declared by the Board on the Common Stock for which it does not declare and pay the dividend required to be declared on the Preferred Stock pursuant to Section 2(a).

(c) Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than sixty days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall, at any time after the Rights Declaration Date, declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock (and an equivalent dividend is not declared on the Series A Preferred Stock or the Series A Preferred Stock is not similarly subdivided or combined), then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein, in the Certificate of Incorporation, in any other Certificate of Designation creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and

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distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the shares of Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock; provided, that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board) to all holders of such shares upon such terms as the Board, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under Section 4(a), purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the certificate of incorporation, or in any other certificate of designation creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up.

(a) Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (i) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received the greater of (x) \$1,000 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon to the date of such payment (the Series A Liquidation Preference ) and (y) an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to the product of 1,000 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (ii) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall, at any time after the Rights Declaration Date declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock (and an equivalent dividend is not declared on the Series A Preferred Stock or the Series A Preferred Stock is not similarly subdivided or

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combined), then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (i) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, which rank on a parity with the Series A Preferred Stock, then such remaining assets shall be distributed ratably to the holders of Series A Preferred Stock and such parity shares in proportion to their respective liquidation preferences.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or converted or changed into other stock or securities, cash and/or any other property (or into the right to receive any of the foregoing), then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged, converted or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is converted, changed or exchanged. In the event the Corporation shall, at any time after the Rights Declaration Date declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock (and an equivalent dividend is not declared on the Series A Preferred Stock or the Series A Preferred Stock is not similarly subdivided or combined), then in each such case the amount set forth in the preceding sentence with respect to the conversion, exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. Rank. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

Section 10. Amendment. The certificate of incorporation of the Corporation shall not be amended, including any amendment through consolidation, merger, combination or other transaction, in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least a majority of the outstanding shares of Series A Preferred Stock, voting together as a single class.

IN WITNESS WHEREOF, this Certificate of Designation is executed on behalf of the Corporation as of the date first written above.

DISCOVERY PARTNERS INTERNATIONAL, INC.

By: /s/ RICCARD PIGLIUCCI  
**Riccardo Pigliucci**

**Chief Executive Officer**

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**Appendix B**

**AMENDMENT TO BYLAWS  
OF  
INFINITY PHARMACEUTICALS, INC.**

The Bylaws of Infinity Pharmaceuticals, Inc., as amended to date (the Bylaws ), are hereby further amended as follows:

1. Article III, Section 1 of the Bylaws is deleted in its entirety and replaced with the following:

~~Section 1. *Classes, Number, Term of Office and Qualification.* The Directors shall be classified into three classes as specified in the Certificate of Incorporation. At each Annual Meeting of Stockholders, Directors elected to succeed those Directors whose terms expire shall be elected for a term of office to expire at the third succeeding Annual Meeting of Stockholders after their election. Additional directorships resulting from an increase in the number of Directors shall be apportioned among the classes as equally as possible as determined by the Board of Directors. The number of Directors which shall constitute the whole Board shall not be less than six (6) nor more than ten (10) Directors, and the exact number shall be fixed by resolution of sixty-six and two-thirds percent (66-2/3%) of the Directors then in office or by sixty-six and two-thirds percent (66-2/3%) of the stockholders at the annual meeting of the stockholders, with the number initially fixed at seven (7). Each Director who is in office immediately prior to the closing of the polls for the election of Directors at the 2008 annual meeting of stockholders shall expire at such time. From and after the 2008 annual meeting of stockholders, each Director shall be elected ~~shall~~ to hold office ~~until his~~ for a term of one year, until the next annual meeting of stockholders and until such person's successor is duly elected and qualified., ~~subject to his or her earlier death, resignation or removal from the board of directors.~~ Directors need not be stockholders. The number of Directors which shall constitute the whole Board shall be established by the Board of Directors.~~

2. Article III, Section 13 of the Bylaws is deleted in its entirety and replaced with the following:

~~Section 13. *Removal.* Subject to any limitations imposed by law or the Certificate of Incorporation, as amended from time to time, the Board of Directors, or any individual Director, may be removed from office at any time ~~only~~ with or without cause by the affirmative vote of the holders of at least a ~~two-thirds~~ majority of the outstanding shares entitled to vote at an election of Directors.~~

3. Article X, Sections 1(b) and 1(c) are deleted in their entirety and replaced with the following:

(b) Notwithstanding any other provisions of these Bylaws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law, the Certificate of Incorporation, as amended from time to time, or any Preferred Stock Designation (as the term is defined in the Certificate of Incorporation, as amended), the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the Voting Stock, voting together as a single class, shall be required to alter, amend or repeal this paragraph (b) or Section 2, Section 5 or Section 10 of Article II ~~or Section 1, Section 2 or Section 13 of Article III~~ of these Bylaws.

(c) Notwithstanding any other provisions of these Bylaws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law, the Certificate of Incorporation, as amended



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from time to time, or any Preferred Stock Designation (as the term is defined in the Certificate of Incorporation, as amended from time to time), the affirmative vote of at least sixty-six and two-thirds percent (66-2/3%) of the Directors, shall be required to alter, amend or repeal this paragraph (c) or Section 2, Section 5 or Section 10 of Article II ~~or Section 1, Section 2 or Section 13 of Article III~~ of these Bylaws.

Except as aforesaid, the Bylaws shall remain in full force and effect.

Adopted by the Board of Directors on

March 13, 2007.

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**SUBMIT A PROXY BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

*INFINITY PHARMACEUTICALS, INC.*  
*C/O AMERICAN STOCK TRANSFER*  
*6201 15TH AVE*  
*BROOKLYN, NY 11219*

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS**

If you would like to reduce the costs incurred by Infinity Pharmaceuticals, Inc. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

**SUBMIT A PROXY BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**SUBMIT A PROXY BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Infinity Pharmaceuticals, Inc., c/o ADP, 51 Mercedes Way, Edgewood, NY 11717.

MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

INFPH1      KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**INFINITY PHARMACEUTICALS, INC.**

**A VOTE FOR THE DIRECTOR NOMINEES AND FOR PROPOSAL NUMBERS 2, 3 and 4 IS RECOMMENDED BY THE BOARD OF DIRECTORS**

**Vote On Directors**

1. Election of Class I directors

**For Against Abstain**

**NOMINEES:**

01) Eric S. Lander, Ph.D.

.. .. ..

02) Franklin H. Moss, Ph.D.

.. .. ..

03) Herm Rosenman

.. .. ..

04) James B. Tananbaum, Ph.D.

.. .. ..

**For Against Abstain**

**Vote On Proposals**

2. To approve the amendment and restatement of our certificate of incorporation to declassify our board and provide for the annual election of directors beginning at the 2008 annual meeting of stockholders and to allow for the removal of directors without cause and certain other changes.

.. .. ..

3. To approve the amendment of Article III, Sections 1 and 13 and Article X, Section 1(b) and (c) of our by-laws to declassify our board and provide for the annual election of directors beginning at the 2008 annual meeting of stockholders and to allow for the removal of directors without cause and certain other changes.

.. .. ..

4. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the current fiscal year.

.. .. ..

For address changes/comments, please check this box and write them on the back where indicated.

..

**Yes No**

Please indicate if you plan to attend this meeting

.. ..

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

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**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

**INFINITY PHARMACEUTICALS, INC.**

**ANNUAL MEETING OF STOCKHOLDERS**

**MAY 30, 2007**

Those signing on the reverse side, revoking any prior proxies, hereby appoint(s) Steven H. Holtzman, Adelene Q. Perkins and Gerald E. Quirk, or each of them, with full power of substitution, as proxies for those signing on the reverse side to act and vote at the 2007 Annual Meeting of Stockholders of Infinity Pharmaceuticals, Inc. and at any adjournments or postponements thereof as indicated upon all matters referred to on the reverse side and described in the Proxy Statement for the Annual Meeting, and, in their discretion, upon any other matters which may properly come before the Annual Meeting.

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE UNDERSIGNED STOCKHOLDER. IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS AND FOR PROPOSAL NUMBERS 2, 3 and 4.**

Please sign this proxy exactly as your name appears hereon. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign. If a corporation or partnership, this signature should be that of an authorized officer who should state his or her title.

**UNLESS SUBMITTING A PROXY FOR THESE SHARES OVER THE INTERNET OR BY TELEPHONE, PLEASE MARK, SIGN, DATE, AND RETURN THIS PROXY CARD PROMPTLY IN ENCLOSED REPLY ENVELOPE**

**Address Changes/Comments:** \_\_\_\_\_

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(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**CONTINUED AND TO BE SIGNED ON THE REVERSE SIDE**