

REGENERON PHARMACEUTICALS INC  
Form DEF 14A  
April 29, 2013

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

Edgar Filing: REGENERON PHARMACEUTICALS INC - Form DEF 14A

- 1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- 2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
- 4) Proposed maximum aggregate value of transaction:
  
  
  
  
  
  
  
  
  
  
- 5) Total fee paid:

Fee paid previously with preliminary materials:

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

- 1) Amount previously paid:
  
  
  
  
  
  
  
  
  
  
- 2) Form, Schedule or Registration Statement No.:
  
  
  
  
  
  
  
  
  
  
- 3) Filing Party:
  
  
  
  
  
  
  
  
  
  
- 4) Date Filed:

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

April 26, 2013

Dear Fellow Shareholders:

It is my pleasure to invite you to attend the 2013 Annual Meeting of Shareholders of Regeneron Pharmaceuticals, Inc. to be held on Friday, June 14, 2013 at 10:30 a.m. 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 26, 2013, 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 2012 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 2012 annual report.

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 of interest to Regeneron's shareholders.

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 14<sup>th</sup>.

Sincerely,

P. Roy Vagelos, M.D.

*Chairman of the Board of Directors*

**REGENERON PHARMACEUTICALS, INC.**

**777 Old Saw Mill River Road**

**Tarrytown, New York 10591**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

The 2013 Annual Meeting of Shareholders of Regeneron Pharmaceuticals, Inc. (the Company) will be held on Friday, June 14, 2013, commencing at 10:30 a.m., at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York, for the following purposes:

- (1) to elect four 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, 2013; and

(3) 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 17, 2013 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 26, 2013, 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 e-mail copy of any of the proxy statement, our 2012 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,

Joseph J. LaRosa

*Senior Vice President, General Counsel and Secretary*

April 26, 2013

**REGENERON PHARMACEUTICALS, INC.**

**777 Old Saw Mill River Road**

**Tarrytown, New York 10591**

April 26, 2013

**PROXY STATEMENT**

**GENERAL INFORMATION ABOUT THE MEETING**

**Where and when will the 2013 Annual Meeting be held?**

The 2013 Annual Meeting is scheduled for June 14, 2013, commencing at 10:30 a.m., at the Westchester Marriott Hotel, 670 White Plains Road, Tarrytown, New York 10591. If you are planning to attend the meeting, directions to this location are available on our website at [www.regeneron.com](http://www.regeneron.com).

**Why did you receive a notice in the mail regarding the Internet availability of proxy materials instead of a paper copy of the proxy materials?**

The Notice and Access rules of the United States Securities and Exchange Commission (the SEC) permit us to furnish proxy materials, including this proxy statement and our annual report, to our shareholders by providing access to such documents on the Internet instead of mailing printed copies. Most shareholders received a Notice of Internet Availability of Proxy Materials (the Notice) and will not receive printed copies of the proxy materials unless they request them. The Notice will be mailed beginning on or about April 26, 2013. The Notice includes instructions on how you may access and review all of our proxy materials via the Internet. The Notice also includes instructions on how you may vote your shares. If you would like to receive a paper or e-mail copy of our proxy materials, you should follow the instructions in the Notice for requesting such materials. Any request to receive proxy materials by mail or e-mail will remain in effect until you revoke it.

**Why didn't you receive a notice in the mail about the Internet availability of the proxy materials?**

Shareholders who previously elected to access the proxy materials over the Internet will not receive a notice in the mail about the Internet availability of the proxy materials. Instead, these shareholders should have received an e-mail with links to the proxy materials and the proxy voting website. In addition, shareholders who participate and hold shares of common stock in the Regeneron Pharmaceuticals, Inc. 401(k) Savings Plan will receive copies of the proxy materials.

**Can you vote your shares by filling out and returning the Notice?**

No. The Notice identifies the items to be voted on at the Annual Meeting, but you cannot vote by marking the Notice and returning it. The Notice provides instructions on how to vote by Internet, by requesting and returning a paper proxy card, or by submitting a ballot in person at the meeting.

**Why did we send you the Notice?**

We sent you the Notice regarding this proxy statement because Regeneron's board of directors is asking (technically called soliciting) holders of the Company's common stock, par value \$.001 per share, and Class A stock, par value \$.001 per share, to provide proxies to be voted at our 2013 Annual Meeting of Shareholders or at any adjournment(s) or postponement(s) of the meeting.

**Who is entitled to vote at the Annual Meeting?**

Only shareholders of record at the close of business on the record date, April 17, 2013, are entitled to vote at the Annual Meeting shares of common stock and/or Class A stock held of record on that date. As of April 17, 2013, 95,908,088 shares of common stock and 2,058,057 shares of Class A stock were issued and outstanding. The common stock and the Class A stock vote together on all matters as a single class, with the common stock being entitled to one vote per share and the Class A stock being entitled to ten votes per share.

**What are you being asked to vote on?**

We are asking you to vote on:

the election of four directors for a term of three years (Proposal No. 1); and

ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2013 (Proposal No. 2).

**What are the Board's recommendations?**

The board of directors recommends that you vote:

**FOR** election of the four nominated directors (Proposal No. 1); and

**FOR** ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013 (Proposal No. 2).

**How can you vote?**

*In person.* If you are a shareholder of record, you may vote in person at the Annual Meeting. The Company will give you a ballot when you arrive. If you are a beneficial owner of shares held in the name of your bank, broker, or other nominee, or in street name, to vote in person at the Annual Meeting you must obtain from your nominee and bring to the meeting a legal proxy authorizing you to vote such shares held as of the record date. We recommend you vote by proxy even if you plan to attend the meeting. You can always change your vote at the meeting. Instructions on voting by proxy are included below.

*Via the Internet.* You may vote by proxy via the Internet by visiting [www.proxyvote.com](http://www.proxyvote.com). You will need the 12 digit control number included on the Notice or, if you received a paper copy of the proxy materials, the proxy card or voting instruction form you received. You may vote via the Internet through 11:59 p.m., Eastern Time, on June 13, 2013.

*Via telephone.* If you received printed copies of the proxy materials, you may vote by proxy via telephone by calling the toll free number found on the proxy card or the voting instruction form. You will need the 12 digit control number included on the proxy card or voting instruction form. You may vote via telephone through 11:59 p.m., Eastern Time, on June 13, 2013.

*By mail.* If you received printed copies of the proxy materials, you may vote by proxy by completing the proxy card or voting instruction form and returning it in the envelope provided.

**How are proxies voted?**

If you vote by proxy in time for it to be voted at the Annual Meeting, one of the individuals named as your proxy will vote your shares as you have directed. If you submit a proxy, but no indication is given as to how to vote your shares as to a proposal, your shares will be voted in the manner recommended by the board of directors. The board of directors knows of no matter, other than those indicated above under "What are you being asked to vote on?", to be presented at the Annual Meeting. If any other matter properly comes before the Annual Meeting, the persons named and designated as proxies will vote your shares in their discretion.

If you are the beneficial owner of shares held in street name, your broker will *not* have discretionary voting authority to vote those shares with respect to the election of directors (Proposal No. 1). Therefore, if you do not furnish your broker with voting instructions, a broker non-vote will result and your shares will not be voted on Proposal No. 1. Brokers holding your shares in their name will have discretionary voting authority to vote those shares with respect to the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013 (Proposal No. 2) without instruction from you, and, accordingly, broker non-votes will not occur with respect to Proposal No. 2. If you are a shareholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the annual meeting.





**If you are a Regeneron employee or former employee, how do you vote shares in the Company Stock Fund in your 401(k) account?**

If you participate and hold shares of common stock in the Regeneron Pharmaceuticals, Inc. 401(k) Savings Plan, you may provide voting instructions to Fidelity Management Trust Company, the plan's trustee, (1) through the Internet at [www.proxyvote.com](http://www.proxyvote.com) by 11:59 p.m., Eastern Time, on June 11, 2013, (2) by calling 1-800-690-6903 by 11:59 p.m., Eastern Time, on June 11, 2013, or (3) by returning your completed proxy card by mail. The trustee will vote your shares in accordance with your instructions. If you do not provide timely voting instructions to the trustee, the trustee will vote your shares in the same proportion as the shares for which the trustee receives voting instructions from other participants in the plan.

**Can you change your vote or revoke your proxy?**

Yes. You may change your vote or revoke your proxy at any time before the proxy is exercised. If you voted by proxy electronically through the Internet or by telephone as described above, you may simply vote again at a later date using the same procedures, in which case the later submitted proxy will be recorded and the earlier vote revoked. If you submitted your proxy by mail, you must (i) file with the Secretary or Assistant Secretary of the Company, at or before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy you previously submitted or (ii) duly execute a later dated proxy relating to the same shares and deliver it to the Secretary or Assistant Secretary of the Company or other designee before the taking of the vote at the Annual Meeting. Attendance at the Annual Meeting will not have the effect of revoking a proxy unless you give written notice of revocation to the Secretary or Assistant Secretary of the Company before the proxy is exercised or you vote by written ballot at the Annual Meeting. If you hold your shares through a broker, bank, or other nominee in street name, you will need to contact them or follow the instructions in the voting instruction form used by the firm that holds your shares to revoke your proxy.

**What constitutes a quorum?**

The presence at the Annual Meeting, in person or by proxy, of the holders as of the record date of shares of common stock and Class A stock having a majority of the voting power of all shares of common stock and Class A Stock outstanding on the record date will constitute a quorum for the transaction of business at the Annual Meeting. Shares held as of the record date by holders who are present or represented by proxy at the Annual Meeting but who have abstained from voting or have not voted with respect to some or all of such shares on any proposal to be voted on at the Annual Meeting will be counted as present for purposes of establishing a quorum.

**What vote is required to approve each item?**

The election of directors (Proposal No. 1) will be determined by a plurality of the votes cast in person or by proxy at the Annual Meeting. Approval of the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013 (Proposal No. 2) requires the affirmative vote of a majority of the votes cast on the matter in person or by proxy at the Annual Meeting. If any other matter is properly brought before the Annual Meeting, such matter also will be determined by the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting.

**What is the effect of abstentions and broker non-votes?**

Shares represented by proxies which are marked **WITHHELD** with regard to the election of directors (Proposal No. 1) will be excluded entirely from the vote on this proposal and thus will have no effect on the outcome of the vote. Shares represented by proxies which are marked **ABSTAIN** with regard to the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013 (Proposal No. 2) will have no effect on the outcome of the vote on that proposal because abstentions do not constitute votes cast. Similarly, broker non-votes that may occur with respect to the election of directors (Proposal No. 1) are not considered votes cast and, therefore, will have no effect on the outcome of the vote on that proposal.

---

**PROPOSAL NO. 1: ELECTION OF DIRECTORS**

Pursuant to the Company's Certificate of Incorporation, the board of directors is divided into three classes, denominated Class I, Class II, and Class III, with members of each class holding office for staggered three-year terms. There are currently three Class I Directors whose term expires at the 2013 Annual Meeting, four Class II Directors whose term expires at the 2014 Annual Meeting, and five Class III Directors whose term expires at the 2015 Annual Meeting (in all cases, subject to the election and qualification of their successors and to their earlier death, resignation, or removal).

The board of directors, upon the recommendation of the Corporate Governance and Compliance Committee, has nominated for election at the 2013 Annual Meeting Leonard S. Schleifer, M.D., Ph.D., Eric M. Shooter, Ph.D., and George D. Yancopoulos, M.D., Ph.D. as Class I Directors for a three-year term expiring at the 2016 Annual Meeting. In addition, consistent with Article VI of the Company's Certificate of Incorporation and Section 704 of the New York Business Corporation Law, the board of directors has determined that it would be in the best interests of the Company and its shareholders to apportion the directorships equally among the three classes of the board so that each class consists of four directors. To effect this equal apportionment, the board of directors, upon recommendation of the Corporate Governance and Compliance Committee, has also nominated Michael S. Brown, M.D., currently a Class III Director whose term expires at the 2015 Annual Meeting, for election as a Class I Director at the 2013 Annual Meeting for a three-year term expiring at the 2016 Annual Meeting. If for any reason Dr. Brown is not elected as a Class I Director at the 2013 Annual Meeting, he will continue to serve as a Class III Director and his term will expire at the 2015 Annual Meeting.

Biographical information is given below, as of April 17, 2013, for each nominee for Class I Director, and for each Class II and Class III Director whose term of office will continue after the 2013 Annual Meeting. All the nominees are presently directors and were previously elected by the shareholders. None of the corporations or other organizations referred to below with which a director has been or is currently employed or otherwise associated is a parent, subsidiary, or affiliate of the Company.

**The Board Unanimously Recommends a Vote FOR the Election of Michael S. Brown, M.D., Leonard S. Schleifer, M.D., Ph.D., Eric M. Shooter, Ph.D., and George D. Yancopoulos, M.D., Ph.D. as Class I Directors for a three-year term expiring at the 2016 Annual Meeting.**

**Nominees for Class I Directors for Election at the 2013 Annual Meeting**

**for a Term Expiring at the 2016 Annual Meeting**

**Michael S. Brown, M.D.**

MICHAEL S. BROWN, M.D., 72, has been a Director of the Company since June 1991. Dr. Brown holds the Distinguished Chair in Biomedical Sciences, a position he has held since 1989, is a Regental Professor of Molecular Genetics and Internal Medicine, and the Director of the Jonsson Center for Molecular Genetics, at The University of Texas Southwestern Medical Center at Dallas, positions he has held since 1985. Drs. Brown and Goldstein jointly received the Nobel Prize for Physiology or Medicine in 1985. Dr. Brown is a member of the National Academy of Sciences, the Institute of Medicine, and Foreign Member of the Royal Society (London). Dr. Brown retired as a member of the board of directors of Pfizer Inc. in 2012. Dr. Brown's distinguished scientific and academic background, including his receipt of the Nobel Prize for Physiology or Medicine in 1985, and his significant industry experience gained through his service on the board of directors of the Company and of a leading pharmaceutical company, led to the board's decision to nominate Dr. Brown for reelection to the board.

**Leonard S. Schleifer, M.D.,  
Ph.D.**

LEONARD S. SCHLEIFER, M.D., Ph.D., 60, founded the Company in 1988, has been a Director and its President and Chief Executive Officer since its inception, and served as Chairman of the Board from 1990 through 1994. Dr. Schleifer is a licensed physician and is certified in Neurology by the American Board of Psychiatry and Neurology. With more than 25 years of experience as Chief Executive Officer of the Company, Dr. Schleifer brings to the board an incomparable knowledge of the Company, significant leadership experience, and an in-depth understanding of the complex research, drug development, and business issues facing companies in the biopharmaceutical industry. Dr. Schleifer's significant industry and leadership experience, as well as his extensive knowledge of the Company, led to the board's decision to nominate Dr. Schleifer for reelection to the board.

**Eric M. Shooter, Ph.D.**

ERIC M. SHOOTER, Ph.D., 88, a co-founder of the Company, has been a non-employee Director since 1988. Dr. Shooter has been a Professor at Stanford University School of Medicine since 1968 and is now a Professor Emeritus. He was the founding Chairman of the Department of Neurobiology at Stanford University School of Medicine in 1975 and served as its Chairman until 1987. Dr. Shooter is a Fellow of the Royal Society of London and a member of the National Academy of Sciences. Dr. Shooter is a respected pioneer and thought leader in the area of neurobiology research who is perhaps best known for characterizing the protein known as nerve growth factor, or NGF. Dr. Shooter's extensive research experience and his distinguished scientific and academic background led to the board's decision to nominate Dr. Shooter for reelection to the board.

**George D.  
Yancopoulos, M.D., Ph.D.**

GEORGE D. YANCOPOULOS, M.D., Ph.D., 53, joined the Company in 1989 as its Founding Scientist and is currently President, Regeneron Laboratories and Chief Scientific Officer. While holding leadership positions, Dr. Yancopoulos headed the Company's laboratories and science organization since joining the Company and, in 1998, was named the Company's first Chief Scientific Officer. Dr. Yancopoulos joined the board in 2001. He received his M.D. and Ph.D. from Columbia University. Dr. Yancopoulos was the 11th most highly cited scientist in the world in the 1990s, and in 2004 he was elected to be a member of the National Academy of Sciences. Dr. Yancopoulos, together with key members of his team, is a principal inventor and developer of the Company's three FDA-approved drugs, EYLEA® (aflibercept) Injection, ZALTRAP® (ziv-aflibercept) Injection for Intravenous Infusion, and ARCALYST® (rilonacept) Injection for Subcutaneous Use, as well as of its foundation technologies, including the TRAP technology, VelociGene®, and VelocImmune®. As one of the few members of the National Academy of Sciences from industry and as an author of a substantial number of scientific publications, Dr. Yancopoulos has a distinguished record of scientific expertise. Dr. Yancopoulos also brings to the board his experience in leading and managing a complex research and development organization and his in-depth knowledge of the Company's technologies and research and development programs. Dr. Yancopoulos' significant industry and scientific experience, as well as his extensive knowledge of the Company, led to the board's decision to nominate Dr. Yancopoulos for reelection to the board.

**Class II Directors Continuing in Office**

**Term Expires at the 2014 Annual Meeting**

**Alfred G. Gilman, M.D., Ph.D.**

ALFRED G. GILMAN, M.D., Ph.D., 71, a co-founder of the Company, has been a non-employee Director of the Company since July 1990. Dr. Gilman is a Regental Professor Emeritus of Pharmacology at The University of Texas Southwestern Medical Center at Dallas. He was the chief scientific officer of the Cancer Prevention and Research Institute of Texas from 2009 to 2012. He previously served as executive vice president for academic affairs and provost of The University of Texas Southwestern Medical Center at Dallas, dean of The University of Texas Southwestern Medical School, and professor of pharmacology at The University of Texas Southwestern Medical Center. Dr. Gilman is a member of the National Academy of Sciences, and he received the Nobel Prize for Physiology or Medicine in 1994. He is one of the inaugural fellows of the American Association of Cancer Research. Dr. Gilman is a member of the Board of Directors of Eli Lilly & Company. Dr. Gilman's distinguished scientific and academic background, including his receipt of the Nobel Prize for Physiology or Medicine in 1994, and his leadership positions at the Cancer Prevention and Research Institute of Texas, The University of Texas Southwestern Medical Center at Dallas, and The University of Texas Southwestern Medical School, together with his extensive experience as a director of the Company and of a leading pharmaceutical company, led the board to conclude that Dr. Gilman should serve as a director.

**Joseph L. Goldstein, M.D.**

JOSEPH L. GOLDSTEIN, M.D., 72, has been a Director of the Company since June 1991. Dr. Goldstein has been a Professor of Molecular Genetics and Internal Medicine and the Chairman of the Department of Molecular Genetics at The University of Texas Southwestern Medical Center at Dallas since 1977. Dr. Goldstein is a member of the National Academy of Sciences, the Institute of Medicine, and the Royal Society (London). He also serves on the Boards of Trustees of The Rockefeller University and the Howard Hughes Medical Institute. Drs. Goldstein and Brown jointly received the Nobel Prize for Physiology or Medicine in 1985. Dr. Goldstein's extensive research experience, his distinguished scientific and academic credentials, including his receipt of the Nobel Prize for Physiology or Medicine in 1985, and his substantial understanding of the Company gained through his service as a director since 1991, led the board to conclude that Dr. Goldstein should serve as a director.

**Christine A. Poon**

CHRISTINE A. POON, 60, has been a director of the Company since November 2010. Ms. Poon is Dean and holds the John W. Berry, Sr. Chair in Business at The Max M. Fisher College of Business at The Ohio State University, a position she has held since 2009. Prior to joining Fisher, Ms. Poon spent eight years at Johnson & Johnson, most recently as vice chairman and worldwide chairman of pharmaceuticals. At Johnson & Johnson, she served on the company's board of directors and executive committee and was responsible for managing the pharmaceutical businesses of the company. Prior to joining Johnson & Johnson, Ms. Poon spent 15 years at Bristol-Myers Squibb Company, a pharmaceutical company, where she held senior leadership positions including president of international medicines and president of medical devices. Ms. Poon serves on the board of directors of Prudential Financial, Inc. and the Supervisory Board of Royal Philips Electronics. Ms. Poon's extensive expertise in domestic and international business operations, including sales and marketing and commercial operations, and her deep strategic and operational knowledge of the pharmaceutical industry, led the board to conclude that Ms. Poon should serve as a director.

**P. Roy Vagelos, M.D.**

P. ROY VAGELOS, M.D., 83, has been Chairman of the Board of the Company since January 1995. Prior to joining Regeneron, Dr. Vagelos was Chairman of the Board and Chief Executive Officer of Merck & Co., Inc., a global pharmaceutical company. He joined Merck in 1975, became a director in 1984, President and Chief Executive Officer in 1985, and Chairman in 1986. Dr. Vagelos retired from all positions with Merck in 1994. Dr. Vagelos served on the board of directors of Theravance, Inc. through April 2010. During his tenure as Chairman of the Company and previously as Chairman and Chief Executive Officer of Merck, Dr. Vagelos developed an extensive understanding of the complex business, operational, scientific, regulatory, and commercial issues facing the pharmaceutical industry. Dr. Vagelos' tenure and experience with the Company and Merck, his extensive knowledge of the pharmaceutical industry, his substantial leadership experience, and his significant understanding of the Company led the board to conclude that Dr. Vagelos should serve as a director.

**Class III Directors Continuing in Office**

**Term Expires at the 2015 Annual Meeting**

**Charles A. Baker**

CHARLES A. BAKER, 80, has been a Director of the Company since February 1989. In September 2000, Mr. Baker retired as Chairman, President, and Chief Executive Officer of The Liposome Company, Inc., a biopharmaceutical company, a position he had held since December 1989. During his career, Mr. Baker served in a senior management capacity in various other pharmaceutical companies, including tenures as Group Vice President, Squibb Corporation (now Bristol-Myers Squibb Company) and President, Squibb International, and various senior executive positions at Abbott Laboratories and Pfizer Inc. Mr. Baker is a member of the board of directors of Progenics Pharmaceuticals, Inc., a biopharmaceutical company. Mr. Baker's substantial commercial experience gained from leadership roles at biopharmaceutical and pharmaceutical companies, his extensive industry knowledge, his having overseen the approval, manufacture, and marketing of pharmaceutical products throughout the world and having led a biotechnology company to sustained profitability, and his significant understanding of the Company led the board to conclude that Mr. Baker should serve as a director.

**Arthur F. Ryan**

ARTHUR F. RYAN, 70, has been a Director of the Company since January 2003. In 2008, Mr. Ryan retired as the Chairman of the Board of Prudential Financial, Inc., one of the largest diversified financial institutions in the world. He served as Chief Executive Officer of Prudential until December 2007. Prior to joining Prudential in December 1994, Mr. Ryan served as President and Chief Operating Officer of Chase Manhattan Bank since 1990. Mr. Ryan managed Chase's worldwide retail bank between 1984 and 1990. Mr. Ryan is a non-executive director of the Royal Bank of Scotland Group plc. Mr. Ryan's substantial leadership experience as a chief executive officer of leading companies in the banking and insurance industries, and his extensive business experience and financial expertise, led the board to conclude that Mr. Ryan should serve as a director.

**George L. Sing**

GEORGE L. SING, 63, has been a Director of the Company since January 1988. Since 1998, he has been a Managing Director of Lancet Capital, a venture capital investment firm in the healthcare field. Since January 2004, Mr. Sing has served as Chief Executive Officer of Stemnion, Inc., a bio-medical company in the regenerative medicine field. Mr. Sing's extensive healthcare and financial expertise as a healthcare venture capital investor and biomedical company chief executive officer, his executive leadership experience, and his substantial knowledge of the Company, led the board to conclude that Mr. Sing should serve as a director.

**Marc Tessier-Lavigne, Ph.D.**

MARC TESSIER-LAVIGNE, Ph.D., 53, has been a Director of the Company since November 2011. Dr. Tessier-Lavigne has been the President of The Rockefeller University since March 2011. Previously, he served as Executive Vice President and Chief Scientific Officer at Genentech, Inc., which he joined in 2003. He was a professor at Stanford University from 2001 to 2003 and at the University of California, San Francisco from 1991 to 2001. Dr. Tessier-Lavigne is a member of the National Academy of Sciences, the Institute of Medicine, and a fellow of the Royal Societies of the United Kingdom and Canada. Dr. Tessier-Lavigne is a member of the Board of Directors of Pfizer Inc. Dr. Tessier-Lavigne's distinguished scientific and academic background, and his significant industry experience, including experience in senior scientific leadership roles at a leading biopharmaceutical company, led the board to conclude that Dr. Tessier-Lavigne should serve as a director.



## CORPORATE GOVERNANCE

### Procedures Relating to Nominees

The Corporate Governance and Compliance Committee will consider a nominee for election to the board of directors recommended by a shareholder of record, if the shareholder submits the nomination in compliance with the requirements of our by-laws and the Guidelines Regarding Director Nominations, which are available on our website at [www.regeneron.com](http://www.regeneron.com) under the Corporate Governance heading on the Company page.

In considering potential candidates for the board of directors, the Corporate Governance and Compliance Committee considers factors such as whether or not a potential candidate: (1) possesses relevant expertise; (2) brings skills and experience complementary to those of the other members of the board; (3) has sufficient time to devote to the affairs of the Company; (4) has demonstrated excellence in his or her field; (5) has the ability to exercise sound business judgment; (6) has the commitment to rigorously represent the long-term interests of the Company's shareholders; (7) possesses a diverse background and experience, including with respect to race, age, and gender; and (8) such other factors as the Corporate Governance and Compliance Committee may determine from time to time.

Candidates for director are reviewed in the context of the current composition of the board of directors, the operating requirements of the Company, and the long-term interests of shareholders. In conducting the assessment, the Committee considers the individual's independence, experience, skills, background, and diversity, including with respect to race, age, and gender, along with such other factors as it deems appropriate, given the current needs of the board and the Company to maintain a balance of knowledge, experience, and capabilities. When recommending a slate of director nominees each year, the Corporate Governance and Compliance Committee reviews the current composition of the board of directors in order to recommend a slate of directors who, with the continuing directors, will provide the board with the requisite diversity of skills, expertise, experience, and viewpoints necessary to effectively fulfill its duties and responsibilities.

In the case of an incumbent director whose term of office is set to expire, the Corporate Governance and Compliance Committee reviews such director's overall service to the Company during the director's term and also considers the director's interest in continuing as a member of the board. In the case of a new director candidate, the Corporate Governance and Compliance Committee also reviews whether the nominee is independent, based on applicable listing standards of the NASDAQ Stock Market LLC and applicable SEC and New York State rules and regulations, if necessary.

The Corporate Governance and Compliance Committee may employ a variety of methods for identifying and evaluating nominees for the board of directors. The Corporate Governance and Compliance Committee may consider candidates recommended by other directors, management, search firms, shareholders, or other sources. When conducting searches for new directors, the Corporate Governance and Compliance Committee will take reasonable steps to include diverse candidates in the pool of nominees and any search firm will affirmatively be instructed to seek to include diverse candidates. Candidates recommended by shareholders will be evaluated on the same basis as candidates recommended by our directors or management or by third party search firms or other sources. Candidates may be evaluated at regular or special meetings of the Corporate Governance and Compliance Committee.

### Shareholder Communications with Directors

The Company has established a process for shareholders to send communications to the members of the board of directors. Shareholders may send such communications by mail addressed to the full board, a specific member or members of the board, or a particular committee of the board, at 777 Old Saw Mill River Road, Tarrytown, New York 10591, Attention: Corporate Secretary. All such communications will be opened by our Corporate Secretary or Assistant Secretary for the sole purpose of determining whether the contents represent a message to our directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the board or any individual director or group or committee of directors, the Corporate Secretary will make sufficient copies of the contents to send to such director or each director who is a member of the group or committee to which the envelope is addressed.

**Board Committees**

The board has a standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, a Compensation Committee, and a Corporate Governance and Compliance Committee, each of which is comprised entirely of independent directors. The Corporate Governance and Compliance Committee is responsible for reviewing and recommending for the board's selection candidates to serve on our board of directors and for overseeing all aspects of the Company's compliance program other than financial compliance. The board also has a standing Technology Committee. The board has adopted charters for the Audit Committee, Compensation Committee, Corporate Governance and Compliance Committee, and Technology Committee, current copies of which are available on our website at [www.regeneron.com](http://www.regeneron.com) under the Corporate Governance heading on the Company page.

We show below information on the membership, key functions, and number of meetings of each board committee during 2012. There were no changes in committee membership in 2012.

Name of Committee and Members	Key Functions of the Committee	Number of Meetings Held in 2012
<b>AUDIT</b>		
George L. Sing, <i>Chairman</i>	Select the independent registered public accounting firm, review and approve its engagement letter, and monitor its independence and performance.	9
Charles A. Baker		
Arthur F. Ryan		
	Review the overall scope and plans for the annual audit by the independent registered public accounting firm.	
	Approve performance of non-audit services by the independent registered public accounting firm and evaluate the performance and independence of the independent registered public accounting firm.	
	Review and approve the Company's periodic financial statements and the results of the year-end audit.	
	Review and discuss the adequacy and effectiveness of the Company's accounting and internal control policies and procedures.	
	Evaluate the internal audit process for establishing the annual audit plan; review and approve the appointment and replacement of the Company's Chief Audit Executive, if applicable, and any outside entities providing internal audit services and evaluate their performance on an annual basis.	
	Review the independent registered public accounting firm's recommendations concerning the Company's financial practices and procedures.	

Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Review and approve any related person transaction.

Prepare an annual report of the Audit Committee for inclusion in the proxy statement and annually evaluate the Audit Committee Charter.

Oversee the Company's risk management program.

Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

Name of Committee and Members	Key Functions of the Committee	Number of Meetings Held in 2012
<b>COMPENSATION</b>		
Marc Tessier-Lavigne, Ph.D., <i>Chairman</i>	Evaluate the performance of the Chief Executive Officer and other executive officers of the Company and, subject to obtaining prior approval of the Chief Executive Officer's compensation by the non-employee members of the board of directors, approve compensation for such employees.	9
Charles A. Baker		
Joseph L. Goldstein, M.D.		
Christine A. Poon	Approve the total compensation budget for all Company employees.	
George L. Sing	Oversee the Company's compensation and benefit philosophy and programs generally.	
	Prepare an annual report of the Compensation Committee for inclusion in the proxy statement.	
	Review and approve the Compensation Discussion and Analysis to be included in the Company's proxy statement.	
<b>CORPORATE GOVERNANCE AND COMPLIANCE</b>		
Alfred G. Gilman, M.D., Ph.D.,	Identify qualified individuals to become members of the board and recommend such candidates to the board.	5
<i>Chairman</i>		
Michael S. Brown, M.D.		
Christine A. Poon	Assess the functioning of the board and its committees and make recommendations to the board concerning the appropriate size, function, and needs of the board.	
Arthur F. Ryan	Make recommendations to the board regarding non-employee director compensation.	
	Make recommendations to the board regarding corporate governance matters and practices.	
	Oversee all aspects of the Company's comprehensive compliance program other than financial compliance.	
<b>TECHNOLOGY</b>		
Michael S. Brown, M.D., <i>Chairman</i>	Review and evaluate the Company's research and clinical development programs, plans, and policies.	2

## Edgar Filing: REGENERON PHARMACEUTICALS INC - Form DEF 14A

Alfred G. Gilman, M.D., Ph.D.

Joseph L. Goldstein, M.D.

Eric M. Shooter, Ph.D.

Marc Tessier-Lavigne, Ph.D.

P. Roy Vagelos, M.D.

Leonard S. Schleifer, M.D., Ph.D.\*

George D. Yancopoulos, M.D., Ph.D.\*

*\*Ex Officio Member*

### **Code of Ethics**

The board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers, and directors. You can find links to this code on our website at [www.regeneron.com](http://www.regeneron.com) under

the Corporate Governance heading on the Company page. We may satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to, or a waiver from, a provision of our code of business conduct and ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, or controller, or persons performing similar functions, by posting such information on our website where it is accessible through the same link noted above.

### **Director Independence**

The board of directors has determined that each of the following directors is independent as defined in the listing standards of The NASDAQ Stock Market LLC: Charles A. Baker, Michael S. Brown, M.D., Alfred G. Gilman, M.D., Ph.D., Joseph L. Goldstein, M.D., Christine A. Poon, Arthur F. Ryan, Eric M. Shooter, Ph.D., George L. Sing, and Marc Tessier-Lavigne, Ph.D. These individuals are affiliated with numerous educational institutions, hospitals, charities and corporations, as well as civic organizations and professional associations. The Board considered each of these relationships and determined that none of these relationships conflicted with the interests of the Company or would impair their independence or judgment. The board conducts executive sessions of independent directors following each regularly scheduled board meeting.

The board of directors has determined that each of the current members of the Audit Committee, Messrs. Baker, Ryan, and Sing, is an audit committee financial expert as that term is defined in Item 407(d)(5)(ii) of Regulation S-K under the Securities Exchange Act of 1934, as amended, meets the required standards for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended, and is independent as defined for audit committee members in the listing standards of The NASDAQ Stock Market LLC.

### **Board Leadership and Role in Risk Oversight**

The board of directors recognizes that one of its key responsibilities is to establish and evaluate an appropriate leadership structure for the board so as to provide effective oversight of management. Since 1995, the board has separated the roles of the Chief Executive Officer and the Chairman of the Board, with Dr. Vagelos serving as Chairman and Dr. Schleifer serving as President and Chief Executive Officer. Dr. Vagelos extensive leadership experience, his business acumen, and his deep understanding of the healthcare industry have made him an invaluable resource to both the board and Dr. Schleifer. The board has determined that this leadership structure is appropriate for the Company at this time.

The board executes its oversight responsibility for risk management directly and through its Committees, as follows:

The Audit Committee oversees the Company's risk management program. The Company's Chief Audit Executive, who reports independently to the Committee, facilitates the risk management program. Audit Committee meetings include discussions of specific risk areas throughout the year, as well as semi-annual reports from the Chief Audit Executive on the Company's enterprise risk profile.

The Compensation, Corporate Governance and Compliance, and Technology Committees oversee risks associated with their respective areas of responsibility. As part of its overall review of the Company's compensation policies and practices, the Compensation Committee generally considers the risks associated with these policies and practices. The Corporate Governance and Compliance Committee oversees all aspects of the Company's comprehensive compliance program other than financial compliance and considers legal and regulatory compliance risks. The Technology Committee considers risks associated with our research and development programs.

The board is kept abreast of its Committees' risk oversight and other activities via reports of the Committee chairmen to the full board at regular board meetings. The board considers specific risk topics, including risks associated with our strategic plan, our finances, and our development activities. In addition, the board receives detailed regular reports from members of our senior management that include discussions of the risks and exposures involved in their respective areas of responsibility. Further, the board is routinely informed by the appropriate members of senior management of developments internal and external to the Company that could affect our risk profile.

### **Board Meetings and Attendance of Directors**

The board held five regular meetings and three special meetings of the board (of the independent directors) in 2012. All directors attended more than 75% of the total number of meetings of the board and committees of the board on which they served. Board members are expected to attend the Company's Annual Meeting of Shareholders absent a pressing reason, although the Company has no formal policy on the matter. All of the directors attended our 2012 Annual Meeting of Shareholders.

### **Compensation of Directors**

The Corporate Governance and Compliance Committee makes recommendations to the board of directors regarding, and the board of directors determines, the compensation of non-employee directors. The Corporate Governance and Compliance Committee evaluates the appropriate level and form of compensation for non-employee directors at least annually and recommends changes to the board of directors when appropriate. Directors who are Company employees receive no additional compensation for serving on our board of directors or its committees. In determining compensation recommendations for the non-employee directors, the Corporate Governance and Compliance Committee considers the qualifications, expertise, and demands on our directors and benchmarks the Company's practices against similar companies in the biotechnology industry.

Non-employee directors receive an annual retainer of \$55,000 and an annual committee retainer of \$10,000 for each standing committee on which the director serves. The Chairman of the Audit Committee receives an additional retainer of \$5,000 per year. Non-employee directors are reimbursed for their actual expenses incurred in connection with their activities as directors, which included travel, hotel, and food and entertainment expenses. In addition, directors are eligible to participate in the Regeneron Matching Gift Program, which was adopted effective January 1, 2013 and is also available to all eligible employees. Under this program, the Company will match contributions made to eligible tax-exempt organizations up to \$2,000 in any calendar year.

Pursuant to the terms of our Second Amended and Restated 2000 Long-Term Incentive Plan, each non-employee director receives an automatic grant of a stock option to purchase 15,000 shares of common stock on the first business day of each year, with an exercise price equal to the fair market value of a share of common stock on the date of grant. These stock options become exercisable as to one-third of the shares on the anniversary of the date of grant in each of the three subsequent calendar years, subject to continued service on the board, and generally expire ten years following the date of grant. Stock options granted to directors in 2013 continue to vest following the retirement of that director.

Stock options granted since 2010 to non-employee directors become fully vested automatically upon a change of control of the Company. Each non-employee director has the right to nullify this acceleration of vesting, in whole or in part, if it would cause the director to pay excise taxes under the requirements of the Internal Revenue Code. Previously, stock options granted to non-employee directors included a double-trigger change of control provision whereby the director's stock options would immediately vest in full in the event that a director's service as a member of the board is terminated without cause within two years of a change of control of the Company.

On December 31, 1998, we entered into an employment agreement with the Chairman of the board of directors, Dr. Vagelos. Dr. Vagelos did not become an officer of the Company or change his title. Pursuant to the terms of his employment agreement, Dr. Vagelos receives an annual salary of \$100,000. In the employment agreement, we agreed to recommend to the Compensation Committee that stock option grants be made to Dr. Vagelos for calendar years 2000 through 2003 in the amount of the greater of (a) 125,000 shares or (b) 125% of the highest annual option award granted to an officer of the Company.

In 2011, the Compensation Committee agreed Dr. Vagelos' target grant would be equal to ten times the annual grant for a non-employee member of the Board of Directors, setting his target award currently at 150,000 stock options. On December 14, 2012, the Compensation Committee granted Dr. Vagelos stock options to purchase 150,000 shares of common stock, at an exercise price of \$179.13 per share, the fair market value per share of our common stock on the date of grant. The stock option award granted to Dr. Vagelos vests ratably over four years subject to his continued service and contains change of control provisions identical to the ones

described above for stock option grants to non-employee directors made since 2010. Pursuant to the terms of his employment agreement, if Dr. Vagelos dies or is disabled during the term of his employment, all stock options granted to him by the Company will immediately become vested and exercisable.

The following table and explanatory footnotes provide information with respect to compensation paid to Dr. Vagelos and each non-employee director for their service in 2012 in accordance with the policies, plans, and employment agreement described above:

#### Director Compensation

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Option awards (\$) (1) (2)	Non-equity incentive plan compensation (\$)	Change in pension value and non-qualified deferred compensation earnings (f)	All other compensation (\$) (g)	Total (\$) (h)
(a)	(b)	(c)	(d)	(e)			
Charles A. Baker	75,000		440,425				515,425
Michael S. Brown	75,000		440,425				515,425
Alfred G. Gilman	75,000		440,425				515,425
Joseph L. Goldstein	75,000		440,425				515,425
Christine A. Poon	75,000		440,425				515,425
Arthur F. Ryan							