

ALNYLAM PHARMACEUTICALS, INC.

Form DEF 14A

March 21, 2019

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**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**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

ALNYLAM PHARMACEUTICALS, INC.

(Name of Registrant as Specified in Its Charter)



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:

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**LETTER FROM OUR CEO**

March 21, 2019

To our Stockholders:

We invite you to attend the 2019 Annual Meeting of Stockholders of Alnylam Pharmaceuticals, Inc., which will be held online on Thursday, April 25, 2019, beginning at 12:00 p.m., Eastern Time. You may attend the meeting virtually via the Internet at [www.virtualshareholdermeeting.com/ALNY2019](http://www.virtualshareholdermeeting.com/ALNY2019), where you will be able to vote electronically and submit questions. You will need the 16-digit control number included with these proxy materials to attend the annual meeting.

The following notice of our annual meeting of stockholders contains details of the business to be conducted at the meeting. Only stockholders of record at the close of business on March 1, 2019 will be entitled to notice of, and to vote at, the annual meeting.

On behalf of our Board of Directors, thank you for your continued support and investment in Alnylam.

Very truly yours,

John M. Maraganore, Ph.D.

*Chief Executive Officer and Director*

On behalf of the Board of Directors of

Alnylam Pharmaceuticals, Inc.

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**NOTICE OF 2019 ANNUAL MEETING  
OF STOCKHOLDERS**

- Date:** Thursday, April 25, 2019
- Time:** 12:00 p.m., Eastern Time
- Place:** Online at [www.virtualshareholdermeeting.com/ALNY2019](http://www.virtualshareholdermeeting.com/ALNY2019)
- Record Date:** March 1, 2019. Only Alnylam stockholders of record at the close of business on the record date for the annual meeting are entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement thereof.
- Items of Business:**
1. To elect four (4) members to our board of directors, as nominated by our board of directors, each to serve as a Class III director for a term ending in 2022, or until a successor has been duly elected and qualified;
  2. To approve an amendment to our Restated Certificate of Incorporation to permit the holders of at least a majority of our common stock to call special meetings of the stockholders;
  3. To approve an amendment to our Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 125,000,000 to 250,000,000 shares;
  4. To approve, contingent upon the approval of Item 3, an amendment to our 2018 Stock Incentive Plan to, among other things, increase the number of shares of common stock authorized for issuance thereunder by 3,290,000 shares;
  5. To approve, on a non-binding advisory basis, the compensation of our named executive officers, as described in the Compensation Discussion and Analysis, executive compensation tables and accompanying narrative disclosures in this proxy statement;
  6. To ratify the appointment of PricewaterhouseCoopers LLP, an independent registered public accounting firm, as our independent auditors for the fiscal year ending December 31, 2019; and
  7. To transact any other business that may properly come before the annual meeting or any adjournment or postponement thereof.
- Virtual Meeting:** To participate in the annual meeting virtually via the Internet, please visit [www.virtualshareholdermeeting.com/ALNY2019](http://www.virtualshareholdermeeting.com/ALNY2019). You will need the 16-digit control number included on your proxy card or the instructions that accompanied your proxy materials. **Stockholders will be able to vote and submit questions during the annual meeting.**
- Voting:** **You will not be able to attend the annual meeting in person.** Proposal 1 relates solely to the election of four (4) Class III directors nominated by our board of directors and does not include any other matters relating to the election of directors, including without limitation, the election of directors nominated by any stockholder of the company.

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**Your vote is important regardless of the number of shares you own. Whether or not you plan to participate in the annual meeting online, we hope you will take the time to vote your shares. To assure your representation at the annual meeting, if you are a stockholder of record, please vote in one of these three ways:**

**Vote Over the Internet**, by going to [www.proxyvote.com](http://www.proxyvote.com) and entering the 16-digit control number provided on your proxy card or voting instruction form;

**Vote by Telephone**, by calling 1-800-690-6903 or the number on your proxy card or voting instruction form. You will need the 16-digit control number provided on your proxy card or voting instruction form; or

**Vote by Mail**, by completing, signing and dating the proxy card or voting instruction form and mailing it in the accompanying pre-addressed envelope. If you vote over the Internet or by telephone, please do not mail your proxy.

If you vote via the Internet or by telephone or mail your proxy in, you will not limit your right to vote online at the annual meeting.

*If your shares are held in street name, that is, held for your account by a broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted.*

**Important Notice Regarding the Availability of Proxy Materials  
for the Stockholder Meeting to Be Held on April 25, 2019**

This Notice of 2019 Annual Meeting, Proxy Statement, 2018 Annual Report on Form 10-K and Annual Report to Stockholders are available for viewing, printing and downloading at [www.proxyvote.com](http://www.proxyvote.com).

By Order of the Board of Directors,

Laurie B. Keating

Executive Vice President, Chief Legal Officer and Secretary

Cambridge, Massachusetts

March 21, 2019

**This notice and proxy statement are expected to be first mailed to stockholders on or about March 22, 2019. Our Annual Report to Stockholders and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 are being mailed with these proxy materials to all stockholders entitled to vote at the annual**

**meeting.**

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This summary highlights important information you will find in this Proxy Statement. As it is only a summary, please review the complete Proxy Statement before you vote.

**Virtual Annual Meeting Information**

**Date:** Thursday, April 25, 2019  
**Time:** 12:00 p.m., Eastern Time  
**Location:** Online at [www.virtualshareholdermeeting.com/ALNY2019](http://www.virtualshareholdermeeting.com/ALNY2019)  
**You will not be able to attend the annual meeting in person.**  
**Record Date:** March 1, 2019

**Voting Items and Board Recommendations**

		<b>Board Recommendation</b>
Proposal 1	<b>Election of Four (4) Class III Directors</b>	FOR All Nominees
Proposal 2	<b>Approval of a Charter Amendment to Permit Holders of at least a Majority of our Common Stock to Call Special Meetings of Stockholders</b>	FOR
Proposal 3	<b>Approval of a Charter Amendment to Increase Number of Authorized Shares of Common Stock</b>	FOR
Proposal 4	<b>Approval of an Amendment to 2018 Stock Incentive Plan</b>	FOR
Proposal 5	<b>Say-on-Pay Advisory Vote on Approval of Executive Compensation</b>	FOR
Proposal 6	<b>Ratification of Independent Auditors</b>	FOR

All proxies will be voted in accordance with the instructions contained in those proxies. If no choice is specified, the proxies will be voted in favor of the matters set forth in the accompanying Notice of Meeting. On any other matters

properly brought before the annual meeting, the named proxies shall vote in accordance with their best judgment.

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<p>Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> and enter the 16-digit control number provided on your proxy card or voting instruction form.</p>	<p>Call 1-800-690-6903 or the number on your proxy card or voting instruction form. You will need the 16-digit control number provided on your proxy card or voting instruction form.</p>	<p>Complete, sign and date the proxy card or voting instruction form and mail it in the accompanying pre-addressed envelope.</p>	<p>See Important Information About the Annual Meeting and Voting for details on how to vote during the Annual Meeting.</p>

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on April 25, 2019**

This Proxy Statement, our Annual Report on Form 10-K and our Annual Report to Stockholders are available for viewing, printing and downloading at [www.proxyvote.com](http://www.proxyvote.com).

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as filed with the Securities and Exchange Commission, or SEC, on February 14, 2019, will be furnished without charge to any stockholder upon written request to Alnylam Pharmaceuticals, Inc., 300 Third Street, Cambridge, Massachusetts 02142, Attention: Investor Relations and Corporate Communications.

This Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 are also available on the SEC's website at [www.sec.gov](http://www.sec.gov).



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**IMPORTANT INFORMATION ABOUT THE  
ANNUAL MEETING AND VOTING**

**Notice and Access**

We are providing these proxy materials to you in connection with the solicitation by our board of directors of proxies to be voted at our 2019 annual meeting of stockholders to be held online on Thursday, April 25, 2019 at 12:00 p.m., Eastern Time (ET). As a stockholder of Alnylam, you are invited to participate in our annual meeting virtually via the Internet, and are entitled and requested to vote on the proposals described in this proxy statement.

**Who Can Vote**

To be entitled to vote, you must be a stockholder of record at the close of business on March 1, 2019, the record date for our annual meeting. As of the record date, there were 106,304,442 shares of our common stock outstanding.

If you were a stockholder of record on March 1, 2019, you are entitled to vote all of the shares that you held on that date at the annual meeting and at any postponement or adjournment thereof.

**Voting Rights**

Each outstanding share of our common stock will be entitled to one vote on each matter considered at the annual meeting.

**Voting**

Alnylam's stockholders may vote their shares over the Internet, by telephone or during the annual meeting by going to [www.virtualshareholdermeeting.com/ALNY2019](http://www.virtualshareholdermeeting.com/ALNY2019). If you requested and/or received a printed version of the proxy card, you may also vote by mail.

**By Internet.** You may vote at [www.proxyvote.com](http://www.proxyvote.com), 24 hours a day, seven days a week. You will need the 16-digit control number included on your proxy card or voting instruction form. Votes submitted through the Internet must be received by 11:59 p.m. ET on April 24, 2019.

**By Telephone.** You may vote using a touch-tone telephone by calling 1-800-690-6903, 24 hours a day, seven days a week. You will need the 16-digit control number included on your proxy card or voting instruction form. Votes submitted by telephone must be received by 11:59 p.m. ET on April 24, 2019.

**By Mail.** If you received printed proxy materials, you may submit your vote by completing, signing and dating each proxy card received and returning it in the prepaid envelope. Sign your name exactly as it appears on the proxy card. Proxy cards submitted by mail must be received no later than April 24, 2019 to be voted at the annual meeting.

**During the Annual Meeting.** You may vote during the annual meeting by going to [www.virtualshareholdermeeting.com/ALNY2019](http://www.virtualshareholdermeeting.com/ALNY2019). You will need the 16-digit control number included on your proxy card or voting instruction form. If you previously voted via the Internet (or by telephone or mail), you will not limit your right to vote online at the annual meeting.



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If you vote via the Internet or by telephone, your electronic vote authorizes the named proxies in the same manner as if you signed, dated and returned your proxy card. If you vote via the Internet or by telephone, do not return your proxy card.

## **Revoking a Proxy**

If your shares are registered directly in your name, you may revoke your proxy and change your vote at any time before the annual meeting. To do so, you must do one of the following:

Vote over the Internet or by telephone as instructed above. Only your latest Internet or telephone vote is counted. You may not change your vote over the Internet or by telephone after 11:59 p.m. ET on April 24, 2019.

Sign a new proxy and submit it as instructed above. Only your latest dated proxy, received by no later than April 24, 2019, will be counted.

Participate in the annual meeting virtually via the Internet and vote again. Participating in the annual meeting will not revoke your Internet vote, telephone vote or proxy, unless you vote again.

Note that if your shares are held in street name, you may submit new voting instructions by contacting your bank, broker or other nominee.

## **Discretionary Voting Authority**

If your shares are registered directly in your name, you are a stockholder of record who may vote at the meeting, and we are sending these proxy materials directly to you. As the stockholder of record, you have the right to direct the voting of your shares by voting over the Internet, by telephone, by returning your proxy or by voting online during the annual meeting at [www.virtualshareholdermeeting.com/ALNY2019](http://www.virtualshareholdermeeting.com/ALNY2019).

If your shares are held in an account at a bank or at a brokerage firm or other nominee holder, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your bank, broker or other nominee who is considered the stockholder of record for purposes of voting at the annual meeting. As the beneficial owner, you have the right to direct your bank, broker or other nominee on how to vote your shares and to participate in the virtual annual meeting. You should receive a proxy card and voting instructions with these proxy materials from that organization rather than from us. You will receive instructions from your bank, broker or other nominee explaining how you can vote your shares and whether they permit Internet or telephone voting. Follow the instructions from your bank, broker or other nominee included with these proxy materials, or contact your bank, broker or other nominee to request a proxy form. We encourage you to provide voting instructions to your bank, broker or other nominee by giving your proxy to them. This ensures that your shares will be voted at the annual meeting according to your instructions. **You will not be able to vote shares you hold in street name at the annual meeting; instead you must instruct your bank, broker or other nominee in advance of the meeting.**

Note that under New York Stock Exchange, or NYSE, rules, if you hold shares through a bank, broker or other institution and you do not provide your voting instructions to them at least ten days before the annual meeting, that firm has the discretion to vote your shares on proposals that the NYSE has determined are routine. Such firm will not have the discretion to vote your shares on



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proposals that the NYSE has determined are non-routine. A broker non-vote refers to a share represented at the meeting held by a broker, as to which instructions have not been received from the beneficial owner or person entitled to vote such shares and with respect to which, on one or more but not all matters, the broker does not have discretionary voting power to vote such share.

## **Participating in the Virtual Annual Meeting**

This year our annual meeting will be a completely virtual meeting. There will be no physical meeting location. The meeting will only be conducted via live webcast.

To participate in the virtual meeting, visit [www.virtualshareholdermeeting.com/ALNY2019](http://www.virtualshareholdermeeting.com/ALNY2019) and enter the 16-digit control number included on your proxy card or on the instructions that accompanied your proxy materials. You may begin to log into the meeting platform beginning at 11:45 a.m. ET on April 25, 2019. The meeting will begin promptly at 12:00 p.m. ET on April 25, 2019.

If you wish to submit a question, you may do so in two ways. If you want to ask a question before the meeting, then beginning on March 21, 2019 and until 11:59 p.m. on April 24, 2019, you may log into [www.proxyvote.com](http://www.proxyvote.com) and enter your 16-digit control number. Once past the login screen, click on Questions for Management, type in your question, and click Submit. Alternatively, if you want to submit your question during the meeting, log into the virtual meeting platform at [www.virtualshareholdermeeting.com/ALNY2019](http://www.virtualshareholdermeeting.com/ALNY2019), type your question into the Ask a Question field, and click Submit.

Questions pertinent to meeting matters will be answered during the meeting, subject to time constraints. The meeting is not to be used as a forum to present personal matters, or general economic, political or other views that are not directly related to the business of Alnylam and the matters properly before the meeting, and therefore questions on such matters will not be answered. Any questions pertinent to meeting matters that cannot be answered during the meeting due to time constraints will be posted online and answered at <http://investors.alnylam.com/shareholder-services/annual-meeting>. The questions and answers will be available as soon as practical after the meeting and will remain available until one week after posting.

If you encounter any technical difficulties with the virtual meeting platform on the meeting day, please call 1-855-449-0991 (Toll Free) or 1-720-378-5962 (International Toll). Technical support will be available starting at 11:30 a.m. ET on April 25, 2019 and will remain available until thirty minutes after the meeting has finished.

## **Requirements for a Meeting Quorum**

A majority of our outstanding shares of common stock must be present to hold the annual meeting and conduct business. This is called a quorum. For purposes of determining whether a quorum exists, we count as present any shares that are voted over the Internet, by telephone, by completing and submitting a proxy, or that are represented online at the meeting, as well as any abstentions and broker non-votes. If a quorum is not present, we expect to adjourn the annual meeting until we obtain a quorum.

## **Vote Required to Approve Each Item on the Proxy**

You may vote for, against or abstain on each of the proposals being placed before our stockholders. Abstentions and broker non-votes are included in the determination of the number of



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shares present at the annual meeting for determining a quorum at the meeting, but they are not counted as shares cast. Accordingly, abstentions and broker non-votes, if any, would have no effect on the vote for Proposals 1, 4, 5 and 6, because these Proposals are based on a percentage of the votes that are actually cast at the annual meeting. Abstentions and broker non-votes, if any, would have the same effect as a vote against Proposals 2 and 3, because these Proposals are based on a percentage of the total votes entitled to be cast at the annual meeting, rather than a percentage of the votes that are actually cast at the annual meeting.

### ***Proposal 1 Election of Four (4) Class III Directors***

With respect to the election of directors (Proposal 1), each nominee presented in Proposal 1 must be elected by a majority of the votes either cast online or by proxy at the annual meeting. Nominees are elected by a majority vote for non-contested director elections. Because the number of nominees properly nominated for the annual meeting is the same as the number of directors to be elected, the election of directors at this annual meeting is non-contested. If the number of votes FOR a nominee exceeds the number of votes AGAINST a nominee (among votes properly cast by stockholders who are either present online or represented by proxy), then the nominee will be elected.

With respect to Proposal 1, you may:

- vote FOR all nominees;
- vote FOR one or more nominee(s) and AGAINST one or more of the other nominee(s);
- vote AGAINST all nominees; or
- ABSTAIN from voting for or against one or more nominee(s).

### ***Proposal 2 Approval of a Charter Amendment to Permit the Holders of at least a Majority of our Common Stock to Call Special Meetings of the Stockholders***

To approve Proposal 2 relating to an amendment, or Charter Amendment, to our Restated Certificate of Incorporation, also referred to as our Charter, to permit holders of at least a majority of our common stock to call special meetings of the stockholders, stockholders holding at least 75% of the votes the stockholders are entitled to cast at the annual meeting must vote FOR the proposal.

### ***Proposal 3 Approval of a Charter Amendment to Increase the Number of Authorized Shares of Common Stock from 125,000,000 to 250,000,000 Shares***

To approve Proposal 3 relating to a Charter Amendment to increase the number of authorized shares of common stock from 125,000,000 to 250,000,000 shares, stockholders holding a majority of the votes the stockholders are entitled to cast at the annual meeting must vote FOR the proposal.

### ***Proposal 4 Approval of an Amendment to our 2018 Stock Incentive Plan***

To approve Proposal 4 relating to the amendment to our 2018 Stock Incentive Plan, which we refer to as the 2018 Plan, stockholders holding a majority of the votes either cast on the matter online or by proxy at the annual meeting must vote FOR the proposal.

*The effectiveness of Proposal 4 and the amendment to the 2018 Plan, which we refer to as the Plan Amendment, is contingent on the approval of Proposal 3 to approve a Charter Amendment to increase*



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*the number of authorized shares of common stock. As a result, if the stockholders do not approve Proposal 3, then the Plan Amendment cannot become operative even if the stockholders approve Proposal 4.*

### ***Proposal 5 Non-binding Advisory Vote on the Compensation of Our Named Executive Officers***

To approve Proposal 5, stockholders holding a majority of the votes either cast on the matter online or by proxy at the annual meeting must vote FOR the approval of the compensation of our named executive officers, as described in the Compensation Discussion and Analysis, executive compensation tables and accompanying narrative disclosures in this proxy statement.

As an advisory vote, this proposal is not binding. The outcome of this advisory vote will not overrule any decision by us or our board of directors (or any committee thereof). However, our compensation committee and our board of directors value the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for our named executive officers.

### ***Proposal 6 Ratification of Appointment of Independent Auditors***

To approve Proposal 6, stockholders holding a majority of the votes either cast on the matter online or by proxy at the annual meeting must vote FOR the proposal.

Although stockholder approval of our audit committee's appointment of PricewaterhouseCoopers LLP as our independent auditors for the year ending December 31, 2019 is not required, we believe that it is advisable to give stockholders an opportunity to ratify this appointment. If this proposal is not approved at the annual meeting, our audit committee will reconsider its appointment of PricewaterhouseCoopers LLP as our independent auditors for the year ending December 31, 2019.

## **Other Matters to be Voted On**

The board of directors is not aware of any other issue or matter that may come before the annual meeting other than the election of four (4) Class III directors, the approval of two separate Charter Amendments, the approval of the Plan Amendment, the non-binding advisory vote on the compensation of our named executive officers and the ratification of the appointment of our independent auditors. If any other matters are properly presented at the annual meeting, the persons named in the accompanying proxy intend to vote, or otherwise act, in accordance with their best judgment on the matter.

## **Vote Results**

Preliminary voting results will be announced at the annual meeting. We expect to report the voting results in a Current Report on Form 8-K within four business days following the adjournment of our annual meeting. If final voting results are not available to us in time to file a Current Report on Form 8-K within four business days after the annual meeting, we intend to file a Current Report on Form 8-K to publish preliminary results and, within four business days after the final results are known to us, to file an additional Current Report on Form 8-K to publish the final results.

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### **Inspector of Election**

The inspector of election and the tabulator of all proxies, ballots and voting tabulations that identify stockholders are independent and are not Alnylam employees.

### **Cost of Soliciting Proxies**

We will bear the cost of soliciting proxies. In addition to these proxy materials, our directors, officers and employees may solicit proxies by telephone, e-mail, facsimile and in person, without additional compensation. We have also retained Alliance Advisors LLC to solicit proxies by mail, courier, telephone and facsimile and to request brokers, custodians and fiduciaries to forward proxy soliciting materials to the owners of stock held in their names. For these services, we paid a fee of approximately \$22,000, plus expenses. We may reimburse brokers or persons holding stock in their names, or in the names of their nominees, for their expenses in sending proxies and proxy materials to beneficial owners.

### **Alnylam s 401(k) Savings Plan**

You may give voting instructions for the number of shares of Alnylam common stock equal to the interest in Alnylam common stock credited to your 401(k) plan account as of the record date. To vote these shares, complete and return to Broadridge Financial Solutions, Inc. the proxy card sent to you with this proxy statement. The 401(k) plan trustee will vote your shares according to your instructions. Only Broadridge and its affiliates or agents will have access to your individual voting instructions. You may revoke previously given voting instructions by filing with the trustee either a written revocation or a properly completed and signed proxy bearing a later date. To vote your 401(k) plan shares, you must provide your voting instructions to Broadridge before 11:59 p.m. ET on April 22, 2019, for your proxy to be valid and your vote to count. If you do not provide voting instructions to the 401(k) plan trustee, the 401(k) plan trustee will not vote your shares.

### **Householding of Annual Meeting Materials**

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to stockholders may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you upon written or oral request to Alnylam Pharmaceuticals, Inc., 300 Third Street, Cambridge, Massachusetts 02142, Attention: Investor Relations and Corporate Communications, telephone: (617) 551-8200. If you want to receive separate copies of the proxy statement or annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and phone number.

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**CORPORATE GOVERNANCE**

**General**

We believe that good corporate governance is important to ensure that Alnylam is managed for the long-term benefit of our stockholders. This section describes key corporate governance practices that we have adopted.

**Corporate Governance Strengths**

We are committed to exercising good corporate governance practices. We believe that good governance promotes the long-term interests of our stockholders and strengthens the accountability of our board of directors and management. The highlights of our corporate governance practices include the following:

- Ten out of 11 of our current directors are independent;
- Independent directors hold regular executive sessions;
- All board committees are comprised solely of independent committee members;
- Our board of directors is diverse in terms of tenure, gender, experience and skills;
- We conduct annual board and committee self-evaluations;
- Our full board of directors and its committees participate in risk oversight;
- Our board of directors and its committees may engage outside advisors independently of management;
- Our independent compensation consultant reports directly to our compensation committee;
- We have a clawback policy for recoupment of excess proceeds from cash and equity incentive compensation;
- We have majority voting in the election of directors in uncontested elections, with a director resignation policy;
- Stock ownership guidelines for directors (including our chief executive officer) and our president help to align directors and officers with stockholder interests;
- We have a strict policy of no pledging or hedging of company shares; and
- We seek annual advisory approval of executive compensation by stockholders.

**Corporate Governance Materials**

We have adopted a code of business conduct and ethics, which applies to all of our officers, directors and employees, as well as charters for our audit committee, our compensation committee, our nominating and corporate governance committee, and our science and technology committee. We have also adopted corporate governance guidelines. We have posted copies of these documents on the Corporate Governance page of the Investors section of our website, [www.alnylam.com](http://www.alnylam.com). We intend to disclose on our website any amendments to, or waivers from, our code of business conduct and ethics required to be disclosed by law or Nasdaq Global Select Market listing standards.

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### **Corporate Governance Guidelines**

Our board of directors has adopted corporate governance guidelines to assist in the exercise of its duties and responsibilities and to serve the best interests of Alnylam and our stockholders. These guidelines, which provide a framework for the conduct of our board of directors' business, provide that:

our board of directors' principal responsibility is to oversee the management of Alnylam;

a majority of the members of our board shall be independent directors;

the independent directors meet regularly in executive session;

directors have full and free access to management and, as necessary and appropriate, independent advisors;

annually, our board and its committees will conduct a self-evaluation to determine whether they are functioning effectively;

our nominating and corporate governance committee will evaluate the composition, organization and governance of our board of directors and its committees and identify individuals qualified to become board members;

our nominating and corporate governance committee will review annually the external commitments of our board members to evaluate any potential conflicts of interest; and

our nominating and corporate governance committee will review all proposed external commitments of our executive officers to evaluate any potential conflicts of interest and confirm that external time commitments are appropriate relative to the executive's responsibilities to the company.

### **Our Environmental Sustainability and Social Responsibility Efforts**

For patients and society to benefit from the therapies we develop, we believe they must be available to those who will benefit from them. We are committed to assisting patients with no or limited drug coverage to access the medicines they need. We provide patient support and education programs and help patients in financial need access ONPATTRO® (patisiran), our first marketed drug, approved in 2018. In 2017, we announced our Patient Access Philosophy, which focuses our commercial objectives on being proactive about patient access while delivering value to patients, physicians, and insurers. This philosophy commits us to act with urgency for patients, pursue value-based agreements where payment is based on the ability to deliver outcomes in real world settings, and to not increase the annualized price of our medicines above the consumer price index unless valuable new innovation has been achieved. We have also been at the forefront of developing innovative agreements and partnerships designed to improve population health and patient access, as well as outcomes-based and risk-sharing approaches that directly link the price of our therapeutics to their effectiveness.

In addition, as the leading RNAi therapeutics company, the way we operate, the work we do, and the support we provide to our local communities is tied to our desire to extend and improve the lives of our patients. We are committed to patient advocacy and community endeavors that promote and improve the understanding of rare disease and wellness. Our company participates in charitable activities relevant to our business and linked to our mission, vision and values. For example, we provide, support and sponsor diversity and inclusion efforts both within our company and in our communities. We support educational and cultural institutions in our communities, and we also encourage employee volunteerism, partnering with community service organizations to provide opportunities for employees to donate time and talents to assist neighbors in need.



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On top of our commitments to patient access and social responsibility, we believe that we have a responsibility to monitor and control our ecological impact and adopt best practices on environmental and social issues that may have a material effect on corporate strategy, risks, opportunities or performance. We continue to implement initiatives that exemplify our commitment to the environment and are currently constructing a state-of-the-art manufacturing facility in Norton, Massachusetts with these beliefs in mind.

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**INFORMATION CONCERNING DIRECTOR NOMINEES**

**ELECTION OF CLASS III DIRECTORS (PROPOSAL 1)**

We have three classes of directors, Class I, Class II and Class III. At each annual meeting, directors are elected for a term of three years to succeed those whose terms are expiring. The directors are divided as equally as possible among the three classes, and the terms of the three classes are staggered so that only one class is elected by stockholders annually. Kevin P. Starr resigned from our board of directors effective March 31, 2018. Mr. Starr was elected to our board of directors in 2003 and most recently served as a Class III director. In connection with Mr. Starr's resignation, our board of directors reduced the size of our board to ten directors. In May 2018, our board of directors expanded the size of the board from ten to 11 directors and elected Colleen F. Reitan as a Class III director to fill the vacancy, effective June 1, 2018. Ms. Reitan's term expires at the 2019 annual meeting. In October 2018, John K. Clarke resigned from our board of directors, effective January 10, 2019. Mr. Clarke was a co-founder of Alnylam and had served on our board of directors since 2002. Most recently, Mr. Clarke served as a Class II director. On October 9, 2018, our board of directors elected Margaret A. Hamburg, M.D. as a Class III director effective January 10, 2019 to fill the vacancy created by the resignation of Mr. Clarke. Dr. Hamburg's term also expires at the 2019 annual meeting.

At the annual meeting, we are proposing the election of four (4) Class III directors to hold office until the annual meeting of stockholders to be held in 2022, or until their respective successors have been duly elected and qualified. Upon the recommendation of the nominating and corporate governance committee of our board, our board has nominated Margaret A. Hamburg, M.D., Steven M. Paul, M.D., Colleen F. Reitan and Amy W. Schulman for election to the board of directors as Class III directors. Drs. Hamburg and Paul and Ms. Reitan and Ms. Schulman are currently serving as Class III directors. Dr. Hamburg has served as a director since January 2019, Dr. Paul has served as a director since September 2010, Ms. Reitan has served as a director since June 2018 and Ms. Schulman has served as a director since July 2014. The persons named in the enclosed proxy will vote to elect each nominee for Class III director unless the proxy is marked otherwise. Drs. Hamburg and Paul and Ms. Reitan and Ms. Schulman have indicated their willingness to serve on our board, but if any nominee should be unwilling or unable to serve, the person acting under the proxy may vote the proxy for a substitute nominee designated by our board, unless the board reduces the number of directors accordingly.

Each nominee for Class III director receiving a majority of the votes cast by stockholders entitled to vote thereon will be elected to serve on our board. As described more fully below under the heading "Majority Voting Policy," we have adopted a resignation policy in the event a director nominee does not receive a majority of such votes. Abstentions and broker non-votes, if any, are not counted for purposes of this proposal. The Class III directors elected at this year's annual meeting will serve as members of our board until the 2022 annual meeting of stockholders, or until their respective successors are duly elected and qualified.

**Board Recommendation**

**Our board of directors unanimously recommends a vote FOR the election of each of Drs. Hamburg and Paul and Ms. Reitan and Schulman as a Class III director.**



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Set forth below for each director, including the Class III director nominees, is information as of March 1, 2019 with respect to his or her (a) name and age, (b) positions and offices at Alnylam, if any, (c) principal occupation and business experience during at least the past five years, (d) directorships, if any, of other publicly-held companies, held currently or during the past five years, and (e) the year such person became a member of our board of directors.

We have also included information below regarding each director's specific experience, qualifications, attributes and skills that led the nominating and corporate governance committee and our board of directors to the conclusion that he or she should serve as a director in light of our busin