

ALEXION PHARMACEUTICALS INC  
Form DEF 14A  
March 28, 2018

SCHEDULE 14A  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

ALEXION PHARMACEUTICALS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

-----

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:

-----

100 College Street  
New Haven, Connecticut 06510  
March 28, 2018

Dear Fellow Shareholder:

You are cordially invited to attend Alexion's 2018 Annual Meeting of Shareholders on Tuesday, May 8, 2018, at The Langham Hotel, 250 Franklin Street, Boston, MA 02110, at 5:30 p.m. local time.

We are using the "Notice and Access" method of providing proxy materials to you via the Internet. We are mailing to you a Notice of Internet Availability of Proxy Materials instead of a paper copy of the proxy materials and 2018 annual report. Notice and Access provides a convenient way for you to access Alexion's proxy materials and vote your shares on the Internet, and also allows us to reduce costs and conserve resources. The Notice includes instructions on how to access our proxy statement and our 2018 annual report and how to vote your shares. The Notice also contains instructions on how to receive a paper copy of the proxy materials and our 2018 annual report, if you prefer.

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

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

Very truly yours,  
Ludwig N. Hantson, Ph.D.  
Chief Executive Officer

---

100 College Street

New Haven, Connecticut 06510

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 8, 2018

Alexion's 2018 Annual Meeting of Shareholders will be held on Tuesday, May 8, 2018, at The Langham Hotel, 250 Franklin Street, Boston MA 02110, at 5:30 p.m. local time. This year, we are asking shareholders:

- (1) To elect ten members of the Board of Directors named in the proxy statement, each to serve until the next Annual Meeting and until his or her successor has been duly elected and qualified.
- (2) To ratify the appointment of PricewaterhouseCoopers LLP as Alexion's independent registered public accounting firm.
- (3) To consider a non-binding advisory vote on 2017 compensation paid to Alexion's named executive officers.
- (4) To vote upon a shareholder proposal, if properly presented at the 2018 Annual Meeting, requiring an independent Chairman of the Board of Directors.
- (5) To transact such other business as may properly come before the 2018 Annual Meeting or any adjournment thereof.

Shareholders of record at the close of business on March 12, 2018 will be entitled to notice of and to vote at the 2018 Annual Meeting or any adjournment of the meeting.

Whether or not you plan to attend the 2018 Annual Meeting, please vote by voting on the Internet, completing and returning a proxy card, or voting by phone at your earliest convenience so that your shares may be represented at the meeting. Alexion will begin mailing its Notice of Internet Availability of Proxy Materials to shareholders on March 28, 2018.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on May 8, 2018:

The Notice of Internet Availability of Proxy Materials, Notice of Annual Meeting of Shareholders, Proxy Statement and the 2017 Annual Report and the means to vote by Internet are available free of charge at: [www.proxyvote.com](http://www.proxyvote.com).

March 28, 2018

Michael V. Greco

Senior Vice President of Law and Corporate Secretary

---

Table  
Of  
Contents

	Page
<u>Proxy Summary</u>	<u>1</u>
<u>General Information Regarding the Meeting</u>	<u>5</u>
<u>Proposal No. 1 – Election of Directors</u>	<u>9</u>
<u>General Information About the Board of Directors</u>	<u>10</u>
<u>Corporate Governance</u>	<u>18</u>
<u>Executive Compensation</u>	<u>25</u>
<u>Summary Compensation Table</u>	<u>49</u>
<u>Grants of Plan-Based Awards in Fiscal 2017</u>	<u>51</u>
<u>Outstanding Equity Awards at 2017 Fiscal Year-end</u>	<u>55</u>
<u>Option Exercises and Stock Vested for Fiscal 2017</u>	<u>58</u>
<u>Potential Payments Upon Termination or Change of Control</u>	<u>60</u>
<u>CEO Pay Ratio</u>	<u>65</u>
<u>Director Compensation for Fiscal 2017</u>	<u>66</u>
<u>Independent Registered Public Accounting Firm</u>	<u>69</u>
<u>Proposal No. 2 – Ratification Of Appointment Of Independent Registered Public Accounting Firm</u>	<u>71</u>
<u>Proposal No. 3 – Advisory Vote on Executive Compensation</u>	<u>72</u>
<u>Proposal No. 4 – Shareholder Proposal</u>	<u>73</u>
<u>Beneficial Ownership of Common Stock</u>	<u>76</u>
<u>Additional Information and Other Business</u>	<u>79</u>
<u>Appendix A – Reconciliation of Non-GAAP Financial Measures</u>	<u>A-1</u>
<u>Form of Proxy Card</u>	

---

ALEXION PHARMACEUTICALS, INC. PROXY STATEMENT

Proxy

Summary

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

General Information (see “General Information” on page 5 for more information)

Date: May 8, 2018

Time: 5:30 p.m. local time

Place: The Langham Hotel, 250 Franklin Street, Boston MA 02110

Record Date: March 12, 2018

Voting Matters and Vote Recommendation

Voting Matter	Board Recommendation	Page Number for More Detail
Proposal 1 Election of Directors	FOR ALL Nominees	<u>9</u>
Proposal 2 Ratification of PricewaterhouseCoopers LLP as Independent Auditors	FOR	<u>71</u>
Proposal 3 Non-binding Advisory Vote to Approve Executive Compensation	FOR	<u>72</u>
Proposal 4 Shareholder Proposal	AGAINST	<u>73</u>

Corporate Governance

We strive to maintain strong corporate governance practices that protect and enhance accountability for the benefit of Alexion and all of Alexion’s shareholders. We regularly review and continually refine our governance policies to align with evolving practices and issues raised by our shareholders. We believe that our corporate governance structure, with its emphasis on Board independence and strong Board and committee involvement, provides sound and robust oversight of management. Detailed information about our corporate governance practices begins on page 18. The following chart summarizes key information regarding our corporate governance.

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

Board and Board Committees*	
Number of independent directors	12
Average age of directors	62.9
All Board Committees consist of independent directors	Yes
Risk oversight by Board and Committees	Yes
Separate Chairman and CEO	Yes
Lead Independent Director Charter	Yes
Regular executive sessions of independent directors	Yes
Annual Board and Committee evaluations	Yes
Size of the Board	13
Average director tenure (in years)	4.2
Shareholder Rights, Accountability and Other Governance Practices	
Annual elections for all directors	Yes
Majority voting for directors	Yes
Proxy access bylaw (3%-3 years)	Yes
Annual advisory vote on executive compensation	Yes
Shareholder ability to call special meetings (25% threshold)	Yes
Shareholder ability to act by written consent	Yes
Stock ownership guidelines for directors and executives	Yes
Prohibition from hedging and pledging securities or otherwise engaging in derivative transactions	Yes
Absence of Rights Plan, or "Poison Pill"	Yes
Absence of supermajority voting provisions	Yes

\*The information in the table above is presented for the Board of Directors as of March 15, 2018. Michele Burns, Alvin Parven and Ann Veneman are not standing for election at the 2018 Annual Meeting. If all nominees are elected to the Board, the Board will have 10 directors, 9 of whom are independent, with average tenure of 2.4 years and average age of 61.1 years.

#### Our Director Nominees

##### Proposal 1 - Election of Directors

You are being asked to vote on the election of the following ten nominees for director. All directors are elected annually by the affirmative vote of a majority of votes cast. Detailed information about each director's background, skill sets and areas of expertise can be found beginning on page 10.

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

---

Edgar Filing: ALEXION PHARMACEUTICALS INC - Form DEF 14A

Nominee, Experience	Age	Director Since	Committees AF LCNGSI	Other Public Boards
Felix J. Baker Co-Managing Member of Baker Bros. Advisors	49	2015	X C	2
David R. Brennan Former Interim Chief Executive Officer, Former Chief Executive Officer of AstraZeneca PLC	64	2014		X 1
Christopher J. Coughlin Former Executive Vice President and Chief Financial Officer, Tyco	65	2014	C, F X	1
Deborah Dunsire Former President and Chief Executive Officer, Millennium Pharmaceuticals	55	2018		1
Paul A. Friedman Chief Executive Officer, Madrigal Pharmaceuticals, Former Chief Executive Officer, Incyte Corporation	75	2017	X	X 2
Ludwig N. Hantson Chief Executive Officer	55	2017		—
John T. Mollen Former Executive Vice President, Human Resources of EMC Corp.	67	2014	X C	—
Francois Nader Former President and Chief Executive Officer, NPS Pharma	61	2017	X	X 2
Judith A. Reinsdorf Former Executive Vice President and General Counsel, Johnson Controls	54	2018	X	1
Andreas Rummelt Chief Executive Officer of InterPharmaLink AG and former Group Head, Quality Assurance and Technical Operations of Novartis	61	2010	X	X _

AF - Audit and Finance Committee; LC - Leadership and Compensation Committee; NG - Nominating and Corporate Governance Committee; SI - Science and Innovation Committee; X - Committee Member; C - Committee Chair; F - Financial Expert

Our Auditors

Proposal 2 - Ratification of PricewaterhouseCoopers LLP as independent auditors

You are being asked to vote to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2017. Below is summary information about PricewaterhouseCoopers LLP's fees for services provided in 2017 and 2016. Detailed information about this proposal can be found beginning on page 71.

Fees	2017	2016
Audit fees	\$4,199,984	\$5,433,482
Audit related fees	\$485,000	\$—
Tax fees	\$100,445	\$305,019
All other fees	\$9,000	\$9,000
Total fees	\$4,794,429	\$5,747,501

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

---



## Executive Compensation Matters

### Proposal 3 - Non-Binding Advisory Vote on Executive Compensation

Our Board of Directors recommends that shareholders vote to approve, on an advisory basis, the 2017 compensation paid to Alexion's named executive officers (NEOs) as described in this proxy statement. Detailed information about the compensation paid to our NEOs can be found beginning on page 25. Highlights of our compensation program for 2017 and our compensation best practices follow.

#### Pay-for-Performance

Compensation tied to the achievement of the Company's short- and long-term financial, operational and strategic objectives

Since 2016, annual cash bonus determinations are subject to fewer subjective goals - 100% subjective for 2016, 50% for 2017 and 35% for 2018 - see page 31

Since 2016, we have increased the amount of long-term incentives delivered in performance share units - 25% PSUs for 2016, 50% for 2017 and 65% for 2018; no stock options in 2018 - see page 31

#### Other Compensation Best Practices

Clawback policy under which cash and equity-based incentive compensation of our CEO and his direct reports may be recovered by Alexion in the event of a financial restatement

All employees, including the NEOs, are prohibited from entering into any hedging, pledging or derivative transactions in our stock

Equity incentive plan prohibits the repricing or exchange of stock options without shareholder approval

The Leadership and Compensation Committee regularly reviews share utilization levels and Alexion's burn rate

We provide limited perquisites to executives, and these perquisites are also available to certain other employees

NEOs are expected to acquire and hold Alexion stock worth three to six times their base salary within five years of appointment

No Alexion employment agreement includes a 280G tax gross-up

The Leadership and Compensation Committee retains an independent compensation consultant

## Shareholder Proposal

### Proposal 4 - Shareholder Proposal

Our Board of Directors recommends that shareholders vote AGAINST the shareholder proposal. Detailed information about the proposal and the Board's recommendation can be found beginning on page 73.

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

---

General  
Information  
Regarding  
the Meeting

The Board of Directors of Alexion Pharmaceuticals, Inc. is soliciting your proxy to vote at our 2018 Annual Meeting of Shareholders (Annual Meeting) to be held at 5:30 p.m. local time, on Tuesday, May 8, 2018 for the purposes summarized in the accompanying Notice of 2018 Annual Meeting of Shareholders. Our 2017 Annual Report is also available with this proxy statement.

References in this proxy statement to “Alexion” or the “Company,” “we,” “us,” and “our” refer to Alexion Pharmaceuticals, Inc.

The mailing address of our principal executive offices is Alexion Pharmaceuticals, Inc., 100 College Street, New Haven, CT 06510. We will begin mailing the Notice of Internet Availability of Proxy Materials to shareholders on March 28, 2018. We will make arrangements with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy materials to the beneficial owners of shares and will reimburse them for their expenses in so doing.

Why are we soliciting proxies?

We are furnishing this proxy statement and form of proxy to the holders of Alexion's common stock, par value \$0.0001 per share, in connection with the solicitation by our Board of Directors of proxies for use at our 2018 Annual Meeting.

When and where is the 2018 Annual Meeting?

The 2018 Annual Meeting will be held on Tuesday, May 8, 2018, at The Langham Hotel, 250 Franklin Street, Boston, MA 02110 at 5:30 p.m. local time, or at any future date and time following an adjournment or postponement of the meeting.

What business will be conducted at the 2018 Annual Meeting?

The business to be considered at the 2018 Annual Meeting is described in the accompanying Notice of Annual Meeting of Shareholders. Alexion's Board of Directors is not currently aware of any other business that will come before the meeting.

Who can vote?

The record date for voting is March 12, 2018. Only shareholders of record at the close of business on March 12, 2018 are entitled to notice of and to vote at the 2018 Annual Meeting and any adjournment or postponement of the meeting. On March 12, 2018, there were 222,358,319 shares of our common stock outstanding. Each share is entitled to one vote on each of the matters to be presented at the 2018 Annual Meeting.

Who can attend the 2018 Annual Meeting?

Attendance at the 2018 Annual Meeting will be limited to record or beneficial owners of Alexion common stock as of March 12, 2018 (or their authorized representatives). When you arrive at the meeting, you must present photo identification, such as a driver's license. If your shares are held by a bank, broker or other nominee, you must also present your bank or broker statement evidencing your beneficial ownership of Alexion common stock to gain admission to the 2018 Annual Meeting. Alexion reserves the right to deny admittance to anyone who cannot show sufficient proof of share ownership as of March 12, 2018.

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

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

We are distributing our proxy materials to certain shareholders via the Internet under the "Notice and Access" approach permitted by rules of the Securities and Exchange Commission, or SEC. This approach conserves natural resources and reduces our distribution costs, while providing a timely and convenient method of accessing the materials and voting. On March [28], 2018, we will begin mailing a "Notice of Internet Availability of Proxy Materials" to participating shareholders, containing instructions on how to access the proxy materials on the Internet.

What does it mean if I receive more than one Notice of Annual Meeting of Shareholders?

If you receive more than one Notice of Annual Meeting of Shareholders, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on each Notice of Annual Meeting of Shareholders to ensure that all of your shares are voted.

Can I access the proxy materials on the Internet?

This Notice of Annual Meeting of Shareholders and proxy statement and our 2017 Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com). Instead of receiving future proxy statements and accompanying materials by mail, most shareholders can elect to receive an email that will provide electronic links to them. Opting to receive your proxy materials online will conserve natural resources and will save us the cost of producing documents and mailing them to you, and will also give you an electronic link to the proxy voting site.

How do I vote?

Whether or not you plan to attend the 2018 Annual Meeting, it is important that you vote.

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

By Internet: Go to the Internet website – [www.proxyvote.com](http://www.proxyvote.com) – and follow the instructions. You must vote by 11:59 P.M. Eastern on May 7, 2018.

By Telephone: Call the toll-free number 800-690-6903 to vote by telephone. You must follow the instructions on your proxy card and the recorded telephone instructions. You must vote by 11:59 P.M. Eastern on May 7, 2018.

By Mail: Mark, sign and date the proxy card and return it promptly in the self-addressed, stamped envelope. If a proxy card is signed and returned without instructions, your shares will be voted in the manner recommended by our Board of Directors. Your proxy card must be received by May 7, 2018.

In Person: You can attend the 2018 Annual Meeting to vote by ballot.

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

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

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

How can I change or revoke my vote?

You may revoke the authority granted by your execution of a proxy at any time prior to the 2018 Annual Meeting by: filing a timely written notice of revocation with the Corporate Secretary, Alexion Pharmaceuticals, Inc., 100 College Street, New Haven, CT 06510; emailing a duly executed proxy bearing a later date; re-voting by phone or the Internet prior to the date and time described in this proxy statement; or voting in person at the 2018 Annual Meeting. Only your latest vote will be counted.

What constitutes a quorum?

The holders of a majority of the outstanding shares of common stock entitled to vote must be present in person or represented by proxy to constitute a quorum at the 2018 Annual Meeting. Abstentions and "broker non-votes" will be counted for purposes of determining the presence or absence of a quorum.

What vote is required for each proposal?

Proposal	Board's Recommendation	Broker Discretionary Voting Allowed	Abstentions	Required Vote
1 Election of Directors	FOR ALL Nominees	No	No effect	Majority of votes cast
2 Ratification of PricewaterhouseCoopers LLP as independent auditors	FOR	Yes	No effect	Majority of votes cast
3 Non-binding Advisory Vote on Executive Compensation	FOR	No	No effect	Majority of votes cast
4 Shareholder Proposal Independent Chairman Policy	AGAINST	No	No effect	Majority of votes cast

How do I make sure my vote will be counted?

If you are a record holder you must vote by telephone, by Internet, by signing, dating and returning a printed proxy card, or by attending the 2018 Annual Meeting.

If you are the beneficial owner of shares held in "street name," your bank, broker or other nominee, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If instructions are not provided, the broker's ability to vote the shares depends on the proposal. Your bank, broker or other nominee has discretionary authority to vote your shares on "routine" matters, even absent instructions. A broker may not, however, vote on "non-routine" matters without receiving specific voting

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

instructions from you. Uninstructed shares whose votes cannot be counted on non-routine matters result in what are commonly referred to as "broker non-votes."

If you do not give your broker voting instructions, your broker (1) will be entitled to vote your shares on the ratification of our independent accounting firm and (2) will not be entitled to vote your shares on the election of directors, the advisory vote on executive compensation, or the shareholder proposal.

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

Who solicits proxies and bears the costs of solicitation?

Proxies may be solicited, without extra compensation, by officers, agents and employees of Alexion who may communicate with shareholders, banks, brokerage houses and others by telephone, facsimile, email or in person to request that proxies be furnished. All expenses incurred in connection with this solicitation will be paid for by Alexion.

2018  
Proxy  
Statement  
of  
Alexion  
Pharmaceuticals,  
Inc.

---

Proposal

No.

1

– Election

Of

Directors

Ten directors have been nominated for election at the 2018 Annual Meeting to serve until the next annual meeting of shareholders and until their successors have been duly elected and qualified. In the event any of the nominees are unable to serve as a director, the shares represented by the proxy will be voted for such other candidate, if any, who is nominated by the Board to replace the nominee. All nominees have consented to be named in the proxy statement and have indicated their intent to serve if elected. The Board has no reason to believe that any of the nominees will be unable to serve. Alexion's directors are elected by majority vote in uncontested director elections, such as this one. The voting standard for contested director elections is a plurality standard. The majority voting standard provides that a nominee for director in an uncontested election will be elected to Alexion's Board if the votes cast "for" such nominee's election exceed the votes cast "against" such nominee's election. In an uncontested election, an incumbent director nominee who does not receive the required votes for re-election is required to tender his or her resignation and the Nominating and Corporate Governance Committee will recommend to the Board whether to accept or reject the resignation. Within 90 days following certification of the election results, the Board will act on the committee's recommendation and publicly disclose the Board's decision regarding the tendered resignation, including the rationale for the decision.

The number of candidates for election as directors at the 2018 Annual Meeting is the same as the number of directors to be elected at the meeting. Therefore, this is an uncontested election and directors will be elected by the affirmative vote of a majority of the votes cast by the shares present or represented and entitled to vote at the 2018 Annual Meeting, in person or by proxy.

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

2018

Proxy

Statement

of

Alexion

Pharmaceuticals,

Inc.

---

General  
Information  
About The  
Board Of  
Directors

Each director nominee, if elected, will serve until the next annual meeting of shareholders and until his or her successor has been duly elected and qualified. Each officer of the Company serves at the discretion of the Board. Dr. Hantson is party to an employment agreement with Alexion.

The Board seeks independent directors who represent a range of viewpoints, backgrounds, skills, experience and expertise. Directors should possess the attributes necessary to be an effective member of the Board, including the following: personal and professional integrity, high ethical values, sound business judgment, demonstrated exceptional business and professional skills and experience, teamwork and a commitment to the long-term interests of Alexion and its shareholders. In evaluating candidates, the Nominating and Corporate Governance Committee also considers potential conflicts of interest, diversity, the requirement to maintain a Board that is composed of a majority of independent directors, and the extent to which a candidate would fill a present or anticipated need. In any particular situation, the Nominating and Corporate Governance Committee may focus on individuals possessing a particular background, experience or qualifications which the committee believes would be important to enhance the effectiveness of the Board.

The current Alexion directors represent a desirable range of viewpoints, backgrounds, skills, experience and expertise. The biography of each director nominee and a description of certain specific experiences, qualifications, attributes and skills of each director that led the Board to conclude that the individual should serve as a director are described below. To align with Alexion's new corporate strategy announced in 2017, the Board undertook a significant refreshment exercise to primarily add directors with biopharmaceutical experience as chief executive officers. The Board appointed four independent directors since September 2017 with deep industry experience, including three industry veterans and former and current chief executive officers. If all nominees are elected at the annual meeting, the Board will consist of 90% independent directors, with average tenure of approximately 2.4 years.

Felix J. Baker

Age: 49

Alexion Director Since: 2015

Committee Memberships:

Nominating and Corporate  
Governance, Science and  
Innovation (Chair)

Other Public Company

Directorships

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

Past 5 Years: Synageva  
BioPharma Corp., Ardea  
Bioscience, Inc.

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

Qualifications

n Broad experience serving as  
both a director and investor of  
biotechnology companies  
providing a strategic perspective  
of the industry

n Extensive experience  
evaluating and developing  
strategic business plans and  
transactions in the biotechnology  
industry

2018

Proxy

Statement

to

Alexion

Pharmaceuticals,  
Inc.

---



David R. Brennan,  
Chairman of the Board  
Age: 64  
Alexion Director Since:  
2014  
Committee  
Memberships: Science and  
Innovation  
Other Public Company  
Directorships  
Current: Insmed  
Incorporated  
Past 5 Years: Innocoll  
Holdings plc

#### Qualifications

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

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

n Extensive experience evaluating and developing complex strategic business plans

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

n Extensive global and M&A experience

Mr. Brennan served as Interim Chief Executive Officer of Alexion from December 11, 2016 to March 27, 2017. From 2006 to 2012 he was Chief Executive Officer and Executive Director of AstraZeneca PLC, one of the world's largest pharmaceutical companies. Mr. Brennan worked for AstraZeneca in increasing roles of responsibility from 1992 through 2012, including as Executive Vice President of North America from 2001 to 2006, and as Senior Vice President of Commercialization and Portfolio Management from 1999 to 2001. Prior to the merger of Astra AB and Zeneca Plc, he served as Senior Vice President of Business Planning and Development of Astra Pharmaceuticals LP, the American subsidiary of Astra AB. Mr. Brennan began his career at Merck and Co. Inc., where he rose from Sales Representative in the U.S. Division to General Manager of Chibret International, a French subsidiary of Merck. He received a BA in business administration from Gettysburg College, where he is a member of the Board of Trustees.

Christopher J. Coughlin  
Age: 65

Mr. Coughlin served as Advisor to the Chairman and CEO of Tyco International Ltd., a global provider of diversified products, services and industries, from 2010 to 2012, and

Alexion Director Since: 2014  
Committee Memberships: Audit and Finance (Chair), Leadership and Compensation  
Other Public Company Directorships  
Current: Allergan plc  
Past 5 Years: Covidien Ltd., Dun & Bradstreet Corp., Dipexium Pharmaceuticals, Forest Laboratories, Hologic Inc.

as Executive Vice President and Chief Financial Officer of Tyco from 2005 to 2010, during a period of significant international growth and restructuring. Mr. Coughlin previously served at the Interpublic Group of Companies, Inc. as Executive Vice President, Chief Operating Officer from 2003 to 2004. From 1998 to 2003, he served as Executive Vice President and Chief Financial Officer of Pharmacia Corporation. From 1997 to 1998 he was President, International at Nabisco Group Holdings and from 1996 to 1997 was Executive Vice President and Chief Financial Officer of Nabisco. From 1981 to 1996, Mr. Coughlin held various positions with Sterling Winthrop Incorporated, including Chief Financial Officer. Mr. Coughlin received a BS in accounting from Boston College.

#### Qualifications

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

n Extensive experience evaluating and developing strategic goals for global organizations

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

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

Deborah Dunsire

Age: 55

Alexion Director Since: 2018

Committee

Memberships: None

Other Public Company

Directorships

Current: Ultragenyx

Pharmaceutical, Inc.

Past 5 Years: Allergan

Inc., Takeda Pharmaceuticals,

Inc.

From 2005 to 2013, Dr. Dunsire served as President and Chief Executive Officer of Millennium Pharmaceuticals, Inc., where she led the transformation of the company into a biotechnology industry leader. Prior to Millennium, which became Takeda Oncology, Dr. Dunsire led the Novartis North America Oncology Business through a period of significant growth during her 10-year tenure. She also previously served as President and Chief Executive Officer of FORUM Pharmaceuticals and in a variety of Research and Development and Commercial positions with Sandoz AG. Most recently, from January 2017 until March 2017, Dr. Dunsire served as President and Chief Executive Officer of XTuit Pharmaceuticals, Inc., a privately held biopharmaceutical company developing novel therapeutics. Dr. Dunsire received her medical degree from the University of Witwatersrand, Johannesburg, South Africa.

Qualifications

n More than thirty years of experience in the

biopharmaceutical industry

n Brings value to the Board

through experience as a chief

executive officer of innovative

companies focused on drug

research and development

n Extensive experience

leading complex drug

discovery, development and

commercialization

organizations

n Possesses deep scientific

and medical expertise

Paul Friedman

Age: 75

Alexion Director Since: 2017

Committee

Memberships: Nominating and

Corporate Governance, Science

and Innovation

Other Public Company

Directorships

Current: Incyte Corporation,

Madrigal Pharmaceuticals,

Inc.,

Past 5 Years: Cerulean

Pharmaceuticals, Inc., Synta

Pharmaceuticals, Inc.,

Verastem Pharmaceuticals

Since July 2016, Dr. Friedman has served as Chairman of the Board of Directors and Chief Executive Officer of Madrigal Pharmaceuticals. Dr. Friedman served as the CEO and a Director of Incyte Corporation from November 2001 until his retirement in January 2014. He served as President of Research & Development for the DuPont-Merck Pharmaceutical Company, and also as President of DuPont Pharmaceuticals Research Laboratories, a wholly-owned subsidiary of the DuPont Company. He has also held executive and R&D positions with DuPont Pharmaceuticals Research Laboratories, Merck Research Laboratories, and Merck Sharp & Dohme Corporation. Prior to his tenures at Merck and DuPont, Dr. Friedman was an Associate Professor of Medicine and Pharmacology at Harvard Medical School. Dr. Friedman is a diplomat of the American Board of Internal Medicine and a member of the American Society of Clinical Investigation. Dr. Friedman received his A.B. in Biology from Princeton University and his M.D. from Harvard Medical School.

Qualifications

- n More than 40 years of experience in the biopharmaceutical industry
- n Deep experience in research and both early and late stage clinical development
- n Extensive experience building and leading R&D organizations, expanding company pipelines of assets, and overseeing the commercial development of innovative therapeutic products across a range of areas
- n Brings valuable perspectives to the Board as a chief executive officer in the biopharmaceutical industry

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

Ludwig N. Hantson

Age: 55

Alexion Director Since:  
2017

Committee

Memberships: None  
Other Public Company  
Directorships  
Current: None  
Past 5 Years: Baxalta  
Incorporated, Baxter  
International Inc.

Dr. Hantson became Chief Executive Officer of Alexion on March 27, 2017. Prior to joining Alexion, Dr. Hantson was President and Chief Executive Officer of Baxalta Incorporated. He led Baxalta's successful spin-off as a public company from Baxter International Inc. in July 2015 where he was President of Baxter BioScience. He joined Baxter in May 2010 and established the BioScience division as an innovative specialty and rare disease company with a pipeline of 25 new product candidates, and 13 products launches. Prior to Baxter, from 2001 - 2010, Dr. Hantson held several leadership roles at Novartis AG, including CEO of Pharma North America, CEO of Europe, and President of Pharma Canada. Prior to Novartis, Dr. Hantson spent 13 years with Johnson & Johnson in roles of increasing responsibility in marketing and research and development. Dr. Hantson received his Ph.D. in motor rehabilitation and physical therapy, Master's degree in physical education, and a certification in high secondary education, all from the University of Louvain in Belgium.

Qualifications

n More than 30 years of  
experience in the  
biopharmaceutical  
industry

n Extensive experience  
as an executive leading  
global, innovative  
organizations

John T. Mollen

Age: 67

Alexion Director  
Since: 2014

Committee

Memberships: Audit  
and Finance, Leadership  
and Compensation  
(Chair)

Other Public Company  
Directorships

Current: None

Past 5 Years: None

Qualifications

n Significant  
experience in executive  
compensation policy  
and administration

n More than 30 years  
as chief human  
resources senior  
executive

n Extensive  
operational experience  
leading human resource

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

function for large,  
public, complex, global  
organizations, including  
a Fortune 200 company  
n Brings valued  
operational perspectives  
to the Board on matters  
of talent recruiting and  
development, executive  
compensation, benefits  
and leadership  
n Extensive global  
and deep M&A  
experience

2018

Proxy

Statement

13  
Alexion

Pharmaceuticals,

Inc.

---

Francois Nader

Age: 61

Alexion Director Since:  
2017

Committee Memberships:  
Audit and Finance, Science  
and Innovation

Other Public Company

Directorships

Current: Acceleron Pharma,  
Inc., Clementia

Pharmaceuticals, Inc.

Past 5 Years: Advanced  
Accelerator Applications,  
Inc., Baxalta Incorporated,  
NPS Pharmaceuticals, Inc.,  
Trevena, Inc.

Dr. Nader served as President, Chief Executive Officer, and Executive Director of NPS Pharma, a global biotechnology company that was focused on delivering innovative therapies to patients with rare diseases, from 2008 to 2015. Prior to NPS, Dr. Nader was a venture partner at Care Capital, a venture capital firm. He previously served on the North America Leadership Team of Aventis Pharma and its predecessor companies, holding a number of executive positions in integrated healthcare markets and medical and regulatory affairs. He also led global commercial operations at the Pasteur Vaccines division of Rhone-Poulenc. Dr. Nader earned his French Doctorate in Medicine from St. Joseph University in Lebanon and a physician executive MBA from the University of Tennessee.

Qualifications

n Extensive experience in  
the biopharmaceutical  
industry

n Broad experience with  
organizations focused on  
developing and launching  
rare disease therapies

n Experienced  
biopharmaceutical chief  
executive officer with strong  
background across both  
commercial and R&D  
functions

Judith Reinsdorf

Age: 54

Alexion Director  
Since: 2018

Committee

Memberships: Audit and  
Finance

Other Public Company

Directorships

Current: Dun &

Bradstreet Corp.

Past 5 Years: None

Ms. Reinsdorf previously served as Executive Vice President and General Counsel of Johnson Controls International, a global leader in building products and technology, integrated solutions, and energy storage, following its merger in September 2016 with Tyco International, where she served as Executive Vice President and General Counsel from March 2007 until September 2016. Prior to Johnson Controls, Ms. Reinsdorf served as Vice President, General Counsel and Secretary of C. R. Bard, Inc., as Vice President and Corporate Secretary of Tyco, as Vice President and Associate General Counsel of Pharmacia Corporation, and as Assistant General Counsel and Chief Legal Counsel, Corporate, at Monsanto Company. Ms. Reinsdorf earned her bachelor's degree from the University of Rochester and her J.D. from Cornell Law School.

Qualifications

n Brings strong  
corporate governance and  
legal expertise to the

Board

n Broad experience in global compliance, strategic planning, data privacy, and regulatory matters

n Extensive experience leading legal functions at large U.S. public companies with global operations and in regulated industries

2018

Proxy

Statement

14  
Alexion

Pharmaceuticals,

Inc.

---



Andreas Rummelt

Age: 61

Alexion Director Since:  
2010

Committee

Memberships: Nominating  
and Corporate Governance,  
Science and Innovation

Other Public Company

Directorships

Current: None

Past 5 Years: None

#### Qualifications

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

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

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

#### Meetings and Committees

During the year ended December 31, 2017, the Board of Directors held 14 meetings. No incumbent director attended fewer than 75% of the total number of meetings of the Board and the committees of the Board on which he or she served. Members of the Board of Directors are expected to attend and be present at the annual shareholders meeting and all incumbent directors attended the 2017 Annual Meeting.

The Board of Directors has determined that nine of the ten nominees (Dr. Baker, Mr. Brennan, Mr. Coughlin, Dr. Dunsire, Dr. Friedman, Mr. Mollen, Dr. Nader, Ms. Reinsdorf, and Dr. Rummelt) are "independent directors" as that term is defined under the Nasdaq Stock Market Listing Standards and the SEC rules and regulations. In 2017, the Board of Directors met in executive session where only the independent directors were present without any members of Alexion's management, including during a majority of the four regularly scheduled meetings.

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

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

our subsidiaries or have a material interest that is adverse to us or any of our subsidiaries.

Our Board of Directors has 4 standing committees. In 2017, the Board engaged a third party to conduct a review of its composition and its structure. As a result of the review, the Board decided to reduce the number of standing committees from 6 to 4 committees. The Board dissolved the Strategy and Risk Committee and the Quality Compliance Committee. The oversight responsibilities for each committee were allocated to the Board or to another committee of the Board. A description of each standing committee is provided below. Each committee operates pursuant to a charter that has been approved and adopted by our Board of Directors. Each committee charter is posted on our website, [www.alexion.com](http://www.alexion.com), under the “Corporate Governance” subsection of the “Investors” section.

2018

Proxy

Statement

15  
Alexion

Pharmaceuticals,

Inc.

---

All members of each standing committee are independent. During 2017, Mr. Brennan did not serve on any standing committee of the Board during his service as Interim CEO. Upon Dr. Hantson's appointment as Chief Executive Officer on March 27, 2017, the Board determined that Mr. Brennan was independent and he was appointed to the same standing committees on which he previously served.

Audit and Finance

Current Members (all independent):

Mr. Coughlin (Chair)

Mr. Mollen

Dr. Nader

Mr. Parven

Ms. Reinsdorf

The Audit and

Finance

Committee

reviews the

internal

accounting

procedures of

Alexion,

consults with

our

independent

registered

public

accounting

firm and

reviews the

senior leadership

provided by the

independent

registered

public

accounting

firm and

reviews the

senior leadership

provided by the

independent

registered

public

accounting

firm and

reviews the

senior leadership

provided by the

independent

registered

public

accounting

firm and

reviews the

senior leadership

provided by the

independent

registered

public

No. of Meetings during 2017:

12

Charter:

[http://www.alexion.com/documents/audit\\_finance\\_Comm\\_charter](http://www.alexion.com/documents/audit_finance_Comm_charter)

Leadership and Compensation

Current Members (all independent):

Mr. Mollen (Chair)

Ms. Burns

Mr. Coughlin

Mr. Parven

Ms. Veneman

No. of Meetings during 2017:

6

Charter:

The Leadership

and Compensation

Committee

reviews the

senior leadership

provided by the

independent

registered

public

accounting

firm and

reviews the

senior leadership

provided by the

independent

registered

public

accounting

firm and

reviews the

senior leadership

provided by the

independent

registered

public

accounting

firm and

reviews the

senior leadership

provided by the

independent

registered

public

activities of  
the and other  
finance-related  
and compensation  
including that,  
not including the  
the Committee's  
tax practices, for  
capital  
determining  
structure and  
financial  
compensation,  
strategy and  
significant  
capitals  
Discussion and  
in Analysis below  
The Committee  
oversees that

[http://www.alexion.com/documents/leadership\\_comp\\_comm\\_chart](http://www.alexion.com/documents/leadership_comp_comm_chart) management

2018  
Proxy  
Statement  
16  
Alexion  
Pharmaceuticals,  
Inc.

has established,  
documented,  
maintained and  
periodically  
re-evaluates its  
ethics and  
compliance  
program. The  
Committee also  
provides Board  
oversight of the  
Company's  
enterprise risk  
management  
program. Our  
Board of  
Directors has  
determined that  
Mr. Coughlin  
is an "audit  
committee  
financial  
expert" as that  
term is defined  
under the  
Nasdaq Stock  
Market Listing  
Standards and  
the SEC rules  
and  
regulations.

Nominating and Corporate Governance

Current Members (all independent):

Ms. Veneman (Chair)

Dr. Baker

Ms. Burns

Dr. Friedman

Dr. Rummelt

No. of Meetings during 2017:

6

Charter:

[http://www.alexion.com/documents/nom\\_corp\\_gov\\_comm\\_charter](http://www.alexion.com/documents/nom_corp_gov_comm_charter)

Science and Innovation

Current Members (all independent):

Dr. Baker (Chair)

Mr. Brennan

Dr. Friedman

Dr. Nader

Dr. Rummelt

No. of Meetings during 2017:

4

Charter:

The Nominating and Corporate Governance Committee reviews and recommends new directors to the Board of Directors, establishes the necessary Board committees to provide oversight to Alexion, and makes recommendations regarding committee membership. The Committee oversees risks related to director independence, board succession and corporate governance.

In July 2016, the Board of Directors established the Science and Innovation Committee to provide leadership and guidance concerning the research, development and technology aspects of Alexion's business. The Committee provides

advice as to scientific and medical aspects of transactions that require Board approval. The Committee also advises the Board on risks related to Alexion's research and development activities, its pipeline and technology.

[http://www.alexion.com/documents/science\\_innov\\_comm\\_charter](http://www.alexion.com/documents/science_innov_comm_charter)

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

Corporate  
Governance

We strive to maintain strong corporate governance practices that protect and enhance accountability for the benefit of Alexion and all of Alexion's shareholders. We regularly review and continually refine our governance practices and policies to align with evolving practices and issues raised by our shareholders. We believe that our corporate governance structure, with its strong emphasis on Board independence and strong Board and committee involvement, provides sound and robust oversight of management.

Our Board believes that sound governance practices and policies provide an important framework to assist it in fulfilling its duty to shareholders. The Board has adopted Corporate Governance Guidelines and relies on the guidelines to provide that framework. The guidelines are not absolute rules, and can be modified to reflect changes in Alexion's organization or business environment. The Board reviews the guidelines on an annual basis and if necessary, modifies the guidelines to reflect current good governance practices and policies.

Alexion's Corporate Governance Guidelines, the charters of the committees of our Board and our Code of Ethics and Business Conduct described below may be found in the Corporate Governance section of the Investors section of our website at [www.alexion.com](http://www.alexion.com) or in print upon written request to ATTN: Investor Relations, Alexion Pharmaceuticals, Inc., 100 College Street, New Haven, CT 06510.

We believe part of effective corporate governance includes active engagement with our shareholders. We value the views of our shareholders and other stakeholders, and we communicate with them regularly and solicit input on a number of topics such as business strategy, capital allocation, corporate governance, and executive compensation. This section describes key corporate governance facts about our Company and practices that we have adopted.

Process for Selecting Nominees and Shareholder Nominations

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

Our Bylaws contain provisions addressing the process by which a shareholder may recommend a person for consideration as a nominee for director at an annual meeting. A shareholder must give timely notice of the nomination in proper form, including a completed and signed questionnaire, representation and agreement required by Alexion's Bylaws and timely updates and supplements relating to the nomination.

Shareholder Nominations Not for Inclusion in Alexion's Proxy Statement. To nominate a director for consideration at an annual meeting, a nominating shareholder must provide the information required by our Bylaws and give timely notice of the nomination to our Corporate Secretary in accordance with our Bylaws, and each nominee must meet the qualifications required by our Bylaws. To be timely, assuming the date of the 2018 Annual Meeting is not more than 30 days before or more than 60 days after the anniversary of the 2018 Annual Meeting, a shareholder's notice and recommendation must be received

2018  
Proxy  
Statement  
18  
Alexion  
Pharmaceuticals,  
Inc.

---

no earlier than the close of business on November 29, 2018, and not later than the close of business on December 29, 2018.

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

Our Bylaws provide that a shareholder's advance notice of a nomination must contain the following information for each person whom the shareholder proposes to nominate for election or reelection to the Board: (1) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations promulgated thereunder, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, (2) a detailed description of all direct and indirect compensation and other monetary agreements, arrangements and understandings during the prior three (3) years, and any other material relationships, between or among such shareholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K, (3) a completed and signed questionnaire, provided by the Corporate Secretary upon written request, with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made, and (4) a written representation and agreement, provided by the Corporate Secretary upon written request, that such person (a) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director, will act or vote on any issue or question (a Voting Commitment) that has not been disclosed to Alexion or (ii) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director, with such person's fiduciary duties under applicable law, (b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than Alexion with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed in accordance with our Bylaws, (c) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director, and will comply, with all applicable corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of Alexion publicly disclosed from time to time, and (d) will abide by the requirements of the director voting provisions of our Bylaws. In addition, we may require any proposed nominee to furnish such other information as may reasonably be required by us to determine the eligibility of such proposed nominee to serve as an independent director or that could affect a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee.

2018  
Proxy  
Statement  
to  
Alexion  
Pharmaceuticals,  
Inc.

---



In addition, our Bylaws provide that to be in proper form, a shareholder's notice must set forth, with respect to the shareholder, beneficial owner and their respective affiliate or associate acting in concert, giving notice of the nomination: (1) the name and address of the shareholder, as they appear on our books, or such beneficial owner, if any, and of their respective affiliates or associates or others acting in concert, (2) (a) the class or series and number of shares of Alexion which are, directly or indirectly, owned beneficially and of record by such shareholder, beneficial owner and their respective affiliates or associates or others acting in concert, (b) any "derivative instrument" directly or indirectly owned beneficially by such shareholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert, (c) any proxy, contract, arrangement, understanding, or relationship pursuant to which such shareholder has a right to vote any class or series of shares of Alexion, (d) any "short interest" involving such shareholder, the beneficial owner, if any, or any affiliates or associates or others acting in concert, (e) any rights to dividends on the shares of Alexion owned beneficially by such shareholder that are separated or separable from the underlying shares of Alexion, (f) any proportionate interest in shares of Alexion or "derivative instruments" held, directly or indirectly, by a general or limited partnership in which such shareholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership, (g) any performance-related fees (other than an asset-based fee) that such shareholder is entitled to based on any increase or decrease in the value of Alexion's shares or "derivative instruments," (h) any significant equity interests or any "derivative instruments" or "short interests" in any principal competitor of Alexion held by such shareholder, and (i) any direct or indirect interest of such shareholder in any contract with Alexion, any affiliate of Alexion or any principal competitor of Alexion, and (3) any other information relating to such shareholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement and form or proxy or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

You may write to our Corporate Secretary at our principal executive office - Alexion Pharmaceuticals, Inc., 100 College Street, New Haven, Connecticut 06510, ATTN: Corporate Secretary - to deliver the notices discussed above and for a copy of the relevant Bylaw provisions regarding the requirements for nominating director candidates pursuant to our Bylaws. The Company's corporate headquarters will relocate in July 2018 to 121 Seaport Boulevard, Boston, MA 02210.

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

The number of shareholder-nominated candidates appearing in our annual meeting proxy statement cannot exceed the greater of 20% of the number of directors then serving on the Board and two directors. If 20% is not a whole number, the maximum number of shareholder-nominated candidates would be the closest whole number below 20%. The following persons will be considered shareholder-nominated candidates and counted against the 20% maximum: (i) shareholder-nominated candidates that the Board determines to include in the Company's proxy materials as Board-nominated candidates, (ii) any shareholder-nominated candidate that is subsequently withdrawn, and (iii) any director who had been a shareholder-nominated candidate at any of the two preceding annual meetings of shareholders and whose reelection at the upcoming annual meeting is being recommended by the Board. Nominating shareholders are required to provide a list of their proposed nominees in rank order. If the number of shareholder-nominated candidates exceeds 20%, the highest ranking qualified individual from the list proposed by

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

each nominating shareholder, beginning with the nominating shareholder with the largest qualifying ownership and proceeding through the list of nominating shareholders in descending order of qualifying ownership, will be selected for inclusion in the Company proxy materials until the maximum number is reached. If the maximum number of shareholder-nominated candidates is not reached after the highest ranking qualified individual has been selected, this process will continue as many times as necessary, following the same order each time, until the maximum number is reached.

The nominating shareholder or group of shareholders also must deliver the information required by our Bylaws, and each nominee must meet the qualifications required by our Bylaws.

Requests to include shareholder-nominated candidates in the Company's proxy materials must be received no earlier than 120 days and no later than 90 days before the anniversary of the date that we Company issued our proxy statement for the previous year's annual meeting of shareholders. However, if no annual meeting of shareholders was held in the previous year or the date of the annual meeting of shareholders is more than 30 days before or later than the first anniversary of the previous year's annual meeting of shareholders, we must receive the request not later than the close of business on the earlier of (i) the 60th day prior to the date we issue our proxy statement in connection with such annual meeting of shareholders or (2) the 10th day after public announcement of the date of such annual meeting of shareholders is first made. The nominating shareholder or group of shareholders also must deliver the information required by our Bylaws, and each nominee must meet the qualifications required by our Bylaws.

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

#### Director Criteria, Qualifications and Experience; Diversity

We are committed to diversified Board membership and we seek nominees who represent a range of viewpoints, backgrounds, skills, experience and expertise, both within and outside our industry. The Nominating and Corporate Governance Committee evaluates candidates identified from a number of sources and reviews Board composition regularly. The Board expects each of our directors to have personal and professional integrity, high ethical values, sound business judgment, demonstrated exceptional business and professional skills and experience, teamwork and a commitment to the long-term interests of Alexion and its shareholders. In evaluating candidates, the Nominating and Corporate Governance Committee also considers potential conflicts of interest, diversity, the requirement to maintain a Board that is composed of a majority of independent directors, and the extent to which a candidate would fill a present or anticipated need. In any particular situation, the Nominating and Corporate Governance Committee may focus on individuals possessing a particular background, experience or qualifications which the committee believes would be important to enhance the effectiveness of our Board.

The Nominating and Corporate Governance Committee is responsible for advising our Board on diversity, including gender, ethnic background, country of citizenship and professional experience and it seeks to recommend diverse nominees for the Board. The committee assesses the effectiveness of its responsibilities concerning diversity at least once each year, and takes action as warranted. Our Board is diverse, and our nominees reflect a Board of diverse gender, age, skills, experiences and points of view. Our Board believes that diversity enhances the overall effectiveness of our Board by presenting different perspectives inside the boardroom and to management, and we encourage diversity within all levels of

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

our global organization. Although the Nominating and Corporate Governance Committee does not maintain a formal diversity policy, the committee considers diversity in its determinations.

#### Board Refreshment and Evaluations

We have been deliberate in our approach to succession planning and Board refreshment. In 2017 and 2018, we appointed four additional independent directors. Eight of the Board's nine independent directors have tenure of less than four years on the Board. The appointments in 2017 and 2018 bring significant biopharmaceutical experience to the Board, including three current or former chief executives. The Board believes that its current composition aligns with the Company's re-focused strategy announced in 2017.

The Nominating and Corporate Governance Committee and the Board are committed to maximizing Board effectiveness, which requires periodic assessments and regular dialogue, both during and outside of meetings. Regular evaluations are an important tool in determining continued tenure. Our Nominating and Corporate Governance Committee oversees an annual assessment of the effectiveness of each Committee and the Board. Our Board and each Committee complete written evaluations to evaluate its own performance on an annual basis. Directors discuss the results of these evaluations during Committee meetings and in executive sessions of the Board. Our directors have demonstrated their willingness to refresh the Board and to conduct open and honest evaluations of its performance.

#### Board Leadership Structure

We have chosen to separate the roles of Chairman of the Board and Chief Executive Officer. The Board believes that separating the roles is the most appropriate structure for Alexion. The Board believes that an independent chairman enables the Board to more effectively and objectively monitor the performance of Alexion, the CEO and management. By separating the positions, the Board believes that Dr. Hantson can devote his attention to executing the Company's strategy while Mr. Brennan can take responsibility for leading the Board.

By appointment of the Board, Mr. Brennan has served as the independent Chairman of the Board since May 2017. The Board's existing leadership and Board structure enable strong independent oversight, and the Board has been significantly refreshed. From Alexion's inception in 1992 until October 2014, Alexion had an independent Chairman and separated the positions of Chairman and CEO. In October 2014, Alexion's then current CEO, Dr. Leonard Bell, Alexion's principal founder and CEO from 1992 - 2015, assumed the role of Chairman immediately following the sudden death of the Board's then serving Chairman. At the same time as Dr. Bell's appointment to Chairman, the Board appointed a lead independent director. Dr. Bell retired as CEO in April 2015 and again the roles of CEO and Chairman were separate. Dr. Bell retired from the Board in May 2017 and since such time, Alexion has again had an independent Chairman.

#### Board's Role in Risk Oversight

The Board has ultimate responsibility for overseeing Alexion's risk management processes including effective oversight of management. The Board and each committee of the Board oversees material company risks within their areas of general oversight, as described above under "General Information About the Board of Directors." The Audit and Finance Committee evaluates management's processes for reviewing, refreshing and modifying its enterprise risk management system and processes, and reviews with management and external advisors the identification, prioritization and management of risks, the

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

---

accountabilities and roles of the company functions involved with enterprise risk management, the risk portfolio and the corresponding actions implemented by management. The Strategy and Risk Committee formerly performed these oversight responsibilities. In 2017, as part of an overall review of its structure and composition, the Board dissolved the Strategy and Risk Committee and consolidated such responsibilities with the Audit and Finance Committee. The standing committees of the Board regularly inform the full Board of Alexion's most significant risks and how these risks are managed.

The Board believes it is important to align Alexion's strategic priorities with the Company's risk management program. The Board executes its oversight and decision-making responsibilities as the Company's strategic priorities and risks evolve with the business and external conditions. Alexion is committed to fostering a company culture of risk-adjusted decision-making without constraining reasonable risk-taking and innovation.

#### Board's Role in Strategy

The Board oversees that management has established and periodically re-evaluates a corporate strategic plan. Our strategic planning process is dynamic and evolves throughout any given year, culminating in a review and approval of the proposed plan by the full Board at least annually. Following approval of the strategic plan, the Board regularly receives updates from management concerning implementation of the plan. The Science and Innovation Committee also reviews on a regular basis the scientific and medical aspects of specific proposed transactions or opportunities, and supports and advises management as it deems appropriate. The Board is regularly informed of factors affecting our implementation of our strategic plan, including our performance and progress against the plan, enterprise risks, and the impact of industry and global developments. The Strategy and Risk Committee formerly supported the Board with respect to the strategic planning process. In 2017, as part of an overall review of its structure and composition, the Board dissolved the Strategy and Risk Committee and assumed the committee's work for the strategic planning process.

#### Succession Planning

An important responsibility of the Board and the CEO is to ensure long term continuity of leadership. Our senior executives discuss future candidates for leadership positions at all levels within Alexion's global organization. The Board and its committees review and discuss leadership succession plans, leader development and organizational capabilities across all functions of the Company. We consider succession planning to be an important factor in managing the long term planning and success of our business.

#### Corporate Responsibility

Corporate responsibility is at the core of Alexion's mission to transform the lives of patients with rare diseases. In 2017, the Nominating and Corporate Governance Committee assumed responsibility for assisting in the development of and recommendation to the Board of policies and management systems for environmental, health, safety and social responsibility matters. We believe that corporate responsibility will benefit all of our stakeholders, including our employees, patients, physicians and communities.

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

---

#### Code of Ethics and Business Conduct

We have adopted a code of ethics that applies to directors, officers and employees of Alexion and its subsidiaries and complies with SEC rules and regulations and the listing standards of the NASDAQ Global Select Market. The Alexion Pharmaceuticals, Inc. Code of Ethics and Business Conduct (Code) is located on our website at [http://www.alexion.com/documents/alexion\\_Code\\_of\\_ethics](http://www.alexion.com/documents/alexion_Code_of_ethics). Our directors, officers and employees are required to comply with the Code. The Code is intended to focus our directors, officers and employees on individual ethical and professional accountability to ensure they follow appropriate standards and comply with legal requirements concerning Alexion's business. The Code covers areas of professional conduct relating to individual's service to Alexion, including conflicts of interest, ethical conduct, anti-bribery and anti-corruption, gifts, workplace matters, and oversight of ethics and compliance by employees of the Company. We will disclose any future amendments to the Code, or waivers from a provision of the Code to any executive officer or director, on our website as promptly as practicable, as may be required under applicable laws, rules and regulations of the SEC and Nasdaq.

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

Executive  
Compensation

LETTER FROM THE LEADERSHIP AND COMPENSATION COMMITTEE CHAIR

Dear Fellow Shareholders:

2017 was a year of extraordinary leadership change at Alexion. After a comprehensive search, we are excited to have Ludwig Hantson as Alexion's new CEO and Paul Clancy as Alexion's new CFO. In addition to Dr. Hantson and Mr. Clancy, we also recruited several other senior executives, including a new Chief Commercial Officer, Chief Human Resources Officer, Head of R&D, Chief Compliance Officer and General Counsel. The new management team possesses the deep market experience and proven skills necessary to manage a dynamic and high-performance global organization such as Alexion. Under Dr. Hantson's leadership, the members of this team will be responsible for driving the next phase of growth and innovation for Alexion and creating long-term value for our shareholders. Despite significant change in 2017, the Company, under its new leadership team, remained focused on its performance, executed on its operational plan, and delivered strong financial results.

The Committee remains committed to a pay-for-performance philosophy that ties compensation to the achievement of the Company's short- and long-term financial, operational and strategic objectives that ultimately drive the creation of sustainable shareholder value. Our shareholders overwhelmingly supported the Company's annual "say-on-pay" resolution last year and the Committee views the level of support as strong affirmation of our compensation philosophy and approach. We value the views of our shareholders and strive to maintain a compensation program that is responsive to shareholder expectations.

At the time the Committee set 2017 objectives, the Company was experiencing significant transition. David Brennan, director, was serving as Interim CEO while the Board undertook a CEO search. The Company had previously announced a material weakness in its internal controls over financial reporting. During this challenging period, the Board sought to focus management and employees on maintaining strong corporate performance and remediating the material weakness. The Committee, in close consultation with the full Board, believed that 2017 objectives should focus the Company on clear, achievable objectives that could be owned by a new CEO and would be consistent with the expectations we seek to establish with our shareholders, such as financial guidance. The 2017 objectives were informed by the regular feedback from our shareholders, including the feedback provided during this challenging period in early 2017. 2017 objectives were established to measure strong commercial performance, improved operating margins, receipt of marketing approval of Soliris for the treatment of gMG, and progress advancing the ALXN1210 program.

As discussed in greater detail in the Compensation Discussion and Analysis, we fulfilled our commitment to implement several key changes in 2017 and will be incorporating additional best practice features into our 2018 program. The evolution of key aspects of our annual compensation program and our focus on continuous improvement over the last three years is summarized in the table below:

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

	2016	2017	2018
Annual Incentive Plan: From 100% Subjective to 65% Formulaic Goals	<ul style="list-style-type: none"> <li>100% subjective</li> </ul>	<ul style="list-style-type: none"> <li>50% formulaic and based on financial metrics</li> <li>50% qualitative and based on strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>65% formulaic and based on financial metrics</li> <li>35% qualitative and based on strategic goals</li> </ul>
Annual Incentive Plan: Reduction in maximum leverage from 300% to 200%	<ul style="list-style-type: none"> <li>300% of target for CEO and direct reports</li> <li>200% for others</li> </ul>	<ul style="list-style-type: none"> <li>200% of target for all participants</li> </ul>	<ul style="list-style-type: none"> <li>200% of target for all participants</li> </ul>
Long-Term Incentive Mix: From 25% PSUs to 65% PSUs; Options Eliminated Performance Period and Vesting for Operational and R&D PSUs: From a 1-year performance period with 3-year ratable vesting, to a 3-year performance period with 3-year cliff vesting	<ul style="list-style-type: none"> <li>Options - 50%</li> <li>RSUs - 25%</li> <li>PSUs - 25%</li> <li>1-year goals</li> <li>3-year ratable vesting</li> </ul>	<ul style="list-style-type: none"> <li>Options - 20%</li> <li>RSUs - 30%</li> <li>PSUs - 50%</li> <li>1-year goals</li> <li>3-year ratable vesting</li> </ul>	<ul style="list-style-type: none"> <li>Options - 0%</li> <li>RSUs - 35%</li> <li>PSUs - 65%</li> <li>Pre-established 3-year goals</li> <li>3-year cliff vesting</li> <li>Replace non-GAAP EPS with non-GAAP Operating Margin to further diversify the metrics</li> </ul>
PSUs: Reduction in maximum leverage from ~900% to 300%	<ul style="list-style-type: none"> <li>Max operational PSUs ~450% of target</li> <li>Max R&amp;D PSUs ~450% of target</li> <li>Eliminated single-trigger vesting on a change-in-control</li> <li>Eliminated legacy Section 280G gross-up entitlements</li> </ul>	<ul style="list-style-type: none"> <li>Max operational PSUs ~250% of target</li> <li>Max R&amp;D PSUs 100% of target</li> </ul>	<ul style="list-style-type: none"> <li>Max operational PSUs ~240% of target</li> <li>Max R&amp;D PSUs ~60% of target</li> </ul>
Governance Enhancements			

We invite you to read our Compensation Discussion and Analysis that follows for further information on our executive compensation philosophy and decisions. As we position Alexion for continued success as one of the world's most innovative biopharmaceutical companies, we expect our compensation programs to support and reinforce our strategy, secure our talent, and drive shareholder value creation.

Thank you for your support and we look forward to maintaining ongoing dialogue.

Sincerely,  
Jack T. Mollen  
Chair  
The Leadership and Compensation Committee

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,

Inc.

---



## COMPENSATION DISCUSSION AND ANALYSIS

Who are the Named Executive Officers

This Compensation Discussion and Analysis section (CD&A) discusses the principles underlying our policies and decisions with respect to the compensation of our executive officers who are named in the “Summary Compensation Table”, referred to as our named executive officers (NEOs). For 2017, they are:

Name	Position	Start Date
Ludwig N. Hantson, Ph.D.	Chief Executive Officer	March 27, 2017
Paul J. Clancy*	Executive Vice President and Chief Financial Officer	July 10, 2017
Julie O’Neill	Executive Vice President, Global Operations	February 1, 2014
John B. Moriarty	Former Executive Vice President and General Counsel	December 10, 2012
Brian M. Goff	Executive Vice President and Chief Commercial Officer	June 1, 2017

\*Mr. Clancy joined Alexion on July 10, 2017, and assumed the responsibilities of Chief Financial Officer on July 31, 2017.

In addition, as required by SEC rules, certain former executives who separated from the Company during 2017 are also considered “named executive officers” and they are: (i) Mr. David R. Brennan – former Interim Chief Executive Officer, (ii) Mr. David J. Anderson - former Chief Financial Officer, (iii) Dr. Martin Mackay – former Executive Vice President and Global Head of Research and Development, and (iv) Ms. Clare Carmichael – former Executive Vice President and Chief Human Resource Officer.

Mr. Moriarty left the Company in February 2018. Ms. Ellen Chiniara assumed the responsibilities of Executive Vice President, General Counsel in February 2018. Prior to joining Alexion in January 2018, Ms. Chiniara was Senior Vice President and General Counsel of Alere Inc., a point-of-care diagnostics company, where she was responsible for all legal, compliance, and government affairs matters. Prior to Alere, Ms. Chiniara served as Associate General Counsel for Serono’s Neurology division and as General Counsel for Internet Healthcare Group. Ms. Chiniara received her J.D. from Stanford University’s School of Law and her Bachelor's Degree from Bryn Mawr College.

2017 was a year of extraordinary leadership transition at Alexion. As reflected in the table above, with the exception of our Executive Vice President, Global Operations, Alexion’s current senior management team consists of newly appointed executive officers. The new management team possesses deep market experience and proven skills necessary to manage a dynamic and high-performance global organization such as Alexion. Under the leadership of Dr. Hantson, the members of his team will be responsible for driving the next phase of growth and innovation for Alexion and creating long-term value for our shareholders.

### Executive Summary

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

### 2017 Performance Highlights

• 2017 total revenues of \$3.551 billion, a 15 percent increase over 2016 and a 17 percent volume increase

• 2017 GAAP diluted EPS of \$1.97 per share, a 12 percent increase over 2016; non-GAAP diluted EPS of \$5.86 per share, a 27 percent increase over 2016

• Non-GAAP Operating Margin of 45%; improvement of 200 basis points\*

• Continued double-digit volume growth of Soliris in 2017 despite rapid enrollment in ALXN1210 trials

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

---

- Obtained marketing approval of Soliris for the treatment of patients with AchR Antibody-Positive Generalized Myasthenia Gravis (gMG) in the US, Germany and Japan, and launches underway in those countries
- Strengthened Soliris patent portfolio
- Executed workforce restructuring and R&D portfolio review to improve operating margins and position the Company to execute on its re-focused strategy
- Four new independent Directors with deep biopharmaceutical experience appointed to Alexion's Board of Directors in 2017 and 2018

\* Note Regarding Non-GAAP Financial Measures - Reconciliations of non-GAAP financial measures to the most directly comparable GAAP measure and/or explanations of how we calculate these measures are contained in Appendix A to this Proxy Statement.

#### 2017 Leadership Changes

• Ludwig N. Hantson, Ph.D. - Chief Executive Officer

On March 27, 2017, the Board of Directors appointed Dr. Hantson as Alexion's new Chief Executive Officer. Dr. Hantson had most recently served as President and CEO of Baxalta, a public company that was spun off from Baxter International, Inc. Dr. Hantson brings to Alexion a strong record of developing diverse rare disease pipelines and commercializing innovative and life-transformative therapies at industry-leading companies.

In connection with Dr. Hantson's appointment, Alexion entered into an employment agreement with a three-year initial term subject to automatic one-year extensions, unless Alexion or Dr. Hantson provides a notice of non-extension prior to the end of the term. The key annual compensation elements contained in the employment agreement as well as a description of the equity awards granted in 2017 are as follows:

• Annual Base Salary: \$1,200,000 per year.

• Annual Cash Incentive: Targeted at 120% of base salary, with the amount of the actual bonus to be determined by the Committee pursuant to the Company's management incentive bonus program.

Long-Term Incentive Awards: Dr. Hantson's employment agreement does not specify a target amount for annual equity. For 2017, Dr. Hantson was granted equity awards under Alexion's 2004 Incentive Plan of stock options valued at approximately \$2.3 million, restricted stock units valued at approximately \$3.4 million and performance share units valued at target at approximately \$5.7 million. The award mix was the same as the Company's annual equity awards (e.g., 50% performance share units).

Dr. Hantson's total compensation opportunity is consistent with the peer group median (see page 36 for more information on the peer group). Although it is common industry practice and often substantial in size, Dr. Hantson did not receive any "sign-on" additional compensation in connection with his commencement of employment. Dr. Hantson's actual 2017 annual cash incentive was not prorated from his start date in recognition of the lack of any "sign-on" additional compensation, and was contingent on the achievement of the Company's 2017 objectives during a time of significant transition. For a detailed description of Dr. Hantson's employment agreement terms, see Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table - Employment Agreements on page 51.

• Paul J. Clancy - Chief Financial Officer

On July 31, 2017, Alexion appointed Mr. Clancy as our new Chief Financial Officer. Mr. Clancy most recently served as the Executive Vice President, Finance and Chief Financial Officer and a member of the Executive Committee of Biogen. Mr. Clancy is a highly seasoned CFO with deep experience in the biopharmaceutical industry. He brings extensive experience managing global organizations, executing successful financial and capital allocation strategies, and cultivating strong relationships with the investment community.

2018

Proxy  
Statement  
Alexion

Pharmaceuticals,  
Inc.

---

In connection with Mr. Clancy's appointment, Alexion entered into an employment agreement with a three-year initial term subject to automatic one-year extensions, unless Alexion or Mr. Clancy provides a notice of non-extension prior to the end of the term. The key annual compensation elements contained in the employment agreement as well as a description of the equity awards granted in 2017 are as follows:

• Annual Base Salary: \$900,000 per year.

• Annual Cash Incentive: Targeted at 70% of base salary, with the actual amount of the bonus to be determined by the Committee pursuant to the Company's management incentive bonus program.

• Long-Term Incentive Awards: Mr. Clancy's employment agreement does not specify a target amount of annual equity. For 2017, Mr. Clancy was granted equity awards under Alexion's 2017 Incentive Plan of stock options valued at approximately \$1.2 million, restricted stock units valued at approximately \$5.8 million and performance share units valued at target at approximately \$3.0 million. Approximately \$4.0 million of the \$5.8 million of restricted stock units represented value foregone by Mr. Clancy under his compensation arrangements with Biogen. Of the remaining \$6.0 million, \$3.0 million was an inducement to join the Company and \$3.0 million was an annual long-term incentive award delivered in a mix of awards consistent with that of annual awards for other senior executives (e.g. 50% performance share units).

Mr. Clancy also received a one-time sign-on wage advance of \$500,000, subject to repayment if his employment terminates prior to July 10, 2019. We were able to recruit Mr. Clancy from Biogen with ongoing target annual compensation, as described above, less than his target annual compensation at Biogen. Buying out Mr. Clancy's forfeited Biogen equity awards is consistent with industry practice and the inducement award was important to securing his acceptance of the offer. For a detailed description of Mr. Clancy's employment agreement terms, see Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table - Employment Agreements on page 51.

• Brian M. Goff - Chief Commercial Officer

On June 1, 2017, Alexion appointed Mr. Goff as our new Chief Commercial Officer. Mr. Goff most recently served as Chief Operating Officer and a member of the Board of Directors of Neurovance, Inc. Previously, Mr. Goff served as Baxalta's Executive Vice President & President – Hematology Division (\$3.5B in sales), from the time of the company's spin-off from Baxter International Inc.

In connection with Mr. Goff's appointment, Alexion entered into an employment agreement with a three-year initial term subject to automatic one-year extensions, unless Alexion or Mr. Goff provides a notice of non-extension prior to the end of the term. The key annual compensation elements contained in the employment agreement as well as a description of the equity awards granted in 2017 are as follows:

The key annual compensation elements of the employment agreement are as follows:

• Annual Base Salary: \$675,000 per year.

• Annual Cash Incentive: Targeted at 70% of base salary, with the amount of the bonus to be determined by the Committee pursuant to the Company's management incentive bonus program.

• Long-Term Incentive Awards: Mr. Goff's employment agreement does not specify a target equity value. For 2017, Mr. Goff was granted equity awards under Alexion's 2017 Incentive Plan of stock options valued at approximately \$0.7 million, restricted stock units valued at approximately \$1.5 million and performance share units valued at target at approximately \$0.8 million.

Mr. Goff also received a one-time sign-on wage advance of \$100,000, subject to repayment if his agreement terminates prior to June 1, 2019. For a detailed description of Mr. Goff's employment agreement terms, see Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table - Employment Agreements on page 51.

For a description of the arrangements entered into with each of Messrs. Anderson, Moriarty, Dr. Mackay and Ms. Carmichael, see "Departures of Ms. Carmichael, Dr. Mackay, Mr. Moriarty and Mr. Anderson" below.

2018  
Proxy  
Statement  
of  
Alexion  
Pharmaceuticals,  
Inc.

---

### Strength in Transition and Re-focused Strategy

In July 2017, Alexion redefined its Research & Development strategy to create greater efficiency and focus on its expertise in complement biology and core therapeutic areas. The Company aligned R&D investments and development efforts with its redefined strategy and de-prioritized certain programs. At the same time, the Company committed to build its pipeline by focusing on complement research and pursuing disciplined business development. During 2017, Dr. Hantson made several key appointments to his leadership team, including Mr. Clancy as Chief Financial Officer, Mr. Goff as Chief Commercial Officer, as well as a Head of Research and Development, a Chief Human Resources Officer and a Chief Compliance Officer. In September the Company announced a workforce restructuring to align the organization with its re-focused strategy and to help position the Company for long-term financial and operational success. In addition, since September 2017, four independent directors with extensive biopharmaceutical experience have been appointed to the Board.

Despite significant change in 2017, the Company, under its new leadership team, remained focused on its performance, executed on its operational plan, and delivered strong financial results. See 2017 Performance Highlights above.

### 2017 Say-On-Pay Vote and Shareholder Engagement

The Committee and the Board carefully consider shareholder feedback, including feedback on our executive compensation program. Our management team, including our CEO, CFO and Head of Investor Relations, regularly interact with our shareholders throughout the year on many topics. Through these interactions, we gather and consider feedback from our shareholders on operational, governance and executive compensation matters. During 2017, we communicated with shareholders representing approximately 70% of the shares outstanding and held follow-up conversations with those that expressed interest.

At the 2017 Annual Meeting, approximately 96.8% of the votes cast on the advisory vote on executive compensation were in favor of Alexion's executive compensation as disclosed in the proxy statement. While shareholder feedback and voting for our executive compensation program are consistently positive, 2017 and 2018 changes to our program incorporate shareholder feedback, including (1) reducing the subjective component of our annual incentive plan, (2) increasing the performance share unit component of our long-term incentive program, (3) implementing 3-year cliff performance and vesting periods for our performance share units (also diversifying the performance metrics associated with these awards by replacing non-GAAP EPS with non-GAAP Operating Margin), and (4) further reducing the maximum that could be earned for the performance share units. See below - Key Changes to Compensation Program. The Committee will continue to take into account the results of the advisory vote at the 2018 Annual Meeting, as well as direct shareholder feedback, when making executive compensation decisions in the future.

### Key Changes to Compensation Program

Notwithstanding our strong 2017 say-on-pay support, we continue to improve our compensation program and be responsive to our shareholders. We undertook several transformational pay-for-performance and compensation governance enhancements to our compensation programs for 2017 and 2018. The compensation program best practices we have adopted over the past few years is summarized in the table below:

2018  
Proxy  
Statement  
30  
Alexion  
Pharmaceuticals,  
Inc.

---

Change	2016	2017	2018
Annual Incentive Plan: From 100% Subjective to 65% Formulaic Goals	<ul style="list-style-type: none"> <li>100% subjective</li> </ul>	<ul style="list-style-type: none"> <li>50% formulaic and based on financial metrics</li> <li>50% qualitative and based on strategic goals</li> </ul>	<ul style="list-style-type: none"> <li>65% formulaic and based on financial metrics</li> <li>35% qualitative and based on strategic goals</li> </ul>
Annual Incentive Plan: Reduction in maximum leverage from 300% to 200%	<ul style="list-style-type: none"> <li>300% of target for CEO and direct reports</li> <li>200% for others</li> </ul>	<ul style="list-style-type: none"> <li>200% of target for all participants</li> </ul>	<ul style="list-style-type: none"> <li>200% of target for all participants</li> </ul>
Long-Term Incentive Mix: From 25% PSUs to 65% PSUs; Options Eliminated Performance Period and Vesting for Operational and R&D PSUs: From a 1-year performance period with 3-year ratable vesting, to a 3-year performance period with 3-year cliff vesting	<ul style="list-style-type: none"> <li>Options - 50%</li> <li>RSUs - 25%</li> <li>PSUs - 25%</li> <li>1-year goals</li> <li>3-year ratable vesting</li> </ul>	<ul style="list-style-type: none"> <li>Options - 20%</li> <li>RSUs - 30%</li> <li>PSUs - 50%</li> <li>1-year goals</li> <li>3-year ratable vesting</li> </ul>	<ul style="list-style-type: none"> <li>Options - 0%</li> <li>RSUs - 35%</li> <li>PSUs - 65%</li> <li>Pre-established 3-year goals</li> <li>3-year cliff vesting</li> <li>Replaced non-GAAP EPS with non-GAAP Operating Margin to further diversify the metrics</li> </ul>
PSUs: Reduction in maximum leverage from ~900% to 300%	<ul style="list-style-type: none"> <li>Max operational PSUs ~450% of target</li> <li>Max R&amp;D PSUs ~450% of target</li> <li>Eliminated single-trigger vesting on a change-in-control</li> </ul>	<ul style="list-style-type: none"> <li>Max operational PSUs - 250% of target</li> <li>Max R&amp;D PSUs - 100% of target</li> </ul>	<ul style="list-style-type: none"> <li>Max operational PSUs - 240% of target</li> <li>Max R&amp;D PSUs - 60% of target</li> </ul>
Governance Enhancements	<ul style="list-style-type: none"> <li>Eliminated legacy Section 280G gross-up entitlements</li> </ul>		

Compensation Objectives and Key 2017 Compensation Actions.

The primary elements of our total direct compensation program and a summary of the actions taken by the Committee with respect to the 2017 compensation of our NEOs are set forth in the following table and are also described in further detail below.



<p>Compensation Component</p>	<p>Link to Business and Talent Strategies</p>	<p>2017 Compensation Actions</p> <p>–Base salary increases ranging from 3% - 14% were approved.–</p>
<p>Base Salary (Page 38)</p>	<p>– Competitive base salaries help attract and retain executive talent.</p>	<p>The 14% increase for Ms. O’Neill was the result of an annual increase of approximately 8% and an additional adjustment of approximately 6% later in the year to reflect her contributions during a critical business transition period</p>
<p>Annual Cash Incentive Compensation (Page 39)</p>	<p>– Focus executives on achieving annual financial and strategic results.</p>	<p>– Annual cash incentive awards were earned above target at an average of 156.8% of target primarily due to strong Net Product Revenue and non-GAAP EPS performance and achievement of strategic objectives</p> <p>– 80% of the PSUs (all of the operational PSUs) granted in February 2017 were earned at 161.2% of target due to achievement of the revenue and non-GAAP EPS goals and an additional 70% of the target PSUs were earned based on achievement of the R&amp;D milestones</p>
<p>Long-Term Equity Incentive Compensation (Page 42 )</p>	<p>– Annual equity-based awards consist of PSUs (50%), stock options (20%) and restricted stock units (30%)</p> <p>– PSUs are earned based on achievement of operational and TSR goals that are key indicators of Company performance and creation of shareholder value.</p> <p>– Stock options provide focus on stock price growth, and direct alignment with the interests of our shareholders.</p> <p>– RSUs provide focus on stock price growth and serve our talent retention objectives.</p>	<p>– The remaining 20% of the PSUs granted in February 2017 may be earned at the end of a 3-year performance period subject to TSR performance measured against the S&amp;P 500 Pharmaceuticals, Biotechnology, and Life Sciences Index, generally subject to continued employment</p> <p>– Stock options and RSUs granted in 2017 vest over four years, with RSUs vesting in equal annual installments and stock options vesting 25% on the first anniversary of the grant date and 1/16th every three months thereafter, generally subject to continued employment</p> <p>– Additionally, the 2015 TSR PSUs were based on the Company’s three-year TSR performance, from January 1, 2015 to December 31, 2017, relative to the median three-year TSR performance of the companies in the Nasdaq Biotechnology Index. The Company’s TSR underperformed the Index by approximately -25%. As a result, no 2015 TSR PSUs were earned</p>

**Pay-For-Performance Summary**

We believe that a significant portion of each executive's compensation should be variable and tied to the achievement of pre-established Company and/or individual performance metrics, or an increase in our stock price. Accordingly, we have designed our incentive programs with the goal of ensuring that actual realized pay varies above or below targeted compensation opportunities based on achievement of challenging and achievable performance goals and demonstration of outstanding commitment and contribution to our performance. The Committee measures performance using several corporate, business and individual measures, as more fully described below. The specific metrics that we use to measure our performance in evaluating and implementing our executive compensation program were selected because we believe that they are important to Alexion’s financial and operational success over the short- or long-term, as applicable.

Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

Due to the significant management transition, 2017 was not a full service year for most of our NEOs; accordingly, 2017 pay is not reflective of the normal annual compensation program. Because 2018 will be the first full calendar year with most of our new management team, our commitment to pay-for-performance is better represented by describing our 2018 targeted total direct compensation. Accordingly, the charts below illustrate the targeted total direct compensation mix we established for Dr. Hantson and the other NEOs for 2018. In general, we believe this type of mix of short- and long-term compensation components provides appropriate incentives to motivate near-term performance, while at the same time providing significant incentives to keep our executives focused on longer-term corporate goals that drive shareholder value.

Importantly, 92% of the CEO's compensation is targeted as performance-based compensation, and on average, 83% for the other named executive officers is targeted as performance-based compensation.

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

Compensation Practices - What We Do And Don't Do

Below is a description of some of our other compensation practices that further highlight our commitment to compensation governance and paying for performance:

What We Do

- ü Hold an annual say-on-pay advisory vote for shareholders.
- ü Engage independent outside compensation consultants and utilize market and industry data to ensure we compensate fairly and competitively, but not excessively.
- ü Mitigate undue risk-taking by using multiple performance metrics, imposing caps on payouts, employing clawback policy for cash and equity awards, and performing annual compensation risk assessment.
- ü Use an appropriate mix of cash and non-cash compensation, with an emphasis on variable (at-risk) compensation.
- ü “Double trigger” accelerated vesting upon a change in control.
- ü Set meaningful stock ownership and retention guidelines for the Chief Executive Officer and other executives.

What We Do Not Do

- x Grant discount stock options.
- x Provide excessive perquisites or benefits to executives.
- x Gross-up excise taxes upon a change in control.
- x Reprice underwater stock options without shareholder approval.
- x Permit hedging or pledging of our stock.
- x Permit hedging or pledging of our stock.

Executive Compensation Philosophy

The primary objective of Alexion's executive compensation programs is to attract, retain and incentivize the key executives necessary for Alexion's short- and long-term successful performance. As it relates to our executive compensation programs, the Committee views performance as operating, financial and strategic performance, return to shareholders and individual contributions.

The Committee considers and approves compensation programs based on our compensation philosophies, which include the following:

2018  
 Proxy  
 Statement  
 34  
 Alexion  
 Pharmaceuticals,  
 Inc.

---

Attract, retain and incentivize	<ul style="list-style-type: none"> <li>• We are deeply committed to attracting and retaining industry-leading talented individuals</li> <li>• Well-designed compensation programs incentivize our employees to achieve rigorous corporate and individual objectives that are important to our business and success</li> <li>• Our executive compensation program should reinforce our succession planning processes</li> <li>• Performance is measured by operating and strategic performance, return to shareholders and individual contributions</li> </ul>
Pay for performance; align with shareholders	<ul style="list-style-type: none"> <li>• We establish competitive opportunities to incentivize high performance and deliver greater rewards when corporate and individual performance exceed expectations and lower compensation when corporate or individual performance falls short</li> <li>• The interests of our executives are linked to those of our shareholders through ownership of Alexion stock and holding Alexion-based equity awards</li> </ul>
Competitive with peer group	<ul style="list-style-type: none"> <li>• We believe that compensation paid by market peers matters</li> <li>• When we set targets, we evaluate the practices of our peers to validate that Alexion is competitive with other companies who compete with us for talent</li> <li>• We strive for an appropriate balance between cash and equity incentives</li> <li>• The annual cash incentive is intended to motivate individuals to successfully execute on</li> </ul>
Balanced combination of compensation elements	<ul style="list-style-type: none"> <li>short-term operational and strategic objectives</li> <li>• Equity incentives are intended to focus executives on the long-term success of the organization, as well as, in the case of PSUs, the achievement of pre-established financial and operational performance metrics</li> <li>• Equity incentives serve as a critical retention vehicle for value-creating roles</li> <li>• We are committed to making the overall structure of our compensation programs similar across our global organization, taking into account level, geography and local considerations</li> </ul>
Fair and consistent	<ul style="list-style-type: none"> <li>• We strive to develop compensation and reward opportunities for all employees based on responsibility and performance</li> </ul>

## Our Process

### Key 2017 Compensation Decisions

As further described below, the Committee approved 2017 (i) base salaries, (ii) annual cash incentive targets, and (iii) LTI awards, including PSUs, stock options and restricted stock units in February 2017 for the NEOs employed at that time. During the course of the year, the Committee also entered into compensation arrangements for Dr. Hantson, and Messrs. Clancy and Goff in connection with their employment as CEO, CFO and Chief Commercial Officer, respectively. In February 2018, the Committee evaluated the Company's achievement of the applicable performance metrics to make determinations of annual cash incentive awards for 2017 and the earning of the operational portion of 2017 PSUs. In the discussion below, references to the Chief Executive Officer or Chief Financial Officer, as applicable, refer to the individual who was then serving in that office.

### Role of the Leadership and Compensation Committee

The Committee determines the compensation of Alexion's executive officers and approves and evaluates Alexion's compensation programs. The Committee makes its executive compensation decisions based on many factors, including:

- Its review of corporate results against financial and strategic corporate objectives, assigning a performance rating versus 100% of target

- An annual benchmarking exercise to obtain competitive market information and compare each executive's compensation to that of individuals in similar positions at Alexion's self-selected peer group of companies

- The CEO's assessment of the performance of his direct reports measured against their objectives

- The CEO's compensation recommendations for his direct reports

### Role of Executives in 2017 Compensation Decisions

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

No NEO participated in discussions about or made recommendations with respect to his or her own compensation. A small number of executives typically attended Committee meetings, including our CEO, CFO and Chief Human Resources Officer, or CHRO.

The CEO, with limited staff and management support, worked with the Committee and its compensation adviser to develop compensation recommendations for the NEOs other than himself. The CEO discussed his evaluation of the individual performance of the other NEOs. The Committee, however, was responsible for making all decisions regarding the compensation of the other NEOs.

The Committee was responsible for evaluating and determining the CEO's compensation and worked directly with the compensation adviser, as discussed below, with limited support from Alexion staff. The CEO was not present when the Committee discussed and approved his compensation.

#### Role of the Compensation Adviser

According to its charter, the Committee is authorized to retain and terminate consultants to assist it in any aspect of the evaluation of CEO or executive officer compensation, and to approve such consultant's fees and retention terms. The Committee also has authority to obtain advice from internal or external legal and other advisors. In 2017, the Committee retained Frederic W. Cook & Co., Inc. ("FW Cook") to advise the Committee as its compensation adviser. FW Cook provided analysis, research, data, peer and other market information, survey information and program-design experience in evaluating and developing Alexion's compensation programs for executives as well as incentive programs. The compensation adviser also kept the Committee informed of market trends and developments. Representatives of FW Cook generally attended meetings of the Committee and communicated with the Committee Chairman between meetings. The Committee, however, made all decisions regarding the compensation of our executive officers.

The Committee assessed the independence of FW Cook, taking into account the relevant SEC and Nasdaq independence factors. The Committee believes that FW Cook is independent and that there are no conflicts of interest that would impact the advice the Committee received from the compensation adviser.

#### Assessing the Competitive Marketplace and Alexion's Peer Group

FW Cook assisted the Committee in its compensation decisions by, among other things, providing market compensation information reflecting the executive compensation practices and levels across similar positions and similar industry companies. FW Cook utilized compensation surveys to assess market information, including compensation surveys prepared by Willis Towers Watson and Radford. In addition, the Committee considered the pay and practices at a peer group of biotechnology and pharmaceutical industry companies when making executive compensation decisions.

#### How the Peer Group is Used

The Committee uses the peer group in the following ways:

- As input to determine base salary, annual cash incentive target, awards actually paid and the approximate grant-date value and form of long-term incentive awards;
- As input to determine total direct compensation;
- As input for designing the compensation programs;
- As input to develop the form and mix of equity awards;
- To assess whether Alexion's executive compensation programs are aligned with Company performance; and
- To assess incentive plan burn rate, overhang and equity expense.

The peer group information is a key reference point for the Committee. The Committee compares the compensation of each NEO to similar positions within the peer group. The Committee also takes into account various factors such as the unique characteristics of the individual's position, and any succession and retention considerations. The Committee, however, does not adopt peer group compensation levels as strict boundaries when making its decisions, and will award amounts greater or lower than the peer group. The Committee chooses the level of opportunity and the mix of compensation elements to

Statement  
Alexion  
Pharmaceuticals,  
Inc.

---



determine total direct compensation opportunities in a way that it believes is the right level to incentivize exceptional performance.

#### Peer Group Selection Criteria

The Committee develops the peer group based on the criteria listed below, together with input from the compensation adviser. The Committee strives to select companies that are of similar size (revenues, market capitalization, number of employees), are organized like Alexion, and operate similarly (global presence, orphan disease focus). While the Committee endeavors to select peer companies that exhibit all criteria set forth below, it recognizes that it cannot develop a peer group in which all companies satisfy all criteria.

Consideration	Purpose
Recruiting	A peer company should operate in the biotechnology or pharmaceutical industry and should compete with Alexion for talent.
Annual Revenues	Generally, companies in the same industry with similar revenues to Alexion (between 0.3x and 3x Alexion revenues) are operating businesses of a similar commercial complexity.
Market Capitalization	Generally, companies with market capitalizations in the same industry as Alexion's (between 0.3x and 3x Alexion's market capitalization) are established, mature businesses that have expected revenue growth and anticipated pipeline achievements.
Global Presence	A peer company should conduct global commercial operations. We look at the percent of revenues attributed to non-U.S. sales and consider companies with worldwide operations.
Number of Employees	The number of individuals employed by a peer company tends to be a reflection of the organization's operational complexity. We target between 1,000 and 9,000 employees.
Orphan Disease Focus	A peer company should be focused on the development and commercialization of therapeutic products for rare diseases.

FW Cook and the Committee reviewed the list of companies identified using the above parameters to determine which companies are most similar to Alexion. The lack of similarity of a peer company to Alexion with respect to any single factor stated above is not by design, but rather because there is not a sufficient number of companies that are similar to Alexion with respect to such factor. For example, not all companies in Alexion's peer group have a rare disease focus. The Committee believes that it is not possible to eliminate differences entirely and recognizes the possibility that shifts in Alexion's peer group selection could influence executive compensation decisions. Additionally, given Alexion's global complexity, success in hiring top industry talent and relatively high market capitalization to revenue ratio, the Committee believes that it would be detrimental to the Company and shareholders to focus primarily on any one factor, such as revenues, when selecting peer companies.

#### Peer Group

The Committee and FW Cook also analyzed the peer group it used in 2016, evaluating it in light of past and anticipated industry consolidations. The Committee considered each company in the 2016 peer group and 15 additional companies in its review. One company from the existing peer group of 16 was removed due to M&A (Actavis and Allergan, each a 2015 peer, merged into one company) and the removal of one peer (Valeant) due to low market cap to revenue ratio and uncertainty around asset sales. The Committee also decided to add one new company, Medivation, Inc., to better balance the overall size of the peer group. As a result of these changes, the peer group that was used for 2017 compensation decisions was decreased to 15, with all but two reporting revenues outside the U.S. The peer group used by the Committee as one factor when it determined 2017 base salaries, targets for annual cash incentive awards, and LTI awards included the following 15 companies:

2018  
 Proxy  
 Statement  
 Alexion  
 Pharmaceuticals,  
 Inc.



AbbVie	BioMarin Pharmaceutical, Inc.	Medivation, Inc.
Alkermes	Celgene Corporation	Regeneron Pharmaceuticals, Inc.
Allergan plc (formerly Actavis)	Gilead Sciences, Inc.	Shire plc
Amgen	Incyte Corporation	United Therapeutics Corporation
Biogen Inc.	Jazz Pharmaceuticals, Inc.	Vertex Pharmaceuticals, Inc.

#### Elements of 2017 Named Executive Officer Compensation

As a baseline for awarding compensation and prior to making annual executive compensation decisions, the Committee evaluates Alexion's performance for the prior year by assessing if, and the extent to which, Alexion achieved or failed to achieve the corporate goals approved by the Committee and the Board for that year. To assist in the determination of (a) 2017 base salaries, (b) 2017 targets for annual cash incentives, and (c) the target value of 2017 LTIs, including PSUs, the Committee evaluated Alexion's 2016 performance in February of 2017. Annual cash incentive awards for 2017 for the NEOs were determined in February 2018, following the Committee's and Board's assessment of 2017 performance.

#### Base Salaries

Base salary represents a secure, fixed component of an executive's compensation. Determinations of base salary levels for our executives are established based on the position, the scope of responsibilities, and the prior relevant background, training and experience of each individual. Base salaries are evaluated annually for possible merit increases and take into account an annual review of marketplace competitiveness as compared to the peer group. The Committee believes that the merit and other increases approved for 2017 base salaries for the NEOs reflect market competitiveness.

Consistent with previous annual base salary evaluations, the Committee determined that if merit increases are appropriate, 2017 base salaries for the NEOs should be within approximately 10% of the market median of Alexion's peer group.

The merit increases in base salary for Mr. Moriarty, Dr. Mackay and Ms. Carmichael detailed in the table below were approved by the Committee in February 2017 to achieve this desired level. Ms. O'Neill's base salary increase reflects market competitiveness and her increased responsibilities as part of the new management team. The base salaries of the other NEOs were not increased in 2017.

Base salaries for Mr. Brennan and Mr. Anderson were set at levels that provided a competitive level of total direct compensation. Mr. Brennan was appointed Interim CEO in December 2016 and the Committee believed that, in light of the December 2016 CEO transition and Mr. Brennan's interim role, it was important to provide fixed, guaranteed compensation during the period of service. Mr. Anderson was also appointed in December 2016 and the Committee endeavored to deliver competitive and fixed compensation to Mr. Anderson in light of the expectation that a permanent CEO would be appointed in the first half of 2017.

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

Named Executive Officer	2016 Base Salary <sup>(1)</sup>	2017 Base Salary <sup>(1)</sup>	% Change
Ludwig Hantson	N/A	\$1,200,000	N/A
Paul Clancy	N/A	\$900,000	N/A
Julie O'Neill <sup>(2)</sup>	€484,000	€552,000	14.0
John Moriarty	\$604,000	\$628,004	4.0
Brian Goff	N/A	\$675,000	N/A
David Brennan <sup>(3)</sup>	\$6,000,000	\$6,000,000	—
David Anderson <sup>(3)</sup>	\$4,550,000	\$4,550,000	—
Martin Mackay	\$693,000	\$714,000	3.0
Clare Carmichael	\$590,000	\$607,000	2.9

<sup>(1)</sup> Amounts represent the executive's annual base salary as approved by the Committee. Amounts may not reflect actual earnings, which are prorated for employment during the year.

<sup>(2)</sup> The 14% increase for Ms. O'Neill was the result of an annual increase of approximately 8% approved by the Committee in February 2017 and an additional adjustment of approximately 6% approved later in the year to reflect her additional responsibilities.

<sup>(3)</sup> Unlike other NEOs, Mr. Brennan's total direct compensation does not include LTIs or annual cash incentives given the transitional nature of his role. Mr. Anderson's 2017 compensation did not include an annual cash incentive award for the same reason.

#### Annual Cash Incentive Awards

For each of the NEOs (other than Mr. Brennan and Mr. Anderson), the Committee established annual cash incentive targets as a percentage of base salary for 2017.

We pay annual cash incentive awards to drive the achievement of strong annual performance. The Committee endeavors to deliver a meaningful portion of cash compensation in the form of performance-based annual cash incentives. The Committee believes that doing so is critical because the opportunity for a meaningful cash award will, together with strong management and accountability, drive executives to individually and collectively achieve and exceed Alexion's annual objectives.

The Committee established the following annual cash incentive targets as a percentage of base salary for 2017. Under the annual cash incentive awards, 50% of target is payable if threshold performance is achieved and a maximum of 200% of target is payable for achieving the highest level of performance:

Named Executive Officer	2017 Target Cash Incentive as Percent of Base Salary	2017 Target Cash Incentive
Ludwig Hantson	120%	\$1,440,000
Paul Clancy <sup>(1)</sup>	70%	\$290,770
Julie O'Neill	70%	€386,400
John Moriarty	70%	\$439,603
Brian Goff <sup>(1)</sup>	70%	\$267,144
David Brennan <sup>(2)</sup>	N/A	N/A
David Anderson <sup>(2)</sup>	N/A	N/A
Martin Mackay	70%	\$499,800
Clare Carmichael <sup>(2)</sup>	70%	\$424,900

<sup>(1)</sup> The annual cash incentive awards for each of Messrs. Clancy and Goff and Dr. Mackay were prorated. Dr. Hantson's annual cash incentive award was not prorated.

<sup>(2)</sup> Ms. Carmichael left the Company during 2017 and did not receive a 2017 annual cash incentive award. Neither Mr. Brennan nor Anderson was eligible to receive an annual cash incentive.

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

As discussed in the Committee Chairman's letter, the Committee determined the 2017 annual cash incentive awards for our named executive officers using the following framework:

#### 50% Weighted Funding

Based on the applied framework, the Committee determined that Financial Performance was achieved at a level of 151.4% and Strategic Performance was achieved at a level of 162.2%. Because Financial Performance and Strategic Performance were each weighted 50% by the Committee, overall funding for annual cash incentives was determined to be 156.8%.

#### 2017 Financial Performance

Fifty percent of the annual cash incentive was formulaic and consisted of financial objectives. For 2017, the financial performance measures used by the Committee were Net Product Revenue for each of Soliris, Metabolic products and Corporate (collectively weighted 65%) and non-GAAP EPS (weighted 35%). See Appendix A attached to this proxy statement for a full reconciliation of non-GAAP results. The Committee selected the following target levels to align with our 2017 objective of driving both top line and bottom line performance.

A substantial portion of our revenue is from Soliris sales and our commercial success is heavily dependent on the success of Soliris. The Company also seeks to diversify its corporate revenues and has focused on growth of its Metabolic products. Therefore, the Committee selected these revenue measures to incentivize our employees to both (1) grow Soliris revenues at rates consistent with expectations we have established with our shareholders, and (2) accelerate growth of our Metabolic revenues to among other things diversify corporate revenue. The Soliris and Metabolic revenue measures were equally weighted, which the Committee considered important to maintain the appropriate level of focus by the employees directly responsible for Soliris and Metabolics, and more broadly within the Company. The Committee also believes that corporate revenues and non-GAAP EPS are given significant weight by our shareholders when assessing Company performance and should be a primary focus in the annual cash incentive plan.

Goal	Performance Range			2017 Results	% of Target Performance	% of Target Funding
	Threshold	Target	Maximum			
Net Product Revenue - Soliris (15%)	\$2.757B	\$3.063B	\$3.369B	\$3.109B	101.5%	115%
Net Product Revenue – Metabolics (15%)	\$349M	\$388M	\$427M	\$404M	104.1%	141.2%
Net Product Revenue – Corporate (35%)	\$3.209B	\$3.450B	\$3.726B	\$3.513B	101.8%	122.8%
Non-GAAP EPS (35%)	\$4.62	\$5.13	\$5.64	\$5.81	113.3%	200%
Financial Performance Funding:						151.4%
50% Financial Performance Funding:						75.7%

The amounts reported in the table above are provided on constant currency basis.

2018

Proxy

Statement

40  
Alexion

Pharmaceuticals,

Inc.

## 2017 Strategic Performance

The 2017 strategic performance measures covered core aspects of Alexion's business. The measures and weightings were defined at the beginning of the year. The goals were detailed and granular, and structured to drive performance to achieve specific milestones that had been identified as integral to Alexion's operations. The Committee believed that these objectives were set at targets and levels that require exceptional cross-functional performance and execution to achieve but were achievable for the organization, and particularly for a new CEO, who had not yet been hired. The Committee believed that a new CEO could own the objectives and significantly contribute to their achievement. The Committee also believed that delivering on the strategic objectives in 2017 would create long-term shareholder value and position Alexion for its next stage of growth. The Committee included an operating margin measure because our shareholders had emphasized higher operating margins for 2017. Operating margin was used as a strategic objective in 2017 primarily because it was used as a measure for the first time in the Company's compensation program but in 2018, the Committee included it as a formulaic measure in the program. At the end of the year, the Committee assessed performance against these goals, and noted that the strategic performance funding was relatively aligned with the financial performance funding.

Strategic Objectives (1)	Weight	% of Target Funding
Research and Development		
Regulatory approval for Eculizumab in Refractory Generalized Myasthenia Gravis (gMG) in the U.S., EU and Japan, ALXN 1210	20%	200%
Achieve multiple enrollment targets in Phase 3 studies for PNH and aHUS; achieve first patient treated in PNH Switch Study	20%	150%
Culture and Talent		
Realignment/restructuring of organization with corporate strategy	20%	200%
Strengthen Business Processes		
Strengthen our business processes and our compliance, legal and finance controls through an integrated approach to transformation	20%	100%
Operating Margin		
Achieve pre-defined 2017 Operating Margin Percentage	20%	161%
Strategic Performance Funding:		162.2%
50% Strategic Performance Funding:		81.1%

Other than operating margin (actual performance was 45%, a 200 basis point improvement from 2016), we have not disclosed the specific target numbers or actual performance against the strategic objectives. We believe that disclosing such detail will result in competitive harm to us. Such information represents confidential business information that could place us at a competitive disadvantage because it provides insight into our long-term strategic plan and financial objectives.

## Determination of 2017 Annual Cash Incentive Awards

Based on the achievement of the 2017 financial and strategic goals, the annual cash incentive awards paid to our NEOs for 2017 were as follows.

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

Named Executive Officer	2017 Target	Annual Cash Incentive Paid	% of Target
Ludwig Hantson	\$1,440,000	\$2,275,000	156.8%
Paul Clancy <sup>(1)</sup>	\$290,770	\$473,620	156.8%
Julie O'Neill	€386,400	€596,000	156.8%
John Moriarty	\$439,603	\$689,300	156.8%
Brian Goff <sup>(1)</sup>	\$267,144	\$434,380	156.8%
David Brennan <sup>(2)</sup>	N/A	N/A	N/A
David Anderson <sup>(2)</sup>	N/A	N/A	N/A
Martin Mackay <sup>(3)</sup>	\$499,800	\$213,613	100.0%
Clare Carmichael <sup>(2)</sup>	\$424,900	N/A	N/A

<sup>(1)</sup> Prorated based on start date.

<sup>(2)</sup> Mr. Brennan, Mr. Anderson and Ms. Carmichael did not receive a cash incentive award for 2017.

<sup>(3)</sup> Amount was prorated based on the period during 2017 in which he served as Head of Research and Development. The Named Executive Officers were deemed to have contributed equally to the 2017 financial and strategic goals. Accordingly, the Committee awarded annual cash incentive awards to the NEOs based on the percentage of target funding level achieved of 156.8%. Fifty percent of the funding level was formulaic, established by the Committee in early 2017 based on achievement of financial objectives. The other 50% was based on achievement of the strategic objectives. Although the strategic objectives are not treated as a formulaic portion of the annual cash incentive design, a majority of the strategic objectives are specific measures with pre-specified outcomes. For example, the entire "Research and Development" objective was based on receipt of marketing approval for gMG in specific territories by a pre-specified date, and the "ALXN1210" objective was based on achievement of pre-specified enrollment targets for pre-specified clinical studies and by pre-specified dates. The strategic objectives were selected based on the Committee's determination that these milestones were critical to overall company success and with an expectation that success would enhance long-term shareholder value creation. Further, the goals were set before our new CEO was hired and the Committee believed that a new CEO could assume ownership of the objectives to drive results in 2017.

#### 2017 Long-Term Incentive Awards

The Committee believes that long-term incentive awards (LTIs) are a critical element of compensation that provides a mechanism to align shareholder's interests with leadership, and promotes behaviors consistent with Alexion's strategic plan and financial goals. Each LTI award is a variable component of compensation and no individual, including any NEO, is guaranteed to receive an award or a certain value in respect of his or her awards. The Committee believes that its practice of granting LTI awards to Alexion executives has contributed to our long-term successful performance. The Committee has not established formal guidelines for LTI award grants to our executives, including our NEOs. In determining LTI awards for executives, the Committee considers:

- peer group market data;
- the individual's contribution and potential contribution to Alexion's growth and financial results;
- the value of proposed awards;
- corporate performance; and
- the individual's level of responsibility within Alexion.

As is the case when the amount of base salary and annual cash incentive opportunity is determined, when determining LTI grant values, a review of all the executive's compensation is conducted to ensure that an executive's total compensation is consistent with our overall philosophy and objectives.

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.



In February 2017, the Committee sought to deliver LTI awards in a combination of performance share units, or “PSUs” (50% of the aggregate LTI value at grant), stock options (20%) and restricted stock units, or “RSUs” (30%). The Committee approved LTI awards for the NEOs in the amounts set forth in the table under the heading “Grants of Plan-Based Awards.” Dr. Hantson, Mr. Clancy and Mr. Goff received LTI awards in connection with their hiring later in the year and the grant date value, mixes of those awards and the amounts are described above in the Executive Summary.

Generally, RSUs vest over four years in equal annual installments and stock options vest 25% on the first anniversary of the grant date and 1/16th every three months thereafter. PSU awards are subject to a variety of performance criteria (as described below). 2017 Operational PSUs were earned based on a one-year performance period, and once earned, vest over three years in equal annual installments, while TSR PSUs are earned and vest at the end of a three-year performance period. The Committee believed this mix of equity provided a mechanism to align shareholder interests with leadership while supporting our talent retention objectives:

Stock options and PSUs inherently incentivize shareholder value creation, since option holders realize no value unless our stock price rises after the option grant date and the value of PSUs is tied directly to Alexion's financial performance and TSR performance.

RSUs offer more modest upside potential than stock options but align pay and Company performance as reflected in our share price. In addition, during periods of stock market declines or modest or no growth, RSUs are more likely to support our talent retention objectives.

As noted in the Executive Summary, 2018 equity awards consist solely of PSUs and RSUs. Stock options will not be awarded in 2018. For 2018, the Committee decreased the aggregate LTI award value delivered in the form of time vesting awards (i.e. RSUs) from 50% to 35% and increased the value delivered in the form of PSUs from 50% to 65%. By reducing the value of time-vesting awards and eliminating stock options, the Committee endeavors to enhance the pay-for-performance alignment of the program as well as ensure continued focus on achievement of key strategic initiatives intended to build long-term shareholder value.

#### Performance Share Units (PSUs)

In 2017, the Committee reviewed the PSU program and decided to maintain the existing overall design. The PSUs granted in 2017 had the following features:

The 2017 PSUs are only earned if pre-established financial targets are achieved and the Company's share performance is aligned with or exceeds the performance of the S&P 500 Pharmaceuticals, Biotechnology, and Life Sciences Index, which the Committee viewed as a relevant and appropriate benchmark.

Eighty percent (80%) of the PSUs that could be earned had a one-year performance period with the amount actually earned dependent upon the achievement of Alexion's revenue and non-GAAP EPS targets. We refer to these PSUs as the “operational PSUs.” See Appendix A attached to this proxy statement for a full reconciliation of non-GAAP results. To the extent earned, these PSUs vest as to one-third of the earned PSUs on the date that the Committee determines performance and as to one-third on each of the following two anniversaries thereafter, generally subject to continued employment.

2018

Proxy

Statement

43

Alexion  
Pharmaceuticals,  
Inc.

---

Twenty percent (20%) of the PSUs that could be earned had a three-year performance period with the amount actually earned dependent on Alexion's relative TSR performance compared to the S&P 500 Pharmaceuticals, Biotechnology, and Life Sciences Index over the three-year period. We refer to these PSUs as the "TSR PSUs."

Upon satisfaction of one to three R&D milestones, an additional number of PSUs, ranging up to 100% of the target PSUs, could be earned. The milestones were each selected to incentivize executives to achieve aggressive R&D milestones. In order to earn additional PSUs for achievement of R&D milestones, threshold performance had to be achieved for one or both of the operational PSU metrics (Revenue or non-GAAP EPS). To the extent earned, these PSUs vest as to one-third of the earned PSUs on the date that the Committee determines performance and as to one-third on each of the following two anniversaries thereafter, generally subject to continued employment.

#### Rationale for Selection of 2017 PSU Performance Measures

In 2017, we placed significant weight on corporate revenue and non-GAAP EPS to measure Alexion's performance. We also believed that our shareholders and analysts rely heavily on the same financial metrics to understand the underlying condition, and the performance of, our business. The Committee believed revenue and non-GAAP EPS were the best metrics to incentivize executive performance for our PSU awards, because:

Commensurate with our commercial success and investment in Alexion's future, almost all aspects of our business are growing and EPS is a strong indicator of Company performance and how effectively we execute financial planning and financial discipline.

The Committee decided that setting performance objectives using these metrics would be reliable indicators of Company performance, since based on past experience revenues would grow commensurate with growth in the number of patients receiving our products and non-GAAP EPS would increase commensurate with execution of a financial plan and financial discipline taking into account the capital necessary to operate our expanding global business.

At the time PSUs were granted, the Committee chose a one-year performance period and revenue and non-GAAP EPS metrics for 80% of the PSUs because the Committee believed that shareholders were focused on these same operational metrics when evaluating our performance on a year-to-year basis. Successful achievement was also expected to result in improved stock performance and deliver value to our shareholders.

For 2018, all PSUs (including the R&D component) will be based on pre-established three-year goals and three-year cliff vesting. The 2018 PSUs will also replace non-GAAP EPS with non-GAAP Operating Margin to further diversify the performance metrics.

The Committee believed that a PSU award that is tied to relative TSR further aligns our executives' interests with the interests of our shareholders. The Committee selected a three-year performance period to ensure that stock performance incentives were aligned with a longer-term view, and that fluctuations during any single year would not disproportionately impact results for the benefit or detriment of the program.

The R&D milestones were goals that if achieved or achieved on an accelerated basis, would deliver significant and meaningful value to shareholders.

#### 2017 Operational PSUs

The following table shows the performance metrics and weighting that the Committee set for our 2017 operational PSUs and our degree of attainment of the goals and resulting outcome.

Goal <sup>(1)</sup>	Performance Range		2017 Actual	Performance Level % of Target	% of Result
	Threshold	Target			
Revenue (65%)	\$3,208.5B	\$3,450B	\$3,864B	\$3,513B	122.8%
Non-GAAP EPS (35%)	\$4.62	\$5.13	\$5.90	\$5.81	232.5%

Operational PSUs earned at 161.2% of target

2018

Proxy  
Statement  
Alexion

Pharmaceuticals,  
Inc.

---

(1) The metrics exclude certain events to ensure that performance levels are not distorted by one-time or out of the ordinary events, such as an acquisition or net revenues generated from an acquisition.

#### 2017 TSR PSUs

The TSR PSUs are based on the Company's three-year TSR performance relative to the median three-year TSR performance of the companies in the S&P 500 Pharmaceuticals, Biotechnology, and Life Sciences Index. The number of TSR PSUs that can be earned will be determined as follows (with interpolation between points):

Alexion TSR Performance vs. Peer Group Median	Payout as a % of Target
> Median + 75%	250%
For every 1% achieved above median	+2%
Alexion TSR performance equals the median	100%
For every 1% decline below median, up to - 50%	-2%
< Median - 50%	No payout

#### 2017 R&D Milestones

The Committee selected three aggressive R&D milestones that were important business metrics and measures of Alexion's operational success in 2017. The milestones related to eculizumab for the treatment of gMG (one milestone) and ALXN1210 (two milestones - one relating to clinical trial enrollment and one relating to a second formulation). The Committee believed that each milestone could be achieved during 2017 and the additional shares would only be earned as a result of exceptional performance, leadership and execution. Further, if any one of the three milestones were achieved, the Committee believed that significant value would be created for our shareholders.

The eculizumab milestone was achieved and one of the two ALXN1210 milestones were achieved in 2017. The R&D milestone that was not achieved was the ALXN1210 clinical trial enrollment milestone, which was similar to the annual cash incentive ALXN1210 objective but included more aggressive measures. The other ALXN1210 R&D milestone for the PSU program (relating to a different formulation of ALXN1210) was different than the ALXN1210 objective under the annual cash incentive program, while the eculizumab milestone was similar to the annual cash incentive objective.

Accordingly, an additional 70% of the PSUs were earned with respect to the R&D milestones.

#### Determination of 2017 Earned Operational and R&D PSUs

Based on the achievement of the 2017 financial and strategic goals, the operational PSUs earned by our NEOs for 2017 are included in the table below. The achievement of the 2017 TSR PSUs will not be determined until the end of the three-year performance period. To the extent earned, operational PSUs are subject to a three year ratable time-based vesting schedule, with one-third vesting on the date the Committee determines performance, and one-third on each of the following two anniversaries thereafter, generally subject to continued employment.

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

Named Executive Officer	2017 Target Number of Operational PSUs	Revenue / Non-GAAP EPS Achievement Percentage	Max Potential R&D Milestone PSUs	R&D Milestone Achievement Percentage	2017 Earned Operational and R&D PSUs
Ludwig Hantson	38,300	161.2%	47,875	70%	95,252
Paul Clancy	19,392	161.2%	24,240	70%	48,228
Julie O'Neill	8,640	161.2%	10,800	70%	21,488
John Moriarty	8,640	161.2%	10,800	70%	21,488
Brian Goff	6,391	161.2%	7,989	70%	15,894
David Brennan	N/A	N/A	N/A	N/A	N/A
David Anderson	N/A	N/A	N/A	N/A	N/A
Martin Mackay <sup>(2)</sup>	8,640	N/A	N/A	N/A	—
Clare Carmichael <sup>(2)</sup>	8,640	N/A	N/A	N/A	—

(1) Mr. Moriarty's earned PSUs vested in accordance with the terms of his employment agreement.

(2) Dr. Mackay and Ms. Carmichael left the Company during the performance period and did not earn 2017 PSUs.

#### 2015 TSR PSUs

In 2015, the Committee granted TSR PSUs based on the Company's three-year TSR performance, from January 1, 2015 to December 31, 2017, relative to the median three-year TSR performance of the companies in the Nasdaq Biotechnology Index. The Committee determined that the Company's TSR underperformed the Index by approximately -25%. As a result, no 2015 TSR PSUs were earned.

#### Termination and Change of Control-Based Compensation

We provide severance payments and other benefits to our executives under written employment agreements if their employment is terminated without cause or in certain other instances, including in connection with a change of control. In February 2016, the Committee approved new executive employment agreements, including for certain of our NEOs, to among other things, eliminate all 280G gross-up provisions and increase cash severance terms based on market practices. Severance provisions related to a change of control assist in retaining high quality executives and keeping them focused on their responsibilities during any period in which a change of control may be contemplated or pending. We also provide for accelerated vesting of outstanding equity awards upon a change of control for awards granted prior to January 1, 2016. In 2016, the Committee eliminated automatic single-trigger equity acceleration upon a change of control in executive employment agreements. With respect to awards granted in 2016 and thereafter, our executive employment agreements now provide for double-trigger acceleration of vesting only in the event of a qualifying termination of employment following a change of control. More details on the severance payments and benefits our continuing and terminated NEOs are entitled to receive, or have received, are provided under "Potential Payments Upon Termination or Change of Control" on page 60.

#### Departures of Ms. Carmichael, Dr. Mackay, Mr. Moriarty and Mr. Anderson

Ms. Carmichael left the Company in June 2017. Dr. Mackay left the Company in December 2017. Mr. Anderson left the Company in August 2017 and Mr. Moriarty left the Company in February 2018. For a description of the separation arrangements with each of these NEOs, see "Potential Payments Upon Termination or Change of Control" on page 60. Mr. Anderson did not receive any severance benefits in connection with his departure.

#### Personal Benefits

Our NEOs are eligible for the benefit programs we provide to all employees, such as medical, dental, vision, life and disability insurance benefits. Our U.S.-based named executive officers are eligible to participate in our tax-qualified 401(k) plan on the same basis as other U.S. eligible employees. Ms. O'Neill is entitled

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

to participate in an Irish defined contribution pension plan that we maintain for our eligible Irish employees. In general, we only provide limited perquisites to executives that are also available to other employees, such as relocation costs. These items are disclosed in the “Summary Compensation Table” below.

**Stock Ownership Guidelines**

Our executives and directors are subject to stock ownership guidelines. Shares owned by the individual, unvested restricted stock and unvested restricted stock units count towards the ownership goal. Unearned PSUs do not count towards the ownership goal. Directors and officers are required to meet these guidelines within five years of becoming subject to them. All of our executives and directors currently satisfy the guidelines.

**Executive Officers.** Our current policy requires Alexion's executives to own shares with a value equal to a specific multiple of such executive's base salary as indicated in the table below:

Officer Level	Market Value as a Multiple of Base Salary
Chief Executive Officer	6x
Executive Vice Presidents and Senior Vice Presidents reporting to the CEO	3x
Other Senior Vice Presidents	1x

**Directors.** Directors are required to own shares with a value equal to 5 times the annual director cash retainer, which was \$95,000 for 2017.

**Anti-hedging and Anti-pledging Policy**

Our insider trading policy prohibits all directors and employees, including our executives, from pledging or engaging in hedging or similar transactions in Alexion's stock, such as prepaid variable forwards, equity swaps, collars, puts, calls, and short sales.

**Recoupment Policy**

We have adopted an executive compensation recoupment policy, or “clawback,” that requires our independent directors to consider whether to seek reimbursement of any bonus or incentive (whether cash or equity) awarded to a Section 16 officer if and to the extent: (a) the amount of the bonus or incentive (whether cash or equity) compensation was calculated based upon the achievement of certain financial results that were subsequently the subject of a restatement, (b) the executive engaged in intentional misconduct that caused or partially caused the need for the restatement, and (c) the amount of the bonus or incentive (whether cash or equity) compensation that would have been awarded to the executive had the financial results been properly reported would have been lower than the amount actually awarded.

**Compensation Risk Assessment**

The Committee oversees an annual risk assessment of the Company’s compensation programs to determine whether such programs are reasonably likely to have a material adverse effect on the Company. For 2017, the Committee concluded that the Company’s compensation programs were appropriately balanced to mitigate compensation-related risk with cash and stock elements, financial and non-financial goals, and short-term and long-term rewards. The Company also has policies to mitigate compensation-related risk, including stock ownership guidelines, clawback provisions, and prohibitions on employee pledging and hedging activities. Further, the Company’s policies on ethics and compliance along with its internal controls also mitigate against unnecessary or excessive risk taking.

2018  
 Proxy  
 Statement  
 Alexion  
 Pharmaceuticals,  
 Inc.

#### Section 162(m) Policy

Under Section 162(m) of the Internal Revenue Code, publicly held corporations are denied deducting as an expense for federal income tax purposes total compensation in excess of \$1 million paid to certain executive officers. The exemption from Section 162(m)'s deduction limit for performance-based compensation has been repealed, effective for taxable years beginning after December 31, 2017, such that compensation paid to any "covered employee" in excess of \$1 million will not be deductible, unless it qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017. A "covered employee" under Section 162(m) is any employee who has served as our CEO, CFO or other NEO for tax years after December 31, 2016. The rules and regulations promulgated under Section 162(m) are complicated, and may change from time to time, and the scope of the transition relief under the legislation repealing Section 162(m)'s exemption from the deduction limit is uncertain. As such, there can be no guarantee that compensation intended to satisfy the requirements for tax deductibility in fact will.

The Committee believes that its primary responsibility is to provide a compensation program that attracts, retains and rewards the executive officers necessary for the Company's success, as described above. As a result, we currently and may in the future award compensation that is not fully deductible under Section 162(m) in order to ensure competitive levels of total compensation for our executive officers and when we otherwise view such compensation as consistent with our compensation policies.

#### Report of Leadership and Compensation Committee

The Committee of the Board reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

The Leadership and Compensation Committee

Jack T. Mollen, Chairman

M. Michele Burns

Christopher J. Coughlin

Alvin S. Parven

Ann M. Veneman

2018

Proxy

Statement

48  
Alexion

Pharmaceuticals,

Inc.

---



Summary  
Compensation  
Table

The following table sets forth information regarding the compensation awarded to, earned by or paid to each of our NEOs during the fiscal years ended December 31, 2017, and (where applicable) 2016 and 2015

Name and Principal Position	Year	Salary (\$)	Other Bonus (\$)	Stock Awards (\$) <sup>(2)</sup>	Option Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(3)</sup>	All Other Compensation (\$) <sup>(5)</sup>	Total (\$)
Ludwig Hantson Chief Executive Officer <sup>(1)</sup>	12/31/2017	900,000	—	9,618,758	2,282,881	2,275,000	233,428	15,310,067
Paul Clancy Executive Vice President and Chief Financial Officer <sup>(1)</sup>	12/31/2017	415,385	500,000 <sup>(9)</sup>	8,799,954	1,220,082	473,620	2,262	11,411,303
Julie O'Neill Executive Vice President of Global Operations <sup>(10)(11)</sup>	12/31/2017	651,471	—	2,491,537	656,276	715,225	136,817	4,651,326
John Moriarty Executive Vice President and General Counsel <sup>(4)</sup>	12/31/2016	509,023	—	1,716,538	1,302,919	357,000	213,443	4,098,923
John Moriarty Executive Vice President and General Counsel <sup>(4)</sup>	12/31/2017	628,004	—	2,360,287	567,589	689,300	26,622	4,271,802
John Moriarty Executive Vice President and General Counsel <sup>(4)</sup>	12/31/2016	604,000	—	1,436,218	1,302,919	400,000	12,602	3,755,739
Brian Goff Executive Vice President and Chief Commercial Officer <sup>(1)</sup>	12/31/2017	381,634	100,000 <sup>(9)</sup>	2,390,026	732,899	434,380	58,787	4,097,726
David R. Brennan Former Interim Chief Executive Officer <sup>(1)</sup>	12/31/2017	1,523,077	—	245,529	—	—	153,606	1,922,212
David R. Brennan Former Interim Chief Executive Officer <sup>(1)</sup>	12/31/2016	230,769	—	115,948	112,726	—	92,337	551,780
David Anderson Former Executive Vice President and Chief Financial Officer <sup>(1)</sup>	12/31/2017	3,132,500	—	—	—	—	310,442	3,442,942
David Anderson Former Executive Vice President and Chief Financial Officer <sup>(1)</sup>	12/31/2016	175,000	—	999,930	—	—	2,500	1,177,430
Martin Mackay Former Executive Vice President, Global Head of Research and Development	12/31/2017	714,012	—	2,360,287	2,977,151	213,613	2,127,166	8,392,229
Martin Mackay Former Executive Vice President, Global Head of Research and Development	12/31/2016	693,000	—	1,716,538	1,302,919	426,000	31,524	4,169,981
Martin Mackay Former Executive Vice President, Global Head of Research and Development	12/31/2015	670,000	—	1,907,736	1,378,254	700,000	24,000	4,679,990

Edgar Filing: ALEXION PHARMACEUTICALS INC - Form DEF 14A

Clare Carmichael	12/31/2017	266,144	—	2,360,287	3,463,730	—	1,627,601	7,717,762
Former Executive	12/31/2016	590,000	—	1,302,919	1,716,538	392,000	21,202	4,022,659
Vice President								
and Chief Human Resources Officer	12/31/2015	570,000	50,000	(8) 1,710,052	2,222,482	560,000	30,365	5,142,899

(1) Dr. Hantson was appointed Chief Executive Officer in March 2017, Mr. Clancy was appointed Chief Financial Officer in July 2017, and Mr. Goff was appointed Chief Commercial Officer in June 2017. The appointments of Mr. Brennan and Mr. Anderson occurred in December 2016. Compensation information is not provided for years in which such individuals were not an NEO. Mr. Brennan continues to serve as a director and was appointed Chairman of the Board in May 2017. Compensation earned by Mr. Brennan as a director is reported in the "Director Compensation for Fiscal 2017" table below.

(2) Amounts represent the grant date fair value of equity awards granted to the named executive officer in each of 2017, 2016, and 2015 (where applicable) calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC Topic 718"), disregarding the effect of estimated forfeitures. See Notes 1 and 12 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2017 for details as to the assumptions used to determine the fair value of the

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

awards. See our audited consolidated financial statements in our Annual Reports on Form 10-K for the years ended December 31, 2017, 2016 and 2015 for details as to the assumptions used to determine the fair value of the awards. The stock awards reported include the grant date fair value of RSUs and PSUs, including PSUs and TSR PSUs, each of which is more fully discussed in the Compensation Discussion and Analysis. For Operational PSUs, the amounts represent the grant date fair value based on the probable outcome of the performance conditions. For 2017, the grant date fair value of PSUs (other than TSR PSUs) was \$4,551,189 for Dr. Hantson, \$2,399,954 for Mr. Clancy, \$1,134,000 for each of Ms. O'Neill, Mr. Moriarty, Dr. Mackay and Ms. Carmichael, and \$639,995 for Mr. Goff. The grant date fair value, if the highest level of performance conditions were achieved, is \$17,066,959 for Dr. Hantson, \$8,999,951 for Mr. Clancy, \$4,252,500 for each of Ms. O'Neill, Mr. Moriarty, Dr. Mackay and Ms. Carmichael, and \$2,400,055 for Mr. Goff. The grant date fair value for TSR PSUs included for 2017, if the highest level of performance conditions were achieved, is \$4,135,529 for Dr. Hantson, \$2,093,851 for Mr. Clancy, \$932,904 for each Ms. O'Neill, Mr. Moriarty and Dr. Mackay, and \$690,176 for Mr. Goff. In addition, the 2017 amounts reported in the "Options Award" column for Dr. Mackay and Ms. Carmichael also include the incremental fair value associated with their outstanding stock options (\$2,409,562 and \$2,896,142, respectively), in connection with their departures from the Company in 2017 pursuant to their separation agreements described below.

Amounts represent the annual incentive bonus earned by each of the NEOs for services performed in 2017, 2016, (3) and 2015 (where applicable). The annual incentive bonuses were paid in February or March of the calendar year following the year to which the bonus relates (e.g., the 2017 annual incentive bonus was paid in February 2018).

(4) Mr. Moriarty elected not to relocate to Alexion's new headquarters in Boston, Massachusetts and terminated employment with the Company in February 2018.

(5) The amounts within the All Other Compensation column for 2017 are as follows:

Executive Officer	Company Matching Retirement Accounts (\$)	Non-Qualified Deferred Compensation Matching (\$)	Life Insurance Premiums (\$)	Severance (\$) <sup>(6)</sup>	Other (\$) <sup>(7)</sup>	Total
Ludwig Hantson	16,200	7,800	3,582	—	205,845	233,427
Paul Clancy	—	—	2,262	—	—	2,262
Julie O'Neill <sup>(11)</sup>	106,805	—	—	—	30,012	136,817
John Moriarty	16,200	7,800	2,622	—	—	26,622
Brian Goff	—	1,800	987	—	56,000	58,787
David Brennan	—	—	2,026	—	151,580	153,606
David Anderson	16,200	—	—	—	294,242	310,442
Martin Mackay	16,200	7,800	7,524	2,095,642	—	2,127,166
Clare Carmichael	16,200	—	2,262	1,609,139	—	1,627,601

(6) Amounts represent the cash severance payments to which Dr. Mackay and Ms. Carmichael became entitled in connection with their separation from the Company in 2017. Payments to Dr. Mackay occurred in 2018.

Amounts represented in this column for fiscal year 2017 include the following: \$5,845 in executive physical exam benefits and a \$200,000 cash payment in lieu of relocation for Dr. Hantson, a \$30,012 reimbursement of housing (7) expenses for Ms. O'Neill, a \$56,000 stipend for housing and travel expenses for Mr. Goff, a \$15,000 reimbursement of housing expenses and \$136,580 of Board of Director fees for Mr. Brennan, \$42,000 of housing expenses and \$241,718 of paid vacation benefits for Mr. Anderson.

(8) Amount represents a special bonus award paid to Ms. Carmichael for her contribution to the Company's centralization of manufacturing, supply chain, quality and technical operations in Ireland.

(9) Amounts represent sign-on bonuses for Mr. Clancy and Mr. Goff.

(10) Ms. O'Neill was not an NEO in 2015 and her compensation related to 2015 is not included.

Certain figures for Ms. O'Neill's salaries and other compensation were converted from Euro to U.S. dollar using the conversion rate of 1.2017 and 1.0517 for 2017 and 2016, respectively. Ms. O'Neill's non-equity incentive plan bonuses are reported at USD amounts for 2017 and 2016 approved by the Leadership and Compensation Committee.

(11)

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

Grants Of  
Plan-Based  
Awards In  
Fiscal 2017

The following table sets forth information regarding plan-based awards made to each of our NEOs during the fiscal year ended December 31, 2017.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards	Estimated Payouts Under Non-Equity Incentive Plan Awards	Estimated Possible Payouts Under Equity Plan Awards	Estimated Possible Payouts Under Equity Incentive Plan Awards		All Other Stock Awards:	All Other Option Awards:	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(7)</sup>
		Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Number of shares of stock or units (#)	Number of Securities Underlying Options (#)		
Ludwig Hantson	3/27/17 <sup>(2)</sup>	1,440,000	2,880,000	—	—	—	—	—	—	—
	3/27/17 <sup>(3)</sup>	—	—	—	—	—	—	56,762	118.83	2,282,968
	3/27/17 <sup>(4)</sup>	—	—	—	—	—	28,725	—	—	3,413,392
	3/27/17 <sup>(5)</sup>	—	—	19,150	38,300	95,750	—	—	—	4,551,189
	3/27/17 <sup>(6)</sup>	—	—	4,788	9,575	23,938	—	—	—	1,654,177
Paul Clancy	7/10/17 <sup>(2)</sup>	290,770	581,540	—	—	—	—	—	—	—
	7/10/17 <sup>(3)</sup>	—	—	—	—	—	—	29,089	123.76	1,219,993
	7/10/17 <sup>(4)</sup>	—	—	—	—	—	46,865	—	—	5,800,012
	7/10/17 <sup>(5)</sup>	—	—	9,696	19,392	48,480	—	—	—	2,399,954
	7/10/17 <sup>(6)</sup>	—	—	2,424	4,848	12,120	—	—	—	837,540
Julie O'Neill	2/28/17 <sup>(2)</sup>	440,343	880,686	—	—	—	—	—	—	—
	2/28/17 <sup>(3)</sup>	—	—	—	—	—	—	14,800	131.25	656,232
	2/28/17 <sup>(4)</sup>	—	—	—	—	—	7,500	—	—	984,375
	2/28/17 <sup>(5)</sup>	—	—	4,320	8,640	21,600	—	—	—	1,134,000
	2/28/17 <sup>(6)</sup>	—	—	1,080	2,160	5,400	—	—	—	373,162
John Moriarty	2/28/17 <sup>(2)</sup>	439,603	879,206	—	—	—	—	—	—	—
	2/28/17 <sup>(3)</sup>	—	—	—	—	—	—	12,800	131.25	567,552
	2/28/17 <sup>(4)</sup>	—	—	—	—	—	6,500	—	—	853,125
	2/28/17 <sup>(5)</sup>	—	—	4,320	8,640	21,600	—	—	—	1,134,000
	2/28/17 <sup>(6)</sup>	—	—	1,080	2,160	5,400	—	—	—	373,162
Brian Goff	6/7/17 <sup>(2)</sup>	267,144	534,288	—	—	—	—	—	—	—
	6/7/17 <sup>(3)</sup>	—	—	—	—	—	—	21,750	100.14	732,975
	6/7/17 <sup>(4)</sup>	—	—	—	—	—	14,719	—	—	1,473,961
	6/7/17 <sup>(5)</sup>	—	—	3,196	6,391	15,978	—	—	—	639,995
	6/7/17 <sup>(6)</sup>	—	—	799	1,598	3,995	—	—	—	276,070
David R. Brennan	5/10/17 <sup>(1)</sup>	—	—	—	—	—	2,030	—	—	245,529
	—	—	—	—	—	—	—	—	—	—

David  
Anderson  
(8)

Martin Mackay	2/28/17 <sup>(2)</sup>	499,808	999,617	—	—	—	—	—	—	—
	2/28/17 <sup>(3)</sup>	—	—	—	—	—	—	12,800	131.25	2,977,114
	2/28/17 <sup>(4)</sup>	—	—	—	—	—	6,500	—	—	853,125
	2/28/17 <sup>(5)</sup>	—	—	4,320	8,640	21,600	—	—	—	1,134,000
	2/28/17 <sup>(6)</sup>	—	—	1,080	2,160	5,400	—	—	—	373,162

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards	Estimated Payouts Under Non-Equity Incentive Plan Awards	Estimated Possible Payouts Under Equity Incentive Plan Awards			All Other Stock Awards:	All Other Option Awards:	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(7)</sup>
		Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Number of shares of stock or units (#)	Number of Securities Underlying Options (#)		
Clare Carmichael	2/28/17 <sup>(2)</sup>	392,000	784,000	—	—	—	—	—	—	—
	2/28/17 <sup>(3)</sup>	—	—	—	—	—	—	12,800	131.25	3,463,693
	2/28/17 <sup>(4)</sup>	—	—	—	—	—	6,500	—	—	853,125
	2/28/17 <sup>(5)</sup>	—	—	4,320	8,640	21,600	—	—	—	1,134,000
	2/28/17 <sup>(6)</sup>	—	—	1,080	2,160	5,400	—	—	—	373,162

(1) Mr. Brennan's 2017 grants were made in respect of his position as a Director and are not related to his position as Interim CEO. Dr. Hantson was appointed CEO in March 2017 and Mr. Brennan was appointed Chairman of the Board in May 2017.

The amounts represent the annual cash incentive award target for the NEO for 2017 multiplied by such individual's base salary. See "Annual Cash Incentive Awards" in the CD&A. Actual amounts paid to the NEO for 2017 are included in the "Non-Equity Incentive Plan Compensation" column under the "Summary Compensation Table" above. The maximum amount an NEO may earn is 200% of target bonus amount. Ms. O'Neill's figures are converted from EUR to USD at a rate of 1.201. Amounts for Mr. Clancy and Mr. Goff are prorated based on their start dates in 2017.

The amount includes the number of shares of common stock subject to option awards granted to the NEO in 2017. Amounts for Dr. Mackay and Ms. Carmichael also include the incremental fair value associated with their outstanding stock options of \$2,409,562 and \$2,896,142, respectively, in connection with their departures from the company in 2017 pursuant to their separation agreements described below.

The amount includes the number of shares of common stock underlying awards of RSUs granted to the NEO in 2017. The RSUs granted to Mr. Moriarty, Ms. O'Neill, Dr. Mackay and Ms. Carmichael were intended to qualify as performance-based awards for purposes of IRC Section 162(m).

The amount represents the estimated possible payouts for PSUs, other than RSU and TSR-PSU Awards, granted to the NEO in 2017. In addition, Dr. Hantson had the opportunity to earn between 9,575 and 47,875 additional PSUs based on the achievement of three different research and development (R&D) milestones in 2017. Mr. Clancy had the opportunity to earn between 4,848 and 24,240 additional awards based on the achievement of three different research and development (R&D) milestones in 2017. Ms. O'Neill, Mr. Moriarty, Dr. Mackay and Ms. Carmichael had the opportunity to earn between 2,160 and 10,800 additional PSUs based on the achievement of three different R&D milestones in 2017. Mr. Goff had the opportunity to earn between 1,598 and 7,989 additional PSUs based on the achievement of three different R&D milestones in 2017.

The amount represents the estimated possible payouts for TSR PSUs granted to the NEO in 2017. See "Performance Share Units (PSUs)" on page 43.

The amount represents the grant date fair value of options, RSUs and PSUs granted in 2017 calculated in accordance with FASB ASC Topic 718, disregarding the effect of estimated forfeitures. For PSUs, including TSR PSUs, the amounts represent the grant date fair value based on the probable outcome of the performance conditions. See footnote 2 to the "Summary Compensation Table" above for the amounts included in respect of PSUs and the amounts that would be included if the highest level of performance conditions were achieved. See Notes 1 and 12 to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2017 for details as to the assumptions used to determine the fair value of the awards.

(8) Mr. Anderson did not receive any plan-based awards in 2017.

Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table

Employment Agreements

We have entered into employment agreements with each of our NEOs, which were in effect during fiscal year 2017. The material terms of the employment agreements with Dr. Hantson, Mr. Clancy, Ms. O'Neill, Mr. Moriarty, and Mr. Goff are described below. The employment agreements also provide for certain payments and benefits upon terminations of employment, as described below under “-Potential Payments Upon Termination or Change of Control.” Dr. Mackay and Ms. Carmichael had been party to employment agreements with us prior to their termination of employment. The terms of their

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

---



separation agreements are described below under “Potential Payments Upon Termination or Change of Control.”

Ludwig Hantson

On March 27, 2017, Dr. Hantson entered into an employment agreement with the Company upon his appointment as Chief Executive Officer. The agreement includes a three-year term, which automatically extends at the end of such term for additional one-year periods unless 60 days prior notice is given by either party. The agreement entitles Dr. Hantson to an annual base salary of \$1,200,000, which is subject to increase in the discretion of the Company. The agreement also entitles Dr. Hantson to a target annual cash incentive award of 120% of his annual base salary, with the actual amount of the bonus earned determined by the Board or the Committee and paid in accordance with the Company’s management incentive bonus plan. Under the agreement, Dr. Hantson is eligible to receive stock-based awards under the Company’s equity incentive plan in the discretion of the Board or the Committee and to participate in the Company’s employee benefit plans as in effect for employees generally. Under the agreement, Dr. Hantson was also entitled to a one-time payment of \$200,000 in lieu of relocation benefits. The agreement provides for recoupment of any incentive-based compensation in accordance with the Company's recoupment policy.

Paul Clancy

On June 11, 2017, Mr. Clancy entered into an employment agreement with the Company. The agreement provides for the appointment of Mr. Clancy as Executive Vice President, Chief Financial Officer, effective July 31, 2017. The agreement includes a three-year term, which automatically extends at the end of such term for additional one-year periods unless 60 days prior notice is given by either party. The agreement entitles Mr. Clancy to an annual base salary of \$900,000, which is subject to increase in the discretion of the Company. The agreement also entitles Mr. Clancy to a target annual cash incentive award of 70% of his annual base salary, with the actual amount of the bonus earned determined by the Board or the Committee and paid in accordance with the Company’s management incentive bonus plan. Under the agreement, Mr. Clancy is eligible to receive stock-based awards under the Company’s equity incentive plan in the discretion of the Board or the Committee and to participate in the Company’s employee benefit plans as in effect for employees generally. Under the agreement, Mr. Clancy was also entitled to a one-time sign-on wage advance of \$500,000. The agreement provides for recoupment of any incentive-based compensation in accordance with the Company's recoupment policy.

Julie O’Neill

Ms. O’Neill is party to an employment agreement with Alexion Pharma International Operations Unlimited Company dated as of February 4, 2014, which governs the terms and conditions of her employment in Ireland. Under this agreement, Ms. O’Neill is entitled to receive an annual base salary, which has subsequently been increased, and a target annual cash incentive award equal to 70% of her annual base salary, the amount of which will be determined by the Company, based on the Company’s performance and the performance of the executive and her department. The agreement also provides for certain other benefits for Ms. O’Neill, including an annual car allowance of approximately 2,100 Euros a month, participation in an Irish defined contribution pension plan and other benefit plans of the company and tax equalization payments for any work done outside of Ireland.

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

---

John Moriarty

On February 26, 2016, Mr. Moriarty entered into an employment agreement with the Company. The agreement included a three-year term, with provision for automatic extension at the end of such term for additional one-year periods unless 60 days prior notice was given by either party. The agreement entitled Mr. Moriarty to an annual base salary of \$604,000, which was subject to increase in the discretion of the Company. The agreement also entitled Mr. Moriarty to a target annual cash incentive award of 70% of his annual base salary, with the actual amount of the bonus earned determined by the Board or the Committee and paid in accordance with the Company's management incentive bonus plan. Under the agreement, Mr. Moriarty was eligible to receive stock-based awards under the Company's equity incentive plan in the discretion of the Board or the Committee and to participate in the Company's employee benefit plans as in effect for employees generally. The agreement provided for recoupment of any incentive-based compensation in accordance with the Company's recoupment policy. As described above, Mr. Moriarty left the Company in February 2018.

Brian Goff

On June 1, 2017, Mr. Goff entered into an employment agreement with the Company. The agreement includes a three-year term, which automatically extends at the end of such term for additional one-year periods unless 60 days prior notice is given by either party. The agreement entitles Mr. Goff to an annual base salary of \$675,000, which is subject to increase in the discretion of the Company. The agreement also entitles Mr. Goff to a target annual cash incentive award of 70% of his annual base salary, with the actual amount of the bonus earned determined by the Board or the Committee and paid in accordance with the Company's management incentive bonus plan. Under the agreement, Mr. Goff is eligible to receive stock-based awards under the Company's equity incentive plan in the discretion of the Board or the Committee and to participate in the Company's employee benefit plans as in effect for employees generally. Under the agreement, Mr. Goff was also entitled to a one-time sign-on wage advance of \$100,000. The agreement provides for recoupment of any incentive-based compensation in accordance with the Company's recoupment policy.

Fiscal Year 2017 Equity Awards

All of the PSUs, stock options and RSUs disclosed in the Grants of Plan-Based Awards table, other than for Mr. Clancy and Mr. Goff, were granted under our Amended and Restated 2004 Incentive Plan, or 2004 Incentive Plan. The awards granted to Mr. Clancy and Mr. Goff were granted under our 2017 Incentive Plan, approved by shareholders in May 2017. All options were granted with an exercise price per share equal to the fair market value of our common stock on the date of grant, as determined by the Board in accordance with the terms of the applicable incentive plan. Subject to the terms of the applicable incentive plan and the option agreements issued in connection with these grants, all of the options are generally scheduled to vest 25% on the first anniversary of the grant date, and one-sixteenth every three months thereafter until fully vested over four years, RSUs are generally scheduled to vest 25% on each anniversary of the grant date, and all PSUs, to the extent earned by the NEOs vest one-third on the date the Committee determines performance, and are scheduled to vest one-third on each of the next two anniversaries thereafter. TSR-PSU awards vest at the end of a three year performance period. Vesting of the awards, in each case, is generally subject to the NEO's continued employment or other service with Alexion through the applicable vesting date.

2018

Proxy

Statement

Alexion

Pharmaceuticals,

Inc.

Outstanding  
Equity  
Awards At  
2017 Fiscal  
Year-End

The following table sets forth information regarding equity awards held by our NEOs as of December 31, 2017.

	Option Awards					Stock Awards			Equity Incentive Plan Awards:	
	Grant Date	Exercisable (#)	Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup>	Number of Shares, or Other Rights That Have Not Vested (#)	Market or Payout Value of Unearned Shares or Other Rights of Stock That Have Not Vested (\$) <sup>(1)</sup>	
Ludwig Hantson	03/27/17	—	56,762	(3) 118.83	03/27/27	21,544	(12) 2,576,447	—	—	
	03/27/17	—	—	—	—	95,253	(5) 11,391,187	—	—	
	03/27/17	—	—	—	—	—	—	9,575	(6) 1,145,074	
Paul Clancy	07/10/17	—	29,089	(3) 123.76	07/10/27	46,865	(4) 5,604,585	—	—	
	07/10/17	—	—	—	—	48,228	(5) 5,767,587	—	—	
	07/10/17	—	—	—	—	—	—	4,848	(6) 579,772	
Julie O'Neill	03/01/14	18,750	1,250	(8) 176.80	03/01/24	1,250	(2) 149,488	—	—	
	03/01/14	45,000	—	(9) 176.80	03/01/24	—	—	—	—	
	02/27/15	16,775	7,625	(3) 180.37	02/27/25	2,550	(4) 304,955	—	—	
	08/12/15	—	—	—	—	3,921	(7) 468,912	—	—	
	02/26/16	13,562	17,438	(3) 140.16	2/26/26	5,250	(4) 627,848	—	—	
	02/26/16	—	—	—	—	—	—	1,000	(6) 119,590	
	02/27/17	—	14,800	(3) 131.25	2/27/2027	—	—	—	—	
	02/27/17	—	—	—	—	21,488	(5) 2,569,750	—	—	
	02/27/17	—	—	—	—	—	—	2,160	(6) 258,314	
	02/27/17	—	—	—	—	7,500	(13) 896,925	—	—	
John Moriarty	12/10/12	45,000	—	92.65	12/10/22	—	—	—	—	
	02/06/13	29,600	—	93.83	02/06/23	—	—	—	—	
	02/28/14	34,593	2,307	(15) 176.80	02/28/24	575	(4) 68,764	—	—	
	02/27/15	20,690	9,584	(3) 180.37	02/27/25	3,132	(4) 374,556	—	—	
	08/12/15	—	—	—	—	3,921	(7) 468,912	—	—	
	02/26/16	13,562	17,438	(3) 140.16	02/26/26	3,750	(4) 448,463	—	—	

Edgar Filing: ALEXION PHARMACEUTICALS INC - Form DEF 14A

02/26/16—	—	—	—	—	—	1,000	(6)	119,590
02/27/17—	12,800	(3)	131.25	02/27/27	21,488	(5)	2,569,750	—
02/27/17—	—	—	—	—	6,500	(13)	777,335	2,160
							(6)	258,314

2018  
 Proxy  
 Statement  
 Alexion  
 Pharmaceuticals,  
 Inc.

---

	Option Awards Number of Securities Underlying Unexercised Options					Stock Awards		Equity Incentive Plan Awards:	
	Grant Date	Exercisable (#)	Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup>	Number of Unearned Shares, or Rights That Have Not Vested (#)	Market or Payout Value of Unearned Shares or Units or Other Rights of Stock That Have Not Vested (\$) <sup>(1)</sup>
Brian Goff	06/07/17	—	21,750	(3) 100.14	06/07/27	14,719	(4) 1,760,245	—	—
	06/07/17	—	—	—	—	15,894	(5) 1,900,763	—	—
	06/07/17	—	—	—	—	—	—	1,598	(6) 191,105
David Brennan <sup>(10)</sup>	07/22/14	2,706	—	167.97	7/22/2024	—	—	—	—
	05/06/15	2,343	—	155.01	5/6/2025	—	—	—	—
	05/11/16	2,294	—	138.86	5/11/2026	—	—	—	—
	05/10/17	—	—	—	5/10/2017	2,030	(11) 242,768	—	—
David Anderson	—	—	—	—	—	—	—	—	—
Martin Mackay <sup>(14)</sup>	05/13/13	37,500	—	104.86	05/13/23	—	—	—	—
	02/28/14	30,750	3,075	(3) 176.80	02/28/24	750	(4) 89,693	—	—
	02/27/15	16,775	7,625	(3) 180.37	02/27/25	2,550	(4) 304,955	—	—
	08/12/15	—	—	—	—	3,921	(7) 468,912	—	—
	02/26/16	13,562	17,438	(3) 140.16	02/26/26	5,250	(4) 627,848	—	—
	02/28/17	—	12,800	(3) 131.25	02/28/27	6,500	(13) 777,335	—	—
Clare Carmichael <sup>(14)</sup>	02/03/12	24,000	—	78.88	02/03/22	—	—	—	—
	02/06/13	35,600	—	93.83	02/06/23	—	—	—	—
	02/28/14	36,900	—	176.80	02/28/24	—	—	—	—
	02/27/15	30,274	—	180.37	02/27/25	—	—	—	—
	02/26/16	31,000	—	140.16	02/26/26	—	—	—	—
	02/28/17	12,800	—	131.25	02/28/27	6,500	(13) 777,335	—	—

The market value of the stock awards is determined by multiplying the number of shares subject to such award (1) times \$119.59, which is the closing price of the Company's common stock on December 31, 2017, the last business day of 2017.

RSU awards that vest over a four-year period, with 25% vesting on the first anniversary of the date of grant and (2) 12.5% vesting every six months thereafter, generally subject to Ms. O'Neill's continued employment or other service with the Company.

(3)

Award of options that vest over a four-year period, with 25% vesting on the first anniversary of the date of grant and 6.25% vesting every three months thereafter, generally subject to continued employment or other service with the Company.

- (4) RSU awards that vest over a four-year period in equal annual installments on each anniversary of the date of grant, generally subject to continued employment or other service with the Company.

- (5) For purposes of the table, the shares reported are based on the amounts actually earned for the performance period ending December 31, 2017. Earned PSUs that vested one-third on February 6, 2018, and one-third on each anniversary thereafter, generally subject to continued employment or other service with the Company.

- (6) TSR PSUs, to the extent earned, will vest in full on the date earned, subject to continued employment or other service with the Company. Amounts have been reported assuming achievement of target performance goals. TSR PSUs granted in fiscal year 2015 did not achieve threshold requirements and no awards were earned. TSR PSUs granted in 2016 and 2017 are presented based on estimated achievement at target rates.

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

- (7) Earned PSUs that vested one-third on February 4, 2016, and one-third on each anniversary thereafter, generally subject to continued employment or other service with the Company.
- (8) Award of options that vest over a three-year period, with 25% vesting on the first anniversary of the date of grant and 9.375% vesting every three months thereafter, generally subject to Ms. O'Neill's continued employment or other service with the Company.
- (9) Award of options that vest 100% after a one year period, generally subject to Ms. O'Neill's continued employment or other service with the Company.
- (10) Mr. Brennan's outstanding awards are in connection with his service as a Director. Mr. Brennan served as Interim CEO from December 2016 through March 2017. Mr. Brennan currently serves as Chairman of the Board of Directors.
- (11) Award of RSUs granted to Mr. Brennan in his capacity as a Director that vest 100% after a one year period.
- (12) Award of RSUs that vest 25% on December 31, 2017, 25% on December 31, 2018, and then vest 25% on each of the third and fourth anniversary of the grant date.
- (13) Award of PSUs that vest over a four-year period, with 25% vesting on the first anniversary of the grant date.
- (14) Under their respective employment agreements, all of Ms. Carmichael's and Dr. Mackay's unvested awards, other than 2017 operational PSUs and all TSR PSUs, vested in connection with the termination of their employment. 6,500 PSUs vested in February 2018.

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---

Option  
Exercises  
And  
Stock  
Vested  
For Fiscal  
2017

The following table shows exercises of stock options and restricted stock unit vesting for the year ended December 31, 2017, for each of the NEOs. Messrs. Brennan and Anderson did not have any option exercises or stock vesting related to grants made in connection with their employment. Compensation related to Mr. Brennan's position as a Director is included within the "Director Compensation table".

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) <sup>(1)</sup>	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) <sup>(1)</sup>
Ludwig Hantson	—	—	7,181	858,776
Paul Clancy	—	—	—	—
Julie O'Neill	—	—	10,896	1,428,622
John Moriarty	—	—	11,138	1,432,277
Brian Goff	—	—	—	—
David Brennan	—	—	835	99,398
David Anderson	—	—	—	—
Martin Mackay	—	—	12,052	1,547,920
Clare Carmichael	20,000	1,621,936	25,079	2,859,350

(1) Amounts reflect the difference between the exercise price of the option and the market price at the time of exercise.

(2) Amounts reflect the aggregate dollar amount realized upon vesting by multiplying the number of shares of stock vested by the closing price of the Company's common stock on the vesting date.

#### Nonqualified Deferred Compensation

Effective June 2013, we began sponsoring a nonqualified deferred compensation plan (NQDC Plan) which allows certain highly-compensated employees, including our NEOs, to make voluntary deferrals of up to 80% of their base salary and annual cash incentive award. The NQDC Plan is designed to work in conjunction with the 401(k) plan and provides for a total combined employer match of up to 6% of an employee's eligible earnings, up to the IRS annual specified contribution limits. Employee deferrals and employer matching contributions under the NQDC Plan began in the third quarter of 2013. The plan provides for immediate vesting of the match consistent with our immediate vesting of the Company match provided under our 401(k) plan. Notional accounts are maintained for each participant. Such notional accounts include employee and employer contributions and reflect the performance of investments selected by the employee or a default investment if the employee does not make a selection. These investment options include the mutual funds offered under our 401(k) plan.



Alexion  
Pharmaceuticals,  
Inc.

---

The following table sets forth information regarding the nonqualified deferred compensation of each NEO during the fiscal year ended December 31, 2017.

Name	Executive Contributions in Last Fiscal Year (\$) <sup>(1)</sup>	Registrant Contributions in Last Fiscal Year (\$) <sup>(2)</sup>	Aggregate Earnings in Last Fiscal Year (\$)	Aggregate Withdrawals and Distributions (\$)	Aggregate Balance at Last Fiscal Year End (\$) <sup>(4)</sup>
Ludwig Hantson	7,846	7,800	896	—	16,542
Paul Clancy	—	—	—	—	—
Julie O'Neill (3)	—	—	—	—	—
John Moriarty	92,486	7,800	99,588	—	664,294
Brian Goff	3,635	1,800	390	—	5,825
David Brennan	—	—	—	—	—
David Anderson	—	—	—	—	—
Martin Mackay	63,923	7,800	31,711	—	285,134
Clare Carmichael	—	—	31,723	(63,519)	128,390

(1) Amounts reflected in this column are also included in the Summary Compensation Table under Salary.

(2) Amounts reported in this column are also included in the Summary Compensation Table under All Other Compensation.

(3) The nonqualified deferred compensation plan is not available to employees outside of the United States.

(4) The aggregate balance amounts under the nonqualified deferred compensation plan include deferrals made for prior fiscal years. For individuals who were NEOs in the fiscal years in which the deferrals were made, the amount of the deferred compensation was included in such individual's compensation as reported in the Summary Compensation Table included in the proxy statement for each such fiscal year.

2018  
Proxy  
Statement  
Alexion  
Pharmaceuticals,  
Inc.

---