

ACADIA PHARMACEUTICALS INC  
Form DEF 14A  
April 29, 2015

## 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

**ACADIA 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)

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x 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:

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.. 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:

**ACADIA PHARMACEUTICALS INC.**

**3611 Valley Centre Drive, Suite 300**

**San Diego, California 92130**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON JUNE 15, 2015**

Dear Stockholder:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of ACADIA Pharmaceuticals Inc., a Delaware corporation ( ACADIA or the Company ). The meeting will be held on June 15, 2015 at 8:00 a.m. local time at the offices of Cooley LLP, 4401 Eastgate Mall, San Diego, California 92121 for the following purposes:

1. To elect three Class II directors named herein to hold office until the Company s 2018 Annual Meeting of Stockholders.
2. To approve an amendment to the Company s 2010 Equity Incentive Plan, as amended, to, among other things, increase the aggregate number of shares of common stock authorized for issuance under the plan by 5,000,000 shares.
3. To approve an amendment to the Company s Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 150,000,000 to 225,000,000.
4. To approve, on an advisory basis, the compensation of the Company s named executive officers, as disclosed in this proxy statement.
5. To ratify the selection of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2015.
6. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the proxy statement accompanying this notice.

The record date for the annual meeting is April 16, 2015. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment or postponement thereof.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to Be Held**

**on June 15, 2015 at 8:00 a.m. local time at the offices of Cooley LLP,**

4401 Eastgate Mall, San Diego, California 92121

**The proxy statement and annual report to stockholders**

**are available at <http://ir.acadia-pharm.com>.**

By Order of the Board of Directors

Glenn F. Baity

*Executive Vice President, General Counsel,*

*and Secretary*

San Diego, California

April 29, 2015

**You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the proxy mailed to you, or vote over the telephone or the internet as described in these materials, as promptly as possible in order to ensure your representation at the meeting. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.**

**ACADIA PHARMACEUTICALS INC.**

**3611 Valley Centre Drive, Suite 300**

**San Diego, California 92130**

**PROXY STATEMENT**

**FOR THE ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD JUNE 15, 2015**

**QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING**

**Why did I receive a notice regarding the availability of proxy materials on the internet?**

We have sent you a Notice of Internet Availability of Proxy Materials (the "Notice") because the Board of Directors of ACADIA is soliciting your proxy to vote at the 2015 Annual Meeting of Stockholders. Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the internet. Accordingly, we have sent a Notice to our stockholders of record. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice.

We intend to mail the Notice on or about May 5, 2015 to all stockholders of record entitled to vote at the annual meeting.

**Will I receive any other proxy materials by mail?**

We may send you a proxy card, along with a second Notice, on or after May 15, 2015.

**How do I attend the annual meeting?**

The meeting will be held on Monday, June 15, 2015, at 8:00 a.m. local time at the offices of Cooley LLP, 4401 Eastgate Mall, San Diego, California 92121. Information on how to vote in person at the annual meeting is discussed below.

For directions to the annual meeting, please visit the following web address:

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[http://maps.google.com/maps?f=q&source=s\\_q&hl=en&geocode=&q=4401+Eastgate+Mall,+San+Diego,+CA+92121-1909](http://maps.google.com/maps?f=q&source=s_q&hl=en&geocode=&q=4401+Eastgate+Mall,+San+Diego,+CA+92121-1909)

### **Who can vote at the annual meeting?**

Only stockholders of record at the close of business on April 16, 2015 will be entitled to vote at the annual meeting. On this record date, there were 100,293,726 shares of common stock outstanding and entitled to vote.

#### *Stockholder of Record: Shares Registered in Your Name*

If on April 16, 2015 your shares were registered directly in your name with ACADIA's transfer agent, Computershare, Inc., then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the proxy card that may be mailed to you, or vote by proxy over the telephone or on the internet as instructed below, to ensure your vote is counted.

#### *Beneficial Owner: Shares Registered in the Name of a Broker or Bank*

If on April 16, 2015 your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in street name and the Notice was forwarded to you by that organization. The organization holding your account is considered to be

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the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

### **What am I voting on?**

There are five matters scheduled for a vote:

Election of three Class II directors, Stephen R. Biggar, M.D., Ph.D., Torsten Rasmussen and Daniel Soland, to hold office until our 2018 Annual Meeting of Stockholders;

Approval of an amendment to the Company's 2010 Equity Incentive Plan to, among other things, increase the aggregate number of shares of common stock authorized for issuance under the plan by 5,000,000 shares.

Approval of an amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 150,000,000 to 225,000,000.

Advisory approval of the compensation of the Company's named executive officers, as disclosed in this proxy statement in accordance with SEC rules; and

Ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

### **What if another matter is properly brought before the meeting?**

The Board of Directors knows of no other matters that will be presented for consideration at the 2015 Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying form of proxy to vote on those matters in accordance with their best judgment.

### **How do I vote?**

You may either vote **For** all the nominees to the Board of Directors or you may **Withhold** your vote for any nominee you specify. For each of the other matters to be voted on, you may vote **For** or **Against** or abstain from voting. The procedures for voting are as follows:

*Stockholder of Record: Shares Registered in Your Name*



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If you are a stockholder of record, you may vote in person at the annual meeting, vote by proxy over the telephone, vote by proxy through the internet, or vote by proxy using the proxy card that you may request or that we may elect to deliver. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

To vote in person, come to the annual meeting and we will give you a ballot when you arrive.

To vote using the proxy card, simply complete, sign and date the proxy card that may be delivered to you and return it promptly in the envelope provided. If you return your signed proxy card to us before the annual meeting, we will vote your shares as you direct.

To vote over the telephone, dial toll-free 1-800-652-8683 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the Notice or the proxy card that we may deliver. Your vote must be received by 11:59 p.m. Eastern Daylight Time on June 14, 2015 to be counted.

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To vote through the internet, go to <http://www.investorvote.com/ACAD> to complete an electronic proxy card. You will be asked to provide the company number and control number from your Notice or the proxy card that we may deliver. Your vote must be received by 11:59 p.m. Eastern Daylight Time on June 14, 2015 to be counted.

*Beneficial Owner: Shares Registered in the Name of Broker or Bank*

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a Notice containing voting instructions from that organization rather than from ACADIA. Simply follow the voting instructions in the Notice to ensure that your vote is counted. Alternatively, you may vote by telephone or over the internet as instructed by your broker or bank. To vote in person at the annual meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

**We provide internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies.**

**How many votes do I have?**

On each matter to be voted upon, you have one vote for each share of common stock you owned as of the close of business on April 16, 2015.

**What if I return a proxy card, or otherwise vote, but do not make specific choices?**

If you return a signed and dated proxy card, or otherwise vote, without marking voting selections, your shares will be voted For the election of each of the three nominees for director, For approval of the amendment to our 2010 Equity Incentive Plan, as amended, For approval of the amendment to our Amended and Restated Certificate of Incorporation, For the advisory approval of executive compensation, and For the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm, as applicable. If any other matter is properly brought before the meeting, your proxyholder (one of the individuals named in the accompanying form of proxy) will vote your shares using his best judgment.

**Who is paying for this proxy solicitation?**

We will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

**What does it mean if I receive more than one Notice or set of proxy materials?**

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If you receive more than one Notice or set of proxy materials, your shares are registered in more than one name or in different accounts. Please follow the voting instructions on the Notices or sets of proxy materials to ensure that all of your shares are voted.

### **Can I change my vote after submitting my proxy?**

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

You may submit a properly completed proxy card with a later date.

3.

You may grant a subsequent proxy by telephone or through the internet.

You may send a timely written notice that you are revoking your proxy to ACADIA's Secretary at 3611 Valley Centre Drive, Suite 300, San Diego, California 92130.

You may attend the annual meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

Your most current proxy card or telephone or internet proxy is the one that is counted.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

**When are stockholder proposals due for next year's annual meeting?**

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by January 6, 2016, to ACADIA's Secretary at 3611 Valley Centre Drive, Suite 300, San Diego, California 92130. If you wish to submit a proposal that is not to be included in next year's proxy materials or nominate a director, your proposal generally must be submitted in writing to the same address no later than March 17, 2016 but no earlier than February 16, 2016. Please review our bylaws, which contain additional requirements regarding advance notice of stockholder proposals and nominations.

**How are votes counted?**

Votes will be counted by the inspector of election appointed for the meeting, who will separately count, for the proposal to elect directors, votes For, Withhold and broker non-votes; and, with respect to other proposals, votes For and Against, abstentions and, if applicable, broker non-votes. Abstentions will be counted towards the vote total for each of Proposals 2, 3, 4 and 5, and will have the same effect as Against votes. Broker non-votes will not be counted towards the vote total for any proposal except the proposal to amend our Amended and Restated Certificate of Incorporation. For the proposal to amend our Amended and Restated Certificate of Incorporation, broker non-votes will have the same effect as Against votes.

**What are broker non-votes ?**

Broker non-votes occur when a beneficial owner of shares held in street name does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed non-routine. Generally, if shares are held in street name, the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares. If the beneficial owner does not provide voting instructions, the broker or nominee can still vote the shares with respect to matters that are considered to be routine, but not with respect to non-routine matters. Under the rules and interpretations of the New York Stock Exchange, non-routine matters are matters that may substantially affect the rights or privileges of stockholders, such as mergers, stockholder proposals, elections of directors, advisory approval of executive compensation, or amendments to charter documents.

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**How many votes are needed to approve each proposal?**

The following table summarizes the minimum vote needed to approve each proposal and the effect of abstentions and broker non-votes.

<b>Proposal Number</b>	<b>Proposal Description</b>	<b>Vote Required for Approval</b>	<b>Effect of Abstentions</b>	<b>Effect of Broker Non-Votes</b>
1	Election of directors	The three nominees receiving the most For votes	None	None
2	Amendment to 2010 Equity Incentive Plan, as amended, to, among other things, increase the aggregate number of shares of common stock authorized for issuance under the plan by 5,000,000 shares	For votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote on the matter	Against	None
3	Amendment to Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 150,000,000 to 225,000,000	For votes from the holders of a majority of shares outstanding on the record date	Against	Against
4	Advisory approval of the compensation of the Company's named executive officers	For votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote on the matter	Against	None
5	Ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015	For votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote on the matter	Against	None

**What is the quorum requirement?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding at least a majority of the outstanding shares entitled to vote are present at the meeting in person or represented by proxy. On the record date, there were 100,293,726 shares outstanding and entitled to vote. Thus, the holders of 50,146,864 shares must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares present at the meeting in person or represented by proxy may adjourn the meeting to another date.

**How can I find out the results of the voting at the annual meeting?**

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Preliminary voting results will be announced at the annual meeting. Final voting results will be reported in a Current Report on Form 8-K, which we plan to file within four business days of the annual meeting. If final

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voting results are not available to us in time to file a Form 8-K within four business days of the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

**What proxy materials are available on the internet?**

The proxy statement, Form 10-K and annual report to stockholders are available at <http://ir.acadia-pharm.com>.

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**PROPOSAL 1****ELECTION OF DIRECTORS**

ACADIA's Board of Directors is divided into three classes. Each class consists of one-third of the total number of directors, and each class has a three-year term. Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy in a class, including a vacancy created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified, or until such director's earlier death, resignation or removal.

The Board of Directors presently has nine members. There are three directors in Class II, whose term of office expires in 2015. The three nominees for Class II directors are Stephen R. Biggar, M.D., Ph.D., Torsten Rasmussen, and Daniel Soland. Each of the nominees is currently a Class II director. Mr. Rasmussen was elected by our stockholders at our 2012 Annual Meeting of Stockholders, and each of Dr. Biggar and Mr. Soland was elected by the Board of Directors to fill a vacancy in January 2013 and March 2015, respectively. If elected at the annual meeting, each of these nominees would serve until the 2018 Annual Meeting of Stockholders and until his successor has been duly elected and qualified, or, if sooner, until the director's death, resignation or removal. The terms of the directors in Classes I and III expire at our 2017 and 2016 Annual Meetings of Stockholders, respectively. It is the Company's policy to encourage directors and nominees for director to attend the Annual Meeting. All of our directors other than Ms. Brege attended the 2014 Annual Meeting of Stockholders.

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. The three nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the three nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares that would have been voted for that nominee instead will be voted for the election of a substitute nominee proposed by the Board of Directors. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

**THE BOARD OF DIRECTORS RECOMMENDS****A VOTE FOR EACH NAMED NOMINEE**

The following table sets forth information as of April 29, 2015 for our directors and executive officers:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Leslie L. Iversen, Ph.D.	77	Chairman of the Board and Director
Stephen R. Biggar, M.D., Ph.D.	44	Director
Michael Borer	56	Director
Laura Brege	57	Director
Mary Ann Gray, Ph.D.	62	Director
Lester J. Kaplan, Ph.D.	64	Director
Torsten Rasmussen	70	Director
Daniel Soland	56	Director
William M. Wells	54	Director
Stephen R. Davis	54	Interim Chief Executive Officer, Executive Vice President, Chief Financial Officer and Chief Business Officer
Roger G. Mills, M.D.	57	

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Terrence O. Moore  
Glenn F. Baity

Executive Vice President, Development and Chief Medical  
Officer  
60 Executive Vice President and Chief Commercial Officer  
45 Executive Vice President, General Counsel, and Secretary

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The Nominating and Corporate Governance Committee (the NCG Committee) seeks to assemble a Board that, as a whole, possesses the appropriate balance of professional and industry knowledge, financial expertise and high-level management experience necessary to oversee and direct the Company's business. To that end, the NCG Committee has identified and evaluated nominees in the broader context of the Board's overall composition, as well as the Company's current needs and future needs, with the goal of having Board members who complement and strengthen the skills of each other through diversity and who also exhibit qualities that the NCG Committee views as critical to effective functioning of the Board, including sound judgment, collegiality, and integrity. The following is a brief biography of each nominee and a discussion of the specific experience, qualifications, attributes or skills of each nominee that led the NCG Committee to recommend that person to continue to serve on the Board.

#### **Nominees for Election for a Three-year Term Expiring at the 2018 Annual Meeting**

*Stephen R. Biggar, M.D., Ph.D.* has served as a director of our company since January 2013. Dr. Biggar is an employee at Baker Brothers Advisors LP, a registered investment adviser focused on long-term investments in life-sciences companies. Dr. Biggar joined Baker Brothers Advisors in 2000. Dr. Biggar also serves as a director for Synageva BioPharma Corp., a publicly traded biotechnology company. The NCG Committee believes that Dr. Biggar's scientific background and financial industry experience make him a valuable contributor to Board discussions. Dr. Biggar received an M.D. and a Ph.D. in Immunology from Stanford University and received a B.S. in Genetics from the University of Rochester.

*Torsten Rasmussen* has served as a director of our company since April 1998. Mr. Rasmussen has been President and Chief Executive Officer of Morgan Management ApS, a management advisory and consulting company, since 1997. Prior to founding Morgan Management in 1997, Mr. Rasmussen had held the position of Executive Vice President, Operations at the LEGO Group (LEGO A/S) in Denmark since 1981. He currently serves on the board of a number of privately held Danish companies. He previously served as a board member in the capacity of chairman, deputy chairman or ordinary board member of a number of Danish companies of which the following are quoted on the Danish Stock Exchange: Bang & Olufsen A/S (1994-2007), Coloplast A/S (1992-2010), Vestas Wind Systems A/S (1998-2012), A/S Det Oestasiatiske Kompagni (1998-2010), and TK Development A/S (1998-2013). The NCG Committee believes that Mr. Rasmussen's extensive experience with international business will be increasingly valuable to the Board, including as it seeks opportunities outside of North America for its most advanced product candidate. Mr. Rasmussen also has extensive experience as a board member of various international publicly held companies, which provides valuable experience to the Board and the committees on which he serves. In addition, the NCG Committee believes that Mr. Rasmussen's tenure with the Board brings valuable historical knowledge and continuity to the Board and the committees on which he serves. Mr. Rasmussen holds an M.B.A. from IMD in Lausanne, Switzerland.

*Daniel Soland* has served as a director of our company since March 2015. Mr. Soland was employed at ViroPharma, Inc., a pharmaceutical company, from 2006 until its acquisition by Shire Plc in early 2014, most recently serving as Senior Vice President and Chief Operating Officer of ViroPharma. While at ViroPharma, Mr. Soland helped build ViroPharma's organizational and commercial infrastructure that resulted in an 11-fold increase in ViroPharma's share price during his tenure. Previously, as President of Chiron Vaccines, Mr. Soland helped engineer a turnaround that contributed to Chiron Corporation's acquisition by Novartis AG. Prior to Chiron, he was President and CEO of Epigenesis Pharmaceuticals, Inc. and Vice President and Director, Worldwide Marketing Operations for GlaxoSmithKline Biologicals. Earlier in his career, Mr. Soland held positions of increasing responsibility in sales and product management at Pasteur-Merieux's Connaught Laboratories. He holds a B.S. in Pharmacy degree from the University of Iowa. He currently serves on the boards of Tarsa Therapeutics, Inc. and DBV Technologies SA. The NCG Committee believes that Mr. Soland's extensive commercial experience brings valuable knowledge and expertise to the Board as the Company transitions to a commercial entity.

The following is a brief biography, and a discussion of the specific experience, qualifications, attributes or skills of each director whose term will continue after the annual meeting.

**Directors Continuing in Office Until the 2016 Annual Meeting**

*Laura Brege* has served as a director of our company since May 2008. Currently, Ms. Brege is Chief Executive Officer and President of Nodality, Inc., a private company focused on innovative personalized medicine. Prior to joining Nodality in September 2012, Ms. Brege held several senior-level positions at Onyx Pharmaceuticals, Inc., from June 2006 to December 2011, including Executive Vice President and Chief Operating Officer. Before joining Onyx, Ms. Brege was a general partner at Red Rock Capital Management, a venture capital firm specializing in early stage financing for technology companies, since 1999. Prior to Red Rock, she was the Senior Vice President and Chief Financial Officer at COR Therapeutics. Earlier in her career, Ms. Brege served as Vice President and Chief Financial Officer at Flextronics and Vice President and Treasurer of The Cooper Companies. Ms. Brege currently serves on the boards of directors of public companies Aratana Therapeutics, Inc., Delcath Systems, Inc., Pacira Pharmaceuticals, Inc., Portola Pharmaceuticals, Inc. and Dynavax Technologies Corporation. The NCG Committee believes that Ms. Brege's industry background, including her extensive experience as an officer of public companies in the biotechnology industry, position her to make an effective contribution to the Board and the Audit Committee. In addition, her past financial experience and current knowledge of financing trends are extremely valuable to the Board when considering financing strategies for the Company. Ms. Brege earned her undergraduate degree from Ohio University and has an M.B.A. from the University of Chicago. During the past five years, Ms. Brege also served on the board of Angiotech Pharmaceuticals, Inc., a public company.

*Leslie L. Iversen, Ph.D.* has been the Chairman of our Board of Directors since December 2000. He has served as a director since 1998. He also was a founding member of our Scientific Advisory Board. Dr. Iversen is currently a Visiting Professor of Pharmacology at University of Oxford, England, where he has taught since 1995. He was previously a Professor of Pharmacology at King's College, London where he was Director of the Wolfson Centre for Age Related Diseases from 1999 until 2004. Dr. Iversen is internationally recognized for his fundamental contributions to the understanding of neurotransmission. Dr. Iversen served as Vice President of Neuroscience Research, Merck Research Laboratories and Director of the Neuroscience Research Center of Merck Research Laboratories in the United Kingdom. He was formerly Director of the Medical Research Council Neurochemical Pharmacology Unit in Cambridge. The NCG Committee believes that Dr. Iversen's long tenure as Board Chairman positions him to contribute to the Board his extensive knowledge of the Company and to provide Board continuity. In addition, the NCG Committee believes that his scientific expertise, industry background and prior experience all position him to make an effective contribution to the scientific understanding of the Board. Dr. Iversen is the recipient of numerous awards, including Commander of the British Empire, Fellow of the Royal Society of London and Foreign Associate Member of the National Academy of Sciences in the United States. Dr. Iversen received a Ph.D. and B.A. from the University of Cambridge.

*William (Bill) M. Wells* has been a member of our Board of Directors since January 2012. Mr. Wells was Chief Executive Officer of Biovail Corporation, a pharmaceutical company, from May 2008 through the time of its merger with Valeant Pharmaceuticals International, Inc. in September 2010, during which time he led Biovail's strategic transformation into a specialty pharmaceutical company focused on specialty central nervous system markets. Following the merger, Mr. Wells served as Chairman of Valeant until December 2010. He was originally elected to the board of directors of Biovail in June 2005 and later served as Lead Director until his appointment as Chief Executive Officer. Prior to joining Biovail, Mr. Wells held a number of senior executive positions, including Chief Financial Officer of Loblaw Companies Limited, Canada's largest food distributor and a leading provider of general merchandise products, drugstore and financial products and services, Chief Financial Officer of Bunge Limited, a U.S. headquartered company engaged in the global agribusiness, fertilizer and food product industries, and financial management positions at McDonald's Corporation in the United States and Brazil. Mr. Wells is currently Executive Chairman of the Board of HLS Therapeutics Inc., a privately-held specialty pharmaceutical company, Chairman of the Board of Evizone Ltd., a privately-held online communications service firm, and is a member of the Board of Directors of EnerCare Inc., a home and commercial services company traded on the Toronto Stock Exchange, and Medgenesis Therapeutix Inc., a privately-held biopharmaceutical company. The NCG Committee believes that Mr. Wells' industry background, including his extensive experience as an officer and director of public companies and his experience with

companies that commercialize products, position him to be an excellent resource for the Board. Mr. Wells holds a Master's degree in International Business from the University of South Carolina and a Bachelor's degree in Philosophy and English from the University of Western Ontario.

#### **Directors Continuing in Office Until the 2017 Annual Meeting**

*Michael Borer* has served as a director of our company since September 2005. Mr. Borer served as Chief Executive Officer and President of Xcel Pharmaceuticals, Inc., a specialty pharmaceutical company focused on prescription products that treat disorders of the central nervous system, until the sale of the company to Valeant Pharmaceuticals International in early 2005. Prior to founding Xcel in early 2001, Mr. Borer served as Senior Vice President and Chief Financial Officer of Dura Pharmaceuticals, Inc. and held other management positions there from 1994 through 2000. Prior to Dura, Mr. Borer spent 12 years in public accounting with Deloitte & Touche in its audit services group. The NCG Committee believes that Mr. Borer's industry background, including his experience as chief executive officer and other executive officer positions of public companies in the biotechnology industry, position him to make an effective contribution to the Board. In addition, his public accounting experience and past financial officer positions are very valuable to fulfilling the Audit Committee's responsibilities. He holds a Bachelor's degree in Accounting from San Diego State University.

*Mary Ann Gray, Ph.D.* has served as a director of our company since April 2005. Currently, Dr. Gray is President of Gray Strategic Advisors, LLC, a company which she started in 2003 and which provides strategic consulting services to the biotechnology industry. Dr. Gray also serves on the boards of directors of Dyax Corp., Senomyx, Inc. and TetraLogic, Inc., each of which is a publicly-traded company. During the past five years, Dr. Gray also served on the board of directors for each of GTC Biotherapeutics Inc. and Telik, Inc., each a public company, as well as Apheria Inc., a privately held company. From 1999 to 2003, Dr. Gray was Senior Analyst and Portfolio Manager for the Federated Kaufmann Fund. Prior to 1999, Dr. Gray led biotechnology equity research groups at Raymond James & Associates, Warburg Dillon Read and Kidder Peabody for an aggregate of nine years. The NCG Committee believes that Dr. Gray's scientific background, financial industry experience and public company board experience make her a valuable contributor to Board discussions. In addition, her extensive experience on other audit committees makes her well qualified to chair our Audit Committee. Dr. Gray holds a Ph.D. in pharmacology from the University of Vermont where she focused on novel chemotherapeutic agents for the treatment of cancer.

*Lester J. Kaplan, Ph.D.* has served as a director of our company since November 1997. Dr. Kaplan was Executive Vice President and President, Research and Development, at Allergan, Inc., a pharmaceutical company, from November 2003 to April 2004. Dr. Kaplan joined Allergan in 1983 and, prior to being appointed to Executive Vice President, was Corporate Vice President, Research and Development and Global BOTOX from June 1998 to November 2003. Dr. Kaplan was elected to Allergan's board of directors in 1994 and served in that capacity until April 2004. Dr. Kaplan is a member of the boards of Neurotech Pharmaceuticals, Inc., Nicox S.A. and The Foundation Fighting Blindness Clinical Research Institute. He serves on the Scientific Advisory Board of Bay City Capital. The NCG Committee believes that Dr. Kaplan's long tenure as a Board member and chair of our Compensation Committee allows him to contribute his extensive knowledge of the Company and to provide Board and compensation continuity. In addition, the NCG Committee believes that his research and development expertise and venture capital background position him to make an effective contribution to the Board's evaluation of strategic and financial alternatives. In particular, as the Company pursues its continued development for its lead compound, Dr. Kaplan's prior experience with clinical trials and other development activities provide invaluable insight for the Board. Dr. Kaplan received an M.S. and Ph.D. in Organic Chemistry from the University of California, Los Angeles.

Set forth below is biographical information for each of our executive officers:

*Stephen R. Davis* has served as our Interim Chief Executive Officer since March 2015. Mr. Davis joined us in July 2014 as our Executive Vice President, Chief Financial Officer and Chief Business Officer and currently holds those positions, as well. Mr. Davis brings over 20 years of executive-level experience in the



pharmaceutical industry. Prior to joining our company, he most recently served as Executive Vice President and Chief Operating Officer at Heron Therapeutics, Inc., which he joined in 2013. He led core business and finance functions there and was instrumental in developing and implementing a new corporate strategy with a multi-program portfolio. Previously, Mr. Davis served as Executive Vice President and Chief Operating Officer at Ardea Biosciences, Inc. from 2010 to 2013, where he oversaw business functions, including finance, commercial planning, and corporate development, and played a critical role in building and growing the company. Prior to joining Ardea, Mr. Davis served in numerous executive roles at Neurogen Corporation from 1994 to 2010, including Chief Financial Officer, Chief Operating Officer, and Chief Executive Officer, completing multiple collaborations and product acquisitions with global pharmaceutical companies. Mr. Davis currently serves on the Board of Directors of Heron Therapeutics and Synageva BioPharma Corp. Earlier in his career, Mr. Davis practiced as a certified public accountant with a major accounting firm and as a corporate and securities attorney with a Wall Street law firm. Mr. Davis received his Bachelor of Science degree in Accounting from Southern Nazarene University and a J.D. from Vanderbilt University.

*Roger G. Mills, M.D.* is our Executive Vice President, Development and Chief Medical Officer and has been with our company since June 2006. Prior to joining us, Dr. Mills held the position of Vice President, Development at Pfizer Global R&D, a division of Pfizer Inc., for a five-year period. In this capacity, he was responsible for the management and direction of drug development activities at the Pfizer campus in La Jolla, California, and played a key role in the development of Sutent<sup>®</sup>, a new multikinase inhibitor for patients with advanced renal cell carcinoma and gastrointestinal stromal tumors. Prior to joining Pfizer, Dr. Mills held senior clinical management positions at Gilead Sciences, where he served as project leader in the development of Tamiflu<sup>®</sup>, a leading treatment for influenza, and at Abbott Laboratories, where he played an important role in the development of antiviral drugs. Earlier in his career, he held several senior positions at the Wellcome Foundation, including Scientific Advisor for Group Marketing and Therapeutic Area Head, Cardiovascular Marketing. Dr. Mills received his medical degree at the Charing Cross Hospital Medical School in London and his specialized medical training at the Royal College of General Practitioners in London.

*Terrence O. Moore* is our Executive Vice President and Chief Commercial Officer and has been with our company since August 2013. Mr. Moore has more than 25 years of experience as a senior member of sales and marketing teams at several pharmaceutical companies. He has made key contributions to the building of multi-billion dollar brands in the CNS field, including Prozac<sup>®</sup>, Zyprexa<sup>®</sup>, Risperdal<sup>®</sup>, and Effexor XR<sup>®</sup>. Prior to joining us, Mr. Moore was a Principal of Cooke-Moore Consulting and, before founding that firm, served as Vice President at Transcept Pharmaceuticals, where he was responsible for commercial strategy, business development, and commercial alliance activities. Previously, Mr. Moore served as Vice President, U.S. Head of Neuroscience Marketing at Organon BioSciences and was responsible for the creating and building its Neuroscience Business Unit. He also served as Vice President, U.S. Marketing, Effexor XR<sup>®</sup>, as well as Vice President, Global Strategy Depression Portfolio at Wyeth Pharmaceuticals. Earlier, Mr. Moore held senior management positions at Johnson & Johnson, where he helped to launch Risperdal<sup>®</sup> for additional indications in the U.S., and at Eli Lilly, where he held various sales and marketing roles over 14 years, including Zyprexa<sup>®</sup> Brand Manager. Mr. Moore holds a B.S. in Pharmacy from the University of Florida, a B.A. in Chemistry from the University of South Florida and has completed executive development programs at the Kellogg School of Management and Wharton School of Business.

*Glenn F. Baity* is our Executive Vice President, General Counsel, and Secretary and has been with our company since July 2004. From February 2000 until joining us, Mr. Baity was a senior associate at Cooley LLP in their San Diego office, working with a variety of public and private companies on transactional matters, including M&A, financings, compensation and equity matters, and corporate governance. Prior to joining Cooley, Mr. Baity was an associate in the San Francisco office of Brown & Wood LLP (now Sidley Austin LLP) working primarily on public financings for established companies while representing bulge bracket underwriters, such as Goldman Sachs, Merrill Lynch and Morgan Stanley. Mr. Baity received a J.D. from the University of California, Los Angeles and received a B.A. from the University of California, Berkeley.

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## INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

### Independence of the Board of Directors

As required under the NASDAQ Stock Market ( NASDAQ ) listing standards, a majority of the members of a listed company's board of directors must qualify as independent, as affirmatively determined by the board of directors. Our Board of Directors consults with the Company's counsel to ensure that the Board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of independent, including those set forth in the applicable NASDAQ listing standards (including as independence is currently defined in Rule 5605(d)(2) of those listing standards).

Consistent with these considerations, after review of all identified relevant transactions or relationships between each director, or any of his or her family members, and the Company, its senior management and its independent registered public accounting firm, the Board has affirmatively determined that all of our current directors are independent directors within the meaning of the applicable NASDAQ listing standards.

Our independent directors meet quarterly in regularly scheduled executive sessions at which only non-employee directors are present and which are presided over by the Chairman of the Board. All of the committees of our Board of Directors are comprised entirely of directors determined by the Board to be independent within the meaning of the applicable NASDAQ listing standards.

### BOARD LEADERSHIP STRUCTURE

Our Board of Directors has an independent chair, Dr. Iversen, who has authority, among other things, to call and preside over Board meetings, including meetings of the independent directors, to set meeting agendas and to determine materials to be distributed to the Board. Accordingly, the Board Chairman has substantial ability to shape the work of our Board. The Company believes that separation of the positions of Board Chairman and Chief Executive Officer reinforces the independence of our Board in its oversight of the business and affairs of the Company. In addition, the Company believes that having an independent Board Chairman creates an environment that is more conducive to objective evaluation and oversight of management's performance, increasing management accountability and improving the ability of our Board to monitor whether management's actions are in the best interests of the Company and its stockholders. As a result, the Company believes that having an independent Board Chairman can enhance the effectiveness of our Board as a whole.

### ROLE OF THE BOARD IN RISK OVERSIGHT

One of the Board's functions is risk oversight for the Company. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various Board standing committees that address risks inherent in their respective areas of oversight. In particular, our Board is responsible for monitoring and assessing strategic risk exposure, including a determination of the nature and level of risk appropriate for the Company. Our Compensation Committee is responsible for overseeing the Company's executive compensation plans and arrangements and assessing whether any of our compensation policies or procedures has the potential to encourage excessive risk-taking. The Audit Committee oversees management of financial risks. The Audit Committee also monitors compliance with legal and regulatory requirements related to our finances. The NCG Committee manages risks associated with corporate governance, including the independence of the Board and potential conflicts of interest. Typically, the applicable Board committees discuss the applicable risk oversight at least annually at one of the regularly scheduled meetings for that committee with the relevant employees. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire



Board of Directors is regularly informed through committee reports and reports from management about such risks.

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## Meetings of the Board of Directors

The Board of Directors met six times during the last fiscal year, including two special telephonic meetings. All directors attended at least 75% of the aggregate number of meetings of the Board and of the committees on which they served, held during the portion of the last fiscal year for which they were directors or committee members.

## Information Regarding Committees of the Board of Directors

The Board has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The following table provides membership and meeting information for 2014:

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Stephen Biggar		X	
Michael Borer	X		
Laura Brege	X		
Mary Ann Gray	X*	X	
Lester Kaplan		X*	X
Torsten Rasmussen		X	X*
William (Bill) Wells			X
Meetings in 2014	6	8	4

\* Committee Chair

Below is a description of the Audit Committee, Compensation Committee and NCG Committee of the Board of Directors. The Board of Directors has determined that each member of such committees meets the applicable NASDAQ rules and regulations regarding independence and that each member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to the Company.

### Audit Committee

The Audit Committee of the Board of Directors is composed of three independent directors and was established by the Board in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act), to oversee the Company's corporate accounting and financial reporting processes and audits of its financial statements. The Audit Committee operates pursuant to a written charter that is available on our website at <http://www.acadia-pharm.com>. The functions of the Audit Committee include, among other things:

reviewing and pre-approving the engagement of our independent registered public accounting firm to perform audit services and any permissible non-audit services,

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reviewing our annual and quarterly results, financial statements and reports and discussing the statements and reports with our independent registered public accounting firm and management,

reviewing and discussing with our independent registered public accounting firm and management, as appropriate, significant issues that arise regarding accounting principles and financial statement presentation, and matters concerning the scope, adequacy and effectiveness of our internal control over financial reporting,

establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal auditing controls or auditing matters,

establishing procedures for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters, and

13.

