

Akebia Therapeutics, Inc.  
Form 424B3  
October 30, 2018  
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Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-227622

## **MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

October 30, 2018

Dear Shareholders of Keryx Biopharmaceuticals, Inc. and Shareholders of Akebia Therapeutics, Inc.:

As previously announced, the Boards of Directors of Keryx Biopharmaceuticals, Inc. ( "Keryx" ) and Akebia Therapeutics, Inc. ( "Akebia" ) have unanimously approved a merger. Keryx, Akebia, and Alpha Therapeutics Merger Sub, Inc., a wholly owned subsidiary of Akebia ( "Merger Sub" ), entered into an Agreement and Plan of Merger, dated as of June 28, 2018, as amended on October 1, 2018 (and as amended from time to time, the "Merger Agreement" ), pursuant to which Merger Sub will merge with and into Keryx, with Keryx becoming a wholly owned subsidiary of Akebia (the "Merger" ). The combined company will keep the name Akebia Therapeutics, Inc. Upon consummation of the Merger, each issued and outstanding share of common stock of Keryx, \$0.001 par value per share ( "Keryx Share" ), will be converted into the right to receive 0.37433 shares (the "Exchange Multiplier" ) of common stock of Akebia, par value \$0.00001 per share ( "Akebia Share" ), and cash in lieu of fractional shares. This Exchange Multiplier will not be adjusted for changes in the market price of either Keryx Shares or Akebia Shares between the date of signing of the Merger Agreement and consummation of the Merger. Because Akebia's share price will fluctuate between the date of signing and the completion of the Merger, and because the Exchange Multiplier is fixed and will not be adjusted to reflect changes in Akebia's or Keryx's share price, the value of the Akebia Shares received by Keryx shareholders in the Merger may differ from the implied value based on the share price on the date of signing of the Merger Agreement or the date of this joint proxy statement/prospectus. We urge you to obtain current share price quotations for Akebia Shares and Keryx Shares.

Immediately following the effective time of the Merger, Keryx shareholders and Akebia shareholders are expected to own approximately 50.6% and 49.4%, respectively, of Akebia Shares, calculated based on the companies' fully diluted market capitalizations as of the date of signing of the Merger Agreement and also taking into account the 4,000,000 additional Keryx Shares expected to be issued to Baupost Group Securities, L.L.C. in connection with the conversion under that certain Notes Conversion Agreement prior to the consummation of the Merger. Keryx Shares and Akebia Shares are currently listed on The Nasdaq Capital Market and The Nasdaq Global Market, respectively, under the symbols KERX and AKBA, respectively. Following the Merger, Akebia Shares will continue to be listed on The Nasdaq Global Market under Akebia's current symbol, AKBA. Following the consummation of the Merger, Keryx Shares will no longer be listed on any stock exchange or quotation system, and Keryx will cease to be a publicly traded company. Akebia will continue as the combined company, with Keryx as its wholly owned subsidiary.

To obtain the approvals of the Keryx shareholders and the Akebia shareholders required in connection with the Merger, Keryx will hold a special meeting of its shareholders (the Keryx Special Meeting ) and Akebia will hold a special meeting of its shareholders (the Akebia Special Meeting ).

At the Keryx Special Meeting, Keryx shareholders will be asked to consider and vote on, among other things, a proposal to adopt the Merger Agreement (the Keryx Merger Proposal ).

At the Akebia Special Meeting, Akebia shareholders will be asked to consider and vote on, among other things, the issuance of Akebia Shares in connection with the Merger (the Akebia Share Issuance Proposal ).

We cannot consummate the Merger unless the shareholders of Keryx approve the Keryx Merger Proposal and the shareholders of Akebia approve the Akebia Share Issuance Proposal, each as described herein. Your vote is very important, regardless of the number of shares you own. **Whether or not you expect to attend either the Keryx Special Meeting or the Akebia Special Meeting in person, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Keryx Special Meeting or Akebia Special Meeting, as applicable.**

**The Keryx Board of Directors has carefully considered and unanimously approved the Merger Agreement and determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are advisable and in the best interests of Keryx and its shareholders. The Keryx Board of Directors unanimously recommends that Keryx shareholders vote FOR the Keryx Merger Proposal and FOR each of the other proposals to be considered at the Keryx Special Meeting and described in the accompanying joint proxy statement/prospectus.**

**The Akebia Board of Directors has carefully considered and unanimously approved the Merger Agreement and determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, are advisable and in the best interests of Akebia and its shareholders. The Akebia Board of Directors unanimously recommends that Akebia shareholders vote FOR the Akebia Share Issuance Proposal and FOR each of the other proposals to be considered at the Akebia Special Meeting and described in the accompanying joint proxy statement/prospectus.**

The obligations of Keryx and Akebia to consummate the Merger are subject to the satisfaction or waiver of several conditions set forth in the Merger Agreement, including receipt of shareholder approval for the required proposals described above. The accompanying joint proxy statement/prospectus contains detailed information about Keryx, Akebia, the Keryx Special Meeting, the Akebia Special Meeting, the Merger Agreement, the Merger and the other business to be considered by the Keryx shareholders and Akebia shareholders at the Keryx Special Meeting and the Akebia Special Meeting, respectively. **Keryx and Akebia encourage you to read the accompanying joint proxy statement/prospectus carefully. In particular, you should read the Risk Factors section beginning on page 39 of the accompanying joint proxy statement/prospectus for a discussion of the risks you should consider in evaluating the Merger and how it will affect you.**

On behalf of the Keryx Board of Directors and the Akebia Board of Directors, thank you for your consideration and continued support.

Michael Rogers

Muneer A. Satter

*Chairperson of the Board*

*Chairperson of the Board*

Keryx Biopharmaceuticals, Inc.

Akebia Therapeutics, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Merger, the securities to be issued in connection with the Merger or any other transaction described in the accompanying joint proxy statement/prospectus or passed upon the adequacy or accuracy of the disclosure in the accompanying joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

The accompanying joint proxy statement/prospectus is dated October 30, 2018 and is first being mailed to the Keryx shareholders and Akebia shareholders on or about October 31, 2018.

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**ADDITIONAL INFORMATION**

The accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about Keryx and Akebia from other documents that are not included in or delivered with the accompanying joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into the accompanying joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

<p><b>Keryx Biopharmaceuticals, Inc.</b></p> <p>One Marina Park Drive, 12<sup>th</sup> Floor</p> <p>Boston, Massachusetts 02210</p> <p>Attention: Investor Relations</p> <p>Telephone: (617) 466-3500</p>	<p><b>Akebia Therapeutics, Inc.</b></p> <p>245 First Street</p> <p>Cambridge, Massachusetts 02142</p> <p>Attention: Investor Relations</p> <p>Telephone: (617) 844-6130</p> <p><a href="http://ir.akebia.com/contact-investor-relations">http://ir.akebia.com/contact-investor-relations</a></p>
<p>or</p>	<p>or</p>
<p>1290 Avenue of the Americas, 9<sup>th</sup> Floor</p> <p>New York, NY 10104</p> <p>Toll-Free: (888) 680-1525</p>	<p>1407 Broadway, 27<sup>th</sup> Floor</p> <p>New York, NY 10018</p> <p>Toll-Free: (800) 322-2885</p>

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

Keryx shareholders and Akebia shareholders may also consult the websites of Keryx or Akebia for more information concerning the Merger and other transactions described in the accompanying joint proxy statement/prospectus. The website of Keryx is [www.keryx.com](http://www.keryx.com) and the website of Akebia is [www.akebia.com](http://www.akebia.com). Information included on these websites is not incorporated by reference into the accompanying joint proxy statement/prospectus.

**If you would like to request any documents, you must do so by December 8, 2018, in order to receive them before the special meetings.**

For a more detailed description of the information incorporated by reference in the accompanying joint proxy statement/prospectus and how you may obtain it, see *Where You Can Find More Information* beginning on page 186 of the accompanying joint proxy statement/prospectus.

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**AKEBIA THERAPEUTICS, INC.**

245 First Street

Cambridge, Massachusetts 02142

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON DECEMBER 11, 2018**

To the Shareholders of Akebia Therapeutics, Inc.:

We cordially invite you to attend a special meeting of the shareholders of Akebia Therapeutics, Inc. ( *Akebia* ) being held in connection with a proposed merger with Keryx Biopharmaceuticals, Inc. ( *Keryx* ). On June 28, 2018, Akebia, Keryx, and Alpha Therapeutics Merger Sub, Inc., a wholly owned subsidiary of Akebia ( *Merger Sub* ), entered into an Agreement and Plan of Merger, dated as of June 28, 2018, as amended on October 1, 2018 (and as amended from time to time, the *Merger Agreement* ), pursuant to which Merger Sub will merge with and into Keryx, with Keryx surviving as a wholly owned subsidiary of Akebia (the *Merger* ).

The special meeting will take place at 11 a.m. local time, on December 11, 2018, at the offices of Latham & Watkins LLP, which are located at 200 Clarendon Street, Boston, Massachusetts 02116 (the *Akebia Special Meeting* ). At the Akebia Special Meeting, you will be asked to consider and vote upon the following proposals:

1. *Akebia Share Issuance Proposal*. To approve the issuance of shares of common stock, par value \$0.00001 per share, of Akebia ( *Akebia Shares* ) in connection with the Merger (the *Akebia Share Issuance Proposal* ); and
2. *Akebia Adjournment Proposal*. To approve adjournments of the Akebia Special Meeting from time to time, if necessary or appropriate, including to solicit additional proxies in favor of the Akebia Share Issuance Proposal if there are insufficient votes at the time of such adjournment to approve such proposal (the *Akebia Adjournment Proposal* and, together with the Akebia Share Issuance Proposal, the *Akebia Proposals* ).

The approval by Akebia shareholders of the Akebia Share Issuance Proposal is a condition to the consummation of the Merger. If the Akebia Share Issuance Proposal is not approved, the Merger will not be consummated. The approval of the Akebia Adjournment Proposal is not required for the consummation of the Merger. The Akebia Board of Directors (the *Akebia Board* ) is not aware of any other business to be acted upon at the Akebia Special Meeting.

Please refer to the accompanying joint proxy statement/prospectus for further information with respect to the business to be transacted at the Akebia Special Meeting.

The Akebia Board has set October 22, 2018 as the record date for the Akebia Special Meeting. Only holders of record of Akebia Shares as of 5:00 p.m. U.S. Eastern Time on October 22, 2018 will be entitled to notice of and to vote at the Akebia Special Meeting and any adjournments thereof. Any shareholder entitled to attend and vote at the Akebia Special Meeting is entitled to appoint a proxy to attend and vote on such shareholder's behalf. Such proxy need not be a holder of Akebia Shares.

To be approved, the Akebia Share Issuance Proposal and the Akebia Adjournment Proposal require the affirmative vote of the holders of a majority of the votes cast affirmatively or negatively thereon at the Akebia Special Meeting.

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The failure of any shareholder of record of Akebia to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the Akebia Special Meeting will not have an effect on the outcome of the Akebia Share Issuance Proposal or the Akebia Adjournment Proposal. An abstention will have no effect on the outcome of the Akebia Share Issuance Proposal or the Akebia Adjournment Proposal. If you hold your Akebia Shares in street name through a bank, broker, or other nominee and you do not instruct your bank, broker, or other nominee on how to vote your shares, your bank, broker, or other nominee will not be permitted to vote your shares on any of the Akebia Proposals, which will have no effect on the outcome of the Akebia Share Issuance Proposal or the Akebia Adjournment Proposal.

**Your vote is very important. Whether or not you expect to attend the Akebia Special Meeting in person, we urge you to submit your proxy with respect to your Akebia Shares as promptly as possible by: (1) accessing the Internet website specified on your proxy card; (2) calling the toll-free number specified on your proxy card; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, to ensure that your Akebia Shares are represented and voted at the Akebia Special Meeting.** Submitting a proxy now will not prevent you from being able to vote in person at the Akebia Special Meeting. If your Akebia Shares are held in street name in the name of a bank, broker, or other nominee, please follow the instructions on the voting instruction card furnished by the record holder.

**The Akebia Board has unanimously approved the Merger Agreement and the transactions contemplated thereby, including the issuance of Akebia Shares, and has determined that the Merger Agreement and the Merger, including the issuance of Akebia Shares, are advisable, fair to, and in the best interests of Akebia and its shareholders. The Akebia Board unanimously recommends that you vote FOR the Akebia Share Issuance Proposal and FOR the Akebia Adjournment Proposal.**

By Order of the Board of Directors,

John P. Butler  
*President and Chief Executive Officer*

Cambridge, Massachusetts

October 30, 2018

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**YOUR VOTE IS IMPORTANT!**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE AKEBIA SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) VIA THE INTERNET, (2) BY TELEPHONE OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED AKEBIA PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. IF YOU ATTEND THE AKEBIA SPECIAL MEETING AND WISH TO VOTE YOUR AKEBIA SHARES IN PERSON, YOU MAY DO SO AT ANY TIME PRIOR TO THE CLOSING OF THE POLLS AT THE SPECIAL MEETING.** You may revoke your proxy or change your vote at any time before the polls close at the Akebia Special Meeting. If your Akebia Shares are held in street name in the name of a bank, broker, or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes and exhibits carefully and in their entirety. If you have any questions concerning the Merger Agreement, the Merger, the Akebia Proposals, the Akebia Special Meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your Akebia Shares, please contact:

1407 Broadway, 27<sup>th</sup> Floor

New York, NY 10018

Toll-Free: (800) 322-2885

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

or

245 First Street

Cambridge, Massachusetts 02142

Attention: Investor Relations

Telephone: (617) 844-6130

<http://ir.akebia.com/contact-investor-relations>



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**KERYX BIOPHARMACEUTICALS, INC.**

One Marina Park Drive, 12<sup>th</sup> Floor

Boston, Massachusetts 02210

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON DECEMBER 11, 2018**

To the Shareholders of Keryx Biopharmaceuticals, Inc.:

We cordially invite you to attend a special meeting of the shareholders of Keryx Biopharmaceuticals, Inc. ( *Keryx* ) being held in connection with a proposed merger with Akebia Therapeutics, Inc. ( *Akebia* ). On June 28, 2018, Akebia, Keryx and Alpha Therapeutics Merger Sub, Inc., a wholly owned subsidiary of Akebia ( *Merger Sub* ), entered into an Agreement and Plan of Merger, dated as of June 28, 2018, as amended on October 1, 2018 (and as amended from time to time, the *Merger Agreement* ), pursuant to which Merger Sub will merge with and into Keryx, with Keryx surviving as a wholly owned subsidiary of Akebia (the *Merger* ).

The special meeting will be held at 11 a.m. local time, on December 11, 2018, at the offices of Goodwin Procter LLP, which are located at 100 Northern Avenue, Boston, Massachusetts 02210 (the *Keryx Special Meeting* ). At the Keryx Special Meeting, you will be asked to consider and vote upon the following proposals:

1. *Keryx Merger Proposal*. To adopt the Merger Agreement, a copy of which is attached as Annex A to the accompanying joint proxy statement/prospectus, and thereby approve the Merger and other transactions contemplated thereby (the *Keryx Merger Proposal* );
2. *Keryx Adjournment Proposal*. To approve adjournments of the Keryx Special Meeting from time to time, if necessary or appropriate to solicit additional proxies in favor of the Keryx Merger Proposal if there are insufficient votes at the time of such adjournment to approve such proposal (the *Keryx Adjournment Proposal* ); and
3. *Keryx Advisory Compensation Proposal*. To approve, on a non-binding, advisory basis, the compensation that may become payable to Keryx's named executive officers that is based on or otherwise relates to the Merger, as disclosed in *The Merger Interests of Keryx's Directors and Executive Officers in the Merger* beginning on page 126 of the accompanying joint proxy statement/prospectus (the *Keryx Advisory Compensation Proposal* and together with the Keryx Merger Proposal and the Keryx Adjournment Proposal, the *Keryx Proposals* ).

Approval of the Keryx Merger Proposal is required for the consummation of the Merger. Neither the approval of the Keryx Adjournment Proposal nor the approval of the Keryx Advisory Compensation Proposal is required for the consummation of the Merger. The Keryx Board of Directors (the *Keryx Board* ) is not aware of any other business to be acted upon at the Keryx Special Meeting.

Approval of the Keryx Merger Proposal requires the affirmative vote of the holders of a majority of all outstanding shares of Keryx common stock, \$0.001 par value per share (the "Keryx Shares"), entitled to vote at the Keryx Special Meeting. Approval of the Keryx Adjournment Proposal and the Keryx Advisory Compensation Proposal require the affirmative vote of the holders of a majority of the voting interest of the shares present, in person or by proxy, and entitled to vote on the applicable proposal at the Keryx Special Meeting.

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Each of the Keryx Merger Proposal, Keryx Adjournment Proposal, and Keryx Advisory Compensation Proposal is described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully in its entirety.

The failure of any shareholder of record of Keryx to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the Keryx Special Meeting will have the same effect as a vote

**AGAINST** the Keryx Merger Proposal, but will not have an effect on the outcome of the Keryx Adjournment Proposal or the Keryx Advisory Compensation Proposal. If you hold your shares in street name, failure to instruct your bank, broker, or other nominee on how to vote your shares will have the same effect as a vote **AGAINST** the Keryx Merger Proposal, but will not have any effect on the Keryx Adjournment Proposal or the Keryx Advisory Compensation Proposal. Abstentions will have the same effect as a vote **AGAINST** the Keryx Merger Proposal, the Keryx Adjournment Proposal and the Keryx Advisory Compensation Proposal.

The Keryx Board has set October 22, 2018 as the record date for the Keryx Special Meeting. Only holders of record of Keryx Shares as of 5:00 p.m. U.S. Eastern Time on October 22, 2018 will be entitled to notice of and to vote at the Keryx Special Meeting and any adjournments thereof. Any shareholder entitled to attend and vote at the Keryx Special Meeting is entitled to appoint a proxy to attend and vote on such shareholder's behalf. Such proxy need not be a holder of Keryx Shares.

**Your vote is very important. To ensure your representation at the Keryx Special Meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Please submit your proxy promptly whether or not you expect to attend the Keryx Special Meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Keryx Special Meeting. If your Keryx Shares are held in street name in the name of a bank, broker, or other nominee, follow the instructions on the voting instruction card furnished to you by such bank, broker, or other nominee.

**The Keryx Board has unanimously approved the Merger Agreement and the transactions contemplated thereby, and has determined that the Merger Agreement and the Merger are advisable, fair to, and in the best interests of Keryx and its shareholders. The Keryx Board therefore unanimously recommends that you vote**

**FOR** the Keryx Merger Proposal, **FOR** the Keryx Adjournment Proposal and **FOR** the Keryx Advisory Compensation Proposal.

By Order of the Board of Directors,

Jodie Morrison  
*Interim Chief Executive Officer*

Boston, Massachusetts  
October 30, 2018

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**YOUR VOTE IS IMPORTANT!**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE KERYX SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) VIA THE INTERNET, (2) BY TELEPHONE OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED KERYX PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. IF YOU ATTEND THE KERYX SPECIAL MEETING AND WISH TO VOTE YOUR KERYX SHARES IN PERSON, YOU MAY DO SO AT ANY TIME PRIOR TO CLOSING OF THE POLLS.** You may revoke your proxy or change your vote at any time before the polls close at the Keryx Special Meeting. If your Keryx Shares are held in street name in the name of a bank, broker, or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes and exhibits carefully and in their entirety. If you have any questions concerning the Merger Agreement, the Merger, the Keryx Proposals, the Keryx Special Meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your Keryx Shares, please contact:

1290 Avenue of the Americas, 9<sup>th</sup> Floor

New York, NY 10104

Toll-Free: (888) 680-1525

or

One Marina Park Drive, 12<sup>th</sup> Floor

Boston, MA 02210

Attention: Investor Relations

Telephone: (617) 466-3500

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS**

*The following are brief answers to certain questions that you may have regarding the Merger Agreement, the Merger, the issuance of Akebia Shares in connection with the Merger, the Keryx Special Meeting, the Akebia Special Meeting and the Merger Consideration (each as defined below). You are urged to read carefully this entire joint proxy statement/prospectus and additional important information contained in the annexes and exhibits to, and the documents incorporated by reference into, this joint proxy statement/prospectus because the information in this section may not provide all of the information that might be important to you in determining how to vote. See*

*Incorporation of Certain Documents by Reference and Where You Can Find More Information beginning on pages 185 and 186, respectively, in this joint proxy statement/prospectus.*

***Q: What is the proposed transaction?***

A: On June 28, 2018, Keryx Biopharmaceuticals, Inc. ( Keryx ), Akebia Therapeutics, Inc. ( Akebia ), and Alpha Therapeutics Merger Sub, Inc., a wholly owned direct subsidiary of Akebia ( Merger Sub ), entered into an Agreement and Plan of Merger, as amended on October 1, 2018 (and as amended from time to time, the Merger Agreement ). The merger contemplated by the Merger Agreement will be implemented through a merger of Merger Sub with and into Keryx, with Keryx becoming a wholly owned subsidiary of Akebia (the Merger ). In the Merger, each share of common stock of Keryx, par value \$0.001 per share ( Keryx Share ), issued and outstanding (other than shares held by Akebia, Merger Sub, any subsidiaries of Akebia or Keryx, or by Keryx as treasury shares) immediately prior to the effective time of the Merger (the Effective Time ) will become the right to receive 0.37433 shares (the Exchange Multiplier ) of common stock of Akebia, par value \$0.00001 per share ( Akebia Shares ), and cash in lieu of fractional shares (such consideration, the Merger Consideration ).

Immediately following the Effective Time, Keryx shareholders and Akebia shareholders are expected to own approximately 50.6% and 49.4%, respectively, of the Akebia Shares, based on the companies fully diluted market capitalizations as of the date of signing of the Merger Agreement and also taking into account the 4,000,000 additional Keryx Shares (the Additional Shares ) expected to be issued to Baupost Group Securities, L.L.C. ( Baupost ) in connection with the conversion under that certain Notes Conversion Agreement, dated as of June 28, 2018, by and among Keryx, Baupost and Akebia (the Notes Conversion Agreement ) prior to the consummation of the Merger, as more fully described in *The Merger Notes Conversion Transactions* beginning on page 68 of this joint proxy statement/prospectus.

***Q: Why are Keryx and Akebia proposing the Merger?***

A: Each of the Keryx Board of Directors (the Keryx Board ) and the Akebia Board of Directors (the Akebia Board ) believes that the proposed Merger will provide a number of significant potential strategic benefits and opportunities that will be in the best interests of the Keryx shareholders and Akebia shareholders, respectively. To review the reasons for the proposed Merger in greater detail, see *The Merger Keryx s Reasons for the Merger; Recommendation of the Keryx Board* and *The Merger Akebia s Reasons for the Merger; Recommendation of the Akebia Board* beginning on pages 83 and 87, respectively, in this joint proxy statement/prospectus.

***Q: Why am I receiving this joint proxy statement/prospectus?***

A: Each of Keryx and Akebia is sending these materials to the Keryx shareholders and Akebia shareholders, respectively, as of the applicable record date, to help the Keryx shareholders and the Akebia shareholders decide how to vote their Keryx Shares and/or their Akebia Shares, as the case may be, with respect to the matters to be considered at the special meeting of shareholders of Keryx (the Keryx Special Meeting ) and the special meeting of shareholders of Akebia (the Akebia Special Meeting ), respectively.

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Consummation of the Merger requires certain approvals by both Keryx shareholders and Akebia shareholders. To obtain these required approvals, Keryx will hold the Keryx Special Meeting to request that the Keryx shareholders approve, among other things, a proposal to adopt the Merger Agreement (the "Keryx Merger Proposal"), and Akebia will hold the Akebia Special Meeting to request that the Akebia shareholders approve, among other things, the issuance of Akebia Shares in connection with the Merger (the "Akebia Share Issuance Proposal"). Further information about the Keryx Special Meeting, the Akebia Special Meeting, the Merger Agreement, the Merger, and the issuance of Akebia Shares as the Merger Consideration is contained in this joint proxy statement/prospectus. This joint proxy statement/prospectus constitutes both a joint proxy statement of Keryx and Akebia and a prospectus of Akebia with respect to the Akebia Shares to be issued in connection with the Merger. It is a joint proxy statement because it will be used by both Keryx in soliciting proxies from the Keryx shareholders and by Akebia in soliciting proxies from the Akebia shareholders. It is a prospectus because Akebia, in connection with the Merger, is offering Akebia Shares in exchange for outstanding Keryx Shares, as described in further detail elsewhere in this joint proxy statement/prospectus.

The enclosed proxy materials allow you to submit a proxy by telephone or over the Internet, or by signing and returning the enclosed proxy card in the postage-paid envelope provided, without attending the applicable company's special meeting in person.

Your vote is very important. You are encouraged to submit your proxy as soon as possible by telephone or over the Internet, or by signing and returning the enclosed proxy card in the postage-paid envelope provided, even if you do plan to attend the Keryx Special Meeting or the Akebia Special Meeting in person.

### ***Q: What will Keryx shareholders receive in the Merger?***

A: In the Merger, each Keryx Share issued and outstanding immediately prior to the Effective Time (other than shares held by Akebia, Merger Sub, any subsidiaries of Akebia or Keryx, or by Keryx as treasury shares) will become the right to receive 0.37433 shares of Akebia Shares. No fractional Akebia Shares will be issued to Keryx shareholders in connection with the Merger. Instead, following the Effective Time, each former holder of Keryx Shares who otherwise would be entitled to receive a fractional Akebia Share will receive an amount in cash (without interest) determined by multiplying (i) the fraction of an Akebia Share that such holder would otherwise be entitled to receive (taking into account all Keryx Shares held by such holder) by (ii) the prevailing prices of Akebia Shares on The Nasdaq Global Market.

### ***Q: What will happen to my Akebia Shares?***

A: Following the Effective Time, Akebia will be the combined company entity, with Keryx as its wholly owned subsidiary, and you will continue to own the same Akebia Shares that you own prior to the Effective Time. However, as a result of the issuance of new Akebia Shares to Keryx shareholders as Merger Consideration, your ownership percentage in Akebia will be reduced.

### ***Q: When will the Merger be consummated?***

- A: The Merger is expected to be consummated by the end of 2018, subject to the satisfaction (or waiver to the extent permitted) of certain conditions to closing as set forth in the Merger Agreement. However, neither Keryx nor Akebia can predict the actual date on which the Merger will be consummated, or whether it will be consummated at all, because the Merger is subject to factors beyond each company's control, including approval of the Keryx Merger Proposal by Keryx shareholders and approval of the Akebia Share Issuance Proposal by Akebia shareholders. See *The Merger Agreement Conditions to Consummation of the Merger* beginning on page 141 of this joint proxy statement/prospectus.

***Q: What are the conditions to the consummation of the Merger?***

- A: In addition to approval of the Keryx Merger Proposal by Keryx shareholders and approval of the Akebia Share Issuance Proposal by Akebia shareholders, consummation of the Merger is subject to the satisfaction

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or, to the extent permitted by applicable law, waiver by Akebia and Keryx of a number of other conditions, including the receipt of required approval under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act ). On August 21, 2018, the FTC granted early termination, effective immediately, of the applicable waiting period under the HSR Act. See *The Merger Agreement Conditions to Consummation of the Merger* beginning on page 141 of this joint proxy statement/prospectus.

### ***Q: What effect will the Merger have on Keryx and Akebia?***

A: At the Effective Time, Merger Sub will merge with and into Keryx, with Keryx surviving as a wholly owned subsidiary of Akebia. Following the consummation of the Merger, Keryx Shares will no longer be listed on The Nasdaq Capital Market or any other stock exchange or quotation system, and Keryx will cease to be a publicly traded company.

Akebia Shares will continue to be registered and subject to reporting obligations under the Securities Exchange Act of 1934, as amended (the Exchange Act ), following the consummation of the Merger. Akebia Shares will continue to be listed on The Nasdaq Global Market and will trade under the current Akebia symbol, AKBA, following the Merger.

### ***Q: Who will serve as the directors and senior management of the combined company after the consummation of the Merger?***

A: Pursuant to the Merger Agreement, following the consummation of the Merger, the board of directors of the combined company (the Combined Board ) will consist of (i) John P. Butler, Scott A. Canute, and Cynthia Smith, who are currently members of the Akebia Board and were designated by the Akebia Board, and another individual to be designated by the Akebia Board, who will be a director of the Akebia Board prior to the Effective Time and reasonably acceptable to Keryx (collectively, the Continuing Directors ); (ii) Mark J. Enyedy, Steven C. Gilman, Michael T. Heffernan, Jodie Morrison, and Michael Rogers, who are currently members of the Keryx Board and were designated by the Keryx Board (the Keryx Board Designees ); and (iii) an independent director to be designated by the Akebia Board and the Keryx Board prior to the Effective Time who is not currently a member of either the Akebia Board or the Keryx Board (the Additional Director ), who will serve as the Chairperson of the Combined Board as of the Effective Time.

The current executive leadership team at Akebia is expected to continue to serve in the same roles in the combined company after the consummation of the Merger. Akebia's current executive leadership team is as follows: Mr. Butler, Akebia's President and Chief Executive Officer, Jason A. Amello, Akebia's Senior Vice President, Chief Financial Officer and Treasurer, Michel Dahan, Akebia's Senior Vice President, Chief Business Officer, Rita Jain, M.D., Akebia's Senior Vice President, Chief Medical Officer, Nicole R. Hadas, Akebia's Senior Vice President, General Counsel and Secretary, Karen Tubridy, Akebia's Senior Vice President, Chief Development Officer, and Tamara Dillon, Akebia's Senior Vice President, Human Resources.

### ***Q: When and where are the Keryx Special Meeting and the Akebia Special Meeting?***

A:

*Keryx:* The Keryx Special Meeting will be held at 11 a.m. local time, on December 11, 2018, at the offices of Goodwin Procter LLP located at 100 Northern Avenue, Boston, Massachusetts 02210.

*Akebia:* The Akebia Special Meeting will be held at 11 a.m. local time, on December 11, 2018, at the offices of Latham & Watkins LLP located at 200 Clarendon Street, Boston, Massachusetts 02116.

***Q: Who is entitled to vote?***

A: *Keryx:* The Keryx Board has fixed October 22, 2018 as the record date for determining the Keryx shareholders who are entitled to notice of and to vote at the Keryx Special Meeting. If you were a holder of record of Keryx Shares as of 5:00 p.m. U.S. Eastern Time on October 22, 2018, you are entitled to receive notice of and to vote at the Keryx Special Meeting and any adjournments thereof.



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*Akebia:* The Akebia Board has fixed October 22, 2018 as the record date for determining the Akebia shareholders who are entitled to notice of and to vote at the Akebia Special Meeting. If you were a holder of record of Akebia Shares as of 5:00 p.m. U.S. Eastern Time on October 22, 2018, you are entitled to receive notice of and to vote at the Akebia Special Meeting and any adjournments thereof.

***Q: What are Keryx shareholders being asked to vote on?***

A: At the Keryx Special Meeting, Keryx shareholders will be asked to approve the following items:

1. the Keryx Merger Proposal;
2. a proposal to approve adjournments of the Keryx Special Meeting from time to time to another date and place, if necessary or appropriate to solicit additional votes in favor of the Keryx Merger Proposal if there are insufficient votes at the time of such adjournment to approve such proposal (the Keryx Adjournment Proposal ); and
3. a proposal to approve, on a non-binding, advisory basis, the compensation that may become payable to Keryx's named executive officers that is based on or otherwise relates to the Merger, as disclosed in *The Merger Interests of Keryx's Directors and Executive Officers in the Merger* (the Keryx Advisory Compensation Proposal and, together with the Keryx Merger Proposal and the Keryx Adjournment Proposal, the Keryx Proposals ).

Approval of the Keryx Merger Proposal is required for consummation of the Merger. Neither the approval of the Keryx Adjournment Proposal nor the approval of the Keryx Advisory Compensation Proposal is required for consummation of the Merger.

No other matters are intended to be brought before the Keryx Special Meeting by Keryx.

***Q: What vote is required to approve each proposal at the Keryx Special Meeting?***

- A:
1. *Keryx Merger Proposal:* Approval of the Keryx Merger Proposal requires the affirmative vote of the holders of a majority of all outstanding Keryx Shares entitled to vote at the Keryx Special Meeting. For the Keryx Merger Proposal, an abstention or a failure to vote (i.e., a failure to submit a proxy card or vote in person) will have the same effect as a vote cast **AGAINST** this proposal.
  2. *Keryx Adjournment Proposal:* Approval of the Keryx Adjournment Proposal requires the affirmative vote of the holders of a majority of the voting interest of the Keryx Shares present and entitled to vote on the proposal. For the Keryx Adjournment Proposal, an abstention will have the same effect as a vote cast **AGAINST** this proposal and a failure to vote (i.e., a failure to submit a proxy card or vote in person) will

have no effect on the outcome of the Keryx Adjournment Proposal.

3. *Keryx Advisory Compensation Proposal:* Approval of the Keryx Advisory Compensation Proposal requires the affirmative vote of the holders of a majority of the voting interest of the Keryx Shares present and entitled to vote on the proposal. For the Keryx Advisory Compensation Proposal, an abstention will have the same effect as a vote cast **AGAINST** this proposal and a failure to vote (i.e., a failure to submit a proxy card or vote in person) will have no effect on the outcome of the Keryx Advisory Compensation Proposal.

***Q: How does the Keryx Board recommend Keryx shareholders vote?***

A: The Keryx Board has determined that the Merger Agreement and the Merger are advisable and in the best interests of Keryx and the Keryx shareholders, and has approved and adopted the Merger Agreement and the Merger. The Keryx Board therefore unanimously recommends that the Keryx shareholders vote their Keryx Shares:

1. **FOR** the Keryx Merger Proposal;

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2. **FOR** the Keryx Adjournment Proposal; and
3. **FOR** the Keryx Advisory Compensation Proposal.

***Q: Are there any risks relating to the Merger or Keryx's, Akebia's or the proposed combined company's business that Keryx shareholders should consider in deciding whether to vote for the Keryx Proposals?***

A: Yes. Before making any decision on whether and how to vote, Keryx shareholders are urged to read carefully and in its entirety the information contained in *Risk Factors* beginning on page 39 of this joint proxy statement/prospectus. Keryx shareholders should also read and carefully consider the risk factors of Keryx and Akebia and the other risk factors that are incorporated by reference into this joint proxy statement/prospectus. See *Incorporation of Certain Documents by Reference* and *Where You Can Find More Information* beginning on pages 185 and 186, respectively, of this joint proxy statement/prospectus.

***Q: Do any of Keryx's directors or executive officers have interests in the Merger that may be different from, or in addition to, those of Keryx shareholders?***

A: Yes. Keryx's directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of Keryx shareholders generally. See *The Merger Interests of Keryx's Directors and Executive Officers in the Merger* beginning on page 126 of this joint proxy statement/prospectus. The members of the Keryx Board were aware of and considered these interests, among other matters, in evaluating the Merger Agreement and the Merger, and in recommending that the Keryx shareholders approve the Keryx Proposals.

***Q: What are Akebia shareholders being asked to vote on?***

A: At the Akebia Special Meeting, Akebia shareholders will be asked to approve the following items:

1. the Akebia Share Issuance Proposal; and
2. a proposal to approve adjournments of the Akebia Special Meeting from time to time, if necessary or appropriate, including to solicit additional proxies in favor of the Akebia Share Issuance Proposal if there are insufficient votes at the time of such adjournment to approve such proposal (the *Akebia Adjournment Proposal* and, together with the Akebia Share Issuance Proposal, the *Akebia Proposals*).

Approval by Akebia shareholders of the Akebia Share Issuance Proposal is a condition to the consummation of the Merger. If the Akebia Share Issuance Proposal is not approved, the Merger will not be consummated. The approval of the Akebia Adjournment Proposal is not required for the consummation of the Merger.

No other matters are intended to be brought before the Akebia Special Meeting by Akebia.

***Q: What vote is required to approve each proposal at the Akebia Special Meeting?***

- A:
1. *Akebia Share Issuance Proposal:* To be approved, the Akebia Share Issuance Proposal requires the affirmative vote of the holders of a majority of the votes cast affirmatively or negatively thereon at the Akebia Special Meeting. For the Akebia Share Issuance Proposal, an abstention or a failure to vote (i.e., a failure to submit a proxy card or vote in person) will have no effect on the outcome of this proposal. If you hold Akebia Shares in street name through a bank, broker, or other nominee and you do not instruct your bank, broker, or other nominee on how to vote your shares, your bank, broker, or other nominee will not be permitted to vote your shares on the Akebia Share Issuance Proposal, which will have no effect on the outcome of this proposal.
  2. *Akebia Adjournment Proposal:* To be approved, the Akebia Adjournment Proposal requires the affirmative vote of the holders of a majority of the votes cast affirmatively or negatively thereon at the

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Akebia Special Meeting. For the Akebia Adjournment Proposal, an abstention or a failure to vote will have no effect on the outcome of the proposal. If you hold Akebia Shares in street name through a bank, broker, or other nominee and you do not instruct your bank, broker, or other nominee on how to vote your shares, your bank, broker, or other nominee will not be permitted to vote your shares on the Akebia Adjournment Proposal, which will have no effect on the outcome of this proposal.

***Q: How does the Akebia Board recommend Akebia shareholders vote?***

A: The Akebia Board has determined that the Merger, the Merger Agreement and the issuance of Akebia Shares in connection with the Merger are advisable and in the best interests of Akebia and the Akebia shareholders. The Akebia Board therefore unanimously recommends that the Akebia shareholders vote:

1. **FOR** the Akebia Share Issuance Proposal; and
3. **FOR** the Akebia Adjournment Proposal.

***Q: Are there any risks relating to the Merger or Akebia's, Keryx's or the proposed combined company's business that Akebia shareholders should consider in deciding whether to vote for the Akebia Proposals?***

A: Yes. Before making any decision on whether and how to vote, Akebia shareholders are urged to read carefully and in its entirety the information contained in *Risk Factors* beginning on page 39 of this joint proxy statement/prospectus. Akebia shareholders should also read and carefully consider the risk factors of Keryx and Akebia and the other risk factors that are incorporated by reference into this joint proxy statement/prospectus. See *Incorporation of Certain Documents by Reference* and *Where You Can Find More Information* beginning on pages 185 and 186 respectively, of this joint proxy statements/prospectus.

***Q: Do any of Akebia's directors or executive officers have interests in the Merger that may be different from, or in addition to, those of Akebia shareholders?***

A: Yes. Akebia's directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of Akebia shareholders generally. See *The Merger Interests of Akebia's Directors and Executive Officers in the Merger* beginning on page 132 of this joint proxy statement/prospectus. The members of the Akebia Board were aware of and considered these interests, among other matters, in evaluating the Merger Agreement and the Merger, and in recommending that the Akebia shareholders approve the Akebia Proposals.

***Q: Are there any Keryx shareholders already committed to vote in favor of the Keryx Merger Proposal? Are any Akebia shareholders already committed to vote in favor of the Akebia Share Issuance Proposal?***

A: *Keryx*: Yes. Simultaneously with the execution of the Merger Agreement, Akebia entered into a voting agreement (the *Keryx Voting Agreement* ) with Baupost, pursuant to which Baupost has agreed, among other things, to vote the Keryx Shares that it owns at the time such vote is taken in favor of the Keryx Proposals and against approval of any proposal made in opposition to, in competition with, or inconsistent with, the Merger Agreement or the Merger. Baupost is the owner of approximately 21% of the outstanding Keryx Shares as of the record date for the Keryx Special Meeting (excluding (i) Keryx Shares issuable upon conversion of Keryx's Zero Coupon Convertible Senior Notes due 2021 (the *Convertible Notes* ) held by Baupost and (ii) the issuance of the Additional Shares, as described in *The Merger Notes Conversion Transactions* beginning on page 68 of this joint proxy statement/prospectus).

*Akebia*: Yes. Simultaneously with the execution of the Merger Agreement, Keryx entered into a voting agreement with Muneer A. Satter, Chairperson of the Akebia Board, (the *Akebia Voting Agreement* ) pursuant to which Mr. Satter has agreed, among other things, to vote the Akebia Shares that he beneficially owns at the time such vote is taken in favor of the Akebia Proposals and against approval of any proposal

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made in opposition to, in competition with, or inconsistent with, the Merger Agreement or the Merger. As of the record date for the Akebia Special Meeting, Mr. Satter beneficially owns approximately 5% of the outstanding Akebia Shares.

### ***Q: Who else must approve the Merger?***

A: Under the HSR Act, Keryx and Akebia may not consummate the Merger until they have furnished certain information and materials to the Antitrust Division of the U.S. Department of Justice (the DOJ) and the U.S. Federal Trade Commission (the FTC), and the applicable waiting period has expired or been terminated. On August 21, 2018, the FTC granted early termination, effective immediately, of the applicable waiting period under the HSR Act. Additional information regarding the HSR approval required for consummation of the Merger is set forth in *The Merger Regulatory Approvals Required for the Merger* and *The Merger Agreement Conditions to Consummation of the Merger* beginning on pages 135 and 141, respectively, of this joint proxy statement/prospectus.

### ***Q: What do I need to do now?***

A: After carefully reading and considering the information contained in, or incorporated by reference into, this joint proxy statement/prospectus, please submit your proxy or voting instruction card for your Keryx Shares or Akebia Shares, as applicable, as soon as possible so that your shares will be represented at your respective company's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction card provided by your bank, broker, or other nominee if your shares are held in street name through your bank, broker, or other nominee.

### ***Q: How do I vote?***

A: If you are a shareholder of record of Keryx as of the record date for the Keryx Special Meeting, or a shareholder of record of Akebia as of the record date for the Akebia Special Meeting, you may submit your proxy before your respective company's special meeting in one of the following ways:

1. visit the website shown on your proxy card to submit your proxy via the Internet;
2. call the toll-free number for telephone proxy submission shown on your proxy card; or
3. complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope provided. You may also cast your vote in person at your respective company's special meeting.

If your shares are held in street name, through a bank, broker, or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Please follow the voting instructions provided by your bank, broker, or other nominee. Street name shareholders or shareholders who wish to vote in person at the applicable company's special meeting will need to obtain a legal proxy from their bank, broker, or other nominee.

***Q: How many votes do I have?***

A: *Keryx*: You are entitled to one vote for each Keryx Share that you owned as of 5:00 p.m. U.S. Eastern Time on the record date for the Keryx Special Meeting. As of 5:00 p.m. U.S. Eastern Time on the record date for the Keryx Special Meeting, 120,375,926 Keryx Shares were outstanding and entitled to vote at the Keryx Special Meeting.

*Akebia*: You are entitled to one vote for each Akebia Share that you owned as of 5:00 p.m. U.S. Eastern Time on the record date for the Akebia Special Meeting. As of 5:00 p.m. U.S. Eastern Time on the record date for the Akebia Special Meeting, 57,059,063 Akebia Shares were outstanding and entitled to vote at the Akebia Special Meeting.



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***Q: What if I transfer my Keryx Shares before the Keryx Special Meeting, or I transfer my Akebia Shares before the Akebia Special Meeting?***

A: *Keryx:* If you transfer your Keryx Shares after the record date for the Keryx Special Meeting but before the Keryx Special Meeting, unless you provide the transferee of your Keryx Shares with a proxy, you will retain your right to vote at the Keryx Special Meeting, but will have transferred the right to receive the Merger Consideration. In order to receive Akebia Shares as a result of the Merger, you must hold your Keryx Shares through the Effective Time.

*Akebia:* If you transfer your Akebia Shares after the record date for the Akebia Special Meeting but before the Akebia Special Meeting, unless you provide the transferee of your Akebia Shares with a proxy, you will retain your right to vote at the Akebia Special Meeting.

***Q: Should I send in my Keryx stock certificates now?***

A: No. Any Keryx shareholders who hold certificated Keryx Shares should keep their existing stock certificates at this time. If and when the Merger is consummated, Keryx shareholders will receive from the exchange agent a letter of transmittal and written instructions for exchanging their stock certificates for Akebia Shares. Akebia shareholders do not need to take any action with respect to their stock certificates.

Akebia will not issue stock certificates in respect of any Akebia Shares issued in connection with the Merger, except as required by law. Keryx shareholders who are entitled to receive the Merger Consideration will receive Akebia Shares in book-entry form.

***Q: Who is the exchange agent for the Merger?***

A: American Stock Transfer & Trust Company, LLC ( AST ) will be the exchange agent (the Exchange Agent ) for the Merger.

***Q: How would I receive the Merger Consideration to which I would be entitled?***

A: After receiving the proper documentation from you, following completion of the Merger, the Exchange Agent for the Merger will forward to you the Akebia Shares and cash for fractional shares to which you are entitled. More information on the documentation you are required to deliver to the Exchange Agent may be found in the section entitled *The Merger Agreement Procedures for Surrendering Keryx Stock Certificates* beginning on page 140 of this joint proxy statement/prospectus.

***Q: What constitutes a quorum?***

A: *Keryx*: The presence of Keryx shareholders representing a majority of the voting interest of all Keryx Shares entitled to vote at the Keryx Special Meeting, in person or represented by proxy, is necessary to constitute a quorum at the Keryx Special Meeting. Abstentions will be counted as present and entitled to vote for purposes of determining a quorum. If your Keryx Shares are held in the name of a bank, broker, or other nominee, you must provide your bank, broker, or other nominee with instructions on how to vote your Keryx Shares. If you do not provide voting instructions for any of the Keryx Proposals, your Keryx Shares will not be voted on any Keryx Proposal, as your bank, broker, or other nominee will not have discretionary voting authority with respect to any of the Keryx Proposals and your Keryx Shares will not be counted as present and entitled to vote for purposes of determining a quorum.

*Akebia*: The presence of Akebia shareholders entitled to cast a majority of all votes entitled to be cast by the holders of all outstanding Akebia Shares entitled to vote, in person or represented by proxy, is necessary to constitute a quorum at the Akebia Special Meeting. Abstentions will be counted as present and entitled to vote for purposes of determining a quorum. If your Akebia Shares are held in the name of a bank, broker, or other nominee, you must provide your bank, broker, or other nominee with instructions on how to vote your

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Akebia Shares. If you do not provide voting instructions for any of the Akebia Proposals, your Akebia Shares will not be voted on any Akebia Proposal, as your bank, broker, or other nominee will not have discretionary voting authority with respect to any of the Akebia Proposals and your Akebia Shares will not be counted as present and entitled to vote for purposes of determining a quorum.

***Q: If my shares are held in street name by a bank, broker, or other nominee, will my bank, broker, or other nominee vote my shares for me?***

A: No. If your shares are held in the name of a bank, broker, or other nominee, you are considered the beneficial owner of the shares held for you in what is known as street name and as such, you are not the record holder of such shares. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your bank, broker, or other nominee. If your shares are held in street name in a stock brokerage account or by a bank or other nominee, you must provide your bank, broker, or other nominee with instructions on how to vote your shares. Please follow the instructions provided by your bank, broker, or other nominee. Please note that you may not submit a proxy with respect to shares held in street name by returning a proxy card directly to Keryx or Akebia or by voting in person at your respective company's special meeting unless you provide a legal proxy, which you would need to obtain from your bank, broker, or other nominee. If you do not provide voting instructions to your bank, broker, or other nominee, your shares will not be voted on any proposal, as your bank, broker, or other nominee will not have discretionary voting authority with respect to any of the proposals described in this joint proxy statement/prospectus.

A broker non-vote occurs when a broker submits a proxy that states that the broker votes for at least one proposal, but does not vote for proposals on non-routine matters because the broker has not received instructions from the beneficial owner on how to vote and does not have discretionary authority to vote on those proposals. Under the rules of The Nasdaq Stock Market LLC (Nasdaq), brokers do not have discretionary authority to vote on non-routine matters. Because all of the matters to be considered at the Keryx Special Meeting and the Akebia Special Meeting are non-routine and brokers will not have discretionary authority to vote on any of the Akebia Proposals or the Keryx Proposals, Akebia and Keryx do not expect to receive any broker non-votes, and shares for which voting instructions are not provided to the broker will not be deemed voting power present for any matter before the meeting, resulting in such shares being excluded from the calculation of quorum.

If you are a Keryx shareholder and you do not instruct your bank, broker, or other nominee on how to vote your shares on any of the Keryx Proposals:

your shares will not be counted towards determining whether a quorum is present; and

your bank, broker, or other nominee will not be permitted to vote your shares on the Keryx Merger Proposal, the Keryx Adjournment Proposal, or the Keryx Advisory Compensation Proposal, and this will have the same effect as a vote cast **AGAINST** the Keryx Merger Proposal and will have no effect on the vote counts for the Keryx Adjournment Proposal and the Keryx Advisory Compensation Proposal.

If you are an Akebia shareholder and you do not instruct your bank, broker, or other nominee on how to vote your shares on any of the Akebia Proposals:

your shares will not be counted towards determining whether a quorum is present; and

your bank, broker, or other nominee will not be permitted to vote your shares on the Akebia Share Issuance Proposal or the Akebia Adjournment Proposal, and this non-vote will have no effect on the vote counts for the Akebia Share Issuance Proposal or the Akebia Adjournment Proposal.

***Q: What if I do not vote?***

A: *Keryx Quorum:* If you are a Keryx shareholder and you fail to vote (i.e., fail to submit a proxy card or vote in person) or fail to properly instruct your bank, broker, or other nominee how to vote with respect to any of

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the Keryx Proposals, your Keryx Shares will not count towards determining whether a quorum is present.

However, if you respond with an abstain vote on any of the Keryx Proposals, or vote on one or more of the Keryx Proposals, your Keryx Shares will count towards determining whether a quorum is present.

*Keryx Merger Proposal:* If you are a Keryx shareholder and you fail to vote (i.e., fail to submit a proxy card or vote in person) or fail to return a voting instruction card instructing your bank, broker, or other nominee how to vote on the Keryx Merger Proposal, or if you respond with an abstain vote on the Keryx Merger Proposal, this will have the same effect as a vote cast **AGAINST** the Keryx Merger Proposal.

*Keryx Adjournment Proposal and Keryx Advisory Compensation Proposal:* If you are a Keryx shareholder and you fail to vote (i.e., fail to submit a proxy card or vote in person) or fail to return a voting instruction card instructing your bank, broker, or other nominee how to vote on the Keryx Adjournment Proposal and the Keryx Advisory Compensation Proposal, this will have no effect on the vote count for the Keryx Adjournment Proposal or the Keryx Advisory Compensation Proposal. If you are a Keryx shareholder and you respond with an abstain vote on the Keryx Adjournment Proposal or the Keryx Advisory Compensation Proposal, this will have the same effect as a vote cast **AGAINST** the Keryx Adjournment Proposal or the Keryx Advisory Compensation Proposal, respectively.

*Akebia Quorum:* If you are an Akebia shareholder and you fail to vote (i.e., fail to submit a proxy card or vote in person) or fail to properly instruct your bank, broker, or other nominee how to vote with respect to any of the Akebia Proposals, your Akebia Shares will not count towards determining whether a quorum is present. However, if you respond with an abstain vote on any of the Akebia Proposals, or vote on one or more of the Akebia Proposals, your Akebia Shares will count towards determining whether a quorum is present.

*Akebia Proposals:* If you are an Akebia shareholder and you fail to vote (i.e., fail to submit a proxy card or vote in person) or fail to return a voting instruction card instructing your bank, broker, or other nominee how to vote, or if you respond with an abstain vote on the Akebia Proposals, this will have no effect on the outcome of the Akebia Proposals.

An abstention occurs when a holder attends the applicable meeting in person and does not vote (assuming that such holder did not previously authorize a proxy) or returns a proxy or voting instruction card with an abstain vote.

Please note that if you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal (and you do not change your vote after delivering your proxy or voting instruction card), the Keryx Shares represented by your proxy will be voted **FOR** each Keryx Proposal in accordance with the recommendation of the Keryx Board, or the Akebia Shares represented by your proxy will be voted **FOR** each Akebia Proposal in accordance with the recommendation of the Akebia Board, as applicable. See the Q&A below entitled *May I change my vote after I have delivered my proxy or voting instruction card?* for further information on how to change your vote.

Your vote is very important. Whether or not you plan to attend the Keryx Special Meeting or the Akebia Special Meeting, as applicable, please promptly complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.

***Q: May I change my vote after I have delivered my proxy or voting instruction card?***

**A:**

*Keryx*: If you are a Keryx shareholder of record, you may change your vote or revoke a proxy at any time before your proxy is voted at the Keryx Special Meeting. You can do this by:

sending a written notice of revocation that is received by Keryx prior to 11:59 p.m. (U.S. Eastern Time) on the day preceding the Keryx Special Meeting, stating that you would like to revoke your proxy, to Keryx's Corporate Secretary at Keryx's corporate headquarters, One Marina Park Drive, 12<sup>th</sup> Floor, Boston, Massachusetts 02210;

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submitting a new proxy bearing a later date (by Internet, telephone or mail) that is received by Keryx prior to 11:59 p.m. (U.S. Eastern Time) on the day preceding the Keryx Special Meeting; or

attending the Keryx Special Meeting and voting in person or bringing a written notice of revocation to the Secretary of the Keryx Special Meeting prior to the voting at the Keryx Special Meeting (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person by ballot at the meeting to change your vote or submit a written notice of revocation to revoke your proxy).

Attending the Keryx Special Meeting will not automatically revoke a proxy that was submitted through the Internet or by telephone or mail. **If you wish to change your vote at the Keryx Special Meeting, you must vote by ballot at such meeting or if you wish to revoke your vote at the Keryx Special Meeting, you must bring a written notice of revocation to the Secretary of the Keryx Special Meeting prior to the voting at the Keryx Special Meeting.**

If you are a Keryx shareholder whose shares are held in street name by a bank, broker, or other nominee, you may revoke your proxy and vote your Keryx Shares in person at the Keryx Special Meeting only in accordance with applicable rules and procedures as employed by such bank, broker, or other nominee. If your Keryx Shares are held in an account at a bank, broker, or other nominee, you should contact your bank, broker, or other nominee to change your vote.

*Akebia:* If you are an Akebia shareholder of record, you may change your vote or revoke a proxy at any time before your proxy is voted at the Akebia Special Meeting. You can do this by:

sending a written notice of revocation that is received by Akebia prior to 11:59 p.m. (U.S. Eastern Time) on the day preceding the Akebia Special Meeting, stating that you would like to revoke your proxy, to Nicole R. Hadas, Akebia's Secretary, at 245 First Street, Cambridge, Massachusetts 02142;

submitting a new proxy bearing a later date (by Internet, telephone or mail) that is received by Akebia prior to 11:59 p.m. (U.S. Eastern Time) on the day preceding the Akebia Special Meeting; or

attending the Akebia Special Meeting and voting in person or bringing a written notice of revocation to the Secretary of the Akebia Special Meeting prior to the voting at the Akebia Special Meeting (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person by ballot at the meeting to change your vote or submit a written notice of revocation to revoke your proxy).

Attending the Akebia Special Meeting will not automatically revoke a proxy that was submitted through the Internet or by telephone or mail. **If you wish to change your vote at the Akebia Special Meeting, you must vote by ballot at such meeting or if you wish to revoke your vote at the Akebia Special Meeting, you must bring a written notice of revocation to the Secretary of the Akebia Special Meeting prior to the voting of the Akebia Special Meeting.**

If you are an Akebia shareholder whose shares are held in street name by a bank, broker, or other nominee, you may revoke your proxy and vote your Akebia Shares in person at the Akebia Special Meeting only in accordance with applicable rules and procedures as employed by such bank, broker, or other nominee. If your shares are held in an account at a bank, broker, or other nominee, you should contact your bank, broker, or other nominee to change your vote.

***Q: Will a proxy solicitor be used?***

A: Yes.

Keryx has engaged Georgeson LLC ( Georgeson ) to assist in the solicitation of proxies for the Keryx Special Meeting, and Keryx estimates it will pay Georgeson a fee of \$12,500, plus reimbursement for reasonable and documented out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation. Keryx has also agreed to indemnify Georgeson against certain losses, costs, and expenses. In addition to mailing proxy solicitation material, Keryx's directors, officers, and employees may also solicit proxies in person, by telephone, or by any other electronic means of communication deemed



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appropriate. No additional compensation will be paid to Keryx's directors, officers or employees for such services.

Akebia has engaged MacKenzie Partners, Inc. ( "MacKenzie" ) to assist in the solicitation of proxies for the Akebia Special Meeting, and Akebia estimates it will pay MacKenzie a fee of approximately \$40,000, plus reimbursement for reasonable and documented out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation. Akebia has also agreed to indemnify MacKenzie against certain losses, costs, and expenses. In addition to mailing proxy solicitation material, Akebia's directors, officers, and employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to Akebia's directors, officers, or employees for such services.

### ***Q: Who will count the votes?***

A: At the Keryx Special Meeting, AST will serve as inspector of elections, count all of the proxies or ballots submitted and report the votes at the Keryx Special Meeting. Whether you submit your proxy by accessing the Internet, telephone or mail, your proxy will be received directly by AST.

At the Akebia Special Meeting, Broadridge Financial Solutions, Inc. ( "Broadridge" ) will serve as inspector of elections, count all of the proxies or ballots submitted and report the votes at the Akebia Special Meeting. Whether you submit your proxy by accessing the Internet, telephone or mail, your proxy will be received directly by Broadridge.

### ***Q: What should I do if I receive more than one set of voting materials?***

A: Keryx shareholders and Akebia shareholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold Keryx Shares or Akebia Shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of Keryx Shares or Akebia Shares and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both Keryx Shares and Akebia Shares, you will receive one or more separate proxy cards or voting instruction cards for each company. Therefore, if you are a record holder, please complete, sign, date, and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every Keryx Share and/or every Akebia Share that you own.

### ***Q: Where can I find the voting results of the Keryx Special Meeting and the Akebia Special Meeting?***

A: Preliminary voting results are expected to be announced at the Keryx Special Meeting and the Akebia Special Meeting and may be set forth in a press release of Keryx or Akebia after the Keryx Special Meeting and the Akebia Special Meeting, respectively. Final voting results for the Keryx Special Meeting and the Akebia Special Meeting are expected to be published in Current Reports on Form 8-K to be filed by Keryx and Akebia with the Securities and Exchange Commission (the "SEC" ) within four business days after the Keryx Special Meeting and the Akebia Special Meeting, as applicable.

***Q: Are Keryx shareholders entitled to appraisal rights?***

A: No. Under Delaware General Corporation Law (the DGCL ) § 262(b)(1), Keryx shareholders are not entitled to exercise any appraisal rights in connection with the Merger.

***Q: Are Akebia shareholders entitled to appraisal rights?***

A: No. Under the DGCL § 262(b)(1), Akebia shareholders are not entitled to exercise any appraisal rights in connection with the Merger.

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***Q: What if I hold Keryx stock options?***

A: Options to purchase Keryx Shares ( Keryx Option ) granted under a Keryx equity incentive plan ( Keryx Equity Plan ) that are outstanding immediately prior to the Effective Time (whether vested or unvested), will automatically and without any action on the part of the holder thereof, be cancelled and converted into an option to acquire the number of Akebia Shares (an Akebia Option ), equal to the product of (i) the number of Keryx Shares subject to such Keryx Option as of immediately prior to the Effective Time, multiplied by (ii) the Exchange Multiplier, rounded down to the nearest whole number of Akebia Shares, at an exercise price per Akebia Share equal to the quotient obtained by dividing the per share exercise price of Keryx Options by the Exchange Multiplier, rounded up to the nearest whole cent. To the extent that Section 409A or Section 421(a) of the Internal Revenue Code of 1986, as amended (the Code ), applies to any such Keryx Option, the foregoing adjustment will be subject to any modifications that are required to make the substitution of Akebia Options for Keryx Options consistent with the Code.

***Q: What if I hold Keryx restricted shares?***

A: All restricted shares of Keryx ( Keryx Restricted Shares ) that are outstanding and subject to restrictions (including vesting), other than those restrictions that accelerate or lapse as a result of the Effective Time, will be cancelled and converted into awards of restricted stock units of Akebia ( Akebia RSUs ) with respect to that number of Akebia Shares that is equal to the product of (i) the number of Keryx Shares subject to the Keryx Restricted Share award as of immediately prior to the Effective Time, multiplied by (ii) the Exchange Multiplier. Keryx Restricted Shares that are outstanding and whose restrictions (including vesting) accelerate or lapse as a result of the Effective Time, will automatically become the right to receive 0.37433 fully paid and non-assessable Akebia Shares.

***Q: What are the U.S. federal income tax consequences of the Merger to U.S. Holders of Keryx Shares?***

A: Subject to the representations and assumptions in the tax opinion of Goodwin Procter LLP described on page 137, it is the opinion of Goodwin Procter LLP that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Accordingly, it is the opinion of Goodwin Procter LLP that a U.S. Holder (as defined on page 137 of this joint proxy statement/prospectus) of Keryx Shares will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of Keryx Shares for Akebia Shares in the Merger, except with respect to cash received by Keryx shareholders in lieu of fractional Akebia Shares.

Please review the information set forth in the section entitled *Material U.S. Federal Income Tax Consequences* , which constitutes the opinion of Goodwin Procter LLP, beginning on page 136 of this joint proxy statement/prospectus for a more complete description of the material U.S. federal income tax consequences of the Merger. The tax consequences to you of the Merger will depend on your particular facts and circumstances. Please consult your tax advisors as to the specific tax consequences to you of the Merger.

***Q: What happens if the trading price of Keryx Shares or Akebia Shares changes before the consummation of the Merger?***

- A: No change will be made to the Exchange Multiplier if the trading price of Keryx Shares or Akebia Shares changes before the consummation of the Merger. Accordingly, the exact value at the consummation of the Merger of the Akebia Shares to be received by Keryx shareholders in the Merger will depend on the trading price of the Akebia Shares at the consummation of the Merger.

***Q: What happens if the Merger is not consummated?***

- A: If the Merger is not consummated, Keryx shareholders will not receive the Merger Consideration in exchange for their Keryx Shares. Instead, Akebia and Keryx will remain independent public companies and the Keryx Shares and the Akebia Shares will continue to be listed and traded on The Nasdaq Capital Market and The Nasdaq Global Market, respectively, under their current ticker symbols. Under specified

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circumstances, Keryx or Akebia may be required to pay to, or be entitled to receive from, the other party a fee or reimbursement of expenses with respect to the termination of the Merger Agreement, as described under *The Merger Agreement Termination Fees and Expenses* beginning on page 153 of this joint proxy statement/prospectus.

***Q: Do I need identification to attend the Keryx Special Meeting or the Akebia Special Meeting in person?***

A: Yes. Please bring proper identification, together with proof that you are a record owner of Keryx Shares or Akebia Shares. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement stating or showing that you beneficially owned Keryx Shares or Akebia Shares, as applicable, on the applicable record date.

***Q: Whom should I contact if I have any questions about the proxy materials or voting?***

A: If you have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should, if you are a Keryx shareholder, contact Georgeson, Keryx's proxy solicitor, by telephone toll-free at (888) 680-1525, and, if you are an Akebia shareholder, contact MacKenzie, Akebia's proxy solicitor, by mail at 1407 Broadway, 27th Floor, New York, NY 10018, by email at [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com), or toll-free at (800) 322-2885.

***Q: Where can I find more information about Keryx and Akebia?***

A: You can find more information about Keryx and Akebia from the various sources described under *Where You Can Find More Information* beginning on page 186 of this joint proxy statement/prospectus.

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**SUMMARY**

*This summary highlights selected information included in this joint proxy statement/prospectus. You should read carefully this entire joint proxy statement/prospectus and its annexes and exhibits and the other documents referred to in this joint proxy statement/prospectus because the information in this summary may not provide all of the information that might be important to you in determining how to vote. Additional important information about Keryx and Akebia is also contained in the annexes and exhibits to, and the documents incorporated by reference into, this joint proxy statement/prospectus. For a description of, and instructions as to how to obtain, this information, see*

*Where You Can Find More Information* beginning on page 186 of this joint proxy statement/prospectus. Certain items in this summary include a page reference directing you to a more complete description of that item.

**Parties to the Merger**

***Keryx Biopharmaceuticals, Inc.***

Keryx is a commercial stage biopharmaceutical company focused on bringing innovative medicines to people with kidney disease. Keryx's marketed product, Auryx<sup>®</sup> (ferric citrate) tablets, is an orally available, absorbable, iron-based medicine. Auryx is approved by the U.S. Food and Drug Administration (the FDA), for the control of serum phosphorus levels in patients with chronic kidney disease (CKD), on dialysis and for the treatment of iron deficiency anemia in adults with CKD, not on dialysis. Ferric citrate is also approved in Japan under the trade name Riona<sup>®</sup> and marketed by Keryx's Japanese partner, Japan Tobacco, Inc. and its subsidiary, Torii Pharmaceutical Co., Ltd., and approved in Europe as Fexeric<sup>®</sup>.

The principal executive offices of Keryx are located at One Marina Park Drive, 12<sup>th</sup> Floor, Boston, Massachusetts 02210. Its telephone number is (617) 466-3500 and its website is [www.keryx.com](http://www.keryx.com). Information on this Internet web site is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about Keryx from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see *Incorporation of Certain Documents by Reference* beginning on page 185 of this joint proxy statement/prospectus.

***Akebia Therapeutics, Inc.***

Akebia is a biopharmaceutical company focused on developing and commercializing novel therapeutics for patients based on hypoxia-inducible factor (HIF) biology, and building its pipeline while leveraging its development and commercial expertise in renal disease. HIF is the primary regulator of the production of red blood cells in the body, as well as other important metabolic functions. Pharmacologic modulation of the HIF pathway may have broad therapeutic applications. Akebia's lead product candidate, vadadustat, is an oral therapy in Phase 3 development and has the potential to set a new standard of care in the treatment of anemia due to CKD. The Akebia management team has extensive experience in developing and commercializing drugs for the treatment of renal and metabolic disorders, as well as a deep understanding of HIF biology. This unique combination of HIF and renal expertise enables Akebia to advance a pipeline of HIF-based therapies to potentially address serious diseases.

The principal executive offices of Akebia are located at 245 First Street, Cambridge, Massachusetts 02142. Its telephone number is (617) 871-2098, and its website is [www.akebia.com](http://www.akebia.com). Information on this Internet web site is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.



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This joint proxy statement/prospectus incorporates important business and financial information about Akebia from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see *Incorporation of Certain Documents by Reference* beginning on page 185 of this joint proxy statement/prospectus.

### ***Alpha Therapeutics Merger Sub, Inc.***

Merger Sub was incorporated in the State of Delaware on June 15, 2018, and is a direct, wholly owned subsidiary of Akebia. Merger Sub was formed solely for the purpose of consummating the Merger. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the Merger.

The principal executive offices of Merger Sub are located at 245 First Street, Cambridge, Massachusetts 02142; its telephone number is (617) 871-2098.

### **The Merger (See Page 68)**

### ***Structure of the Merger (See Page 139)***

Pursuant to the Merger Agreement, Merger Sub will merge with and into Keryx, with Keryx surviving as a direct, wholly owned subsidiary of Akebia. In the Merger, each Keryx Share issued and outstanding immediately prior to the Effective Time (other than shares held by Akebia, Merger Sub, any subsidiaries of Akebia or Keryx, or by Keryx as treasury shares) will become the right to receive 0.37433 Akebia Shares.

Immediately following the Effective Time, Keryx shareholders and Akebia shareholders are expected to own approximately 50.6% and 49.4%, respectively, of the Akebia Shares, calculated based on the companies' fully diluted market capitalizations as of the signing of the Merger Agreement and also taking into account the Additional Shares expected to be issued to Baupost in connection with the conversion under the Notes Conversion Agreement prior to the consummation of the Merger. Keryx Shares currently trade on The Nasdaq Capital Market under the symbol KERX, and Akebia Shares currently trade on The Nasdaq Global Market under the symbol AKBA. Following the consummation of the Merger, Akebia Shares will continue to be listed on The Nasdaq Global Market and will continue to trade under the symbol AKBA.

### ***Treatment of Keryx Equity Awards (See Page 141)***

At the Effective Time, upon the terms and subject to the conditions of the Merger Agreement, outstanding Keryx equity awards will be treated as follows:

*Keryx Stock Options.* Each Keryx Option, to the extent then outstanding and unexercised, will automatically, without any action on the part of the holders thereof, be cancelled and converted, as of the Effective Time of the Merger and thereafter evidence an Akebia Option with respect to the number of Akebia Shares that is equal to the product of (A) the number of Keryx Shares subject to such Keryx Option as of immediately prior to the Effective Time, multiplied by (B) the Exchange Multiplier, rounded down to the nearest whole number of Akebia Shares (after such conversion, Rollover Options), at an exercise price per Akebia Share equal to the quotient obtained by dividing (x) the per share exercise price of Keryx Options by (y) the Exchange Multiplier, rounded up to the nearest whole cent. To the extent that Section 409A or



Section 421(a) of the Code applies to any such Keryx Option,

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the foregoing adjustment will be subject to such modifications, if any, as are required to cause the substitution contemplated by the Merger Agreement to be made in a manner consistent with Section 409A or Section 421(a) of the Code, as applicable.

*Keryx Restricted Share Awards.* Each Keryx Restricted Share award, to the extent then outstanding and subject to restrictions (including vesting), other than those restrictions that accelerate or lapse as a result of the Merger, shall automatically and without any action on the part of the holder thereof, be cancelled and converted, as of the Effective Time of the Merger, and thereafter evidence an Akebia RSU award with respect to the number of Akebia Shares that is equal to the product of (A) the number of Keryx Shares subject to such Keryx Restricted Share award as of immediately prior to the Effective Time, multiplied by (B) the Exchange Multiplier (after such conversion, Rollover Restricted Shares ). Each Keryx Share that is the subject of a Keryx Restricted Share award, to the extent then outstanding and whose restrictions (including vesting) accelerate or lapse as a result of the Merger, shall automatically, without any action of the part of the holders thereof, become the right to receive 0.37433 Akebia Shares.

Following the Effective Time, each Rollover Option and Rollover Restricted Share shall be subject to the same terms and conditions as had applied to the corresponding Keryx Option or Keryx Restricted Share as of immediately prior to the Effective Time, except for such terms rendered inoperative by reason of the Merger, subject to such adjustments as reasonably determined by Akebia and Keryx to be necessary or appropriate to give effect to the conversion or the Merger, and Akebia may assume the Keryx Equity Plans.

**Litigation Relating to the Merger**

Two putative shareholder class action lawsuits and one additional putative D

VALIGN="bottom"> 20,034 \$30.36 \$190,802(4) \$50,375 \$155,000 \$310,000 11/05/2011(3) 775 3,100 4,650 \$120,063(5)

Michael Foliano

8/31/2011(1) 18,062 \$30.36 \$172,021(4) \$32,500 \$100,000 \$200,000 11/05/2011(3) 775 3,100 4,650 \$120,063(5)

- (1) Grants of stock options under our 2006 Employee Stock Incentive Plan.
- (2) Reflects the possible annual VICC for 2011 payable under our Variable Incentive Compensation Plan, as described under Annual Incentive Awards below. Actual amounts paid to our named executive officers under the plan for 2011 are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above.
- (3) Grants of performance shares under our 2006 Employee Stock Incentive Plan.
- (4) Represents the grant date fair value of option awards made in 2011. For a description of the assumptions used to determine these amounts, see Note 3 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2011.
- (5) Represents the grant date fair value of performance shares granted in 2011 at the probable outcome against performance targets. For a description of the assumptions used to determine these amounts, see Note 3 to the Consolidated Financial Statements included in our

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Annual Report on Form 10-K for the year ended December 31, 2011.

### *Annual Incentive Awards*

We provide our named executive officers with the opportunity to earn annual VICC under our Variable Incentive Compensation Plan. Under the Variable Incentive Compensation Plan, within 90 days of the beginning of each year, our Compensation Committee establishes corporate goals to determine the eligibility for, and amount of, any annual incentive compensation for our executives. The Compensation Committee also determines the eligible individuals to receive awards and establishes the terms and conditions of all awards under the Variable Incentive Compensation Plan.

In January 2011, our Compensation Committee established a group of VICC programs under the Variable Incentive Compensation Plan to determine 2011 amounts and designated each executive as a participant in a particular program. Each program was designed to encourage growth in company net income and company revenue, including international revenue, carrier networks revenue and enterprise networks revenue. VICC was available under each program only if both of certain minimum net income and revenue thresholds were achieved. If these minimum thresholds were achieved, VICC was available in three categories: net income, revenue and international revenue. VICC was scaled depending upon the amount of growth the company experienced in excess of the minimum threshold in any category. In order to measure the value of each possible VICC award, the programs assigned to each participating executive a number identified as the target VICC. VICC available in each category was expressed as percentages of the target VICC and ranged from a small percentage if the required threshold was reached through the possibility of as much as 200% of the target VICC. In no event could any executive receive more than 200% of the target VICC in any combination of VICC awards for all categories. In determining the target VICC for each executive the Compensation Committee considered, among other things, the executive's responsibilities and opportunity to influence the outcomes in the several categories under which VICC could be earned as well as the executive's prior contributions to company performance.

Under the program in which Messrs. Stanton, Matthews and Foliano participated, they could earn VICC only if each of total company net income and total company revenue grew by at least 2.5% over the prior year. If these two threshold growth measures were both achieved, they could earn VICC for growth in any one of total company net income, total company revenue or total company international revenue (if total company international revenue grew by at least 7.5%). The maximum amount of VICC was available if total company net income grew by 60%, if total company revenue grew by 44.44%, or if total international revenue grew by 133.33%. At the minimum thresholds Mr. Stanton could earn \$81,000 for each of total company revenue growth and total international revenue growth and \$72,000 for total company net income growth. At the minimum thresholds Mr. Matthews could earn \$19,688 for each of total company revenue growth and total international revenue growth and \$17,500 for total company net income growth. At the minimum thresholds Mr. Foliano could earn \$11,250 for each of total company revenue growth and total international revenue growth and \$10,000 for total company net income growth. In fact, the increases which the Company achieved for the three components were well in excess, in the aggregate, of the amounts that entitled the executive to the maximum award available and each of Messrs. Stanton, Matthews and Foliano earned the maximum amount available as reflected in the table above and in the Summary Compensation Table.

Under the program in which Mr. Schansman participated, he could earn VICC only if each of total company net income and total enterprise networks revenue grew by at least 2.5% over the prior year. If these two threshold growth measures were both achieved, he could earn VICC for growth in any one of total company net income, total enterprise networks revenue or total company international revenue (if total company international revenue grew by at least 7.5%). The maximum amount of VICC was available if total company net income grew by 60%, if total enterprise networks revenue grew by 44.44%, or if total international revenue grew by 133.33%. At the minimum thresholds Mr. Schansman could earn \$17,438 for each of total enterprise networks revenue growth and total international revenue growth and \$15,500 for each of total company net income growth. In fact, the increases which the Company achieved for the three components were well in excess, in the aggregate, of the amounts that entitled the executive to the maximum award available and Mr. Schansman earned the maximum amount of VICC available as reflected in the table above and in the Summary Compensation Table.

Under the program in which Mr. Wilson participated, he could earn VICC only if each of total company net income and total carrier networks revenue grew by at least 2.5% over the prior year. If these two threshold growth measures were both achieved, he could earn VICC for growth in any one of total company net income, total carrier networks revenue or total company international revenue (if total company international revenue grew by at least 7.5%). The maximum amount of VICC was available if total company net income grew by 60%, if total carrier networks revenue grew by 44.44%, or if total international revenue grew by 133.33%. At the minimum thresholds Mr. Wilson could earn \$17,438 for each of total carrier networks revenue growth and total international revenue growth and \$15,500 for each of total company net income growth. In fact, the increases which the Company achieved for the three components were well in excess, in the aggregate, of the amounts that entitled the executive to the maximum award available and Mr. Wilson earned the maximum amount of VICC available as reflected in the table above and in the Summary Compensation Table.

Actual VICC amounts awarded to our named executive officers for 2011 under the Variable Incentive Compensation Plan are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table above.

#### *Equity Compensation*

We granted stock options and performance-based restricted stock units, or performance shares, during 2011 to our named executive officers under the ADTRAN, Inc. 2006 Employee Stock Incentive Plan. The Stock Incentive Plan permits awards of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock and restricted stock units. Our Compensation Committee administers the Stock Incentive Plan, determines who will receive awards and establishes the terms and conditions of all awards. The total number of remaining shares authorized for grant for awards other than options under all equity compensation plans at December 31, 2011 was 3,172,420 shares.

The per share exercise price of the options we granted to our named executive officers during 2011 was equal to the fair market value of a share of our common stock on the date of grant. Fair market value is defined in the Stock Incentive Plan as the closing price of our common stock on

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the business day immediately before the date of grant. The option price may be paid in cash, in shares of our common stock, by broker-assisted cashless exercise (if permitted by applicable laws and regulations), or by any other method permitted by the Committee.

The options we granted in 2011 to our named executive officers will become exercisable with respect to 25% of the shares on each of the first four anniversaries of the grant date. The options become immediately vested and exercisable upon the executive's death or disability, and upon a change of control. The options may be exercised for one year after termination due to the executive's death, disability or retirement, or for 90 days after termination for any other reason other than for cause, in which case the options immediately terminate. In addition, the Compensation Committee, in its discretion, may accelerate the vesting at any time. The provisions regarding acceleration of the options are described in more detail in the section on the Stock Incentive Plan below under the heading entitled "Potential Payments Upon Termination or Change of Control."

The number of performance shares earned by the executive officers under the 2011 grant is based on our relative total shareholder return, or TSR, against a peer group over a three-year performance period. The peer group is set forth above in "Compensation Discussion and Analysis Components of Executive Compensation Long-Term Incentive Awards." Depending on our relative TSR over the performance period, the executive officers may earn shares of common stock on a sliding scale from 0% to 150% of the performance shares granted depending on our relative TSR performance against the peer group, as shown below:

ADTRAN's TSR		September 30,
Performance Relative to its		Granted Performance
Peer Group (expressed in a		Shares Earned
percentile)		(expressed as a percentage)
Less than 20th Percentile		0%
20th Percentile		25%
25th Percentile		38%
30th Percentile		50%
35th Percentile		63%
40th Percentile		75%
45th Percentile		88%
50th Percentile		100%
55th Percentile		108%
60th Percentile		117%
65th Percentile		125%
70th Percentile		133%
75th Percentile		142%
80th or more Percentile		150%

Shares earned are distributed at the end of the three-year performance period and after that time there is no additional holding period for the shares. Under the award agreements, a portion of the granted performance shares also vest and become deliverable upon the death or disability of a recipient or upon a change of control of ADTRAN, as discussed in more detail below under the heading "Potential Payments Upon Termination or Change of Control." The recipients of the performance shares under the award agreements receive dividend credits based on the shares of common stock underlying the performance shares. The dividend credits are vested, earned and distributed in the same manner as the performance shares. Recipients may choose to defer shares under the Deferred Compensation Plan instead of receiving the shares at the time they are entitled to distribution of the shares.

## Outstanding Equity Awards at 2011 Fiscal Year-End

The following table sets forth information regarding all outstanding equity awards held by the named executive officers at December 31, 2011.

	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
	Option Awards					Stock Awards			
			Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	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 (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#) (11)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
<b>Name</b>	<b>Exercisable</b>	<b>Unexercisable</b>	<b>Options (#)</b>	<b>Price (\$)</b>	<b>Expiration Date</b>	<b>Vested (#)</b>	<b>Vested (\$)</b>	<b>Vested (#) (11)</b>	<b>Vested (\$)</b>
Thomas R. Stanton	35,000(1)			\$ 32.27	11/25/2013				
	40,000(2)			\$ 22.17	10/18/2014				
	50,000(3)			\$ 30.04	10/17/2015				
	50,000(4)			\$ 22.53	11/3/2016				
	60,000(5)			\$ 23.02	11/5/2017				
	59,250(6)	19,750(6)		\$ 15.29	11/6/2018				
	39,500(7)	39,500(7)		\$ 23.46	11/7/2019				
	17,807(8)	53,418(8)		\$ 33.70	11/6/2020				
		75,366(9)		\$ 30.36	8/31/2021				
								17,568(12)	\$ 529,851(15)
								15,018 (13)	\$ 452,943(16)
								10,063 (14)	\$ 303,500(17)
James E. Matthews	15,000(1)			\$ 32.27	11/25/2013				
	15,000(2)			\$ 22.17	10/18/2014				
	15,000(3)			\$ 30.04	10/17/2015				
	20,000(4)			\$ 22.53	11/3/2016				
	24,000(5)			\$ 23.02	11/5/2017				
	17,250(6)	5,750(6)		\$ 15.29	11/6/2018				
	11,500(7)	11,500(7)		\$ 23.46	11/7/2019				
	5,184(8)	15,552(8)		\$ 33.70	11/6/2020				
		21,942(9)		\$ 30.36	8/31/2021				
								4,949(12)	\$ 149,262(15)
								4,229 (13)	\$ 127,547(16)
								2,971 (14)	\$ 89,605(17)
Raymond R. Schansman	12,000(1)			\$ 32.27	11/25/2013				
	13,000(3)			\$ 30.04	10/17/2015				
	4,543(4)			\$ 22.53	11/3/2016				
	24,000(5)			\$ 23.02	11/5/2017				
	5,250(6)	5,250(6)		\$ 15.29	11/6/2018				
	10,500(7)	10,500(7)		\$ 23.46	11/7/2019				
	4,734(8)	14,199(8)		\$ 33.70	11/6/2020				
		20,034(9)		\$ 30.36	8/31/2021				
								3,835(12)	\$ 115,664(15)
								3,278(13)	\$ 98,864(16)
								2,303(14)	\$ 69,458(17)

- (1) The options vested 25% on each of the first four anniversaries of 11/25/2003, the date of grant.
- (2) The options vested 25% on each of the first four anniversaries of 10/18/2004, the date of grant.
- (3) The options vest 25% on each of the first four anniversaries of 10/17/2005, the date of grant.
- (4) The options vest 25% on each of the first four anniversaries of 11/03/2006, the date of grant.
- (5) The options vest 25% on each of the first four anniversaries of 11/05/2007, the date of grant.
- (6) The options vest 25% on each of the first four anniversaries of 11/06/2008, the date of grant.



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- (7) The options vest 25% on each of the first four anniversaries of 11/07/2009, the date of grant.
- (8) The options vest 25% on each of the first four anniversaries of 11/06/2010, the date of grant.
- (9) The options vest 25% on each of the first four anniversaries of 8/31/2011, the date of grant.
- (10) The options vest 25% on each of the first four anniversaries of 7/16/2007, the date of grant.
- (11) The amounts in this column equal the number of performance shares granted under the 2006 Employee Stock Incentive Plan at the performance level achieved as of December 31, 2011. The performance shares are earned based on our relative TSR over a three-year performance period. Therefore, the amounts indicated are not necessarily indicative of the amounts that may actually be earned by the individual executives.
- (12) These amounts reflect the number of performance shares granted on November 7, 2009.
- (13) These amounts reflect the number of performance shares granted on November 6, 2010.
- (14) These amounts reflect the number of performance shares granted on November 5, 2011
- (15) These amounts reflect the closing price of \$30.16 per share on December 31, 2011 and are measured at the performance level achieved as of December 31, 2011.
- (16) These amounts reflect the closing price of \$30.16 per share on December 31, 2011 and are measured at the performance level achieved as of December 31, 2011.
- (17) These amounts reflect the closing price of \$30.16 per share on December 31, 2011 and are measured at the performance level achieved as of December 31, 2011.

**Option Exercises in 2011**

The following table sets forth information regarding all exercises of stock options by the named executive officers during the 2011 fiscal year.

Name	September 30, Option Awards	September 30, Option Awards
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)
Thomas R. Stanton	228,000	6,815,803
James E. Matthews	80,000	2,288,971
Raymond R. Schansman	46,873	1,152,959
James D. Wilson, Jr.	23,250	474,590
Michael Foliano	10,000	213,400

**Nonqualified Deferred Compensation in 2011**

The following table sets forth information regarding the deferred compensation arrangements in which our named executive officers participated in 2011.

Name	September 30, Executive Contributions in Last FY \$(1)	September 30, Registrant Contributions in Last FY (\$)	September 30, Aggregate Earnings in Last FY (\$)	September 30, Aggregate Withdrawals/ Distributions (\$)	September 30, Aggregate Balance at Last FYE \$(2)
Thomas R. Stanton	\$ 1,736,650		\$ (117,713)		\$ 3,226,188
James E. Matthews	\$ 563,250		\$ 16,383		\$ 1,473,811
Raymond R. Schansman	\$ 425,782		\$ (27,112)		\$ 398,670
James D. Wilson, Jr.			\$ 21		\$ 3,303
Michael Foliano	\$ 206,205		\$ (14,545)		\$ 191,660

(1) Includes cash contributions and the value of contributions of restricted stock awards. The cash contribution amounts are included in the Salary column of the Summary Compensation Table for 2011 for Messrs. Stanton, Matthews, Schansman and Foliano as follows: Mr. Stanton \$1,033,750; Mr. Matthews \$365,250; Mr. Schansman \$272,332; and Mr. Foliano \$122,055.

(2) Includes amounts previously included in the Salary column of the Summary Compensation Table for 2010 and 2009 for certain of the named executive officers, as follows: Mr. Stanton \$127,128 and \$121,923, respectively; and Mr. Matthews \$74,823 and \$58,235, respectively.

We maintain the ADTRAN Inc. Deferred Compensation Plan. This plan is offered as a supplement to our tax-qualified 401(k) plan and is available to our officers and directors who have been duly appointed or elected by our Board of Directors. The deferred compensation plan allows participants to defer a portion of their salaries and all or a portion of their annual VICC and performance shares, and permits us to make matching contributions on a discretionary basis, without the limitations that apply to the 401(k) plan. To date, we have not made any matching contributions under this plan. All contributions are unfunded and are credited to bookkeeping accounts for the participants, although we have set aside assets in a rabbi trust to pay for the benefits under this plan. Each participant's account is credited with earnings as if the account were invested as elected by the participant among pre-approved mutual funds. Benefits are usually distributed or begin to be distributed on the 1<sup>st</sup> day of the month following the six month anniversary of the participant's separation from service. Benefits will be paid in a single lump sum cash payment and any deferred stock awards will be paid in whole shares of ADTRAN common stock with fractional shares paid in cash; provided that a participant may, in some cases, elect to receive a portion of his or her benefit in installments paid over 3 or 10 years.

**Potential Payments Upon Termination or Change of Control**

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This section describes the limited benefits that would be provided to our named executive officers under our executive compensation plans upon a change of control of ADTRAN or following termination of employment (provided, in some cases further described below, the termination must be a separation from service as defined in Section 409A of the Internal Revenue Code). We also provide a table below showing the potential benefits payable to each of our named executive officers upon a change of control of ADTRAN or following termination of employment as of December 31, 2011.

### *Variable Incentive Compensation Plan*

Under the ADTRAN, Inc. Variable Incentive Compensation Plan, in the event of a change of control of ADTRAN, each executive will receive an immediate lump sum cash payment of the then-applicable annual VICC, but only if the performance measures set by the Compensation Committee for the relevant fiscal year have been attained as of the date of the change of control. The amount of the performance award would be consistent with the minimum, target or maximum level of performance measures actually achieved as of the change of control and would be for a proportionate share of the annualized amount for the part-year period ending on the change of control event. If there had been a change of control of ADTRAN on December 31, 2011, our executive officers would have received a payment under this provision, because the minimum levels required under the 2011 performance measures had been attained.

Under the plan, a change of control would occur if:

- (1) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) acquires more than 50% of the total fair market value or total voting power of our stock;
- (2) any person or group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of 35% or more of the total voting power of our stock;
- (3) a majority of our Board members is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board; or
- (4) any person or group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) at least 40% of the total gross fair market value of all of our assets.

### *Deferred Compensation Plan*

Under the ADTRAN Inc. Deferred Compensation Plan, participants are entitled to receive their benefits upon termination of employment (provided the termination is a separation from service as defined in Section 409A of the Internal Revenue Code). The amount they receive is based on their account balance, which would consist of their contributions to the plan and any earnings as described above in the Nonqualified Deferred Compensation table and its accompanying narrative. Benefits are not payable from the plan until the 1<sup>st</sup> day of the month following the six month anniversary of the participant's separation from service.

### *2006 Employee Stock Incentive Plan*

Under our 2006 Employee Stock Incentive Plan, the options we have granted will become immediately vested and exercisable upon the executive's death or disability, or upon a change of control. Upon termination of employment for cause, all outstanding options immediately terminate. Options may be exercised for one year upon termination due to the executive's death, disability or retirement, or for 90 days after termination for any other reason other than for cause. Under the award agreements, with respect to the performance shares granted under our 2006 Employee Stock Incentive Plan, a portion of the performance shares become immediately vested and earned in the event of death, disability, or upon a change of control. The number of such vested performance shares equals 25% of the total performance shares granted multiplied by a fraction, the numerator of which equals the number of days elapsed from the date of grant to the date of the applicable acceleration event and the denominator of which equals the days in the performance period.

Under the 2006 Employee Stock Incentive Plan, change of control is defined as:

- (1) the acquisition of beneficial ownership of 50% or more of either our outstanding shares of common stock or the combined voting power of our securities, except for any acquisition directly from us, any acquisition by us or our affiliates, or any acquisition by any of our employee benefit plans;

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- (2) during any 12-month period, a majority of the Board is no longer comprised of individuals who, as of the beginning of that period, constituted our Board and individuals whose nomination for election was approved by the Board;
- (3) a reorganization, merger or consolidation, where substantially all of the owners, respectively, of our outstanding shares of common stock or the combined voting power of our securities immediately before the transaction beneficially own less than 50% of, respectively, the common stock and the combined voting power of the securities of the resulting corporation, in substantially the same proportions as their ownership immediately prior to the transaction; or
- (4) the sale or other disposition of all or substantially all of our assets.

An executive is considered retired under the 2006 Employee Stock Incentive Plan if he terminates employment after age 65. Disability is defined as eligibility to receive long-term disability benefits or, if we do not have a long-term disability plan, an executive's inability to engage in the essential functions of his or her duties due to a medically-determinable physical or mental impairment, illness or injury, which can be expected to result in death or to be of long-continued and indefinite duration. Cause means the executive's willful and continued failure to perform his duties within 15 days after receipt of written demand for such performance; unlawful or willful misconduct which is economically injurious to us or our affiliates; conviction of, or a plea of guilty or nolo contendere to, a felony charge (other than a traffic violation); habitual drug or alcohol abuse that impairs the executive's ability to perform his duties; embezzlement or fraud; competition with our business; or the executive's breach of his employment contract, if any. Currently, none of our executives have employment contracts.

#### *1996 Employees Incentive Stock Option Plan*

Under our 1996 Employees Incentive Stock Option Plan, the options we have granted will become immediately vested and exercisable upon the executive's death or disability, or upon a change of control. Upon termination of employment for cause, all outstanding options immediately terminate, unless the executive is terminated for cause after a change of control, in which case the options may be exercised for three months after termination. Options may be exercised for one year upon termination due to the executive's disability or the executive's death while an employee, or for three months after termination for any reason other than for cause (or the option's expiration date, if earlier).

Disability under the 1996 plan is defined as total and permanent disability as determined by our Compensation Committee in its sole discretion. Change of control is defined as: (1) the acquisition by a person, group or entity of a sufficient number of shares of our common stock, or securities convertible into our common stock, to hold more than 50% of our common stock; or (2) any sale or other disposition of all or substantially all of our assets. Cause under the 1996 plan means acts by an executive that cause us liability or loss involving: personal dishonesty, incompetence, willful misconduct, moral turpitude, intentional failure to perform stated duties, willful violation of any law, rule or regulation (other than traffic violations or similar offenses), improper use or disclosure of our confidential information or trade secrets, the breach of any contract with ADTRAN, the unlawful trading in securities based on information gained through the performance of services for us, a felony conviction or the failure to contest prosecution for a felony, embezzlement, fraud, deceit or civil rights violations.

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The following table sets forth the potential benefits payable to our named executive officers pursuant to the arrangements described above, assuming termination of employment or a change of control had occurred on December 31, 2011.

	September 30,	September 30,	September 30,	September 30,	September 30,
Benefit/Plan/Program	Thomas R. Stanton	James E. Matthews	Raymond R. Schansman	James D. Wilson, Jr.	Michael Foliano
Stock Options (1)	\$ 558,333	\$ 162,553	\$ 148,418	\$ 148,418	\$ 77,743
Performance Shares (2)	\$ 186,937	\$ 53,970	\$ 41,827	\$ 41,827	\$ 38,822
Variable Incentive Compensation Plan (3)	\$ 1,440,000	\$ 350,000	\$ 310,000	\$ 310,000	\$ 200,000
Deferred Compensation Plan (4)	\$ 3,226,188	\$ 1,473,811	\$ 398,670	\$ 3,303	\$ 191,660
Total value upon a change of control (5)	\$ 2,185,270	\$ 566,523	\$ 500,245	\$ 500,245	\$ 316,565
Total value upon termination of employment due to death or disability (6)	\$ 3,971,458	\$ 1,690,334	\$ 588,915	\$ 193,548	\$ 308,225
Total value upon termination of employment for any other reason (7)	\$ 2,583,780	\$ 1,292,851	\$ 258,426	\$ 3,303	\$ 114,752
Potential payments upon Termination or Change of Control as a Multiple of Salary and VICC (8)	1.11	0.86	0.85	0.85	0.66

- (1) Amounts represent the potential value of unvested stock options held by the named executive officers under the 2006 Stock Incentive Plan and the 1996 Incentive Stock Option Plan that would have vested upon a change of control or upon termination of employment by reason of death or disability on December 31, 2011, based on a price of \$30.16 per share, the closing price of our common stock on December 31, 2011.
- (2) Amounts represent the potential value of unvested performance shares that would have vested upon a change of control or upon termination of employment by reason of death or disability on December 31, 2011, based on a price of \$30.16 per share, the closing price of our common stock on December 31, 2011.
- (3) Represents the amount of the annual VICC that would have been payable to each participant upon a change of control on December 31, 2011.
- (4) Represents the amount payable under the Deferred Compensation Plan upon a termination of employment (provided the termination is a separation from service as defined in Section 409A of the Internal Revenue Code), including a termination by reason of death or disability, to each participant on December 31, 2011. These amounts equal the account balance of each participant as of December 31, 2011.
- (5) Reflects the sum of (1) the value of accelerated vesting of stock options; (2) the value of shares of common stock received upon partial vesting of unvested performance shares; and (3) amounts payable under the Variable Incentive Compensation Plan, in each case as of December 31, 2011.
- (6)

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Reflects the sum of (1) the value of accelerated vesting of stock options; (2) the value of shares of common stock received upon partial vesting of unvested performance shares; and (3) amounts payable under the Deferred Compensation Plan, in each case as of December 31, 2011.

- (7) Represents amounts payable to each participant under the Deferred Compensation Plan upon termination of employment for any reason (provided the termination is a separation from service as defined in Section 409A of the Internal Revenue Code) on December 31, 2011.
- (8) Amounts represent the sum of the potential value of unvested stock options as described in Footnote 1 above, the potential value of unvested performance shares as described in Footnote 2 above, and the amount of the annual VICC that would have been payable as described in Footnote 3 above as a multiple of the salary and VICC received by each individual for the year ending December 31, 2011 as disclosed at Summary Compensation Table above. The amounts payable under the Deferred Compensation Plan are excluded from this calculation because all amounts included in the Plan are amounts of compensation deferred by the executive and the earnings on such amounts and do not include any Company contributions. Under the Company's change of control arrangements, there is no salary payable upon a change of control other than salary earned but unpaid to the time of the change of control.



**DIRECTOR COMPENSATION**

The table below sets forth information regarding compensation paid to our non-employee directors for 2011.

	September 30,	September 30,	September 30,	September 30,	September 30, Change in Pension Value and Nonqualified Deferred Compensation Earnings	September 30, All Other Compensation (\$)	September 30, Total (\$)
Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$ (1))	Option Awards (\$ (2))	Non-Equity Incentive Plan Compensation (\$)			
H. Fenwick Huss	\$ 70,000	\$ 59,988					\$ 129,988
Ross K. Ireland	\$ 60,000	\$ 59,988					\$ 119,988
William L. Marks	\$ 67,500	\$ 59,988					\$ 127,488
Balan Nair	\$ 65,000	\$ 59,988					\$ 124,988
Roy J. Nichols	\$ 75,000	\$ 59,988					\$ 134,988
James L. North	\$ 60,000	\$ 59,988					\$ 119,988

(1) Represents the aggregate grant date fair value of stock awards made during 2011 computed in accordance with the Stock Compensation Topic of the FASB ASC, based on the market price of our common stock on the date of grant. For a description of the assumptions used to determine these amounts, see Note 3 to the Notes to the Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, except that, as required by SEC regulations, the amounts in the table above do not reflect any assumed forfeitures.

(2) The aggregate number of option awards outstanding for each of the non-employee directors at December 31, 2011 was as follows:

Name	September 30, Options
H. Fenwick Huss	35,000
Ross K. Ireland	20,000
William L. Marks	55,000
Balan Nair	25,000
Roy J. Nichols	55,000
James L. North	45,000

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Non-employee directors of ADTRAN, including Mr. North, our director emeritus, were paid an annual fee of \$60,000, plus an annual retainer of \$5,000 paid to the Nominating and Corporate Governance Committee chairperson, plus an annual retainer of \$10,000 paid to the Audit Committee chairperson, plus an annual retainer of \$7,500 paid to the Compensation Committee chairperson. In January 2011, the Board approved the payment of an annual fee of \$15,000 to the director serving as lead director. This annual fee is in addition to all other fees received for services as a director or as a member or chairman of a committee of the Board. Directors who are employees of ADTRAN receive no directors' fees. All directors are reimbursed for their reasonable expenses in connection with the performance of their duties.

Our non-employee directors, including our current director emeritus, are entitled to participate in our 2010 Directors Stock Option Plan, which our stockholders approved at the 2010 annual meeting of stockholders on May 5, 2010. As of December 31, 2011, there were a total of 500,000 shares reserved for issuance under the 2010 Directors Stock Option Plan, of which 150,000 shares were subject to outstanding options, 21,828 were issued as restricted stock awards and 328,172 shares were available for future awards. The 2010 Directors Stock Option Plan provides for automatic equity grants to directors who are not otherwise employees of ADTRAN. Under the 2010 Directors Stock Option Plan newly-elected directors may receive an initial grant and an annual grant in the same calendar year. As of December 31, 2011, there were five directors and one director emeritus eligible to participate in the 2010 Directors Stock Option Plan. The 2010 Directors Stock Option Plan is administered by the Compensation Committee. Subject to the terms of the 2010 Directors Stock Option Plan, the Compensation Committee has the authority to determine the terms and provisions of the option agreements, to interpret the provisions of the plan, to prescribe, amend and rescind any rules and regulations relating to the plan, and to make all determinations necessary or advisable for the administration of the plan.

Equity grants (nonqualified stock options, restricted stock or restricted stock units) under the 2010 Directors Stock Option Plan have a fixed dollar value determined by reference to a percentage of the Directors' total remuneration. The annual equity grant has a value equal to 50% of the Directors' total remuneration for the calendar year (which includes the award under the 2010 Directors Stock Option Plan and excludes any compensation for serving as a committee chair or lead director or any additional meeting fees), or a lesser amount as determined in the discretion of our Board. In no event shall any annual equity award have a fair market value greater than \$120,000. In addition, upon initially joining the Board, a new Director will receive an initial award equal to 50% of the value of the annual grant (detailed above) that was granted in the calendar year prior to the calendar year in which the new Director joins the Board, or a lesser amount as determined in the discretion of our Board. The initial grant will be in addition to any annual grant. Grants under the 2010 Directors Stock Option Plan are in the form of restricted stock, unless our Board (upon recommendation from the Compensation Committee) determines to grant awards in the form of restricted stock units or nonqualified stock options.

Options granted under the 2010 Directors Stock Option Plan (whether in the form of restricted stock, nonqualified stock options or restricted stock units) vest in full on the first anniversary of the grant date, unless the vesting schedule is varied by the Compensation Committee in the Director's award agreement. Awards vest earlier if there is a change of control of ADTRAN or if the Director terminates service due to death or disability. The term of any nonqualified stock option is ten years from the date of grant. The Compensation Committee is given the discretion under the 2010 Directors Stock Option Plan to extend this exercise period for outstanding options to the extent permitted by Section 409A of the Internal Revenue Code. The purchase price of the common stock underlying each nonqualified stock option granted under the 2010 Directors Stock Option Plan is 100% of the fair market value of the common stock on the date the option is granted. There is no purchase price for an award of restricted stock or restricted stock units.

If a Director's service with ADTRAN is terminated for cause, all nonqualified stock options will terminate immediately. Upon termination of a Director's service due to disability, the nonqualified stock options may be exercised for one year. Upon termination of a Director's service other than due to death, disability or cause, the nonqualified stock options may be exercised for three months. In addition, if a Director dies while his nonqualified stock options remain exercisable, his beneficiary (as determined under the 2010 Directors Stock Option Plan) may exercise the options for up to one year after the date of death. However, in no case will any option remain exercisable beyond its term. Under the 2010 Directors Stock Option Plan, "cause" is defined as an act or acts by an individual involving personal dishonesty, incompetence, willful misconduct, moral turpitude, intentional failure to perform stated duties, willful violation of any law, rule or regulation (other than traffic violations or similar offenses), the use for profit or disclosure to unauthorized persons of our confidential information or trade secrets, the breach of any contract with us, the unlawful trading in our securities or the securities of another corporation based on information gained as a result of the performance of services for us, a felony conviction or the failure to contest prosecution for a felony, embezzlement, fraud, deceit or civil rights violations, any of which acts cause us liability or loss, as determined by the Compensation Committee in its sole discretion. Under the plan, "disability" means the total and permanent disability of an individual as determined by the Compensation Committee in its sole discretion. In addition, if a director dies during service, or during a period following termination of service when his options have not yet terminated as provided above, the director's beneficiary can exercise the options for up to one year after the date of the director's death (or the expiration of the option, if earlier). If an individual ceases to be a Director, his rights with regard to all non-vested restricted stock and restricted stock units granted under the 2010 Directors Stock Option Plan cease immediately.

On December 31, 2011, in accordance with the terms of the 2010 Directors Stock Option Plan, 1,989 shares of restricted stock were granted to each of Messrs. Ireland, Marks, Nair, Nichols and North and Dr. Huss.

## EQUITY COMPENSATION PLAN INFORMATION

The following table gives information about our common stock that may be issued under all of our existing equity compensation plans as of December 31, 2011, which include the following:

ADTRAN, Inc. Amended and Restated 1996 Employees Incentive Stock Option Plan, as amended;

ADTRAN, Inc. 2006 Employee Stock Incentive Plan;

ADTRAN, Inc. 2010 Directors Stock Option Plan; and

ADTRAN, Inc. Amended and Restated 1995 Directors Stock Option Plan, as amended.

Each of these plans has been approved by our stockholders.

Plan Category	September 30, (a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	September 30, (b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	September 30, (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Stockholders	5,528,817	\$ 25.66	8,047,155
Equity Compensation Plans Not Approved by Stockholders			
<b>TOTAL</b>	<b>5,528,817(1)</b>	<b>\$ 25.66</b>	<b>8,047,155(1)(2)</b>

- (1) Amounts include the number of securities to be issued or to remain available upon achievement of maximum performance in connection with the outstanding performance shares.
- (2) As of December 31, 2011, the shares remaining available for future issuance under equity compensation plans includes 3,172,420 shares that may be used for authorized awards other than stock options.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

James L. North, a partner in the law firm of James L. North & Associates, is our director emeritus and as of December 31, 2011, beneficially owned 119,654 shares of our common stock. We paid James L. North & Associates fees of \$110,000 for legal services rendered to us during 2011. All bills for services provided by James L. North & Associates are reviewed and approved by our Chief Financial Officer. We believe that the fees for these services are reasonable and comparable to those charged by other firms for services rendered to us.

## Policies and Procedures For Review and Approval of Related Person Transactions

We believe that business decisions and actions taken by our officers, directors and employees should be based on the best interests of ADTRAN, and must not be motivated by personal considerations or relationships. We attempt to analyze all transactions in which ADTRAN participates and in which a related person may have a direct or indirect material interest, both due to the potential for a conflict of interest and to determine

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whether disclosure of the transaction is required under applicable SEC rules and regulations.

Related persons include any of our directors or executive officers, certain of our stockholders and their immediate family members. A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of ADTRAN. Our Code of Business Conduct and Ethics requires all directors, officers and employees who may have a potential or apparent conflict of interest to fully disclose all the relevant facts to either a personnel supervisor, if applicable, or the Director of Internal Audit. Once a personnel supervisor receives notice of a conflict of interest he or she will report the relevant facts to the Director of Internal Audit. The Director of Internal Audit will then generally consult with the Audit Committee and a determination will be made as to whether the activity is permissible. A copy of our Code of Business Conduct and Ethics is available on our website at [www.adtran.com](http://www.adtran.com) under the links Investor Relations Corporate Governance ADTRAN Code of Business Conduct and Ethics.

In addition to the reporting requirements under the Code of Business Conduct and Ethics, each year our directors and officers complete Directors and Officers Questionnaires identifying any transactions with us in which the officer or director or their family members have an interest. A list is then maintained by us of all companies known to ADTRAN that are affiliated with a related person. Any potential transactions with such companies or other related party transactions are reviewed by the Chief Financial Officer and brought to the attention of the Audit Committee as appropriate. Our Audit Committee is responsible for reviewing and approving all material transactions with any related person.

#### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act, and regulations of the SEC thereunder, require our directors, officers and persons who own more than 10% of our common stock, as well as certain affiliates of those persons, to file with the SEC initial reports of their ownership of our common stock and subsequent reports of changes in that ownership. Directors, officers and persons owning more than 10% of our common stock are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file. Based solely on our review of the copies of these reports received by us and on information provided by the reporting persons, we believe that, during the fiscal year ended December 31, 2011, our directors, officers and owners of more than 10% of our common stock complied with all applicable filing requirements, except that each of H. Fenwick Huss, Ross K. Ireland, William L. Marks, Balan Nair, Roy J. Nichols and James L. North, each filed a Form 4 report on January 13, 2012 disclosing the acquisition of dividend equivalent rights effective on each of February 17, 2011, May 12, 2011, August 11, 2011 and November 10, 2011 and the settlement of those dividend equivalent rights effective on December 31, 2011 for shares of common stock and cash. The dividend equivalent rights described above accrued on grants of restricted stock granted to each of Messrs. Ireland, Marks, Nair, Nichols and North and Dr. Huss on December 30, 2010 in accordance with the terms of the 2010 Directors Stock Option Plan and should have been reported at the time of each of the four accruals as should the settlement of the dividend equivalent rights, in each case by the filing of a Form 4.

## AUDIT COMMITTEE REPORT

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the accuracy and integrity of ADTRAN's financial reporting. Our Board of Directors has adopted an Audit Committee Charter, which sets forth the responsibilities of the Audit Committee. A copy of the Audit Committee Charter is available on our website at [www.adtran.com](http://www.adtran.com).

The Audit Committee held eight meetings during the fiscal year ended December 31, 2011. Representatives of PricewaterhouseCoopers LLP, our independent registered public accounting firm, attended each meeting. The Audit Committee reviewed and discussed with management and PricewaterhouseCoopers LLP our audited financial statements for the fiscal year ended December 31, 2011 and our unaudited quarterly financial statements for the quarters ended March 31, June 30 and September 30, 2011. The Audit Committee also discussed with PricewaterhouseCoopers LLP the matters required under Statement on Auditing Standards No. 61 and No. 90 (Codification of Statements on Auditing Standards, AU § 380), as amended or superseded.

In addition to the review of annual and interim financial statements, the Audit Committee continued its focus on functions and risks which could adversely impact ADTRAN's financial position. Audit Committee meetings included overviews of the status of testing of key internal controls over financial reporting. The Audit Committee has actively reviewed management's assessment of the effectiveness of ADTRAN's internal control over financial reporting (including management's evaluation of identified control deficiencies and management's program for remediation of those deficiencies) and PricewaterhouseCoopers LLP's report thereon, both of which are included in the Annual Report on Form 10-K for the year ended December 31, 2011.

The Audit Committee also received the written disclosures and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the communication of PricewaterhouseCoopers LLP with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers LLP its independence. The Audit Committee reviewed the audit and non-audit services provided by PricewaterhouseCoopers LLP for the fiscal year ended December 31, 2011 and determined to engage PricewaterhouseCoopers LLP as the independent registered public accounting firm of ADTRAN for the fiscal year ending December 31, 2012.

Based upon the Audit Committee's review of the audited financial statements and the discussions noted above, the Audit Committee recommended that the Board of Directors include the audited financial statements in our Annual Report on Form 10-K for the year ended December 31, 2011 for filing with the SEC.

### AUDIT COMMITTEE

H. Fenwick Huss, Chairman

Ross K. Ireland

William L. Marks

Balan Nair

Roy J. Nichols

**PROPOSAL 2 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION**

We believe that our compensation policies and procedures, which include the pay for performance components that have been described previously in this Proxy Statement, are strongly aligned with the long-term interests of our shareholders. This advisory Shareholder resolution is commonly known as Say-on-Pay. At the 2011 Annual Meeting of Stockholders, ADTRAN asked its stockholders to express a preference as to how often the stockholders should consider the Say-on-Pay resolution every year, every two years or every three years. At the 2011 Annual Meeting, 39,828,172 shares voted in favor of holding the say on pay resolution every year, 3,307,603 shares voted in favor of holding the say on pay resolution every two years, 7,419,605 shares voted in favor of holding the say on pay resolution every three years and 5,229,892 shares expressed no preference. The Board determined to present this resolution for consideration annually. This resolution is included to provide shareholders the opportunity to endorse or not endorse our executive pay program and policies, and the compensation of our named executive officers, through the following advisory proposal:

RESOLVED, that the shareholders approve the overall executive compensation policies and procedures employed by the Company as well as the compensation of the named executive officers, all as described in the Compensation Discussion and Analysis and the tabular disclosure regarding named executive officer compensation in this Proxy Statement.

Because your vote is advisory, it will not be binding upon the Board or the Compensation Committee.

**The Board of Directors unanimously recommends a vote For approval of the Say-on-Pay proposal.**



**PROPOSAL 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED****PUBLIC ACCOUNTING FIRM**

The Audit Committee of our Board of Directors, in accordance with its charter and authority delegated to it by the Board, has appointed the firm of PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2012, and the Board of Directors has directed that such appointment be submitted to our stockholders for ratification at the Annual Meeting. PricewaterhouseCoopers LLP has served as our independent registered public accounting firm since 1986 and is considered by our Audit Committee to be well qualified. If the stockholders do not ratify the appointment of PricewaterhouseCoopers LLP, the Audit Committee will reconsider the appointment.

Representatives of PricewaterhouseCoopers LLP will be present at the Annual Meeting and will have an opportunity to make a statement if they desire to do so. They also will be available to respond to appropriate questions from stockholders.

**The Audit Committee of the Board of Directors and the Board unanimously recommend that the stockholders vote FOR the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm.**

**PRINCIPAL ACCOUNTANT FEES AND SERVICES****Audit and Non-Audit Fees**

Aggregate fees and expenses for professional services rendered for us by PricewaterhouseCoopers LLP as of or for the fiscal years ended December 31, 2011 and 2010 are set forth below. The aggregate fees and expenses included in the Audit category are fees and expenses billed for the fiscal years for the integrated audit of our annual financial statements and review of our interim financial statements and statutory and regulatory filings. The aggregate fees and expenses included in each of the other categories are fees and expenses billed *in* the fiscal years.

	September 30, Fiscal Year 2011	September 30, Fiscal Year 2010
Audit Fees	\$ 896,923	\$ 800,358
Audit-Related Fees	43,300	57,539
Tax Fees	20,071	13,100
All Other Fees		
<b>Total</b>	<b>\$ 960,294</b>	<b>\$ 870,997</b>

*Audit Fees* for the fiscal years ended December 31, 2011 and 2010 were for professional services rendered for the integrated audits of our annual consolidated financial statements and of our internal control over financial reporting and quarterly review of the financial statements included in our Quarterly Reports on Form 10-Q, as well as the statutory audit of the financial statements of a foreign subsidiary.

*Audit-Related Fees* as of the fiscal years ended December 31, 2011 and 2010 were for services associated with the audit of our 401(k) plan and various consultations related to accounting matters.

*Tax Fees* as of the fiscal years ended December 31, 2011 and 2010 were for services related to tax compliance and preparation of international tax returns.

*All Other Fees.* There were no fees in this category for the fiscal years ended December 31, 2011 and 2010.

We did not rely on the de minimus exception provided by Rule 2-01(c)(7)(i)(C) under Regulation S-X for the authorization of any of the services described above.

**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Registered Public Accounting Firm**

The Audit Committee has adopted a pre-approval policy that provides guidelines for the audit, audit-related, tax and other non-audit services that may be provided to us by PricewaterhouseCoopers LLP. The policy: (1) identifies the guiding principles that must be considered by the Audit Committee in approving services to ensure that PricewaterhouseCoopers LLP's independence is not impaired; (2) describes the audit,

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audit-related, tax and other services that may be provided and the non-audit services that may not be performed; and (3) sets forth pre-approval requirements for all permitted services.

Under the policy, a schedule is presented annually to the Audit Committee outlining the types of audit-related, tax and other services (other than audit services) that are likely to be performed during the year. The Audit Committee, based upon the guidelines in the policy, selects the services from that schedule that will be generally pre-approved services and attaches the list as an appendix to the policy. The Audit Committee then sets an annual aggregate fee limitation for all of these generally pre-approved services. For fiscal year 2011, that limit was set at \$60,000. Any fees for the generally pre-approved services that exceed this aggregate fee limit must be specifically pre-approved. In addition, any services not on the list of general pre-approved services must be specifically pre-approved.

Each member of the Audit Committee has been delegated the authority to provide any necessary specific pre-approval, in the event that the full Audit Committee is not available. Any member of the Audit Committee who provides specific pre-approval must report such approval to the Audit Committee at its next meeting. To ensure compliance with the policy, a detailed report outlining all fees incurred year-to-date for services provided by PricewaterhouseCoopers LLP is presented to the Audit Committee on a quarterly basis.

#### **STOCKHOLDERS PROPOSALS FOR 2013 ANNUAL MEETING**

Proposals of stockholders, including nominations for the Board of Directors, intended to be presented at the 2013 Annual Meeting of Stockholders should be submitted by certified mail, return receipt requested, and must be received by us at our executive offices in Huntsville, Alabama, on or before December 1, 2012 to be eligible for inclusion in our proxy statement and form of proxy relating to that meeting and to be introduced for action at the meeting. Any stockholder proposal must be in writing, must comply with Rule 14a-8 under the Exchange Act and must set forth (1) a description of the business desired to be brought before the meeting and the reasons for conducting the business at the meeting, (2) the name and address, as they appear on our books, of the stockholder submitting the proposal, (3) the class and number of shares that are beneficially owned by such stockholder, (4) the dates on which the stockholder acquired the shares, (5) documentary support for any claim of beneficial ownership as required by Rule 14a-8, (6) any material interest of the stockholder in the proposal, (7) a statement in support of the proposal and (8) any other information required by the rules and regulations of the SEC. Stockholder nominations must comply with the procedures set forth above under Nomination of Directors.

#### **OTHER MATTERS THAT MAY COME BEFORE THE ANNUAL MEETING**

Our Board of Directors knows of no matters other than those referred to in the accompanying Notice of Annual Meeting of Stockholders that may properly come before the Annual Meeting. However, if any other matter should be properly presented for consideration and voting at the Annual Meeting or any adjournments of the Annual Meeting, the persons named as proxies on the enclosed form of proxy card intend to vote the shares represented by all valid proxies in accordance with their judgment of what is in the best interest of ADTRAN.

By Order of the Board of Directors.

Thomas R. Stanton

Chairman of the Board

Huntsville, Alabama

March 30, 2012

Our 2011 Annual Report, which includes audited financial statements, has been mailed to our stockholders with these proxy materials. The Annual Report does not form any part of the material for the solicitation of proxies.



