

Clovis Oncology, Inc.  
Form PRE 14A  
April 15, 2019  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION**

**(Rule 14a-101)**

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

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under § 240.14a-12

**Clovis Oncology, Inc.**

**(Name of Registrant as Specified In Its Charter)**

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**5500 Flatiron Parkway, Suite 100**

**Boulder, Colorado 80301**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON JUNE 6, 2019**

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Clovis Oncology, Inc. The meeting will be held on Thursday, June 6, 2019 at 8:30 a.m. Mountain Time at the St. Julien Hotel, 900 Walnut Street, Boulder, Colorado 80302 for the following purposes:

1. To elect four Class II directors for a three-year term;
2. To approve an amendment to our Amended and Restated Certificate of Incorporation to increase our authorized number of shares of common stock from 100,000,000 to 200,000,000;
3. To approve, on an advisory basis, the compensation of our named executive officers, as disclosed in the accompanying proxy statement;
4. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019; and
5. To transact such other business as may properly come before the meeting or any adjournment thereof.

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

The record date for the annual meeting is April 8, 2019. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

Your vote is very important. Please promptly submit your proxy as soon as possible (i) by accessing the Internet site or by calling the toll-free number described in the proxy materials; or (ii) if you receive a paper proxy card by mail, by completing and returning the proxy card mailed to you. Please note that all votes cast by telephone or on the Internet must be cast prior to 11:59 p.m., Eastern Time, on June 5, 2019. Submitting your proxy now will not limit your right to vote in person at the annual meeting if you desire to do so, as your proxy is revocable at your option.

By Order of the Board of Directors

Paul E. Gross

Secretary

Boulder, Colorado

April 26, 2019

Table of Contents

## TABLE OF CONTENTS

	Page
<u>NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 6, 2019</u>	
<u>TABLE OF CONTENTS</u>	
<u>PROXY STATEMENT</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING</u>	1
<u>PROXY PROPOSALS</u>	
<u>Proposal 1: Election of Directors</u>	6
<u>Proposal 2: Amendment to the Amended and Restated Certificate of Incorporation</u>	11
<u>Proposal 3: Vote on the Compensation of our Named Executive Officers</u>	13
<u>Proposal 4: Ratification of Selection of Independent Registered Public Accounting Firm</u>	14
<u>INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	16
<u>EXECUTIVE AND DIRECTOR COMPENSATION</u>	22
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	23
<u>SUMMARY COMPENSATION TABLE</u>	42
<u>DIRECTOR COMPENSATION</u>	49
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	53
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	56
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	57
<u>AVAILABLE INFORMATION</u>	58
<u>OTHER MATTERS</u>	59

*Unless the context requires otherwise, references in this proxy statement to Clovis, the company, we, us, and our to Clovis Oncology, Inc., together with its consolidated subsidiaries.*

**Table of Contents**

**CLOVIS ONCOLOGY, INC.**

**5500 FLATIRON PARKWAY, SUITE 100**

**BOULDER, COLORADO 80301**

**PROXY STATEMENT**

**2019 ANNUAL MEETING OF STOCKHOLDERS**

**JUNE 6, 2019**

**INFORMATION CONCERNING SOLICITATION AND VOTING**

Our board of directors is soliciting proxies for our 2019 Annual Meeting of Stockholders, or the Annual Meeting, to be held on Thursday, June 6, 2019 at 8:30 a.m. Mountain Time at the St. Julien Hotel, 900 Walnut Street, Boulder, Colorado, 80302. If you need directions to the location of the Annual Meeting, please contact us at (303) 625-5000.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on June 6, 2019:**

Pursuant to the rules adopted by the Securities and Exchange Commission, or the SEC, we have elected to provide access to our proxy materials, including this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2018, over the Internet. Accordingly, we are sending a Notice Regarding the Availability of Proxy Materials, or the Notice, to our stockholders of record entitled to vote at the Annual Meeting with instructions for accessing the proxy materials and voting over the Internet or by telephone. We intend to mail the Notice on or about April 26, 2019 to all stockholders entitled to vote at the Annual Meeting.

All stockholders entitled to vote at the Annual Meeting will have the ability to access the proxy materials on the website referred to in the Notice and to request to receive a printed set of the proxy materials. This makes the proxy distribution process more efficient and less costly and helps conserve natural resources. Instructions on how to access the proxy materials over the Internet or to request a printed copy of the proxy materials may be found in the Notice.

The Notice will also identify the date, the time and location of the Annual Meeting; the matters to be acted upon at the meeting and the board of directors' recommendation with regard to each matter; a toll-free telephone number, an e-mail address, and a website where stockholders can request to receive, free of charge, a paper or e-mail copy of this proxy statement, our Annual Report on Form 10-K for the year ended December 31, 2018, and a form of proxy relating to the Annual Meeting; information on how to access and vote the form of proxy; and information on how to obtain directions to attend the meeting and vote in person should stockholders choose to do so.

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

**Why am I receiving these materials?**

We are providing these proxy materials to you because the board of directors of Clovis Oncology, Inc. is soliciting your proxy to vote at the Annual Meeting to be held on June 6, 2019 at 8:30 a.m. Mountain Time, including at any adjournments or postponements of the meeting. We intend to begin sending the Notice and making our proxy materials available on or about April 26, 2019 to all stockholders of record entitled to vote at the Annual Meeting.

Edgar Filing: Clovis Oncology, Inc. - Form PRE 14A

You are invited to attend the Annual Meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may follow the instructions below to submit your proxy.

- 1 -



## **Table of Contents**

### **Can I vote my shares by filling out and returning the Notice?**

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

### **How do I attend the Annual Meeting?**

The meeting will be held on Thursday, June 6, 2019 at 8:30 a.m. Mountain Time at the St. Julien Hotel, 900 Walnut Street, Boulder, Colorado 80302.

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

There are four matters scheduled for a vote:

*Proposal 1: Election of Directors.* The election of Brian G. Atwood, James C. Blair, Ph.D., Richard A. Fair, and Paul H. Klingenstein as Class II directors to hold office until the 2022 annual meeting of stockholders;

*Proposal 2: Amendment to our Amended and Restated Certificate of Incorporation.* The approval of an amendment to our Amended and Restated Certificate of Incorporation to increase our authorized number of shares of common stock from 100,000,000 to 200,000,000.

*Proposal 3: Vote on the Compensation of our Named Executive Officers.* The approval, on an advisory basis, of the compensation of our named executive officers, as disclosed in this proxy statement;

*Proposal 4: Ratification of Selection of Independent Registered Public Accounting Firm.* The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

### **How many votes do I have?**

On each matter to be voted upon, you have one vote for each share of common stock you own as of April 8, 2019.

### **How do I vote at the Annual Meeting?**

With respect to the election of directors, you may either vote **For** all of the nominees to the board of directors or you may **Withhold** your vote for any nominee you specify. With respect to the vote on an amendment to our Amended and Restated Certificate of Incorporation to increase the authorized number of shares of our common stock, you may vote **For** or **Against** or abstain from voting. With respect to the advisory vote on the compensation of our named executive officers, you may vote **For** or **Against** or abstain from voting. With respect to the ratification of the selection of our independent registered public accountants, you may vote **For** or **Against** or abstain from voting.

Only stockholders of record at the close of business on April 8, 2019 will be entitled to vote at the Annual Meeting. The procedures for voting are as follows:

*Stockholder of Record: Shares Registered in Your Name*

If on April 8, 2019 your shares were registered directly in your name with our transfer agent, Continental Stock Transfer & Trust Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge

- 2 -

## **Table of Contents**

you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

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

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

To vote by Internet or telephone, follow the instructions on the website referred to in the Notice previously sent to you. Your vote must be received by 11:59 p.m. Eastern Time on June 5, 2019 to be counted.

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

If on April 8, 2019 your shares were registered, not in your name, but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in street name and you should have received a Notice from that organization. Simply follow the voting instructions in the Notice to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker or bank. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with the proxy materials, or contact your broker or bank to request a proxy form.

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

If you return a signed and dated proxy card or otherwise vote without marking voting selections, your shares will be voted, as applicable, For the election of all four nominees for director, For the amendment to our Amended and Restated Certificate of Incorporation, For the vote on the compensation of our named executive officers, and For the ratification of selection of the independent registered public accounting firm. If any other matter is properly presented at the meeting, your proxyholder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

### **What does it mean if I receive more than one Notice?**

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

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

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

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

You may grant a subsequent proxy by telephone or over the Internet.

You may send a timely written notice that you are revoking your proxy to our Secretary at 5500 Flatiron Parkway, Suite 100, Boulder, Colorado 80301.

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

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

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

## Table of Contents

### **What is the quorum requirement?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding at least a majority of the outstanding shares entitled to vote are present at the meeting in person or represented by proxy. On the record date, there were 53,000,000 shares outstanding and entitled to vote. Thus, the holders of 26,500,001 shares must be present in person or represented by proxy at the meeting to have a quorum.

### **What vote is required to approve each proposal?**

*Proposal 1: Election of Directors.* The four nominees who receive the most For votes (among votes properly cast in person or by proxy) will be elected. Only votes For will affect the outcome.

*Proposal 2: Amendment to our Amended and Restated Certificate of Incorporation.* The proposal to approve an amendment to our Amended and Restated Certificate of Incorporation to increase the authorized number of shares of our common stock requires the affirmative ( For ) votes from the holders of a majority of the shares of our common stock outstanding.

*Proposal 3: Vote on the Compensation of our Named Executive Officers.* The proposal to approve an advisory resolution regarding the compensation of our named executive officers requires the affirmative ( For ) votes from the holders of a majority of the shares of our common stock present or represented by proxy and entitled to vote at the Annual Meeting.

*Proposal 4: Ratification of Selection of Independent Registered Public Accounting Firm.* The proposal to ratify the appointment of Ernst & Young LLP, our independent registered public accounting firm, requires the affirmative ( For ) votes from the holders of a majority of the shares of our common stock present or represented by proxy and entitled to vote at the Annual Meeting.

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

Shares of common stock held by persons attending the Annual Meeting, but not voting, and shares represented by proxies that reflect abstentions as to a particular proposal will be counted as present for purposes of determining the presence of a quorum. Abstentions are treated as shares present in person or by proxy and entitled to vote, so abstaining has the same effect as a negative vote for purposes of the vote on the increase in the authorized number of shares of common stock for general corporate purposes, the advisory vote on the approval of the compensation of our named executive officers, and the vote on the ratification of selection of independent registered public accounting firm. However, because the election of directors is determined by a plurality of votes cast, abstentions will not be counted in determining the outcome of such proposals.

Shares represented by proxies that reflect a broker non-vote will be counted for purposes of determining the presence of a quorum. A broker non-vote occurs when a nominee (such as a brokerage firm) holding shares for a beneficial owner has not received instructions from the beneficial owner and does not have discretionary authority to vote the shares for a particular matter. The election of directors (Proposal 1) and the advisory vote on the compensation of our named executive officers (Proposal 3) are proposals for which brokers do not have discretionary voting authority. If you do not instruct your broker or other nominee how to vote with respect to these proposals, those broker non-votes

will not be counted as votes cast and will have no effect on the result of the vote. However, the increase in the authorized number of shares of common stock for general corporate purposes (Proposal 2) and the ratification of the selection of independent registered public accounting firm (Proposal 4) are considered routine matters on which a broker or other nominee has discretionary authority to vote even if no instructions are received from you. Accordingly, no broker non-votes will likely result from these proposals.

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

We will pay for the entire cost of soliciting proxies, including the preparation, assembly, printing and mailing of the Notice, this proxy statement, the proxy card and any other additional solicitation materials that we may

**Table of Contents**

provide to our stockholders. In addition to these proxy materials, Innisfree M&A Incorporated ( Innisfree ) and our directors, officers and employees may also contact you by telephone, via the Internet, in person or by other means of communications to obtain your proxy. We have retained Innisfree as a proxy solicitor in connection with the Annual Meeting. We have agreed to pay to Innisfree a fee of \$25,000 plus reimbursement of customary out-of-pocket expenses incurred in connection with the services, and we have agreed to indemnify Innisfree and certain related persons against certain liabilities relating to or arising out of Innisfree's engagement. Our directors, officers and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

**How can I find out the results of the voting at the Annual Meeting?**

Preliminary voting results will be announced at the Annual Meeting. In addition, final voting results will be disclosed in a Current Report on Form 8-K, or Form 8-K, that we expect to file with the Securities and Exchange Commission, or the SEC, within four business days after the Annual Meeting. If final voting results are not available to us in time to file with the SEC a Form 8-K within four business days after the meeting, we intend to file with the SEC a Form 8-K to disclose preliminary results and, within four business days after the final results are known to us, file with the SEC an additional Form 8-K to disclose the final results.

Table of Contents**PROPOSAL 1****ELECTION OF DIRECTORS**

Our board of directors is divided into three staggered classes of directors of the same or nearly the same number, designated Class I, Class II and Class III, with each class having a three year term. Vacancies on the board of directors may be filled by the affirmative vote of a majority of the remaining directors. A director elected by the board of directors to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified.

There are four directors in Class II whose term of office expires in 2019. Each of the nominees for election to Class II, Brian G. Atwood, James C. Blair, Ph.D., Richard A. Fair, and Paul H. Klingenstein, has been recommended by the nominating and corporate governance committee of the board of directors for election and nominated by the board of directors for election at the Annual Meeting and is currently a member of our board of directors. If re-elected at the Annual Meeting, each of these nominees would serve until our 2022 annual meeting of stockholders and until his or her successor is duly elected and qualified, or, if sooner, until the director's death, resignation or removal. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead be voted for the election of a substitute nominee proposed by us. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

The following table sets forth the name, age and position of each of our nominees as of March 31, 2019:

**Nominees for Election for a Three-Year Term Expiring at the 2022 Annual Meeting Class II**

<b>Name</b>	<b>Age</b>	<b>Position</b>
Brian G. Atwood	66	Director
James C. Blair, Ph.D.	79	Director
Richard A. Fair	50	Director
Paul H. Klingenstein	63	Director

The following is biographical information as of March 31, 2019 for our nominees:

*Brian G. Atwood* has served as a member of our board of directors since our inception. Until December 2017, he was President and CEO as well as a co-founder of Cell Design Labs, Inc., a biotechnology company focused on developing human cell engineering technology for the treatment of multiple diseases, including cancer. In 1999, he co-founded and currently serves as a Managing Director for Versant Ventures, a healthcare-focused venture capital firm. Prior to founding Versant Ventures, Mr. Atwood served as a general partner of Brentwood Associates, a venture capital firm. Mr. Atwood also serves on the board of the biotechnology company, Atreca, Inc. Mr. Atwood also served on the boards of Five Prime Therapeutics (NASDAQ: FPRX), Cadence Pharmaceuticals, Inc. (NASDAQ: CADX) acquired in 2014, Immune Design (NASDAQ: IMDZ), Veracyte (NASDAQ: VCYT), Helicos Biosciences (NASDAQ: HLCS), Pharmion Corporation (acquired in 2008) and Trius Therapeutics, Inc. (NASDAQ: TSRX) acquired in 2013. Mr. Atwood holds a B.S. in biological sciences from the University of California, Irvine, a M.S. in ecology from the University of California, Davis, and an M.B.A. from Harvard University. We believe that Mr. Atwood possesses specific attributes that qualify him to serve as a member of our board of directors, including his experience in the venture capital industry, his years of business and leadership experience and his financial sophistication and expertise.



*James C. Blair, Ph.D.* has served as a member of our board of directors since our inception and serves as the chairman of our compensation committee. Since 1985, he has served as a general partner of Domain Associates, L.L.C., a venture capital management company focused on life sciences. Dr. Blair currently serves on the boards

---

**Table of Contents**

of aTyr Pharma, Inc. (NASDAQ: LIFE), ChromaCode, Inc., Gene Sciences, Inc., and OcuNexus Therapeutics, Inc. He has previously served on the boards of over 40 life science ventures including Amgen Inc. (NASDAQ: AMGN), Amylin Pharmaceuticals, Inc. (NASDAQ: AMLN), Applied Biosystems Inc., Aurora Biosciences Corp., Dura Pharmaceuticals, Inc., Nuvasive, Inc. (NASDAQ: NUVA), Pharmion Corporation (acquired in 2008), Volcano Corporation (NASDAQ: VOLC) and Zogenix, Inc. (NASDAQ: ZGNX). Dr. Blair currently serves on the board of directors of the Prostate Cancer Foundation and the Sanford Burnham Prebys Medical Discovery Institute. He is also on the advisory boards of the Department of Molecular Biology at Princeton University and the Division of Chemistry and Chemical Engineering at the California Institute of Technology. He received a B.S.E. from Princeton University and M.S.E. and Ph.D. degrees from the University of Pennsylvania, all in electrical engineering. We believe that Dr. Blair possesses specific attributes that qualify him to serve as a member of our board of directors, including his experience in the life science industry and his years of business and leadership experience.

*Richard A. Fair* has served as a member of our board of directors since October 2018. Mr. Fair has served as President and Chief Executive Officer, and a member of the board of directors, of Bellicum Pharmaceuticals, Inc. since January 2017. Prior to joining Bellicum, he served as Senior Vice President, Therapeutic Head Oncology Global Product Strategy at Genentech, Inc., a subsidiary of Roche Holding AG. From April 2006 to January 2014, Mr. Fair held other positions at Genentech, including Vice President, Global Product Strategy Hematology & Signaling, from November 2012 through December 2013, and Vice President, Sales & Marketing, Oral Oncolytics, from May 2010 to November 2012. Prior to Genentech, Mr. Fair held positions at Johnson & Johnson, a pharmaceutical and medical device company. Mr. Fair received his B.S. in computer science from the University of Michigan and his MBA from Columbia University. We believe Mr. Fair possesses specific attributes that qualify him to serve as a member of the company's board of directors, including his years of leadership and commercial experience in the oncology industry.

*Paul H. Klingenstein* has served as a member of our board of directors since our inception. He is the Managing Partner of Aberdare Ventures, a healthcare-focused venture capital firm he formed in 1999. Prior to founding Aberdare, Mr. Klingenstein worked in venture capital with Warburg Pincus and Accel Partners, and was an advisor to the Rockefeller Foundation. Mr. Klingenstein currently serves on the boards of several private companies. Mr. Klingenstein has previously served on the boards of Anacor Pharmaceuticals, Inc. (NASDAQ: ANAC), Aviron Inc., Conatus Pharmaceuticals Inc. (NASDAQ: CNAT), EnteroMedics Inc. (NASDAQ: ETRM), Glycomed Inc., Isis Pharmaceuticals, Inc., now Ionis Pharmaceuticals, Inc. (NASDAQ: IONS), Pharmion Corporation (acquired in 2008), Viagene Inc., and Xomed Surgical Products Inc. He is currently a board member of the MacArthur Foundation, the London School of Hygiene and Tropical Medicine, and The Campaign Legal Center. He has also served on the boards of various educational and non-profit institutions. Mr. Klingenstein received an A.B. in anthropology from Harvard University and an M.B.A. from Stanford University. We believe that Mr. Klingenstein possesses specific attributes that qualify him to serve as a member of our board of directors, including his experience in the venture capital industry and his years of business and leadership experience.

If a quorum is present and voting at the Annual Meeting, the nominees receiving the highest number of votes will be elected to our board of directors. Votes withheld from any nominee, abstentions and broker non-votes will be counted only for purposes of determining a quorum. Broker non-votes will have no effect on this proposal as brokers or other nominees are not entitled to vote on such proposals in the absence of voting instructions from the beneficial owner.

**Table of Contents****THE BOARD OF DIRECTORS RECOMMENDS****A VOTE FOR EACH NAMED NOMINEE.****Directors Continuing in Office Until the 2020 Annual Meeting Class III**

The following table sets forth the name, age and position of each of our directors in Class III as of March 31, 2019:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Keith Flaherty, M.D.	48	Director
Ginger L. Graham	63	Director
Edward J. McKinley	67	Director

The following is biographical information as of March 31, 2019 for our directors in Class III:

*Dr. Keith Flaherty* has served as a member of our board of directors since 2013. He is a Professor of Medicine at Harvard Medical School, Associate Physician of Medicine, Hematology/Oncology at Massachusetts General Hospital, and Director of Clinical Research, Massachusetts General Hospital Cancer Center. Dr. Flaherty is also the Deputy Chair for Biomarker Sciences and the Chair of the Developmental Therapeutics Committee in the Eastern Cooperative Oncology Group. Dr. Flaherty has served as Principal Investigator for numerous first-in-human clinical trials with novel, targeted therapies, including the first in-human trials of the first prospectively developed selective BRAF inhibitors for metastatic melanoma. He currently serves on the board of directors of Checkmate Pharmaceuticals Inc. and previously served on the board of Loxo Oncology, Inc. (acquired by Eli Lilly and Company). Dr. Flaherty has a Bachelor of Science from Yale University and medical degree from Johns Hopkins University. Dr. Flaherty trained in internal medicine at Brigham and Women's Hospital and completed a medical oncology fellowship at the University of Pennsylvania. We believe that Dr. Flaherty possesses specific attributes that qualify him to serve as a member of our board of directors, including his scientific background and experience as a clinician in the field of oncology, as well as his expertise reflected in his significant scientific and medical journal publications.

*Ginger Graham* has served as a member of our board of directors since 2013. She is the former President and CEO of Amylin Pharmaceuticals, a biopharmaceutical company based in San Diego, CA focused on diabetes and obesity. Previously, Ms. Graham was Group Chairman, Office of the President for Guidant Corporation. She is the former President and CEO of Two Trees Consulting, where she coached first-time CEOs of public and private companies. She has been a senior lecturer at Harvard University and a faculty member in its Entrepreneurship Unit. Ms. Graham serves on the boards of directors for Elcelyx Therapeutics Inc., Genomic Health, Inc. (NASDAQ: GHDX), and Walgreens Boots Alliance, Inc. (NASDAQ: WBA). She is also a co-founder and owner of Ginger and Baker, a food-hub and tourist destination in Fort Collins, Colorado. Ms. Graham has a Bachelor of Science, Agriculture with high honors from the University of Arkansas and a Master in Business Administration with distinction from Harvard Business School. We believe Ms. Graham possesses specific attributes that qualify her to serve as a member of our board of directors, including her years of business and leadership experience in the life sciences industry.

*Edward J. McKinley* has served as a member of our board of directors since our inception and serves as the chairman of our audit committee. Mr. McKinley spent 20 years serving in various roles at the private equity firm Warburg Pincus, including managing the firm's private equity activity in Europe and serving on the firm's Management Committee. Before joining Warburg Pincus, he was with the management consulting firm McKinsey & Company. Mr. McKinley also served on the board of Pharmion Corporation (acquired in 2008) and currently serves on the boards of several private companies, and as an advisor or investment committee head for several investment

management firms. He also serves on the investment committee of several endowments, and on the boards or advisory boards of several non-profit organizations. He graduated Phi Beta Kappa with honors from Stanford University and holds a graduate management degree from Yale University. We believe that Mr. McKinley possesses specific attributes that qualify him to serve as a member of our board of directors,

**Table of Contents**

including his experience in the venture capital industry, his years of business and leadership experience and his financial sophistication and expertise.

**Directors Continuing in Office Until the 2021 Annual Meeting Class I**

The following table sets forth the name, age and position of each of our directors in Class I as of March 31, 2019:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Patrick J. Mahaffy	56	President and Chief Executive Officer; Director
Robert W. Azelby	51	Director
M. James Barrett, Ph.D.	76	Chairman of the Board of Directors
Thorlef Spickschen	78	Director

The following is biographical information as of March 31, 2019 for our directors in Class I:

*Patrick J. Mahaffy* is one of our co-founders and has served as our President and Chief Executive Officer and a member of our board of directors since our inception. Previously, Mr. Mahaffy served as President and Chief Executive Officer and as a member of the board of directors at Pharmion Corporation, which he founded in 2000 and sold to Celgene Corporation in 2008. From 1992 through 1998, Mr. Mahaffy was President and Chief Executive Officer of NeXagen, Inc. and its successor, NeXstar Pharmaceuticals, Inc., a biopharmaceutical company. Prior to that, Mr. Mahaffy was a Vice President at the private equity firm E.M. Warburg Pincus and Co. Mr. Mahaffy also serves on the boards of directors of Flexion Therapeutics, Inc. (NASDAQ: FLXN) and Orexigen Therapeutics, Inc. (NASDAQ: OREX). He is also a trustee of Lewis and Clark College. Mr. Mahaffy has a B.A. in international affairs from Lewis and Clark College and a M.A. in international affairs from Columbia University. We believe that Mr. Mahaffy possesses specific attributes that qualify him to serve as a member of our board of directors, including his understanding of our business and strategy in his role as our CEO, his experience in the venture capital industry, his historical knowledge, his operational and management expertise and his years of leadership experience.

*Robert W. Azelby* joined our board of directors in October 2018. Mr. Azelby has served as the President and Chief Executive Officer, and a member of the board of directors, of Alder BioPharmaceuticals, Inc. since June 2018. From November 2015 to May 2018, Mr. Azelby served as executive vice president, chief commercial officer of Juno Therapeutics, Inc. From June 2012 to October 2015, Mr. Azelby served as vice president and general manager, oncology at Amgen Inc. From October 2010 to May 2012, he served as Amgen's vice president, Amgen Oncology Sales. Prior to that, he served in various positions at Amgen, including periods as vice president, commercial effectiveness unit and general manager of Amgen Netherlands. Mr. Azelby previously served on the board of directors of Cascadian Therapeutics, Inc. Mr. Azelby holds a B.A. in Economics and Religious Studies from the University of Virginia and an M.B.A. from Harvard Business School. We believe Mr. Azelby possesses specific attributes that qualify him to serve as a member of the company's board of directors, including his years of leadership and commercial experience in the oncology industry.

*Dr. M. James Barrett* has served as a member of our board of directors since our inception and serves as the chairman of our board of directors, and the chairman of our nominating and corporate governance committee. From September 2001 to December 2018, he served as a general partner of New Enterprise Associates Inc., a venture capital firm focusing on the healthcare, information technology and energy technology industries. From 1997 to 2001, Dr. Barrett served as Chairman and Chief Executive Officer of Sensors for Medicine and Science, which he founded in 1997. Dr. Barrett serves on the boards of several pharmaceutical and biotechnology companies, including GlycoMimetics, Inc. (NASDAQ: GLYC), Placon Therapeutics, Inc., Proteostasis Therapeutics, Inc. (NASDAQ: PTI), and Senseonics

Edgar Filing: Clovis Oncology, Inc. - Form PRE 14A

Holdings (NYSE: SENS), as well as continuing to serve as Chairman of Sensors for Medicine and Science. Dr. Barrett previously served on the boards of, among others, Roka Bioscience, Inc. (NASDAQ: ROKA), Amicus Therapeutics, Inc. (NASDAQ: FOLD), Inhibitex, Inc.

- 9 -

**Table of Contents**

(acquired by Bristol-Myers Squibb (NYSE: BMY)), Loxo Oncology, Inc. (acquired by Eli Lilly and Company), Pharmion Corporation (acquired in 2008), Supernus Pharmaceuticals, Inc. (NASDAQ: SUPN), Targacept, Inc. (NASDAQ: TRGT), YM Biosciences, Inc. (AMEX: YMI) and Zosano Pharma Corporation (NASDAQ: ZSAN). Dr. Barrett received a Ph.D. in biochemistry from the University of Tennessee, his M.B.A. from the University of Santa Clara, and a B.S. in chemistry from Boston College. We believe that Dr. Barrett possesses specific attributes that qualify him to serve as a member of our board of directors, including his experience in the venture capital industry and his years of business and leadership experience.

*Dr. Thorlef Spickschen* has served as a member of our board of directors since our inception. From 2005 to 2012, Dr. Spickschen was chairman of Biotest AG, a publicly-traded biotechnology company in Germany. From 1994 to 2001, he was chairman and chief executive officer of BASF Pharma/Knoll AG. From 1984 to 1994, Dr. Spickschen worked with Boehringer Mannheim GmbH, where he was responsible for sales and marketing and has been chairman of its Executive Board since 1990. From 1976 to 1984, Dr. Spickschen was Managing Director, Germany and Central Europe for Eli Lilly & Co. Dr. Spickschen is currently chairman of the advisory board of Heidelberg Innovation, a venture capital firm in life sciences/healthcare, and chairman of Verein Deutsche Nierenstiftung, sponsoring the German kidney foundation. Dr. Spickschen also served on the board of directors for Pharmion Corporation from December 2001 through the company's acquisition in 2008. Dr. Spickschen received a Doctorate in business management from the University of Cologne. We believe that Dr. Spickschen possesses specific attributes that qualify him to serve as a member of our board of directors, including his business and leadership experience in the biomedical industry.

---

Table of Contents

**PROPOSAL 2**

**APPROVAL OF AMENDMENT TO OUR AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK**

Our board of directors has adopted, subject to stockholder approval, an amendment to our Amended and Restated Certificate of Incorporation to increase the authorized number of shares of our common stock from 100,000,000 shares to 200,000,000 shares. The additional common stock that would be authorized by adoption of the amendment would have rights identical to our currently outstanding shares of common stock. Adoption of the proposed amendment and any future issuance of the common stock would not affect the rights of the holders of our currently outstanding common stock, except for effects incidental to the increase in the number of shares of our common stock outstanding, such as dilution of the per share operating results and the voting rights of current holders of our common stock. The proposed amendment will not affect the number of authorized shares of preferred stock of the company, par value \$0.001, which is 10,000,000 shares. Currently there are no shares of the preferred stock outstanding.

On April 2, 2019, we had 52,994,050 shares of common stock outstanding. In addition, 9,212,213 shares are reserved for issuance upon exercise of stock options and other equity awards that were outstanding on April 2, 2019, 1,823,746 shares are reserved for future issuances and grants made under our equity incentive and employee stock purchase plans, and 11,902,553 shares are reserved for the conversion of our convertible senior notes. In addition, our board of directors has approved an increase to the shares of common stock issuable under the Clovis Oncology, Inc. 2011 Stock Incentive Plan in the amount of 4% of the number of shares of our common stock outstanding on the date of our Annual Meeting, which we currently estimate will be approximately 2,120,000 shares. As a result, without this proposed increase there would be only approximately 21,947,439 shares of common stock available for issuance for other purposes following our Annual Meeting.

The board of directors believes it would be prudent and advisable to have the additional shares available to provide additional flexibility regarding the potential use of shares of common stock for business and financial purposes in the future. Having an increased number of authorized but unissued shares of common stock would allow us to take prompt action with respect to corporate opportunities that develop, without the delay and expense of convening a special meeting of stockholders for the purpose of approving an increase in our capitalization. The additional shares could be used for various purposes without further stockholder approval. These purposes may include: (i) raising capital, if we have an appropriate opportunity, through offerings of common stock or securities that are convertible into common stock; (ii) exchanges of common stock or securities that are convertible into common stock for other outstanding securities; (iii) providing equity incentives to employees, officers or directors; (iv) establishing strategic relationships with other companies; (v) expanding our business or product lines through the acquisition of other businesses or products; and (vi) other purposes.

Our board of directors has not proposed the increase in authorized shares of common stock with the intention of discouraging tender offers or takeover attempts of the company. However, the availability of additional authorized shares for issuance could, under certain circumstances, discourage or make more difficult efforts to obtain control of our company. This proposal is not being presented with the intent that it be used to prevent or discourage any acquisition attempt, but nothing would prevent our board of directors from taking any appropriate actions not inconsistent with its fiduciary duties.

If this proposal is approved, we expect to file a Certificate of Amendment to our Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware to increase the number of authorized shares of our common stock as soon as practicable following stockholder approval. Upon filing of the Certificate of Amendment with the Delaware Secretary of State, the first sentence of Article IV of the Amended and Restated Certificate of



Incorporation will be amended and restated to read as follows:

The total number of shares of stock that the Corporation shall have authority to issue is 210,000,000 shares, consisting of 200,000,000 shares of Common Stock, \$0.001 par value per share (the Common Stock ), and 10,000,000 shares of Preferred Stock, \$0.001 par value per share (the Preferred Stock ).

- 11 -

**Table of Contents**

Stockholder approval of this Proposal 2 will require the affirmative vote of the holders of a majority of the outstanding shares of our common stock. Abstentions will be counted toward the tabulation of votes on this proposal and will have the same effect as negative votes. Proposal 2 is a routine matter on which a broker or other nominee has discretionary authority to vote. Accordingly, no broker non-votes will likely result from this proposal.

**THE BOARD OF DIRECTORS RECOMMENDS**

**A VOTE FOR THIS PROPOSAL 2.**

- 12 -

**Table of Contents**

**PROPOSAL 3**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, and Section 14A of the Securities Exchange Act of 1934, as amended, or the Exchange Act, at the Annual Meeting, our stockholders are entitled to vote, on an advisory (nonbinding) basis, on the compensation of our named executive officers as disclosed in this proxy statement. This proposal, commonly known as a say-on-pay proposal, gives our stockholders the opportunity to express their views on our named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement.

A majority of the votes cast at the 2018 annual meeting were voted in favor of holding the advisory vote on executive compensation every year. The advisory vote on executive compensation was last held at the 2018 annual meeting.

Although the vote is advisory and, accordingly, the results are not binding on us, our compensation committee and board of directors value the input of our stockholders and will consider the results of the vote when making future compensation decisions for our named executive officers.

As described more fully under the heading "Compensation Discussion and Analysis" in this proxy statement, our executive compensation program is designed to attract, retain and motivate individuals with superior ability, experience and leadership capability to deliver on our annual and long-term business objectives necessary to create stockholder value. We urge stockholders to read the "Compensation Discussion and Analysis" section of this proxy statement, which describes in detail how our executive compensation policies and procedures operate and are intended to operate in the future. The compensation committee and the board of directors believe that our executive compensation program fulfills these goals and is reasonable, competitive and aligned with our performance and the performance of our executives.

We are asking our stockholders to indicate their support for the compensation of our named executive officers as described in this proxy statement. Accordingly, we ask that our stockholders vote **FOR** the following resolution:

**RESOLVED**, that the stockholders of Clovis Oncology, Inc. approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Clovis Oncology, Inc. Proxy Statement for the 2019 Annual Meeting of Stockholders, pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and narrative disclosure.

Stockholder approval of this Proposal 3 will require the affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting. Abstentions will be counted toward the tabulation of votes on this proposal presented to the stockholders and will have the same effect as negative votes. Broker non-votes will have no effect on this proposal as brokers or other nominees are not entitled to vote on such proposals in the absence of voting instructions from the beneficial owner.

**THE BOARD OF DIRECTORS RECOMMENDS**

**A VOTE FOR THIS PROPOSAL 3.**



**Table of Contents****PROPOSAL 4****RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The audit committee of our board of directors has selected Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2019 and has further directed that management submit the selection of independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. Ernst & Young LLP has audited our financial statements since 2009. Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our amended and restated bylaws nor our other governing documents or law require stockholder ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm. However, the audit committee is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the audit committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the audit committee in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in our best interests or those of our stockholders.

**Principal Accountant Fees and Services**

The following table represents aggregate fees billed to us for the years ended December 31, 2018 and December 31, 2017, by Ernst & Young LLP, our principal accountant.

	<b>Year Ended December 31,</b>	
	<b>2018</b>	<b>2017</b>
Audit Fees <sup>(1)</sup>	\$ 1,155,337	\$ 1,039,883
Tax Fees <sup>(2)</sup>	252,252	230,788
	<b>\$ 1,407,589</b>	<b>\$ 1,270,671</b>

(1) Audit fees include fees associated with the annual audit of our financial statements, the reviews of our interim financial statements, professional services related to our public offerings of securities and all services that are normally provided by the accounting firm in connection with statutory and regulatory filings or engagements.

(2) Tax fees include fees associated with tax compliance, tax advice and tax planning.

All fees described above for the year ended December 31, 2018 were approved by our audit committee.

**Pre-Approval Policies and Procedures**

The audit committee has adopted a policy and procedures for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm, Ernst & Young LLP. Pre-approval may also be given as part of the audit committee's approval of the scope of the engagement of the independent auditor or on an individual, explicit, case-by-case basis before the independent auditor is engaged to provide each service. The pre-approval of services may be delegated to one or more of the audit committee's members, but the decision must be

reported to the full audit committee at its next scheduled meeting.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the selection of Ernst & Young LLP. Abstentions will be counted toward the tabulation of votes on this proposal presented to the stockholders and will have the same effect as negative votes. The approval of Proposal 4 is a routine proposal on which a broker or other

- 14 -

**Table of Contents**

nominee has discretionary authority to vote. Accordingly, no broker non-votes will likely result from this proposal.

**THE BOARD OF DIRECTORS RECOMMENDS**

**A VOTE FOR THIS PROPOSAL 4.**

- 15 -

---

**Table of Contents**

**INFORMATION REGARDING THE BOARD OF DIRECTORS  
AND CORPORATE GOVERNANCE**

**Board Independence**

Rule 5605 of the NASDAQ Marketplace Rules requires a majority of a listed company's board of directors to be comprised of independent directors within one year of listing. In addition, the NASDAQ Marketplace Rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Exchange Act. Under Rule 5605(a)(2), a director will only qualify as an independent director if, in the opinion of our board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of the composition of our board of directors and its committees and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that none of Drs. Barrett, Blair, Flaherty, and Spickschen, Ms. Graham, or Messrs. Atwood, Azelby, Fair, Klingenstein and McKinley, representing ten of our eleven directors, has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is independent as that term is defined under Rule 5605(a)(2) of the NASDAQ Marketplace Rules.

Our board of directors also determined that Messrs. Atwood, Klingenstein, and McKinley, who comprise our audit committee, Drs. Barrett, Blair, Spickschen, Ms. Graham and Mr. Fair, who comprise our compensation committee, and Drs. Barrett, Blair, Flaherty, and Messrs. Atwood and Azelby, who comprise our nominating and corporate governance committee, satisfy the independence standards for such committees established by the SEC and the NASDAQ Marketplace Rules, as applicable. In making such determination, our board of directors considered the relationships that each such non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining independence, including the beneficial ownership of our capital stock by each non-employee director.

**Board Leadership Structure**

Our board of directors has an independent Chairman, M. James Barrett. Our board of directors recognizes that it is important to determine an optimal board leadership structure to ensure the independent oversight of management as we continue to grow. We separate the roles of Chief Executive Officer and Chairman of the board of directors in recognition of the differences between the two roles. The Chief Executive Officer is responsible for setting our strategic direction, day-to-day leadership and performance, while the Chairman of the board of directors provides guidance to the Chief Executive Officer and presides over meetings of the full board of directors. We believe that this separation of responsibilities provides a balanced approach to management of our board of directors and oversight of us. However, no single leadership model is right for all companies and at all times. The board of directors recognizes that depending on the circumstances, other leadership models, such as combining the role of Chairman with the role of Chief Executive Officer, might be appropriate. Accordingly, the board of directors may periodically review its leadership structure.



**Board's Role in Risk Oversight**

Our audit committee is primarily responsible for overseeing our risk management processes on behalf of the full board of directors. The audit committee receives reports from management at least quarterly regarding our

**Table of Contents**

assessment of risks. In addition, the audit committee reports regularly to the full board of directors, which also considers our risk profile. The audit committee and the full board of directors focus on the most significant risks we face and our general risk management strategies. While our board of directors oversees our risk management, company management is responsible for day-to-day risk management processes. Our board of directors expects company management to consider risk and risk management in each business decision, to proactively develop and monitor risk management strategies and processes for day-to-day activities and to effectively implement risk management strategies adopted by the audit committee and the board of directors. We believe this division of responsibilities is the most effective approach for addressing the risks we face and that our board leadership structure, which also emphasizes the independence of the board of directors in its oversight of our business and affairs, supports this approach.

**Board Meetings**

During the fiscal year 2018, our board of directors met seven times, including telephonic meetings. In that year, each director attended at least 75% of the aggregate of the meetings held by the board of directors, and each director who is a member of a committee attended at least 75% of the meetings the committees of our board of directors held on which the director served, except for M. James Barrett, who was able to attend only 67% of the meetings held by the compensation committee due to unresolvable scheduling conflicts. All of our directors then serving attended our annual meeting of stockholders in 2018. Although we do not have a formal policy regarding attendance by members of the board of directors at our annual meetings of stockholders, directors are encouraged to attend.

**Information Regarding Board Committees**

Our board of directors has established three standing committees: an audit committee, a compensation committee, and a nominating and corporate governance committee. The following table provides membership and meeting information for 2018 for each of the board of directors committees:

Name	Audit	Compensation	Nominating and Corporate Governance
<b><i>Employee Director:</i></b>			
Patrick J. Mahaffy			
<b><i>Non-Employee Directors:</i></b>			
Brian G. Atwood	X		X
Robert W. Azelby			X
M. James Barrett		X	X*
James C. Blair		X*	X
Richard A. Fair		X	
Keith Flaherty			X
Ginger L. Graham		X	
Paul H. Klingenstein	X		
Edward J. McKinley	X*		
Thorlef Spickschen		X	
Total meetings in 2018:	5	6	4

\* Committee Chair

Appointed October 2018

Below is a description of each committee of the board of directors.

- 17 -

**Table of Contents**

**Audit Committee**

The members of the audit committee are Messrs. Atwood, Klingenstein, and McKinley, each of whom qualifies as an independent director under the corporate governance standards of the NASDAQ Stock Market and the independence requirements of Rule 10A-3 of the Exchange Act. Our board of directors has determined that Mr. McKinley qualifies as an audit committee financial expert as such term is defined in Item 407(d)(5) of Regulation S-K. Mr. McKinley serves as chairman of this committee. During the fiscal year 2018, our audit committee met five times, including telephonic meetings.

Our audit committee oversees a broad range of issues surrounding our accounting and financial reporting processes and audits of our financial statements, and assists our board of directors by: (1) overseeing and monitoring the quality and integrity of our financial statements, our compliance with legal and regulatory requirements and our internal accounting procedures and systems of internal controls (2) assuming direct responsibility for the appointment, compensation, retention and oversight of work of any independent registered public accounting firm engaged for the purpose of performing any audit, review or attestation services, for overseeing and monitoring our independent registered public accounting firm's qualifications and independence, and for dealing directly with any such accounting firm, including resolving disagreements between management and our independent auditor; (3) providing a medium for consideration of matters relating to any audit issues; and (4) preparing the audit committee report required to be included in our filings under the rules and regulations of the SEC. The written charter for the audit committee is available on our website at <http://ir.clovisoncology.com> under Corporate Governance.

**Table of Contents**

**REPORT OF THE AUDIT COMMITTEE**

Our audit committee has reviewed our audited financial statements for the fiscal year ended December 31, 2018 and discussed them with our management and our independent registered public accounting firm, Ernst & Young LLP.

Our audit committee has also received from, and discussed with, Ernst & Young LLP various communications that Ernst & Young LLP is required to provide to our audit committee, including the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board.

In addition, our audit committee has received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP's communications with our audit committee concerning independence, and has discussed with Ernst & Young LLP their independence.

Based on the review and discussions referred to above, our audit committee has recommended to the board of directors that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2018, filed by us with the SEC.

Respectfully submitted,

**The Audit Committee of the Board of Directors**

Brian G. Atwood

Paul H. Klingenstein

Edward J. McKinley

*The material in this report is not soliciting material, shall not be deemed filed with the SEC and shall not to be incorporated by reference in any filing of Clovis Oncology, Inc. under the Securities Act of 1933, as amended, or the Securities Act, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.*

**Compensation Committee**

The members of the compensation committee are Drs. Barrett, Blair, and Spickschen, Ms. Graham and Mr. Fair, each of whom qualifies as an independent director under the corporate governance standards of the NASDAQ Stock Market. Each member of our compensation committee is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act and is an outside director, as defined pursuant to Section 162(m) of the Code. Dr. Blair serves as chairman of this committee. During fiscal year 2018, our compensation committee met six times, including telephonic meetings.

The compensation committee assists our board of directors in discharging its responsibilities relating to (1) setting our compensation program and compensation and benefits of all of our executive officers and directors; (2) providing oversight for our incentive and equity-based compensation plans; (3) establishing and reviewing general policies relating to compensation and benefits of our employees; and (4) preparing the compensation committee report required to be included in our filings under the rules and regulations of the SEC. The compensation committee may

form and delegate authority to subcommittees consisting of one or more members when appropriate, except that it shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the compensation committee as a whole. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter. The written charter for the compensation committee is available on our website at <http://ir.clovisoncology.com> under Corporate Governance.

## **Table of Contents**

### **Compensation Committee Interlocks and Insider Participation**

No member of our compensation committee has ever been an executive officer or employee of ours. For a description of certain transactions between us and certain members of our compensation committee and their affiliated entities, see **Certain Relationships and Related Party Transactions** below. None of our officers currently serves, or has served during the last completed fiscal year, on the compensation committee or board of directors of any other entity that has one or more officers serving as a member of our board of directors or compensation committee.

### **Nominating and Corporate Governance Committee**

The members of the nominating and corporate governance committee are Drs. Barrett, Blair, and Flaherty and Messrs. Atwood and Azelby, each of whom qualifies as an independent director under the corporate governance standards of the NASDAQ Stock Market. Dr. Barrett serves as chairman of this committee. During fiscal year 2018, our nominating and corporate governance committee met four times, including telephonic meetings.

The nominating and corporate governance committee assists our board of directors in discharging its responsibilities relating to (1) developing and recommending criteria for selecting new directors, and identifying, screening and recommending nominees for election as directors; (2) screening and recommending to the board of directors individuals qualified to become executive officers; (3) evaluating our board of directors and its dealings with management; (4) developing, reviewing and recommending corporate governance guidelines and a code of business ethics; (5) generally advising our board of directors on other corporate governance and related matters; and (6) overseeing non-financial compliance. The written charter for the nominating and corporate governance committee is available on our website at <http://ir.clovisoncology.com> under **Corporate Governance**.

### **Director Nomination Process**

Our nominating and corporate governance committee is responsible for identifying, considering and recommending director candidates to fill new positions or vacancies on our board of directors, including candidates proposed by our stockholders, except where the right to nominate a director legally belongs to a third party. Our board of directors is responsible for recommending a slate of directors for election by our stockholders.

In identifying individual candidates, our nominating and corporate governance committee considers current members of our board of directors, as well as candidates referred or recommended to it by directors, members of management, stockholders and others. We may also engage, and have in the past used, professional search firms to identify director candidates for consideration. In evaluating the suitability of individual candidates (both new candidates and current directors), our nominating and corporate governance committee, in recommending candidates for election, and our board of directors, in approving (and, in the case of vacancies, appointing) such candidates, takes into account many factors, including personal and professional integrity, ethics and values; experience in corporate management, such as serving as an officer or former officer of a publicly held company; commercialization experience in pharmaceutical companies; strong finance experience; experience relevant to us; experience as a board member of another publicly held company; diversity of expertise and experience in substantive matters pertaining to our business relative to other board members; diversity of background and perspective, including with respect to age, gender, race, place of residence and specialized experience; and practical and mature business judgment, including the ability to make independent analytical inquiries. The board of directors evaluates each individual in the context of the board of directors as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas. In determining whether to recommend a director for re-election, the nominating and corporate governance committee may also consider the director's past attendance at meetings and participation in and

contributions to the activities of the board of directors. The nominating and corporate governance committee is responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members.



## **Table of Contents**

In 2018, we determined that we could benefit from directors with more specific commercial experience in the oncology field, and we initiated a search to identify qualified candidates. We engaged a professional search firm to assist in identifying qualified candidates. In addition to the factors above that our nominating and corporate governance committee takes into account in recommending candidates, we directed the search firm to emphasize recent commercial oncology experience and diversity, while ensuring that a candidate was not currently in a position that would create the appearance of, or an actual conflict of interest. Our search firm identified multiple candidates, and our nominating and corporate governance committee ultimately selected Robert Azelby and Richard Fair for recommendation to the board of directors. In October 2018, the board of directors increased its size from nine members to eleven members and appointed both Robert Azelby and Richard Fair to the board of directors to fill the newly created vacancies. It is a priority of our board of directors to increase the diversity, including ethnic, gender, age and experience, among the members of our board.

We have not received director candidate recommendations from our stockholders. We do not have a formal policy regarding consideration of such recommendations because any recommendations received from stockholders will be evaluated in the same manner that potential nominees suggested by board members, management or other parties are evaluated. We do not intend to treat stockholder recommendations in any manner different from other recommendations.

Stockholders wishing to make director candidate recommendations should address such recommendations to our corporate secretary, Paul E. Gross, at Clovis Oncology, Inc., 5500 Flatiron Parkway, Suite 100, Boulder, Colorado 80301, in accordance with the procedures detailed under the heading "Stockholder Proposals to be Presented at Next Annual Meeting" below.

## **Stockholder Communications with the Board of Directors**

Stockholders seeking to communicate with our board of directors should submit their written comments to our corporate secretary, Paul E. Gross, at Clovis Oncology, Inc., 5500 Flatiron Parkway, Suite 100, Boulder, Colorado 80301. The corporate secretary will forward such communications to each member of our board of directors; provided that, if in the opinion of our corporate secretary it would be inappropriate to send a particular stockholder communication to a specific director, such communication will only be sent to the remaining directors (subject to the remaining directors concurring with such opinion).

## **Corporate Governance Guidelines**

As a part of the board of directors' commitment to building long-term stockholder value with an emphasis on corporate governance, the board of directors has adopted a set of Corporate Governance Guidelines, which guides the operation of the board of directors and its committees. Our Corporate Governance Guidelines cover, among other topics, board composition, structure and functioning, board membership criteria, director independence, board self-evaluations, committees of the board of directors, board access to management and independent advisers, stock ownership guidelines for members of the board of directors and our executive officers, and succession and leadership development. A copy of the Corporate Governance Guidelines can be viewed on our website at <http://ir.clovisoncology.com> under "Corporate Governance."

## **Code of Business Ethics**

We have adopted the Clovis Oncology, Inc. Code of Business Ethics that contains the ethical principles by which all directors, officers and employees of Clovis Oncology, Inc. are expected to conduct themselves when carrying out their duties and responsibilities. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding

amendments to, or waivers from, a provision of our Code of Business Ethics by posting such information on our website at [www.clovisoncology.com](http://www.clovisoncology.com). Our Code of Business Ethics is available on our website at <http://ir.clovisoncology.com> under Corporate Governance.

**Table of Contents****EXECUTIVE AND DIRECTOR COMPENSATION****Executive Officers**

The following table sets forth the name, age and position of each of our executive officers as of March 31, 2019:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Patrick J. Mahaffy	56	President and Chief Executive Officer; Director
Lindsey Rolfe, BSc, MB ChB, MRCP, FFPM	51	Executive Vice President of Clinical and Pre-Clinical Development and Pharmacovigilance and Chief Medical Officer
Gillian C. Ivers-Read	65	Executive Vice President and Chief Regulatory Officer
Daniel W. Muehl	56	Executive Vice President of Finance, Principal Accounting Officer and Principal Financial Officer
Paul E. Gross	54	Executive Vice President, General Counsel and Chief Compliance Officer

The following is biographical information as of March 31, 2019 for our executive officers other than Mr. Mahaffy, whose biographical information appears above in Proposal 1, Election of Directors.

*Dr. Lindsey Rolfe* has served as our Executive Vice President of Clinical and Pre-Clinical Development and Pharmacovigilance and Chief Medical Officer since August 2015. Dr. Rolfe joined Clovis in April 2010 and served as Senior Vice President of Clinical Development until her promotion. Dr. Rolfe has 20 years of drug development experience and previously served in senior oncology development roles at Celgene Corporation, Pharmion Corporation (acquired in 2008), Cambridge Antibody Technology, UCB Inc. and Celltech Group plc. Dr. Rolfe qualified in medicine at the University of Edinburgh. She undertook post graduate medical training in London, U.K. and obtained her post-graduate internal medicine qualification as a Member of the Royal College of Physicians (MRCP). She has specialist accreditation in Pharmaceutical Medicine from the U.K. General Medical Council and is a Fellow of the Faculty of Pharmaceutical Medicine.

*Gillian C. Ivers-Read* is one of our co-founders and has served as our Executive Vice President and Chief Regulatory Officer since our inception. Previously, Ms. Ivers-Read served as Executive Vice President, Development Operations at Pharmion Corporation (acquired in 2008), beginning in 2002. From 1996 to 2001, Ms. Ivers-Read held various regulatory positions with Hoechst Marion Roussel and its successor, Aventis Pharmaceuticals, Inc., where she most recently held the position of Vice President, Global Regulatory Affairs. From 1994 to 1996, Ms. Ivers-Read was Vice President, Development and Regulatory Affairs for Argus Pharmaceuticals, and from 1984 to 1994, she served as a regulatory affairs director for Marion Merrell Dow. Ms. Ivers-Read received a B.Sc. in pharmacology from University College London.

*Daniel W. Muehl* was appointed our Principal Accounting Officer and Principal Financial Officer in March 2016 and has served as our Executive Vice President of Finance since February 2019 and, prior to that, as our Senior Vice President of Finance from September 2016 and Vice President of Finance since 2015. Previously, Mr. Muehl was the Chief Financial Officer of biotechnology company Somalogic, Inc. from 2014 to 2015 and prior to that the Chief Financial Officer of bio-industrial company OPX Biotechnologies, Inc. from 2010 to 2014. He earned a Bachelor of Science degree in accounting from the University of Massachusetts Amherst and received his Certified Public Accountant certificate in 1990.

*Paul E. Gross* has served as our Executive Vice President, General Counsel and Chief Compliance Officer since February 2019 and, prior to that, as our Senior Vice President, General Counsel and Chief Compliance Officer since January 2016. Previously, Mr. Gross was the General Counsel for Datalogix, Inc. from 2014 to 2015 and from 2015 to 2016 was a Director of Business Operations with Oracle Corporation following the acquisition of Datalogix by Oracle in 2015. From 2010 to 2014, Mr. Gross was founding partner of the law firm Gross Cutler Seiler Dupont LLC and prior to that a partner with Cooley LLP. Mr. Gross earned a Bachelor of Science degree from the U.S. Naval Academy and a Juris Doctor from King Hall School of Law, University of California, Davis.

**Table of Contents**

**COMPENSATION DISCUSSION AND ANALYSIS**

**EXECUTIVE SUMMARY**

We are a biopharmaceutical company focused on acquiring, developing and commercializing innovative anti-cancer agents in the United States, the EU and additional international markets. We target our development programs for the treatment of specific subsets of cancer populations, and simultaneously develop, with partners, for those indications that require them, diagnostic tools intended to direct a compound in development to the population that is most likely to benefit from its use. To support this business strategy, we believe in rewarding our employees for helping us achieve our goals and delivering exceptional performance. Consistent with this general philosophy, we have designed our executive compensation program to tie a significant portion of an executive's overall compensation to the achievement of our corporate goals and increases in stockholder value.

To help ensure our executives' pay is aligned with our overall business strategy, our executive compensation program is driven by a core set of objectives which are supported by our overall compensation philosophy:

**Objectives**

**Our executive compensation program is designed to:**

Attract, motivate and retain talented executives who have the skills to drive our future growth and development.

Align executive and stockholder interests and our long-term interests through equity ownership requirements and grants of equity-based awards.

Motivate the achievement of key strategic financial and operational goals that maximize rational growth.

**2018 Named Executive Officers**

**Philosophy**

**Our executive compensation philosophy is built on the following principles:**

Position compensation competitively in the marketplace.

Motivate our executives to achieve the greatest possible returns for our stockholders.

Reward results for achieving strong company-wide and individual performance (pay-for-performance).

The following individuals were our named executive officers of Clovis for 2018:

<b>Named Executive Officer</b>	<b>Role</b>	<b>Tenure</b>
Mr. Patrick J. Mahaffy	President and Chief Executive Officer; Director	Co-Founder <sup>1</sup>
Mr. Daniel W. Muehl	Executive Vice President of Finance, Principal Accounting Officer and Principal Financial Officer <sup>2</sup>	4 years
Ms. Gillian C. Ivers-Read	Executive Vice President and Chief Regulatory Officer	Co-Founder <sup>1</sup>
Dr. Lindsey Rolfe	Executive Vice President of Clinical and Pre-Clinical Development and Pharmacovigilance and Chief Medical Officer	9 years
Mr. C. Dale Hooks	Senior Vice President and Chief Commercial Officer	Left the company in 2018 <sup>3</sup>

<sup>1</sup> Clovis Oncology, Inc. was founded in 2009.

<sup>2</sup> Mr. Muehl was promoted to Executive Vice President on February 1, 2019.

<sup>3</sup> Mr. Hooks resigned from Clovis on October 29, 2018.

### **2018 Performance**

In 2018, Clovis achieved the following corporate goals:

Received supplemental new drug application (sNDA) approval in April 2018 for Rubraca to include maintenance treatment indication;

**Table of Contents**

Successfully launched Rubraca for maintenance treatment in the United States;

Achieved commercial launch readiness for Rubraca in Germany and the United Kingdom ahead of the EU maintenance treatment approval;

Completed financing raising approximately \$386 million in net proceeds to us in April 2018;

Released initial results from TRITON2 at European Society for Medical Oncology (ESMO) 2018 Congress, which supported the receipt of Breakthrough Therapy designation in October 2018;

Met patient enrollment goals for the ARIEL 4, ATHENA, TRITON2, and RUCA-J studies;

Opened a new facility in partnership with Lonza in October 2018, for the production of Rubraca's active pharmaceutical ingredient (API);

Received the return to Clovis of certain development and commercialization rights to lucitanib; and

Achieved a 90% employee retention rate.

In 2018, our focus remained on acquiring, developing and commercializing anti-cancer agents in 2018. In April 2018, Rubraca® (rucaparib) was approved by the U.S. Food and Drug Administration (FDA) for the maintenance treatment of adult patients with recurrent epithelial ovarian, fallopian tube, or primary peritoneal cancer who are in a complete or partial response to platinum-based chemotherapy. Diagnostic testing is not required for patients to be prescribed Rubraca in this maintenance treatment indication. This is the second approved indication for Rubraca in the U.S., following its approval in December 2016 as monotherapy for the treatment of patients with advanced ovarian cancer. FDA granted regular approval for Rubraca in this second, broader and earlier-line indication on a priority review timeline based on positive data from the phase 3 ARIEL3 clinical trial, for which we first announced data in June 2017. This approval in the maintenance treatment indication supported our ability to raise net proceeds of \$386 million in a financing in April 2018.

We were prepared for the commercial launch in the U.S. in the maintenance treatment indication immediately upon approval by the FDA. We did not achieve our net revenue goal for 2018, due to lower than expected uptake of PARP inhibitors as a class in the second line (2L) maintenance treatment setting, and Rubraca's share of that, as well as the unexpected amount of free drug provided under our patient assistance programs. We also took steps in 2018 to address what we view as the primary challenges to growth of Rubraca in the ovarian cancer space. Our year-end cash position was slightly lower than the goal we set for 2018, due mainly to the lower 2018 revenues. This financial performance is reflected in the volatility of our stock price in 2018, which drove a five-year annualized total shareholder return (TSR) of -21.51%. However, stronger sales performance in the fourth quarter of 2018 had a positive impact on both our stock price and TSR.

In May 2018, the European Commission (EC) authorized Rubraca as monotherapy treatment of adult patients with platinum-sensitive, relapsed or progressive, BRCA mutated (germline and/or somatic), high-grade epithelial ovarian,

fallopian tube, or primary peritoneal cancer, who have been treated with two or more prior lines of platinum based chemotherapy, and who are unable to tolerate further platinum based chemotherapy. Following this approval, we submitted a regulatory application to the European Medicines Agency (EMA), as part of a type II variation seeking to expand the marketing authorization for Rubraca (rucaparib) to include a maintenance treatment indication similar to our maintenance treatment indication in the United States.

In October 2018, we presented initial data from our TRITON2 study in advanced prostate cancer at the ESMO 2018 Congress. These data were the basis for the Breakthrough Therapy designation granted in October 2018 by the FDA for Rubraca as a monotherapy treatment of adult patients with *BRCA1/2* mutated mCRPC who have received at least one prior androgen receptor (AR)-directed therapy and taxane-based chemotherapy.

In December 2018, the EMA's Committee for Medicinal Products for Human Use (CHMP) adopted a positive opinion recommending an additional indication to include rucaparib as monotherapy for the maintenance treatment of adult patients with platinum-sensitive relapsed high-grade epithelial ovarian, fallopian tube, or primary peritoneal cancer who are in response (complete or partial) to platinum-based chemotherapy. In January



---

**Table of Contents**

2019, the EC approved the use of Rubraca for this second indication, expanding Rubraca's indication beyond its initial marketing authorization in the EU and making Rubraca available to those patients regardless of their BRCA mutation status. One of our goals for 2018 was to be ready for the commercial launch of this maintenance treatment indication in Germany and the United Kingdom. As expected, we did not receive the marketing authorization until early 2019, and upon receipt of the marketing authorization we had completed the build out of the commercial teams in Germany and the U.K. necessary to launch, and were prepared for the commercial launch for the maintenance treatment indication.

Throughout 2018 we continued to enroll patients in our ARIEL4 trial, our phase 3 confirmatory trial for third line treatment of ovarian cancer, and continued to establish sites and enroll patients in TRITON2 and TRITON3, our phase 2 and phase 3, respectively, trials for mCRPC. We also enrolled the first patient in ATHENA, our phase 3 study in advanced ovarian cancer in the first-line maintenance treatment setting evaluating Rubraca plus Opdivo® (PD-1 inhibitor), Rubraca, Opdivo and placebo in newly diagnosed patients who have completed platinum-based chemotherapy. Our phase 1 RUCA-J study identified the 600mg BID dose of rucaparib as the recommended dose in Japanese patients; this will enable development of a bridging strategy and potential inclusion of Japanese sites in planned or ongoing global studies. Each of these studies is currently enrolling patients.

While we did not acquire rights to an additional molecule, rights to lucitanib outside of the U.S. and Japan (excluding China), which had been partnered previously with Servier, were returned to us. Lucitanib is an investigational, oral, potent inhibitor of the tyrosine kinase activity of vascular endothelial growth factor receptors 1 through 3 (VEGFR1-3), platelet-derived growth factor receptors alpha and beta (PDGFRa/B) and fibroblast growth factor receptors 1 through 3 (FGFR1-3). Recent data for a drug that inhibits these same three pathways when combined with a PD-1 inhibitor are extremely encouraging and represent a scientific rationale for the development of lucitanib in combination with a PD-1 inhibitor, and we plan a sponsored study of lucitanib in combination with Opdivo in gynecologic cancers. We also intend to initiate a study of lucitanib in combination with rucaparib in ovarian cancer, based on encouraging data of VEGF and PARP inhibitors in combination. Each of these Phase 1b/2 studies is expected to initiate during the first half of 2019.

In addition to the above corporate goals, in 2018, two new patents were issued by the United States Patent and Trademark Office in our high dosage strength rucaparib tablets patent family, with claims that cover the commercial Rubraca product, including all commercial dosage strengths. These patents expire in 2035. And, in December 2018, we announced a positive outcome in the European Opposition proceeding related to our European Patent 2534153 for Rubraca.

Lonza completed the construction of a production train dedicated to the manufacture of Rubraca API in the fourth quarter of 2018, and Lonza then began production of the API in that production train.

Although we met most of our corporate goals in 2018 and achieved certain other accomplishments, based on our operational and financial performance in 2018, the target cash bonuses for our named executive officers paid out below target levels for the year, primarily due to lower than expected sales; see page 37 for details on annual incentive award decisions. Overall, executive compensation for 2018 reflects our compensation objectives and our operating performance, demonstrating a long-standing commitment to pay our executives based upon the performance they deliver.

**Table of Contents**

**Overview of 2018 Compensation Decisions and Actions**

The table below summarizes the decisions that the compensation committee made for 2018 relative to our named executive officers' compensation, as well as updates to the compensation programs for 2019.

**Factors  
Guiding Our  
Decisions**

Executive compensation program objectives and philosophy (see page 23);

Degree of achievement of key strategic financial and operational goals for 2017 (for salary and long-term incentive grant decisions made in early 2018) and for 2018 (for annual incentive plan payments made in early 2019 and long-term incentive grant decisions made in 2019). See page 36 for our 2018 goals and performance;

Recommendations of our President and Chief Executive Officer (CEO) (other than with respect to his own compensation) (see page 31);

Advice of an independent outside compensation consultant (see page 32);

Stockholder input (see page 27);

Market pay practices of our peer group as benchmarked by our independent consultant, including examining trends; and

Current and historical compensation.

**Key 2018  
Compensation  
Decisions**

**Base Salary**

Effective March 1, 2018, named executive officers received base salary increases between 3.0% and 15.7%, either in line with the 3.0% annual budget for all employees or higher in order to align their salaries with the 50<sup>th</sup> percentile of our peer group (i.e. our targeted market positioning). See page 35 for details.

### **Annual Performance Bonus**

In 2018, annual performance bonus targets were increased by 5% for each named executive officer in order to better align their compensation with the 50<sup>th</sup> percentile of our peer group.

Based on the overall corporate-wide performance we achieved in 2018 compared to the goals we set at the beginning of the year, the compensation committee awarded bonus payouts at 80% of target for the named executive officers in March 2019. See page 36 for details.

### **Equity Grants**

On March 1, 2018, named executive officers other than Mr. Mahaffy received annual equity grants in the form of stock options and restricted stock units (RSUs), each vesting in installments over a four-year period. Mr. Mahaffy received stock options to purchase 120,000 shares of our common stock that will vest over four years. See page 37 for details.

### **Updated Peer Group**

We reassessed and updated our peer group, removing three companies that no longer match our size and adding four new companies that reflect our industry, stage of development, market capitalization, revenues and number of employees. See page 32 for more details.

### **Annual Say-On-Pay Stockholder Input**

To recognize the importance of our stockholders' perspectives on our executive compensation practices, beginning in 2019, we will move to conducting a say-on-pay stockholder vote annually, rather than every three years.

**Table of Contents**

**Key 2019  
Compensation  
Decisions**

**Base Salary**

Effective February 1, 2019, named executive officers other than Mr. Hooks received base salary increases of 3.5%, consistent with the annual budget increase for all employees. Mr. Muehl received an additional 1.5% salary increase in connection with his February 1, 2019 promotion to Executive Vice President. Mr. Hooks did not receive a salary increase since he is no longer with the company. See page 35 for details.

**Equity Grants**

On February 1, 2019, named executive officers other than Mr. Mahaffy received annual equity grants in the form of stock options and RSUs, each vesting in installments over a four-year period. Mr. Mahaffy received stock options to purchase 300,000 shares of our common stock, of which 100,000 are tied to performance-based vesting (the Company achieving a certain level of product sales) and the remainder vest over four years. See page 38 for details.

**Removing Change In Control Gross-Ups**

The employment agreements with our executive officers no longer contain Section 280G gross-up provisions. See page 40 for details.

**Stockholder Input on Executive Compensation**

Our board of directors and the members of our compensation committee favor a strong pay-for-performance approach to executive compensation and value the opinions of our stockholders regarding compensation and other issues. We are committed to soliciting and considering stockholder input as we evaluate the design of our executive compensation programs and the specific compensation decisions for each of our named executive officers.

In 2018, approximately 70% of the advisory say-on-pay votes cast approved the compensation of our named executive officers and approximately 99% of the advisory say-on-frequency votes cast approved holding annual stockholder advisory votes on the compensation of our named executive officers.

***Stockholder Engagement Activities***

In June 2018, based on input solicited through a stockholder vote, we adopted an annual approach to stockholder advisory votes on the compensation of our named executive officers (a "say-on-pay" vote). Beginning in 2019, we will hold annual say-on-pay votes.

In response to the 2018 say-on-pay vote, input from conversations with stockholders following the annual meeting in June 2018 and our annual review of our executive compensation programs and governance practices, our compensation committee and executive officers discussed and agreed to eliminate by amendment tax gross-ups related to change in control provisions as part of their employment agreements.

In early 2019, we reached out to our top 30 stockholders, representing approximately 86% of outstanding shares at that time, to request meetings to gain feedback regarding changes made to our executive and director compensation programs following the 2018 annual meeting results. The stockholders with whom we have met as part of this outreach effort represent 26% of our stockholder base, and a wide range of holders. These include large and small investors, including both hedge funds and mutual funds, encompassing index funds, value funds, as well as active and passive holders. Company participants at these meetings have included members of the management team other than our CEO and in certain cases a member of the compensation committee.

We will continue our stockholder outreach following the filing of this proxy statement with the SEC to seek support for our annual meeting proposals and solicit additional feedback regarding compensation and

**Table of Contents**

governance matters of importance to our stockholders. Stockholder input is reported to our compensation committee, nominating and corporate governance committee, and/or the entire board of directors for consideration. We view this outreach effort as a valuable opportunity to discuss compensation and governance measures that are important to our stockholders.

**PAY-FOR-PERFORMANCE FOCUS****Aligning Pay with Performance**

Our executive compensation program is designed to link pay and performance an important principle of our compensation philosophy whereby executives earn target compensation only to the extent we achieve our company-wide performance goals, some of which are short-term, while others take several years to achieve.

Our success depends largely on the contributions of motivated, focused and energized people all working to achieve our company-wide performance goals. Therefore, our annual and long-term incentive plans each have performance measures that apply to our 2018 named executive officers to foster teamwork and maximize our performance. The annual incentive plan also takes into account individual performance and contributions.

**Performance-Based Compensation**

To the extent target performance measures are not achieved, or they are exceeded, the named executive officers generally will earn compensation below or above the target total compensation, respectively, supporting our pay-for-performance objectives.

	<b>Annual Performance Bonus Short-Term Incentive</b>	<b>Equity Compensation Long-Term Incentive</b>	<b>Equity Compensation Long-Term Incentive</b>
	(Cash)	(Stock Options)	(Restricted Stock Units)
<b>Objective</b>	Short-term operational and financial business priorities	Longer-term strategic goals and stock price appreciation	Longer-term strategic goals and stock price appreciation
<b>Time Horizon</b>	1 Year	4 Years	4 Years
<b>Metrics</b>	Achievement of strong company-wide and	Stock price appreciation	Stock price appreciation

individual performance

- 28 -

## **Table of Contents**

In order to support our pay-for-performance philosophy and our achievement of strong company-wide performance, the majority of the total compensation our CEO receives is performance-based, as shown below:

### **President and Chief Executive Officer Pay**

This section presents supplemental information to the Summary Compensation Table that begins on page 42. The following chart shows realizable long-term compensation paid to our CEO for the past three years and indicates what we believe are more accurate statements of our CEO's actual compensation value as compared to the compensation reported in the Summary Compensation Table, which is tied to the grant date fair value of awards.

The primary difference between the total amounts shown in the chart below (realizable pay) and in the Summary Compensation Table (reported pay) is that the chart below reflects the intrinsic value of our CEO's equity awards based on our closing stock price on December 31, 2018 of \$17.96 per share, as opposed to the reported pay in the Summary Compensation Table, which represents the grant date fair value of the applicable stock awards.

Since the vast majority of our CEO's reported pay represents potential pay, the chart below highlights the alignment of our at-risk compensation with the value of our stock and hence, the long-term interests of our CEO with those of our stockholders. For 2017 and 2018, our CEO's realizable compensation is significantly less than the grant date fair value compensation, reinforcing the performance orientation of our program and the alignment of interests between our executives and our stockholders. The same would have been true for 2016, however, Mr. Mahaffy did not receive an equity award that year.

Additionally, our CEO, who is a founder, continues to hold all of the equity he has been granted since our IPO apart from small gifts to his children and to a donor-advised fund for the purpose of charitable contributions, reflecting his long-term commitment to building value for our stockholders. Because of this, our CEO has not



**Table of Contents**

realized any gains from any equity-based compensation since our inception, as evidenced in his realized pay in the chart below.

**Realizable pay includes:**

*Base Salary:* Yearly pay based on role, skills, experience and performance in the role

*Annual Performance Bonus:* Annual cash award payout amounts for 2016, 2017 and 2018

*Equity Compensation:* Represents the current intrinsic value of the stock options granted during that year using the stock price on December 31, 2018

**GOVERNANCE OF EXECUTIVE COMPENSATION**

We have developed our executive compensation program to align with current governance and best practices while being able to achieve our stated objectives and philosophy and support our ambitious business goals:

**What We Do**

Maintain an industry-specific peer group for benchmarking pay

Target pay based on market norms

Deliver executive compensation primarily through performance-based pay

**What We Don't Do**

× No hedging or pledging of equity

× No re-pricing of stock options

× No 280G tax gross-ups upon change in control

× No excessive perquisites

Award bonuses commensurate with performance

× No supplemental executive retirement plans

Set challenging short- and long-term incentive award goals

Provide strong oversight that ensures adherence to  
incentive grant regulations and limits

Maintain a clawback policy for equity and incentive  
compensation

- 30 -

**Table of Contents**

**What We Do**

**What We Don't Do**

Require minimum levels of stock ownership by executives and directors

Require holding period for shares realized by executives from stock option exercises or equity award settlement

Offer market-competitive benefits for executives that are consistent with the benefits provided to the rest of our employees

Consult with an independent advisor on compensation levels and practices

***Role of the Compensation Committee***

The compensation committee of our board of directors is responsible for determining appropriate compensation levels and arrangements for our named executive officers, ensuring they are consistent with our compensation philosophy and objectives, and support the successful recruitment, development and retention of executive talent and leadership required to achieve our business objectives. In making this determination, the

The compensation committee reviews all the components of annual compensation (including base salary, annual performance bonus and equity compensation) for the named executive officers and determines that each individual's total compensation is reasonable and consistent with our compensation philosophy.

compensation committee considers each named executive officer's individual performance and contributions to our growth and success, as well as overall achievement of performance goals. The compensation committee also considers the recommendations of our CEO, market data provided by the compensation committee's external independent compensation consultant and additional factors, such as the named executive officer's operating responsibilities, experience level, retention risk, tenure and performance in the position.

In determining the levels and mix of compensation, our compensation committee has not generally relied on formulaic guidelines, but rather has maintained a flexible approach to compensation determinations, which allows it to adapt the various elements of compensation to motivate individual executives and achieve our specific strategic and financial goals.

The compensation committee then approves, with any modifications it deems appropriate, base salaries, target annual performance bonus opportunities, equity compensation opportunities and grants for our named executive officers.

In reviewing our compensation program, the compensation committee considers whether the programs encourage unnecessary or excessive risk taking that could have a material adverse effect on us and has concluded that they do not.

***Role of the President and Chief Executive Officer***

Our CEO periodically reviews each named executive officer's overall performance and makes recommendations to the compensation committee on the elements of the named executive officers' compensation (other than for the CEO). These recommendations are based on our CEO's personal review of the other named executive officers' performance, job responsibilities and importance to our overall business strategy, as well as our compensation philosophies. Although these recommendations are given significant weight, the compensation committee retains full discretion when determining compensation.

The compensation package for our CEO is determined by the compensation committee in its sole discretion. Our CEO does not participate in discussions regarding his compensation.

**Table of Contents**

***Role of the Compensation Consultant***

The compensation committee retains ultimate responsibility for compensation-related decisions. The compensation committee has the power to hire and fire independent compensation consultants, legal counsel, and financial or other advisors as it may deem necessary to assist it in the performance of its duties and responsibilities, without consulting or obtaining the approval of our senior management. The compensation committee recognizes the importance of objective, independent expertise

The compensation committee has assessed the independence of Willis Towers Watson pursuant to SEC and NASDAQ rules and concluded that no conflict of interest exists that would prevent Willis Towers Watson from independently representing the compensation committee.

and advice in carrying out its responsibilities. To add rigor in the review process and to inform the compensation committee of market trends, the compensation committee engages an independent compensation consultant to review and advise on our compensation practices and to assess whether our compensation program is competitive and supports the compensation committee's goal to align the interests of executive officers with those of stockholders. The independent compensation consultant also provides market data directly to the compensation committee, which the compensation committee references when determining compensation for executive officers. For the first half of 2018, the compensation committee engaged the services of Radford, an Aon Hewitt company, for this purpose. In June of 2018, the compensation committee terminated its partnership with Radford and engaged Willis Towers Watson as its independent compensation consultant going forward. The compensation committee has the sole authority to approve the independent compensation consultant's fees and terms of the engagement. The compensation committee regularly reviews its relationship with, and assesses the independence of, Willis Towers Watson to ensure executive compensation consulting independence.

The process includes a review of the services Willis Towers Watson provides, the quality of those services, and fees associated with the services during the year.

**Executive Compensation Peer Group**

We believe that stockholders are best served when the compensation packages of senior executives are competitive but fair. By fair, we mean that the executives will be able to understand that the compensation package reflects their market value and their personal contribution to the business. To help ensure we provide our named executive officers with fair and market-competitive compensation and to support retention of our key leaders, we annually review compensation we offer our executives against executives within our peer group. Our 2018 peer group consisted of companies determined to have or be:

Market capitalization in the range of \$1 billion to \$9 billion (approximately 0.3 to 3 times the company's market capitalization);

Commercial companies with revenues under \$500 million (or recent new drug applications with breakthrough therapy designation by the Food and Drug Administration); and

Generally between 300 and 500 employees.

**Table of Contents**

Our peer group is regularly reviewed by our compensation committee with consideration given to our strategy and the advice of our compensation committee's independent advisor. Our compensation committee approved the following 20 companies as part of our peer group for 2018:

<b>2018 Executive Compensation Peer Group<sup>1</sup></b>		
ACADIA Pharmaceuticals Inc.	Ironwood Pharmaceuticals, Inc.	Repligen Corporation
Agios Pharmaceuticals, Inc. <sup>2</sup>	Momenta Pharmaceuticals, Inc.	Seattle Genetics, Inc.
Array BioPharma Inc.	Nektar Therapeutics	Supernus Pharmaceuticals, Inc.
BeiGene, Ltd. <sup>2</sup>	Neurocrine Biosciences, Inc.	TESARO, Inc.
Halozyne Therapeutics, Inc.	Pacira Pharmaceuticals, Inc.	The Medicines Company
ImmunoGen, Inc. <sup>2</sup>	Puma Biotechnology, Inc.	Theravance Biopharma, Inc.
Intercept Pharmaceuticals, Inc.	Radius Health, Inc. <sup>2</sup>	

<sup>1</sup> The following companies were removed as a compensation peer for 2018: Exelixis, Inc. and Ultragenyx Pharmaceutical Inc. as they no longer met one or more of the company peer group criteria outlined above.

<sup>2</sup> Added as new compensation peer for 2018.

**Targeting Compensation to Market**

The compensation committee believes that targeting compensation for each executive between the 50<sup>th</sup> and 75<sup>th</sup> percentiles of their counterparts in our publicly-traded peer companies helps achieve our compensation objectives and will better position us to achieve our goals.

**Using Peer Group Data to Set Target Opportunity**

In setting 2018 compensation, the compensation committee reviewed the market data for our peer group and compared each named executive officer's base salary, target annual performance bonus and equity compensation value, separately and in the aggregate, to amounts paid to similarly-situated executives at our peer companies. We believe using our peer group (selected based on the criteria above, which closely aligns with our company profile) as opposed to a group that comprises a more diverse and broad set of companies (such as an industry group recognized within the S&P 400) is a better comparator for setting compensation for our employees and a better barometer of competing opportunities for our employees.

Compensation for each executive may vary from this range depending on other factors, such as internal pay equity amongst our named executive officers or levels of authority, responsibility and experience of our named executive officers that exceed the norms for individuals holding comparably-titled positions at other companies.



**Table of Contents****ELEMENTS OF THE EXECUTIVE COMPENSATION PROGRAM**

Our executive compensation program is designed to align the interests of our named executive officers and stockholders and to encourage both personal and collective contributions to support our growth. The following chart highlights the key elements of our executive compensation program and how each is linked to program objectives.

	<b>Type of Compensation</b>	<b>Link to Program Objectives</b>
<b>Base Salary</b>	Cash	Fixed level of cash compensation to support attraction and retention of key executives in a competitive marketplace
<b>Annual Performance Bonus</b>	Cash	Allows us to pay our executives competitively with compensation levels in the biopharmaceutical market Target cash incentive opportunity (set as a percentage of base salary) that encourages executives to achieve strong annual company-wide performance
<b>Equity Compensation</b>	Stock Options and RSUs	Assists in retaining, attracting and motivating employees in the near term Focuses executives on achievement of long-term company strategic goals and total stockholder return, thereby creating long-term stockholder value (pay-for-performance)
<b>Retirement Benefits</b>	Benefit	Four-year vesting promotes retention, helping to maintain a stable, continuous management team Promotes ownership in the company Named executive officers participate in the 401(k) plan available to all employees Retirement benefits are a standard element of a total rewards package that helps attract and retain executive talent

**Other Benefits**

Benefit            Named executive officers participate in the benefit plans available to all employees, including health benefits and taxable life insurance premiums (also applicable to all employees)

Benefit plans are a standard element of a total rewards package that helps attract and retain executive talent

Named executive officers, similar to all employees, can also participate in the Employee Stock Purchase Plan to purchase our ordinary shares at a discount on a tax-qualified basis through payroll deductions

Perquisites are limited in amount and the compensation committee limits eligibility and use; named executive officers receive supplemental long-term disability coverage

**Severance**

Benefit            Helps ensure named executive officers remain focused on creating sustainable performance in case of personal uncertainties or risk of job loss

**Agreements**

Provides confidentiality, non-compete and non-solicit protections

**Table of Contents****ANALYSIS OF 2018 COMPENSATION DECISIONS**

Compensation packages for our named executive officers generally consist of base salary, bonus programs and equity compensation. In determining the levels and mix of compensation, we have not generally relied on formulaic guidelines, but rather have maintained a flexible approach to compensation determinations based on specific strategic and financial goals deemed important to our long-term success. We believe that the relationship of fixed to performance-based compensation is properly balanced and provides us with an effective means to attract, motivate and retain our named executive officers, as well as reward them for increases in the value of our common stock.

**Base Salary**

Base salaries for the named executive officers are intended to reflect their skill set, experience, role and responsibilities. The compensation committee initially determines base salary for named executive officers at the time of their appointment based on their position. The compensation committee periodically reviews base salaries for the named executive officers and may make adjustments based on individual performance, overall company performance and, when appropriate, to maintain consistency with our compensation objectives, including being market competitive.

**Establishing Base Salaries**

When establishing base salaries for named executive officers, the compensation committee considers an initial guideline between the 50th and 75th percentiles of the general industry and peer company data for comparable roles. Individual and company performance are also considered.

***2018 Base Salary Decisions***

Effective March 1, 2018, base salaries for Messrs. Mahaffy, Muehl and Hooks and Dr. Rolfe were increased to align with the 50<sup>th</sup> percentile of our peer group. Ms. Ivers-Read, who was already at the 75<sup>th</sup> percentile, received a base salary increase consistent with the annual budget increase for all employees.

The following table lists the compensation of our named executive officers for 2017 and 2018.

	<b>2018 Base Salary</b>		
	<b>2017 Salary</b>	<b>2018 Salary</b>	<b>Percent Change</b>
Patrick J. Mahaffy	\$ 650,000	\$ 696,300	7.1%
Daniel W. Muehl	\$ 375,000	\$ 433,800	15.7%
Gillian C. Ivers-Read	\$ 437,132	\$ 450,246	3.0%
Lindsey Rolfe	\$ 470,000	\$ 489,300	4.1%
C. Dale Hooks	\$ 400,000	\$ 421,300	5.3%

***2019 Base Salary Decisions***

Effective February 1, 2019, named executive officers other than Mr. Hooks received base salary increases of 3.5%, consistent with the annual budget increase for all employees. Mr. Muehl received an additional 1.5% salary increase in connection with his February 1, 2019 promotion to Executive Vice President. Mr. Hooks did not receive a salary increase since he is no longer with the company.

		<b>2019 Base Salary</b>	
	<b>2018 Salary</b>	<b>2019 Salary</b>	<b>Percent Change</b>
Patrick J. Mahaffy	\$ 696,300	\$ 720,670	3.5%
Daniel W. Muehl	\$ 433,800	\$ 455,490	5.0%
Gillian C. Ivers-Read	\$ 450,246	\$ 466,005	3.5%
Lindsey Rolfe	\$ 489,300	\$ 506,426	3.5%
C. Dale Hooks <sup>1</sup>	\$ 421,300	N/A	N/A

<sup>1</sup> Mr. Hooks resigned from Clovis on October 29, 2018.

**Table of Contents****Annual Performance Bonus**

Our annual performance bonus provides named executive officers with the opportunity to earn rewards based on the achievement of strong corporate-wide performance.

**2018 Annual Performance Bonus Decisions**

During the first quarter of 2019, the compensation committee reviewed our performance against our 2018 corporate goals, as well as the overall progress of the company. The 2018 corporate-wide goals included:

**Linking Compensation to Performance**

The compensation committee believes that linking pay to performance will motivate our executives to achieve the greatest possible returns for our stockholders.

**2018 Corporate Goals**

Approval of sNDA for 2L maintenance by April 2018  
 Successful U.S. launch of Rubraca in 2L maintenance; achieve net revenue goals and position in rOC class  
 Achieve commercial launch readiness in Germany and U.K. by year-end, if maintenance approval is received in 2018  
 Complete financing to achieve budgeted year-end cash goal  
 Release interim results from TRITON2 at ESMO 2018 Congress  
 Meet patient enrollment and site activation goals for the ARIEL 4, ATHENA, ATLAS, TRITON2, TRITON3 and RUCA-J studies  
 New Lonza facility to be production ready by 4Q2018; production to commence 1Q19  
 Initiate study to evaluate combination of Rubraca and lucitanib  
 Acquire development and commercialization rights to one or more additional molecules  
 Achieve 90% employee retention

**Status**  
**COMPLETED**  
**PARTIALLY COMPLETED**  
**COMPLETED**  
**PARTIALLY COMPLETED**  
**COMPLETED**  
**PARTIALLY COMPLETED**  
**COMPLETED**  
**NOT COMPLETED**  
**COMPLETED**  
**COMPLETED**

For purposes of annual performance bonus, our named executive officers are measured on corporate performance goals. Based on the overall corporate-wide performance we achieved in 2018 compared to the goals we set at the beginning of the year and our operational and financial performance, the compensation committee awarded bonus payouts at 80% of target for the named executive officers in March 2019.

	2018 Annual Incentive (paid in 2019)		
	Target as a % of Base Salary	Target Award Opportunity	Actual Amount Awarded
Patrick J. Mahaffy	70%	\$ 487,410	\$ 389,928
			Actual as a % of Base Salary
			56%

Edgar Filing: Clovis Oncology, Inc. - Form PRE 14A

Daniel W. Muehl	45%	\$ 195,210	\$ 156,169	36%
Gillian C. Ivers-Read	50%	\$ 225,123	\$ 180,098	40%
Lindsey Rolfe	50%	\$ 244,650	\$ 195,720	40%
C. Dale Hooks	N/A	N/A	N/A	N/A

In 2018, annual performance bonus targets were increased by 5% for each named executive officer in order to align their compensation with the 50<sup>th</sup> percentile of our peer group.

**Table of Contents****Equity Compensation**

As with their other elements of compensation, the compensation committee determines the amount of long-term incentive compensation opportunities for our executive officers as part of its annual compensation review. In order to align the interests of our named executive officers with those of our stockholders, as well as to provide sufficient retention incentives to our executives, the compensation committee deemed it appropriate to grant stock options and restricted stock units, or RSUs, pursuant to our Clovis Oncology, Inc. 2011 Stock Incentive Plan, or the 2011 Plan, to our named executive officers. Stock-settled restricted stock units are full value grants, meaning that, upon vesting, the recipient is

**Determining Equity Grants**

The compensation committee took into account both the grant date fair value and the actual realizable value of the stock options and restricted stock units then outstanding. We believe realizable value is a more accurate statements of our named executive officers' actual compensation value as compared to the grant date fair value of these awards.

awarded the full share. As a result, while the value executives realize in connection with an award of restricted stock units does depend on our stock price, time-vested restricted stock units generally have some value even if our stock price significantly decreases following their grant. As a result, time-vested restricted stock units help to secure and retain executives and instill an ownership mentality, regardless of whether our stock price increases or decreases, although the value of restricted stock units is lower if our stock price decreases. In contrast, stock options provide an effective performance incentive and align the executives' interest with that of stockholder interests because our executive officers derive value from their options only if our stock price increases following their grant (which benefits all stockholders) and they remain employed with us beyond the date that their options vest (that is, become exercisable).

***2018 Equity Compensation Decisions***

On March 1, 2018, our named executive officers were granted stock options and, other than with respect to Mr. Mahaffy, RSUs.

Stock options were granted at an exercise price of \$58.43 per share, the closing price per share of our common stock on NASDAQ on the grant date.

25% of the shares of common stock subject to the stock options vest on the one-year anniversary of the grant, and the remainder vest in substantially equal monthly installments over the 36 months immediately following the first anniversary of the grant, subject to continued employment through such date.

25% of the shares of common stock subject to the RSUs vest and settle on the one-year anniversary of grant, and the remainder vest and settle in substantially equal quarterly installments over the 12 quarters immediately

following the first anniversary of the grant, subject to continued employment through such date. The following table provides information about the number of stock options and RSUs granted in March 2018, and the value of those stock options and RSUs:

	<b>2018 Equity Awards</b>			
	<b>Number of Stock Options</b>	<b>Grant Date Fair Value of Stock Options<sup>1</sup></b>	<b>Number of RSUs</b>	<b>Value of RSUs</b>
Patrick J. Mahaffy	120,000	\$ 5,173,524	0	N/A
Daniel W. Muehl	9,000	\$ 388,014	9,000	\$ 525,870
Gillian C. Ivers-Read	11,000	\$ 474,240	11,000	\$ 642,730
Lindsey Rolfe	11,000	\$ 474,240	11,000	\$ 642,730
C. Dale Hooks	9,000	\$ 388,014	9,000	\$ 525,870

<sup>1</sup> Grant date fair value is a value determined at the time of grant for accounting purposes, which is based on Black-Scholes modelling to value options.



**Table of Contents****2019 Equity Compensation Decisions**

On February 1, 2019, our named executive officers, except for Mr. Hooks, were granted stock options and, other than with respect to Mr. Mahaffy, RSUs.

Stock options were granted at an exercise price of \$25.75 per share, the closing price per share of our common stock on NASDAQ on the grant date.

Other than with respect to Mr. Mahaffy's performance-based vesting stock options, 25% of the shares of common stock subject to the stock options vest on the one-year anniversary of the grant, and the remainder vest in substantially equal monthly installments over the 36 months immediately following the first anniversary of the grant, subject to continued employment through such date.

Mr. Mahaffy's 100,000 performance-based vesting stock options have vesting conditioned upon meeting or exceeding the company's budgeted amount for product revenues for the fiscal year ending December 31, 2019.

25% of the shares of common stock subject to the RSUs vest and settle on the one-year anniversary of the grant, and the remainder vest and settle in substantially equal quarterly installments over the 12 quarters immediately following the first anniversary of the grant, subject to continued employment through such date.

The following table provides information about the number of stock options and RSUs granted in February 2019, and the value of those stock options and RSUs:

	<b>2019 Equity Awards</b>			
	<b>Number of Stock Options</b>	<b>Grant Date Fair Value of Stock Options<sup>1</sup></b>	<b>Number of RSUs</b>	<b>Value of RSUs</b>
Patrick J. Mahaffy	300,000	\$ 5,712,966	0	N/A
Daniel W. Muehl <sup>2</sup>	29,994	\$ 571,182	89,982	\$ 2,317,037
Gillian C. Ivers-Read	19,996	\$ 380,788	59,988	\$ 1,544,691
Lindsey Rolfe	19,996	\$ 380,788	59,988	\$ 1,544,691
C. Dale Hooks <sup>3</sup>	N/A	N/A	N/A	N/A

<sup>1</sup> Grant date fair value is a value determined at the time of grant for accounting purposes, which is based on Black-Scholes modelling to value options.

<sup>2</sup> Mr. Muehl's grant reflects an adjustment to 150% in recognition for his promotion to Executive Vice President on February 1, 2019.

<sup>3</sup> Mr. Hooks resigned from Clovis on October 29, 2018.

**Retirement Savings Programs**

In 2018, we provided retirement benefits to our named executive officers, other than Dr. Rolfe, through the Clovis Oncology, Inc. 401(k) plan, a defined contribution retirement savings plan, and to Dr. Rolfe through a statutory workplace pension scheme maintained in the United Kingdom. The named executive officers participate in these plans on the same terms and conditions as our other employees. For the 401(k) plan, we make matching contributions to the account of each eligible employee of 100% on the first 4% of gross wages that an employee contributes to his or her account. In 2018, each named executive officer, other than Dr. Rolfe, received matching contributions of \$10,800 to his or her 401(k) plan account, and Dr. Rolfe received a contribution of \$19,816 to her pension plan.

Contributions to Clovis retirement plans support an important part of our executive compensation program objectives: retention.

**Other Benefits**

In 2018, all of the named executive officers were eligible to participate in a number of broad-based benefit programs, including health benefits and a life insurance benefit equal to two times their base salary, subject to an

## **Table of Contents**

overall cap. Because the U.S. Internal Revenue Code imputes income on life insurance benefits above a threshold (\$50,000 in 2018), we include an amount of income attributable to the taxable insurance premiums we pay. This life insurance benefit is provided to all employees and consequently applies to our named executive officers.

We maintain an employee stock purchase plan, the ESPP, which provides our employees, including our named executive officers, with an opportunity to purchase our ordinary shares at a discount on a tax-qualified basis through payroll deductions. The ESPP is designed to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code.

The named executive officers also received certain perquisites, including supplemental long-term disability coverage, which we believe are necessary in light of the competitive market for talent in our industry. The total cost of these benefits is a small percentage of each named executive officers' total compensation. The value of these benefits is reflected in the All Other Compensation column in the Summary Compensation Table.

## **Other Key Features of Our Executive Compensation Program**

As we look to the future of the company, we have adopted policies to help drive sustainable growth by further aligning the financial interests of our executives and stockholders with long-term stock price performance, which will help limit excessive risk-taking and executive misconduct through stock ownership guidelines, minimum holding requirements, a clawback policy and an enhanced anti-hedging policy, as outlined below.

### ***Stock Ownership Guidelines***

Our stock ownership guidelines require all executive officers to hold a minimum number of shares of our stock while serving as an executive officer. The guidelines are intended to further align the interests of executive management with those of our stockholders by requiring executives to be subject to the same long-term stock price volatility our stockholders experience. The minimum threshold is based on a multiple of base compensation, equal to three times base salary for our CEO and one times base salary for all other executive officers.

When determining whether the executive officers have met the minimum threshold requirements under the policy, calculations include all shares held outright by the executive and any vested equity awards. Each executive initially has five years in order to meet his or her minimum ownership threshold (and one year after a salary increase). During this five-year phase-in period, the executive is not allowed to sell more than 50% of any vested equity awards until he or she has met the applicable minimum threshold. The policy is administered and monitored by our Principal Financial Officer under the direction of the compensation committee. Currently, each of our named executive officers is in compliance with our stock ownership guidelines.

### ***Minimum Holding Requirements***

All new equity awards are subject to minimum holding requirements. This requires all executive officers to hold any shares obtained upon the exercise of a stock option or the vesting or settlement of other share-based awards for at least six months, except as necessary to cover the exercise price, taxes and broker commissions.

### ***Clawback Policy***

We maintain specific provisions regarding the recovery ( clawback ) of awards to deter certain types of conduct, including conduct that could affect the accuracy of our financial statements. If the board of directors determines that an executive officer has engaged in detrimental conduct that directly or indirectly results in a material misstatement in our financial statements or performance metrics, which affects the executive officer s compensation, the board of directors may, in its discretion, seek reimbursement of any portion of performance-based equity awards earned by or incentive cash compensation paid or awarded to the executive that is greater than what would have been earned by, paid or awarded to the executive if calculated based on the restated

## **Table of Contents**

financial statements or performance metrics. If the board of directors determines that it is appropriate to recoup incentive cash compensation or performance-based equity awards from an executive officer under this policy, the board of directors will, in its sole discretion, determine the following:

The amount of incentive-based cash compensation or equity compensation provided to the executive officer that is subject to recoupment, and

The method of recoupment, including whether to seek the return of incentive-based compensation already paid or to withhold or otherwise recoup (totally or partially) compensation that has not vested or has not been paid.

### ***Anti-Hedging and Anti-Pledging Policies***

Our Insider Trading Policy prohibits hedging, pledging, short sales and transactions involving puts, calls and other derivative securities on an exchange by any employee or director.

### ***Impact of Accounting and Tax Requirements on Compensation***

Section 162(m) of the Internal Revenue Code, or Section 162(m), generally disallows public companies a tax deduction for compensation in excess of \$1 million paid to their chief executive officers and three other highly compensated executive officers (other than the chief financial officer) unless an exemption applies. The Tax Cuts and Jobs Act, enacted on December 22, 2017, substantially modified Section 162(m) and, among other things, beginning in 2018, expanded the scope of the executive officers subject to Section 162(m), or the Covered Employees, to include any individual who served as the chief executive officer and chief financial officer at any time during the taxable year and the three other most highly compensated officers (other than the chief executive officer and chief financial officer) for the taxable year, and now provides that once an individual becomes a Covered Employee for any taxable year beginning after December 31, 2016, that individual will remain a Covered Employee for all future years, including following any termination of employment.

The compensation committee periodically reviews the potential consequences of Section 162(m) with respect to the elements of our compensation program; however, given that the impact of Section 162(m) on taxes currently payable by us is mitigated by our net operating loss carryforwards and in order to maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals in the best interest of the company, the compensation committee has not limited compensation to those levels or types of compensation that would be deductible by us.

### **Employment Agreements**

Each of our named executive officers is party to substantially similar employment agreements (described in more detail below) with Clovis. With the assistance of our compensation consultants, the compensation committee determined that it was advisable to enter into employment agreements with each named executive officer to ensure that the compensation and benefits provided to such executives was competitive with our publicly-traded peer companies and to ensure that we have adequate protection in the form of restrictive covenants following a termination of employment. The employment agreements with each of our named executive officers also provide for severance payments and benefits upon certain qualifying terminations of employment. For additional information about these

employment agreements, see Narrative Disclosure Relating to Summary Compensation Table and Grants of Plan-Based Awards Table on page 44.

In 2019, each of our named executive officers (other than Dr. Rolfe, whose gross-up provision was previously eliminated in connection with her relocation to the U.K. voluntarily agreed to remove the provisions which would have entitled him or her to receive a gross-up payment in the event excise taxes would be imposed on any parachute payments under Sections 280G and 4999 of the Internal Revenue Code.

**Table of Contents**

On October 29, 2018, Mr. Hooks resigned as the company's Senior Vice President and Chief Commercial Officer. Prior to his resignation, Mr. Hooks was party to an employment agreement with Clovis pursuant to which he was eligible to receive the following severance in connection with a qualifying termination, subject to his execution of a general release of claims and continued compliance with any restrictive covenants: (i) any earned but unpaid bonus for the calendar year immediately preceding the calendar year of termination; (ii) continuation of his then-current base salary during for a period of six months; and (iii) payment of an applicable percentage (the percentage of employee health care premium costs covered by the company as of the date of termination) of the executive's COBRA premiums for a period of six months. In connection with his resignation, we agreed to pay Mr. Hooks the severance under his employment agreement, except that the continued base salary was paid in one lump sum and he will receive COBRA benefits for a period of 18, rather than six, months. In addition, the period during which Mr. Hooks may exercise his vested options was extended through the 12-month anniversary of his resignation, or October 29, 2019. The value of the severance payments and benefits made to Mr. Hooks in 2018 are reflected in the All Other Compensation column in the Summary Compensation Table on page 42.

**REPORT OF THE COMPENSATION COMMITTEE**

Our compensation committee has reviewed and discussed with management the Compensation Discussion and Analysis set forth in this proxy statement. Based on such review and discussions, our compensation committee has recommended to the board of directors that the Compensation Discussion and Analysis be included in this proxy statement and in the Annual Report on Form 10-K for the year ended December 31, 2018, filed by us with the SEC.

**Respectfully submitted,**

**The Compensation Committee of the Board of Directors**

M. James Barrett

James C. Blair

Richard A. Fair

Ginger Graham

Thorlef Spickschen

*The material in this report is not soliciting material, shall not be deemed filed with the SEC and shall not to be incorporated by reference in any filing of Clovis Oncology, Inc. under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.*

**Table of Contents****Summary Compensation Table**

The following table shows the compensation of our principal executive officer, our principal financial officer and our other named executive officers for the years ended 2018, 2017 and 2016.

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)<sup>(2)</sup></b>	<b>Bonus (\$)<sup>(3)</sup></b>	<b>Option Awards (\$)<sup>(4)</sup></b>	<b>Stock Awards (\$)<sup>(5)</sup></b>	<b>All Other Compensation (\$)<sup>(6)</sup></b>	<b>Total (\$)</b>
Patrick J. Mahaffy <i>President and Chief Executive Officer</i>	2018	688,583	389,928	5,173,524		15,423	6,267,458
	2017	636,083	485,975	7,587,660		16,757	8,726,475
	2016	223,563	552,338			12,718	788,619
Daniel W. Muehl <sup>(8)</sup> <i>Senior VP of Finance, Principal Accounting Officer, and Principal Financial Officer</i>	2018	424,000	156,169	388,014	525,870	15,530	1,509,583
	2017	367,500	222,500	758,766	512,325	15,376	1,876,467
	2016	308,879	170,799	824,799	247,313	12,679	1,564,469
Gillian C. Ivers-Read <i>EVP and Chief Regulatory Officer</i>	2018	448,060	180,098	474,240	642,730	18,892	1,764,020
	2017	435,003	226,216	1,011,688	683,100	27,872	2,383,879
	2016	422,300	286,443		1,214,400	26,423	1,949,566
Lindsey Rolfe <sup>(7)</sup> <i>EVP of Clinical and Pre-Clinical Development and Pharmacovigilance and Chief Medical Officer</i>	2018	486,505	195,720	474,240	642,730	19,816	1,819,011
	2017	463,838	243,225	1,011,688	683,100	27,830	2,429,681
	2016	427,500	293,625		2,226,400	3,796	2,951,321
C. Dale Hooks <sup>(1)</sup> <i>Former Senior VP and Chief Commercial Officer</i>	2018	347,533		388,014	525,870	302,385	1,563,802
	2017	393,333	284,000	758,766	512,325	16,322	1,964,746
	2016	356,250	216,000	908,072	315,947	13,019	1,809,288

- (1) Mr. Hooks resigned from Clovis on October 29, 2018.
- (2) The amounts reported in this column reflect mid-year pay increases. For additional information, please see Compensation Discussion and Analysis Analysis of 2018 Compensation Decisions Base Salary above.
- (3) The amounts reported in this column represent the bonuses earned by each executive with respect to performance in 2018. For additional information, please see Compensation Discussion and Analysis Analysis of 2018 Compensation Decisions Annual Performance Bonus above.
- (4) The amounts reported in this column represent the aggregate grant date fair value of option awards granted to our named executive officers in 2018, calculated in accordance with FASB ASC Topic 718, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. For a discussion of the assumptions made in the valuation, see Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018. The amounts above reflect our aggregate accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the named executive officers.
- (5) The amounts reported in this column represent the aggregate grant date fair value of restricted stock units granted to our named executive officers in 2018, calculated in accordance with FASB ASC Topic 718, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. The grant date fair value is



calculated using the closing price of our common stock on the date of grant. For a discussion of the assumptions made in the valuation, see Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018. The amounts above reflect our aggregate accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the named executive officers.

- 42 -

**Table of Contents**

- (6) The amounts reported in this column include the cost of the following perquisites and other benefits received by our named executive officers:

*Mr. Mahaffy.* The amount reported represents an employer matching contribution to our 401(k) plan equal to \$10,800, payment by us of taxable life insurance premiums equal to \$1,806, and supplemental long-term disability coverage equal to \$2,817.

*Mr. Muehl.* The amount reported represents an employer matching contribution to our 401(k) plan equal to \$10,800, payment by us of taxable life insurance premiums equal to \$1,806, and supplemental long-term disability coverage equal to \$2,924.

*Ms. Ivers-Read.* The amount reported represents an employer matching contribution to our 401(k) plan equal to \$10,800, payment by us of taxable life insurance premiums equal to \$7,049, and supplemental long-term disability coverage equal to \$1,043.

*Dr. Rolfe.* The amount reported represents an employer contribution to a defined-contribution plan covering all of our U.K. employees equal to \$19,816.

*Mr. Hooks.* The amount reported represents an employer matching contribution to our 401(k) plan equal to \$10,800, payment by us of taxable life insurance premiums equal to \$805, supplemental long-term disability coverage equal to \$1,752, payment by us of taxable commuter benefits equal to \$2,500, and in connection with Mr. Hooks resignation from the company on October 29, 2018, payment of accrued but unused vacation time equal to \$34,865 and severance benefits equal to \$251,663. For a discussion of the severance payments made to Mr. Hooks, please see Compensation Discussion and Analysis Employment Agreements above.

- (7) Dr. Rolfe's cash compensation was denominated in pounds sterling and was converted into U.S. dollars using the December 31, 2018 year-to-date 2018 average exchange rate of 1.337 U.S. dollars per pound.

- (8) Mr. Muehl was promoted to Executive VP of Finance on February 1, 2019.

**Grants of Plan-Based Awards Table**

The following table sets forth summary information regarding all grants of plan-based awards made to our named executive officers for the year ended December 31, 2018.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or	All Other Option Awards: Number of Securities Underlying	Exercise or Base Price of Option	Grant Date Fair Value of Stock and Option
------	------------	--	--	----------------------------------	---

		<b>Units (#)<sup>(1)</sup></b>	<b>Options (#)<sup>(2)</sup></b>	<b>Awards (\$/Sh)<sup>(3)</sup></b>	<b>Awards (\$)<sup>(4)</sup></b>
Patrick J. Mahaffy	3/1/2018		120,000	58.43	5,173,524
Daniel W. Muehl	3/1/2018		9,000	58.43	388,014
	3/1/2018	9,000			525,870
Gillian C. Ivers-Read	3/1/2018		11,000	58.43	474,240
	3/1/2018	11,000			642,730
Lindsey Rolfe	3/1/2018		11,000	58.43	474,240
	3/1/2018	11,000			642,730
C. Dale Hooks	3/1/2018		9,000	58.43	388,014
	3/1/2018	9,000			525,870

- (1) The amounts reported in this column represent grants of restricted stock units, 25% of which will vest on the one-year anniversary of the date of grant, and the remainder will vest in substantially equal installments over the 12 quarters immediately following such anniversary, subject to continued employment through such date.
- (2) The exercise price of the options was set at the fair market value of one share of our common stock at the time of the grant.
- (3) The amounts reported in this column represent grants of options to purchase our common stock, 25% of which will vest on the one-year anniversary of the date of grant, and the remainder will vest in substantially

---

**Table of Contents**

equal installments over the 36 months immediately following such anniversary, subject to continued employment through such date.

- (4) The amounts reported in this column represent the aggregate grant date fair value of restricted stock units and option awards granted to our named executive officers in 2018, computed in accordance with FASB ASC Topic 718, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. For restricted stock units, the grant date fair value is calculated using the closing price of our common stock on the date of grant. For a discussion of the assumptions made in the valuation, see Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018.

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

*Employment Agreements with Messrs. Mahaffy, Muehl and Hooks, Ms. Ivers-Read, and Dr. Rolfe*

We are a party to employment agreements with Messrs. Mahaffy and Muehl, Ms. Ivers-Read, and Dr. Rolfe. The agreements are substantially the same other than differences in base salary, target annual bonus percentages and severance. Prior to his resignation in October 2018, we were also a party to a substantially similar employment agreement with Mr. Hooks.

The employment agreements for Messrs. Mahaffy and Muehl, Ms. Ivers-Read, and Dr. Rolfe provide for an annual base salary, which for 2018 was \$696,300, \$433,800, \$450,246, and \$489,300, respectively. Additionally, for 2018 the target annual bonuses were set at 70% of his annual base salary for Mr. Mahaffy, 50% of their respective annual base salaries for Ms. Ivers-Read and Dr. Rolfe, and 45% of his annual base salary for Mr. Muehl.

In the event that a named executive officer's employment is terminated by us without just cause (as defined in the employment agreement) or by the executive for good reason (as defined in the employment agreement), the executive will, subject to his or her execution of a general release of claims and continued compliance with any restrictive covenants, be entitled to:

Any earned but unpaid bonus for the calendar year immediately preceding the calendar year of termination;

Continuation of his or her then-current base salary during the severance period; and

Payment of an applicable percentage (the percentage of employee health care premium costs covered by us as of the date of termination) of the executive's COBRA premiums during the severance period.

For purposes of the employment agreements, the term severance period generally means nine months for Mr. Mahaffy and six months for each of Mr. Muehl, Ms. Ivers-Read, and Dr. Rolfe, except that the severance period will increase to 24 months for Mr. Mahaffy and 12 months for each of Mr. Muehl, Ms. Ivers-Read, and Dr. Rolfe in the event that such termination occurs during the 12 months following a change in control (as defined in the employment agreements). Additionally, in the event that such termination occurs within 12 months following a change in control, the executives will also be entitled to (x) accelerated vesting of all outstanding equity awards, and (y) an amount equal to the executive's then-current target bonus, payable in equal monthly installments during the severance period.

Following any termination of a named executive officer's employment, he or she will be subject to customary non-compete restrictions for six months (or in the case of Mr. Mahaffy, nine months) and also customary non-solicit restrictions with respect to employees and customers for 12 months.

Following his resignation on October 29, 2018, Mr. Hooks was not subject to any non-compete restrictions in light of the prohibition on such agreements for employees employed in the State of California. For a discussion of the severance payments made to Mr. Hooks pursuant to the terms of his employment agreement, please see Compensation Discussion and Analysis Employment Agreements above.

**Table of Contents***Stock Plan*

We maintain the 2011 Plan, which we adopted to afford our compensation committee with the flexibility of allowing grants of a wide variety of equity awards to our key employees, directors and consultants, including incentive and nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, and other stock-based awards. The 2011 Plan is designed to assist us in attracting, retaining, motivating and rewarding key employees, directors, and consultants, and promoting the creation of long-term value for our stockholders by closely aligning the interests of the participants with those of our stockholders. The number of shares of our common stock reserved for issuance under the 2011 Plan will be increased (i) from time to time by the number of shares of our common stock forfeited upon the expiration, cancellation, forfeiture, cash settlement or other termination of awards under our 2009 Equity Incentive Plan, and (ii) at the discretion of our board of directors, on the date of each annual meeting of our stockholders, by up to the lesser of (x) a number of additional shares of our common stock representing 4% of our then-outstanding shares of common stock on such date and (y) 2,758,621 shares of our common stock. During the fiscal year ended December 31, 2018, we granted options to purchase our common stock to certain of our named executive officers and RSUs to certain of our named executive officers pursuant to the 2011 Plan. For a discussion of such option and RSU grants, please see Compensation Discussion and Analysis Analysis of 2018 Compensation Decisions Equity Compensation above, as well as the footnotes accompanying the Grants of Plan-Based Awards Table above.

**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth summary information regarding the outstanding equity awards held by our named executive officers at December 31, 2018.

Name	Grant Date	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 (\$)
		Exercisable	Unexercisable				
Patrick J. Mahaffy	3/1/2012	150,000		24.74	3/1/2022		
	3/1/2013	200,000		21.81	3/1/2023		
	1/10/2014	200,000		73.98	1/10/2024		
	3/2/2015	46,875	3,125 <sup>(1)</sup>	79.05	3/2/2025		
	3/27/2017	32,812	42,188 <sup>(1)</sup>	68.31	3/27/2027		
	3/27/2017	75,000		68.31	3/27/2027		
	3/1/2018		120,000 <sup>(1)</sup>	58.43	3/1/2028		
TOTAL		704,687	165,313				
Daniel W. Muehl	7/6/2015	29,895	5,105 <sup>(1)</sup>	84.83	7/6/2025		
	3/1/2016	5,000		19.37	3/1/2026		
	3/1/2016	5,156	2,344 <sup>(1)</sup>	19.37	3/1/2026		
	8/25/2016	10,208	7,292 <sup>(1)</sup>	22.73	8/25/2026		
	8/25/2016					3,828 <sup>(2)</sup>	68,751

Edgar Filing: Clovis Oncology, Inc. - Form PRE 14A

	9/1/2016	11,250	8,750 <sup>(1)</sup>	23.59	9/1/2026		
	3/27/2017	6,562	8,438 <sup>(1)</sup>	68.31	3/27/2027		
	3/27/2017					4,219 <sup>(2)</sup>	75,773
	3/1/2018		9,000 <sup>(1)</sup>	58.43	3/1/2028		
	3/1/2018					9,000 <sup>(2)</sup>	161,640
<b>TOTAL</b>		<b>68,071</b>	<b>40,929</b>			<b>17,047</b>	<b>306,164</b>

- 45 -

**Table of Contents**

Name	Grant Date	Number of Securities Underlying		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 (\$)
		Exercisable Options (#)	Unexercisable Options (#)				
Gillian C. Ivers-Read	3/8/2011	68,965		3.28	3/8/2021		
	3/1/2012	50,000		24.74	3/1/2022		
	3/1/2013	75,000		21.81	3/1/2023		
	1/10/2014	70,000		73.98	1/10/2024		
	3/2/2015	16,406	1,094 <sup>(1)</sup>	79.05	3/2/2025		
	3/2/2015	8,750		79.05	3/2/2025		
	12/19/2016					15,000 <sup>(2)</sup>	269,400
	3/27/2017	8,750	11,250 <sup>(1)</sup>	68.31	3/27/2027		
	3/27/2017					5,625 <sup>(2)</sup>	101,025
	3/1/2018		11,000 <sup>(1)</sup>	58.43	3/1/2028		
3/1/2018					11,000 <sup>(2)</sup>	197,560	
<b>TOTAL</b>		297,871	23,344			31,625	567,985
Lindsey Rolfe	4/7/2010	23,034		3.08	4/7/2020		
	3/1/2011	17,241		3.28	3/1/2021		
	3/1/2012	30,000		24.74	3/1/2022		
	3/1/2013	40,000		21.81	3/1/2023		
	1/10/2014	17,500		73.98	1/10/2024		
	2/27/2014	35,000		78.38	2/27/2024		
	3/2/2015	11,718	782 <sup>(1)</sup>	79.05	3/2/2025		
	8/3/2015	29,166	5,834 <sup>(1)</sup>	85.65	8/3/2025		
	12/19/2016					27,500 <sup>(2)</sup>	493,900
	3/27/2017	8,750	11,250 <sup>(1)</sup>	68.31	3/27/2027		
3/27/2017					5,625 <sup>(2)</sup>	101,025	
3/1/2018		11,000 <sup>(1)</sup>	58.43	3/1/2028			
3/1/2018					11,000 <sup>(2)</sup>	197,560	
<b>TOTAL</b>		212,409	28,866			44,125	792,485
C. Dale Hooks	8/25/2014	50,000		46.68	8/25/2024		
	3/2/2015	5,016		79.05	3/2/2025		
	2/1/2016	10,000		20.90	2/1/2026		
	2/1/2016	6,666		20.90	2/1/2026		
	3/1/2016	6,458		19.37	3/1/2026		
	8/25/2016	15,058		22.73	8/25/2026		
	3/27/2017	5,937		68.31	3/27/2027		
<b>TOTAL</b>		99,135					

(1) These options vest over four years, with 25% of such options vesting on the one-year anniversary of the date of grant, and the remainder vesting in substantially equal installments over the 36 months immediately following such anniversary, subject to continued employment through such date. In the event that a named executive



officer's employment is terminated by us without misconduct (as defined in the 2011 Plan) or due to a resignation for good reason (as defined in the named executive officer's employment agreement), in each case, within 12 months following a change in control, 100% of all outstanding options held by such executive will immediately vest upon such termination.

- (2) These restricted stock units vest over four years, with 25% of such restricted stock units vesting on the one-year anniversary of the date of grant, and the remainder vesting in substantially equal installments over the 12 quarters immediately following such anniversary, subject to continued employment through such date. In the event that a named executive officer's employment is terminated by us without misconduct or due to a resignation for good reason, in each case, within 12 months following a change in control, 100% of all outstanding restricted stock units held by such executive will immediately vest upon such termination.

**Table of Contents****Option Exercises and Stock Vested**

The following table shows certain information regarding stock vested during 2018 with respect to our named executive officers.

Name	Option Awards		Stock Awards <sup>(1)</sup>	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Patrick J. Mahaffy				
Daniel W. Muehl			6,718	315,022
Gillian C. Ivers-Read			11,875	494,794
Lindsey Rolfe			18,125	732,953
C. Dale Hooks			5,419	269,690

(1) The value realized on vesting is calculated by multiplying the number of shares of common stock subject to the RSU that vested and the closing price of our common stock on the vesting date.

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

Pursuant to their employment agreements, upon certain terminations of employment, Messrs. Mahaffy and Muehl, Ms. Ivers-Read and Dr. Rolfe are entitled to payments of compensation and benefits as described above under Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table Employment Agreements. The table below reflects the amount of compensation and benefits payable to each named executive officer in the event of (i) an involuntary termination without just cause or a resignation for good reason and (ii) an involuntary termination without just cause or a resignation for good reason within 12 months following a change in control. The amounts shown assume that the applicable triggering event occurred on December 31, 2018, and therefore are estimates of the amounts that would be paid to the named executive officers upon the occurrence of such triggering event. Mr. Hooks was not employed by Clovis as of December 31, 2018, and accordingly is not included in the table below.

Name	Type of Payment	Triggering Event	
		Involuntary Termination (\$)	Involuntary Termination within Twelve Months following a Change in Control (\$)
Patrick J. Mahaffy	Cash severance	522,225 <sup>(1)</sup>	1,880,010 <sup>(3)</sup>
	Benefit continuation	17,711 <sup>(2)</sup>	38,630 <sup>(4)</sup>
	Equity acceleration <sup>(5)</sup>		
	Gross-up <sup>(6)</sup>		
	TOTAL	539,936	1,918,640
Daniel W. Muehl	Cash severance	216,900 <sup>(1)</sup>	629,010 <sup>(3)</sup>
	Benefit continuation	11,807 <sup>(2)</sup>	19,315 <sup>(4)</sup>
	Equity acceleration <sup>(5)</sup>		306,164

Edgar Filing: Clovis Oncology, Inc. - Form PRE 14A

	Gross-up <sup>(6)</sup>		
	TOTAL	228,707	954,489
Gillian C. Ivers-Read	Cash severance	225,173 <sup>(1)</sup>	675,519 <sup>(3)</sup>
	Benefit continuation	8,243 <sup>(2)</sup>	13,429 <sup>(4)</sup>
	Equity acceleration <sup>(5)</sup>		567,985
	Gross-up <sup>(6)</sup>		
	TOTAL	233,416	1,256,933
Lindsey Rolfe	Cash severance	244,650 <sup>(1)</sup>	733,950 <sup>(3)</sup>
	Benefit continuation		
	Equity acceleration <sup>(5)</sup>		792,485
	Gross-up <sup>(6)</sup>		
	TOTAL	244,650	1,526,435

- 47 -

---

**Table of Contents**

- (1) Includes the value of base salary continuation for nine months, in the case of Mr. Mahaffy, and six months, in the case of our other named executive officers.
- (2) Includes the value of payment of an applicable percentage of the executive's COBRA premiums for nine months, in the case of Mr. Mahaffy, and six months, in the case of our other named executive officers. Dr. Rolfe did not elect to receive health care benefits in 2018, and as a result, there is no value attributable to Dr. Rolfe's benefit continuation.
- (3) Includes the value of (i) base salary continuation for 24 months, in the case of Mr. Mahaffy, and 12 months, in the case of our other named executive officers and (ii) an amount equal to the named executive officer's target bonus.
- (4) Includes the value of payment of an applicable percentage of the executive's COBRA premiums for 24 months, in the case of Mr. Mahaffy, and 12 months, in the case of our other named executive officers. Dr. Rolfe did not elect to receive health care benefits in 2018, and as a result, there is no value attributable to Dr. Rolfe's benefit continuation.
- (5) Includes the value of accelerated vesting of all outstanding equity awards, based on the closing price of our common stock on December 31, 2018, which the executives would have been entitled to upon an involuntary termination without misconduct or a resignation for good reason, in each case, occurring on December 31, 2018 assuming such termination was within 12 months following a change in control.
- (6) Assuming a 45% tax rate and taking into account the full value of accelerated vesting of all outstanding equity awards, we determined that none of our named executive officers would have received a gross-up payment in connection with the amounts they would have received upon an involuntary, post-change in control termination. Dr. Rolfe was not entitled to receive a gross-up in 2018 because she is U.K. based, and each of the other named executive officers voluntarily agreed to amend his or her employment agreement to remove such provisions in 2019.

**CEO Pay Ratio**

Under SEC regulations, we are required to calculate and disclose the total annual compensation paid to our median employee, as well as the ratio of the total compensation paid to the median employee as compared to the total compensation paid to our CEO ( CEO Pay Ratio ). Set forth below is a description of the methodology, including material assumptions, adjustments and estimates, we used to identify the median employee in 2017 for purposes of calculating the CEO Pay Ratio:

We identified the median employee based on our U.S.- and U.K.-based employee population as of December 31, 2017. We excluded from the determination of median employee a total number of non-U.S. and non-U.K. employees representing less than 3.5% of our total workforce as of that date, pursuant to the *de minimis* exemption provided under Item 402(u) of Regulation S-K.

In determining compensation for purposes of the median calculation, we used each employee's annual base pay, annual bonus paid in calendar year 2017, and any retention plan bonus and car allowance.

We annualized the base salary earned in 2017 by permanent employees (full-time and part-time) hired after January 1, 2017. In identifying the median employee, we did not make any cost-of-living adjustments.

Amounts paid in foreign currency were converted into United States dollars using foreign exchange rates averaged over the full year 2017.

Using this approach, we selected the median of our employee population for 2017. We decided to use the same median employee to determine our 2018 CEO Pay Ratio since there was no material change to our employee compensation arrangements during 2018, and we believe that our increased headcount during 2018 would not significantly impact our calculation. 2018 annual total compensation for this employee was calculated in accordance with the requirements of the Summary Compensation Table.

## **Table of Contents**

For 2018, the median of the annual total compensation of our employees (other than our CEO) was \$349,809 and the annual total compensation of our CEO was \$6,267,458. The ratio of the annual total compensation of our CEO to the median of the annual total compensation of all employees other than the CEO was 18:1.

The pay ratio above represents our reasonable estimate calculated in a manner consistent with the rule and applicable guidance. The rule and guidance provide significant flexibility in how companies identify the median employee, and each company may use a different methodology and make different assumptions particular to that company. As a result, as the SEC explained when it adopted the rule, in considering the pay-ratio disclosure, stockholders should keep in mind that the rule was not designed to facilitate comparisons of pay ratios among different companies, even companies within the same industry, but rather to allow stockholders to better understand and assess each particular company's compensation practices and pay-ratio disclosures.

Neither the compensation committee nor our management used our CEO Pay Ratio measure in making compensation decisions.

## **DIRECTOR COMPENSATION**

The compensation committee of our board of directors is responsible for making recommendations to our board of directors on appropriate compensation levels and arrangements for our non-employee directors, ensuring they are consistent with our compensation policy and remain competitive with our peer companies. The compensation committee reviews our non-employee director compensation annually.

In making recommendations, the compensation committee takes various factors into consideration, including:

Non-employee directors' responsibilities and the form and amount of compensation paid to directors at our peer companies;

Ability to retain and attract the most qualified and experienced non-employee directors to oversee the management of our business and operations; and

Advice of an independent compensation consultant to review our non-employee director compensation program and promote alignment with market practice and stockholder interests.

In 2018, stockholder feedback received from an advisory vote on the Non-Employee Director Compensation Policy held at our 2018 annual meeting, as well as feedback received during stockholder outreach. Our goal is to appropriately compensate non-employee directors for their leadership and expertise while aligning non-employee director interests with those of our stockholders. In line with this goal, our non-employee director

compensation policy is underpinned by the same philosophy and principles that govern our executive compensation program.

**Our non-employee director compensation program is designed to:**

Align non-employee director and stockholder interests through grants of non-statutory stock option awards;

Encourage a vested interest in our company's long-term business performance through stock ownership requirements;

Align non-employee director compensation with our peer companies of comparable market capitalization and size;

Ensure a robust non-employee director compensation governance framework is in place; and

Help us attract and retain talent for board of director service to support the long-term value of Clovis.

**Table of Contents****Stockholder Engagement on Non-Employee Director Compensation**

In response to stockholder feedback, including only receiving a 42% favorable vote on the Non-Employee Director Compensation Policy held at our 2018 annual meeting (which was held as part of the terms of a proposed director compensation litigation settlement agreement), we have made changes to our non-employee director compensation program. We heard from stockholders that:

Some companies in the peer group may no longer be comparable to Clovis, and

Overall compensation for non-employee directors is above market practice for the size of the company. Therefore, we took the following actions:

<b>June 2018</b>	<b>July 2018</b>	<b>August 2018</b>	<b>September 2018</b>	<b>October 2018</b>	<b>October 2018</b>
In response to the vote, we delayed making our 2018 annual equity grants to non-employee directors (moved from June to October 2018) to allow time to understand stockholder feedback and reassess our peer group.	è We engaged a new independent compensation advisor, Willis Towers Watson, to conduct analysis of our peer group and pay practices for non-employee directors.	è We reassessed and updated our peer group, removing two companies that no longer matched our size and added four new companies that reflect our industry, market capitalization, revenues and number of employees. See page 32 for more details.	è	è After reviewing our non-employee director compensation relative to our updated peer group, we retained the \$50,000 annual cash award and lowered the annual equity award value to \$300,000 in line with the median of the updated peer group. And, equity awards are now determined based on value rather than granting the same number of stock options each year.	è We granted stock options valued at \$300,000 for all continuing non-employee directors and a value of \$525,000 to newly elected non-employee directors.



See page 27 for additional information on our stockholder engagement activities.

### **Non-Employee Director Compensation**

***Cash and Equity Compensation:*** Based on our stockholder feedback, analysis of our newly revised peer group, and advice of the compensation committee's independent compensation consultant effective, as of October 11, 2018, we revised our non-employee director compensation program to include a cash retainer of \$50,000 and an annual grant of stock options valued at \$300,000 for all continuing directors. While the stock option value represents the grant date fair value of the applicable stock awards, the realizable value of these awards will be zero unless the company share price increases from the date of grant, reinforcing the performance

**Table of Contents**

orientation of our program and the alignment of interests between our non-employee directors and our stockholders. We historically defined equity awards to non-employee directors as a fixed number of options, so the value of the award each year was based on our stock price and option valuation on the date of grant. By adopting a fixed value approach that is aligned with the peer group median value, we will avoid any potential misalignment with our targeted market positioning due to year-on-year changes in our stock price.

Newly appointed non-employee directors will receive the same annual \$50,000 cash retainer (prorated for his or her period of service) and a first-year grant (upon initial election or appointment) of stock options valued at \$525,000 which vest over a three-year period (versus one year for annual option grants for continuing directors). Providing a larger initial grant to newly appointed non-employee directors aligns with market practice within the biopharmaceutical industry. In subsequent years, their compensation will be consistent with the compensation of continuing directors.

***Additional Cash Compensation:*** In addition to the annual cash retainer, the chairperson of our board of directors and each committee thereof is entitled to greater compensation for his or her services than other members of the board of directors or such committee, as applicable, which we believe is commensurate with the additional time commitment and additional responsibility required by the position held and is consistent with the compensation practices of our peer group companies. Accordingly, the non-employee director who serves as chair of our board of directors received an additional cash retainer of \$30,000; each non-employee director who serves as chair of our audit, compensation, and nominating and corporate governance committees received an additional annual cash retainer of \$20,000, \$15,000, and \$10,000, respectively; and each non-employee director who serves as a member (other than the chair) of our audit, compensation, and nominating and corporate governance committees received an additional annual cash retainer of \$10,000, \$7,500, and \$5,000, respectively.

***Equity Awards:*** The value of a stock option award, which is granted under our 2011 Stock Incentive Plan, will equal its grant date fair value as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor provision. The exercise price per share for any such stock options will equal the closing price of a share of our company's common stock (as reported on the NASDAQ Global Select Market) on the date of grant. Annual stock options will vest and become exercisable in equal monthly installments over a 12-month period after the applicable date of grant. Initial stock options will vest and become exercisable on the first, second and third anniversaries of the applicable date of grant. The vesting of each annual stock option and initial stock option will be subject to full acceleration in the event of a Change in Control (as defined in our 2011 Stock Incentive Plan).

**Table of Contents****Stock Ownership Guidelines**

All non-employee directors are required to hold a minimum number of shares of our stock while serving as a director. The guidelines are intended to align the interests of non-employee directors with those of our stockholders by requiring non-employee directors to be subject to the same long-term stock price volatility our stockholders experience. The minimum threshold is equal to three times the directors' baseline annual retainer fee, or \$150,000.

When determining whether the directors have met the minimum ownership requirements under the policy, calculations include all shares held outright by the directors and any vested equity awards. Each director initially has five years in order to meet his or her minimum ownership threshold (and one year after a retainer increase). During this five-year phase-in period, the director is not allowed to sell more than 50% of any vested equity awards until he or she has met the applicable minimum threshold. The policy is administered and monitored by our Principal Financial Officer under the direction of the compensation committee. Currently, each of our non-employee directors is in compliance with our stock ownership guidelines or, in the case of our two newest directors, are in the five-year phase-in period.

**2018 Director Compensation Table**

The following table summarizes the compensation received by our non-employee directors for the year ended December 31, 2018.

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Option Awards (\$)<sup>(2)(3)</sup></b>	<b>Total (\$)</b>
Brian G. Atwood	65,000	299,979	364,979
Robert W. Azelby <sup>(1)</sup>	13,750	524,973	538,723
M. James Barrett	97,500	299,979	397,479
James C. Blair	70,000	299,979	369,979
Richard A. Fair <sup>(1)</sup>	14,375	524,973	539,348
Keith Flaherty	55,000	299,979	354,979
Ginger Graham	57,500	299,979	357,479
Paul H. Klingenstein	60,000	299,979	359,979
Edward J. McKinley	70,000	299,979	369,979
Thorlef Spickschen	57,500	299,979	357,479

- (1) Cash compensation (both the annual retainer and the retainer for additional services) is pro-rated based on the date the non-employee director joined the board. For Messrs. Azelby and Fair, this date was October 11, 2018.
- (2) Drs. Barrett, Blair, Flaherty, and Spickschen, Messrs. Atwood, Klingenstein and McKinley, and Ms. Graham each received a grant of options to purchase 14,770 shares of our common stock on October 11, 2018. Also on October 11, 2018, Messrs. Azelby and Fair each received a grant of options to purchase 25,848 shares of our common stock, in connection with their joining the board of directors on that date. As of December 31, 2018, Mr. Blair had 94,425 options outstanding, Dr. Flaherty and Ms. Graham each had 84,771 options outstanding,

Mr. McKinley had 69,598 options outstanding, Messrs. Azelby and Fair each had 25,848 options outstanding, and each of the other directors had 127,183 options outstanding.

- (3) Amount represents the fair value of the awards on the date of grant computed in accordance with FASB ASC Topic 718. For a discussion of the assumptions made in the valuation, see Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2018.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table and accompanying footnotes set forth certain information regarding the beneficial ownership of our common stock as of April 8, 2019 by:

each person or group of affiliated persons who are known by us to own beneficially more than 5% of our common stock;

each of our named executive officers;

each member of our board of directors and each nominee; and

all members of our board of directors and our executive officers as a group.

The amounts and percentages of shares beneficially owned are reported on the basis of SEC regulations governing the determination of beneficial ownership of securities. Under SEC rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power or investment power over the security, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person's ownership percentage, but not for purposes of computing any other person's percentage. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Applicable percentages are based on 53,000,000 shares of common stock outstanding on April 8, 2019.

Except as indicated in the footnotes below and subject to applicable community property laws, each of the beneficial owners named in the table below has, to our knowledge, sole voting and investment power with respect to all shares of common stock listed as beneficially owned by them. Unless otherwise indicated, the address for each of the stockholders in the table below is c/o Clovis Oncology, Inc., 5500 Flatiron Parkway, Suite 100, Boulder, Colorado 80301.

Name Of Beneficial Owner	Beneficial Ownership	
	Number of Shares	Percent of Total
<i>Stockholders beneficially owning 5% or more of our common stock</i>		
Beneficial owners affiliated with Palo Alto Investors LP	5,239,304 <sup>(1)</sup>	9.9%
The Vanguard Group	4,560,930 <sup>(2)</sup>	8.6%
BlackRock, Inc.	4,373,563 <sup>(3)</sup>	8.3%
Beneficial owners affiliated with Redmile Group, LLC	4,060,529 <sup>(4)</sup>	7.7%
State Street Corporation	3,395,589 <sup>(5)</sup>	6.4%
Beneficial owners affiliated with Camber Capital Management LP	2,800,000 <sup>(6)</sup>	5.3%
Beneficial owners affiliated with OrbiMed Advisers, LLC	2,752,200 <sup>(7)</sup>	5.2%

Edgar Filing: Clovis Oncology, Inc. - Form PRE 14A

<i>Officers and Directors</i>		
Patrick J. Mahaffy	1,800,474 <sup>(8)</sup>	3.3%
Paul H. Klingenstein	806,326 <sup>(9)</sup>	1.5%
Gillian C. Ivers-Read	496,221 <sup>(10)</sup>	*
Edward J. McKinley	331,459 <sup>(11)</sup>	*
Brian G. Atwood	248,460 <sup>(12)</sup>	*
Lindsey Rolfe	244,039 <sup>(13)</sup>	*
Thorlef Spickschen	128,646 <sup>(14)</sup>	*
M. James Barrett	122,750 <sup>(15)</sup>	*
James C. Blair	111,814 <sup>(16)</sup>	*
Daniel Muehl	91,337 <sup>(17)</sup>	*
Ginger Graham	78,616 <sup>(18)</sup>	*
Keith Flaherty	78,616 <sup>(19)</sup>	*
Paul Gross	66,018 <sup>(20)</sup>	*
Richard A. Fair	0	*
Robert W. Azelby	0	*
All directors and executive officers as a group (15 persons)	4,604,776	8.3%

- 53 -

---

**Table of Contents**

- \* Represents beneficial ownership of less than 1% of our common stock.
- (1) Based on the information provided in a Schedule 13G, as amended, filed with the SEC on February 14, 2019 by Patrick Lee, MD, Anthony Joonkyoo Yun, MD, Palo Alto Investors LP, PAI LLC, and Palo Alto Healthcare Master Fund II, L.P. According to the Schedule 13G, as amended, (i) Patrick Lee, MD, Anthony Joonkyoo Yun, MD, Palo Alto Investors LP, and PAI LLC share voting and dispositive power over 5,239,304 shares, and (ii) Palo Alto Healthcare Master Fund II, L.P. shares voting and dispositive power over 2,868,825 shares. The principal business address of each of Patrick Lee, MD, Anthony Joonkyoo Yun, MD, Palo Alto Investors LP, PAI LLC, and Palo Alto Healthcare Master Fund II, L.P. is 470 University Avenue, Palo Alto, CA 94301.
  - (2) Based on the information provided in a Schedule 13G, as amended, filed with the SEC on February 11, 2019 by The Vanguard Group. According to the Schedule 13G, as amended, The Vanguard Group has sole dispositive power over 4,456,769 shares, shared dispositive power over 104,161 shares, sole voting power over 98,969 shares and shared voting power over 9,546 shares. The principal business address of The Vanguard Group is 100 Vanguard Boulevard, Malvern, PA 19355.
  - (3) Based on the information provided in a Schedule 13G, as amended, filed with the SEC on February 11, 2019 by BlackRock, Inc. According to the Schedule 13G, as amended, BlackRock, Inc. has sole dispositive power over 4,373,568 shares and sole voting power over 4,226,740 shares. The principal business address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.
  - (4) Based on the information provided in a Schedule 13G, as amended, filed with the SEC on February 14, 2019 by Redmile Group, LLC. According to the Schedule 13G, as amended, Redmile Group, LLC and Jeremy C. Green have shared dispositive power and shared voting power over 4,060,529 shares. The principal business address of Redmile Group, LLC and Jeremy C. Green is One Letterman Drive Building D, Suite D3-300, The Presidio of San Francisco, San Francisco, CA 94129.
  - (5) Based on the information provided in Schedule 13G, as amended, filed with the SEC on February 14, 2019 by State Street Corporation. According to the Schedule 13G, as amended, State Street Corporation has shared voting power over 3,245,406 shares and shared dispositive power of 3,395,589 shares. The principal business address of State Street Corporation is State Street Financial Center, One Lincoln Street, Boston, MA 02111.
  - (6) Based on the information provided in Schedule 13G, as amended, filed with the SEC on February 14, 2019 by Camber Capital Management LP. According to Schedule 13G, as amended, Camber Capital Management LP and Stephen DuBois have shared voting and dispositive power over 2,800,000 shares. The principal business address of Camber Capital Management LP is 101 Huntington Avenue, Suite 2101, Boston, MA 02199.
  - (7) Based on the information provided in Schedule 13G, as amended, filed with the SEC on February 13, 2019 by OrbiMed Capital LLC and OrbiMed Advisors LLC. According to Schedule 13G, as amended, OrbiMed Capital LLC has shared voting and dispositive power over 2,299,900 shares and OrbiMed Advisors LLC has shared voting and dispositive power over 452,300 shares. The principal business address of OrbiMed Capital LLC and OrbiMed Advisors LLC is 610 Lexington Avenue, 54th Floor, New York, NY 10022.
  - (8) Includes 879,687 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
  - (9) Includes 121,028 shares of common stock subject to outstanding options which are exercisable within the next 60 days. Based on information provided in a Schedule 13D, as amended, filed by Aberdare Ventures IV, L.P., Aberdare Partners IV, L.P. and Aberdare GP IV, LLC and Mr. Klingenstein with the SEC on July 16, 2013, includes 639,078 shares of common stock held of record by Aberdare Ventures IV, L.P. and 12,755 shares of common stock held of record by Aberdare Partners IV, L.P. Voting and investment power over the shares owned by Aberdare Ventures IV, L.P. and Aberdare Partners IV, L.P. is held by Aberdare GP IV, L.L.C., their general partner. Mr. Klingenstein is a managing member of Aberdare GP IV, L.L.C. Mr. Klingenstein disclaims beneficial ownership of these securities, except to the extent of his pecuniary interest therein.
  - (10)

Includes 306,214 shares of common stock subject to outstanding options and restricted stock units which are exercisable or will settle within the next 60 days.

- 54 -



---

**Table of Contents**

- (11) Includes 63,443 shares of common stock subject to outstanding options which are exercisable within the next 60 days. Based on information provided to us, includes 17,500 shares of common stock owned by the Priory Fund, of which Mr. McKinley is a director and shares voting and dispositive power with respect to such shares. Based on information provided in a Form 4 filed by Mr. McKinley with the SEC on May 16, 2014, includes 215,815 shares of common stock owned by McKinley/Lavidge Revocable Trust (the McKinley Trust ), of which Mr. McKinley is co-trustee and shares voting and dispositive power with respect to such shares. Mr. McKinley disclaims beneficial ownership of the securities held by the McKinley Trust and the Priory Fund, except to the extent of his pecuniary interest therein.
- (12) Includes 121,028 shares of common stock subject to outstanding options which are exercisable within the next 60 days. Based on information provided in a Form 4 filed by Mr. Atwood with the SEC on June 28, 2017, includes 25,577 shares of common stock held of record by the Atwood-Edminster Trust dated 4/2/2000, of which Mr. Atwood is a trustee and a named beneficiary. Based on information provided to us, includes 101,217 shares of common stock held of record by Versant Venture Capital IV, L.P. and 638 shares of common stock owned by Versant Side Fund IV, L.P. Voting and investment power over the shares held of record by Versant Venture Capital IV, L.P. and Versant Side Fund IV, L.P. is held by Versant Ventures IV, LLC, their sole general partner. Mr. Atwood is a managing member of Versant Ventures IV, LLC. Mr. Atwood disclaims beneficial ownership of these securities, except to the extent of his pecuniary interest therein, and the options held by him.
- (13) Includes 224,815 shares of common stock subject to outstanding options and restricted stock units which are exercisable or will settle within the next 60 days.
- (14) Includes 88,270 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (15) Includes 121,028 shares of common stock subject to outstanding options which are exercisable within the next 60 days. Based on information provided to us, includes 861 shares of common stock held of record by the Barrett 2006 Family Trust (the Barrett Trust ), of which Dr. Barrett is a trustee. Based on information provided in a Form 4 filed by Dr. Barrett with the SEC on March 1, 2017, Dr. Barrett disclaims beneficial ownership of these securities, except to the extent of his actual pecuniary interest therein.
- (16) Includes 88,270 shares of common stock subject to outstanding options which are exercisable within the next 60 days. Includes 10,105 shares of common stock held of record by Susan W. and James C. Blair Family Partnership ( Family ). Voting and investment power over the shares held of record by Family is held by Dr. Blair.
- (17) Includes 83,970 shares of common stock subject to outstanding options and restricted stock units which are exercisable or will settle within the next 60 days.
- (18) Includes 78,616 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (19) Includes 78,616 shares of common stock subject to outstanding options which are exercisable within the next 60 days.
- (20) Includes 62,279 shares of common stock subject to outstanding options and restricted stock units which are exercisable or will settle within the next 60 days.

**Table of Contents**

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Directors, officers, and greater than ten percent stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the year ended December 31, 2018, all directors, officers, and greater than ten percent beneficial owners complied with all applicable Section 16(a) filing requirements.

---

**Table of Contents**

**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

On January 30, 2017, we entered into a Strata Trial Collaboration Agreement (the **Strata Agreement**) with Strata Oncology, Inc. (**Strata**), in order to identify potentially eligible patients for Clovis ongoing TRITON (Trial of Rucaparib in Prostate Indications) clinical trial program, which includes Phase 2 and Phase 3 clinical trials of rucaparib in metastatic castration-resistant prostate cancer, via the Strata Trial (the **Strata Trial**), a nationwide observational study sponsored by Strata under which no-cost sequencing is provided to advanced cancer patients at Strata Trial sites. Keith Flaherty, a member of our board of directors, is also a founder, member of the board of directors and owns less than 3% of the fully-diluted equity of Strata. Accordingly, the Strata Agreement constitutes a related party transaction under Item 404(a) of Regulation S-K and was reviewed and approved by the audit committee of our board of directors. In 2018, we did not make any payments to Strata pursuant to the Strata Agreement.

Other than the Strata Agreement, since the beginning of fiscal year 2017, we have not engaged in any transactions in which the amount involved exceeded or will exceed \$120,000, and in which any of our executive officers, directors or holders of more than 5% of our voting securities, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest, other than compensation, termination and change in control arrangements, which are described under **Executive and Director Compensation** above. We describe below certain other transactions with our directors, executive officers and stockholders.

**Director Compensation**

For a discussion of the director compensation arrangements, see **Executive and Director Compensation** **Director Compensation** above.

**Executive Compensation and Employment Agreements**

Please see **Executive and Director Compensation** **Compensation Discussion and Analysis** above for information on compensation arrangements with our named executive officers, including option grants and agreements with our named executive officers.

**Indemnification Agreements**

We have entered into indemnification agreements with each of our directors and officers, and we have purchased a policy of directors and officers liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment under certain circumstances. Further, our amended and restated certificate of incorporation and bylaws limits our directors and officers liability to the fullest extent permitted under Delaware corporate law.

**Policies and Procedures Regarding Transactions with Related Persons**

We have a written policy that sets forth our policies regarding the identification, review, consideration, approval and oversight of related-person transactions. For purposes of our policy only, a related-person transaction is a past, present or future transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any related person are participants, the amount involved exceeds \$120,000 and a related person has a direct or indirect material interest. Transactions involving compensation for services provided to us as an employee, director, consultant or similar capacity by a related person are not covered by this policy. A related person, as determined since the beginning of our last fiscal year, is any executive officer, director or nominee to become director, a holder of more than 5% of our common stock, including any immediate family members of such persons or any

entity in which such a person has a 10% or greater equity interest. Any related-person transaction may only be consummated if our audit committee has approved or ratified the transaction in accordance with the policy guidelines set forth below.

- 57 -

## **Table of Contents**

The policy imposes an affirmative duty upon each director and executive officer to identify, and we will request that significant stockholders identify, any transaction involving them, their affiliates or immediate family members that may be considered a related party transaction before such person engages in the transaction. Under the policy, where a transaction has been identified as a related-person transaction, management must present information regarding the proposed related-person transaction to our audit committee (or, where review by our audit committee would be inappropriate, to another independent body of our board of directors) for review. The presentation must include a description of, among other things, the material facts, the direct and indirect interests of the related persons, the benefits of the transaction to us and whether any alternative transactions are available.

In the event a director has an interest in the proposed transaction, the director must recuse himself or herself from the deliberations and approval process.

## **HOUSEHOLDING OF PROXY MATERIALS**

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for Notices and, if applicable, our annual report and other proxy materials, with respect to two or more stockholders sharing the same address by delivering a single Notice and, if applicable, a single set of our annual report and proxy materials, addressed to those stockholders. This practice, which is commonly referred to as householding, potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are our stockholders will be householding our proxy materials. A single Notice and, if applicable, a single set of our proxy materials, will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate Notice and, if applicable, a single set of proxy materials, please notify your broker or contact us. To contact us, direct your written request to: Investor Relations, Clovis Oncology, Inc., 5500 Flatiron Parkway, Suite 100, Boulder, Colorado 80301 or contact Investor Relations at 303-625-5000. Stockholders who currently receive multiple copies of the Notice or our annual report and other proxy materials at their addresses and would like to request householding of their communications should contact their brokers or us, as applicable.

## **AVAILABLE INFORMATION**

We will provide to any stockholder entitled to vote at our Annual Meeting, at no charge, a copy of our Annual Report on Form 10-K for fiscal 2018 filed with the SEC on February 28, 2019, including the financial statements and the financial statement schedules contained in the Form 10-K. We make our Annual Report on Form 10-K, as well as our other SEC filings, available free of charge through the investor relations section of our website located at <http://ir.clovisoncology.com> as soon as reasonably practicable after they are filed with or furnished to the SEC. Information contained on or accessible through our website or contained on other websites is not deemed to be part of proxy statement. In addition, you may request a copy of the Annual Report on Form 10-K by writing to Clovis Oncology, Inc. Investor Relations at 5500 Flatiron Parkway, Suite 100, Boulder, Colorado 80301.

**Table of Contents**

**STOCKHOLDER PROPOSALS TO BE PRESENTED AT NEXT ANNUAL MEETING**

Stockholder proposals may be included in our proxy statement for an annual meeting so long as they are provided to us on a timely basis and satisfy the other conditions set forth in SEC regulations under Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials. For a stockholder proposal to be considered for inclusion in our proxy statement for the annual meeting to be held in 2020, we must receive the proposal at our principal executive offices, addressed to the Secretary, no later than December 26, 2019. In addition, a stockholder proposal that is not intended for inclusion in our proxy statement under Rule 14a-8 may be brought before the 2020 annual meeting so long as we receive information and notice of the proposal in compliance with the requirements set forth in our amended and restated bylaws, addressed to our corporate secretary, Paul E. Gross, at Clovis Oncology, Inc., 5500 Flatiron Parkway, Suite 100, Boulder, Colorado 80301, not later than March 8, 2020 nor earlier than February 7, 2020.

**OTHER MATTERS**

We do not know of any business other than that described in this proxy statement that will be presented for consideration or action by the stockholders at the Annual Meeting. If, however, any other business is properly brought before the meeting, shares represented by proxies will be voted in accordance with the best judgment of the persons named in the proxies or their substitutes. Please promptly submit your proxy as soon as possible (i) by accessing the Internet site or by calling the toll-free number described in the proxy materials; or (ii) if you receive a paper proxy card by mail, by completing and returning the proxy card mailed to you. All stockholders are urged to complete, sign, date and return the accompanying proxy card in the enclosed envelope to us.

By Order of the Board of Directors

Paul E. Gross  
Secretary

Boulder, Colorado

April 26, 2019

**Table of Contents**

***CLOVIS ONCOLOGY, INC.  
5500 FLATIRON PARKWAY***

***BOULDER, CO 80301***

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. EDT on June 5, 2019. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

As a stockholder, you can help reduce the environmental impact of producing hard copy materials by consenting to receiving all future notices of availability of proxy materials or proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. EDT on June 5, 2019. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E76813-P20189

KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**CLOVIS ONCOLOGY, INC.**

**For Withhold For All**  
**All All Except**

To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.

**The Board of Directors recommends you vote FOR the following proposal:**

- 1. Election of four Class II directors to hold office until the 2022 Annual Meeting of Stockholders.

**Nominees:**

- 01) Brian G. Atwood
- 02) James C. Blair, Ph.D.
- 03) Richard A. Fair
- 04) Paul H. Klingenstein

**The Board of Directors recommends you vote FOR the following:**

**For Against Abstain**

- 2. Amendment to our Amended and Restated Certificate of Incorporation to increase the authorized shares of common stock from 100,000,000 to 200,000,000.

**The Board of Directors recommends you vote FOR the following:**

- 3. Approval of an advisory proposal on compensation of the Company's named executive officers, as disclosed in the attached proxy statement.

**The Board of Directors recommends you vote FOR the following:**

- 4. Ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2019.

**NOTE:** In their discretion, the proxies are authorized to vote on such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

For address changes and/or comments, please check this box and write them on the back where indicated.



Edgar Filing: Clovis Oncology, Inc. - Form PRE 14A

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

**Table of Contents**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report on Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com)

as well as in the Investor Relations section at [www.clovisoncology.com](http://www.clovisoncology.com)

E76814-P20189

**CLOVIS ONCOLOGY, INC.**

**5500 Flatiron Parkway**

**Boulder, Colorado 80301**

**Annual Meeting of Stockholders on June 6, 2019**

**Proxy Solicited on Behalf of the Board of Directors**

The undersigned stockholder(s) of CLOVIS ONCOLOGY, INC. hereby appoint(s) Patrick J. Mahaffy and Paul Gross, and each of them, as attorneys and proxies of the undersigned, with full power of substitution, to attend, vote and act for the undersigned at the Annual Meeting of Stockholders of Clovis Oncology, Inc. to be held on June 6, 2019 at 8:30 a.m., Mountain time, at the St. Julien Hotel, 900 Walnut Street, Boulder, Colorado 80302, and at any adjournment or postponement of the meeting, upon the matters listed on the reverse side and in accordance with the instructions listed on the reverse side, with discretionary authority as to any and all other business that may properly come before the meeting.

**This proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder. If no direction is given, this proxy will be voted FOR the nominees for director listed in Proposal 1, FOR Proposal 2, FOR Proposal 3 and FOR Proposal 4.**

**Address Changes/Comments:**

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**