

ALNYLAM PHARMACEUTICALS, INC.

Form DEF 14A

April 22, 2009

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(Rule 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

ALNYLAM PHARMACEUTICALS, INC.

(Name of Registrant as Specified in Its Charter)

(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:

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

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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**ALNYLAM PHARMACEUTICALS, INC.  
300 THIRD STREET  
CAMBRIDGE, MASSACHUSETTS 02142**

**NOTICE OF 2009 ANNUAL MEETING OF STOCKHOLDERS  
To Be Held On June 11, 2009**

To our Stockholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Alnylam Pharmaceuticals, Inc. will be held on Thursday, June 11, 2009 at 9:00 a.m., Eastern Time, at the offices of Alnylam Pharmaceuticals, Inc., 300 Third Street, Cambridge, Massachusetts. At the meeting, stockholders will consider and vote on the following matters:

1. To elect three (3) members to our board of directors, each to serve as a Class II director for a term ending in 2012, or until his or her successor has been duly elected and qualified;
2. To approve the amendment and restatement of our 2004 Stock Incentive Plan;
3. To approve the adoption of our 2009 Stock Incentive Plan; and
4. To ratify the appointment of PricewaterhouseCoopers LLP, an independent registered public accounting firm, as our independent auditors for the fiscal year ending December 31, 2009.

The stockholders will also act on any other business that may properly come before the annual meeting or any adjournment thereof.

Stockholders of record at the close of business on April 15, 2009, the record date for the annual meeting, are entitled to notice of, and to vote at, the annual meeting or any adjournment thereof. Your vote is important regardless of the number of shares you own. If you are a stockholder of record, please vote in one of these three ways:

**Vote Over the Internet**, by going to the website of our tabulator, Computershare Trust Company, N.A., at [www.investorvote.com/ALNY](http://www.investorvote.com/ALNY) and following the instructions for Internet voting shown on the enclosed proxy card;

**Vote By Telephone**, by calling 1-800-652-VOTE (8683) and following the recorded instructions; or

**Vote By Mail**, by completing and signing your enclosed proxy card and mailing it in the enclosed postage prepaid envelope. If you vote by Internet or telephone, please do not mail your proxy.

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

We encourage all stockholders to attend the annual meeting in person. You may obtain directions to the location of the annual meeting on our website at [www.alnylam.com](http://www.alnylam.com). Whether or not you plan to attend the annual meeting in person,

we hope you will take the time to vote your shares.

By Order of the Board of Directors

John M. Maraganore, Ph.D.  
Chief Executive Officer

Cambridge, Massachusetts  
April 22, 2009

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**ALNYLAM PHARMACEUTICALS, INC.  
300 THIRD STREET  
CAMBRIDGE, MASSACHUSETTS 02142**

**PROXY STATEMENT**

**for the 2009 Annual Meeting of Stockholders  
to be held on June 11, 2009**

This proxy statement and the enclosed proxy card are being furnished in connection with the solicitation of proxies by the board of directors of Alnylam Pharmaceuticals, Inc. for use at the Annual Meeting of Stockholders to be held on Thursday, June 11, 2009 at 9:00 a.m., Eastern Time, at the offices of Alnylam Pharmaceuticals, Inc., 300 Third Street, Cambridge, Massachusetts, and at any adjournment thereof.

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

Our Annual Report to Stockholders and our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 are being mailed to stockholders with the mailing of these proxy materials on or about April 24, 2009.

**Important Notice Regarding the Availability of Proxy Materials for  
the Annual Meeting of Stockholders to be Held on June 11, 2009:**

This proxy statement and our 2008 Annual Report to Stockholders are available for viewing, printing and downloading at [www.alnylam.com/2009AnnualMeeting](http://www.alnylam.com/2009AnnualMeeting).

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, as filed with the Securities and Exchange Commission, or SEC, will be furnished without charge to any stockholder upon written request to Alnylam Pharmaceuticals, Inc., 300 Third Street, Cambridge, Massachusetts 02142, Attention: Investor Relations and Corporate Communications. This proxy statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 are also available on the SEC's website at [www.sec.gov](http://www.sec.gov).

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

- Q. Why did I receive these proxy materials?**
- A.** We are providing these proxy materials to you in connection with the solicitation by our board of directors of proxies to be voted at our 2009 annual meeting of stockholders to be held at our offices at 300 Third Street, Cambridge, Massachusetts on Thursday, June 11, 2009 at 9:00 a.m., Eastern Time. As a stockholder of Alnylam, you are invited to attend our annual meeting and are entitled and requested to vote on the proposals described in this proxy statement.

- Q. Who can vote at the annual meeting?**
- A.** To be able to vote, you must have been a stockholder of record at the close of business on April 15, 2009, the record date for our annual meeting. The holders of the 41,443,690 shares of our common stock outstanding as of the record date are entitled to vote at the annual meeting.

If you were a stockholder of record on that date, you are entitled to vote all of the shares that you held on that date at the annual meeting and at any postponements or adjournments thereof.

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**Q. What are the voting rights of the holders of common stock?**      **A.** Each outstanding share of our common stock will be entitled to one vote on each matter considered at the annual meeting.

**Q. How do I vote?**      **A. If your shares are registered directly in your name, you may vote:**

(1) **Over the Internet:** Go to the website of our tabulator, Computershare Trust Company, N.A., at [www.investorvote.com/ALNY](http://www.investorvote.com/ALNY). Use the vote control number printed on your enclosed proxy card to access your account and vote your shares. You must specify how you want your shares voted or your Internet vote cannot be completed and you will receive an error message. Your shares will be voted according to your instructions. You must submit your Internet proxy before 11:59 p.m., Eastern Time, on June 10, 2009, the day before the annual meeting, for your proxy to be valid and your vote to count.

(2) **By Telephone:** Call 1-800-652-VOTE (8683), toll free from the United States, Canada and Puerto Rico, and follow the recorded instructions. You must specify how you want your shares voted and confirm your vote at the end of the call or your telephone vote cannot be completed. Your shares will be voted according to your instructions. You must submit your telephonic proxy before 11:59 p.m., Eastern Time, on June 10, 2009, the day before the annual meeting, for your proxy to be valid and your vote to count.

(3) **By Mail:** Complete and sign your enclosed proxy card and mail it in the enclosed postage prepaid envelope to Computershare. Computershare must receive the proxy card not later than June 10, 2009, the day before the annual meeting, for your proxy to be valid and your vote to count. Your shares will be voted according to your instructions. If you do not specify how you want your shares voted, they will be voted as recommended by our board.

(4) **In Person at the Meeting:** If you attend the annual meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which we will provide to you at the meeting.

**If your shares are held in street name, meaning they are held for your account by a broker or other nominee, you may vote:**

(1) **Over the Internet or by Telephone:** You will receive instructions from your broker or other nominee if they permit Internet or telephone voting. You should follow those instructions.

(2) **By Mail:** You will receive instructions from your broker or other nominee explaining how you can vote your shares by mail. You should follow those instructions.

(3) **In Person at the Meeting:** Contact your broker or other nominee who holds your shares to obtain a broker's proxy card and bring it with you to the annual meeting. A broker's proxy is *not* the form of proxy enclosed with this proxy statement. **You will not be able to vote shares you hold in street name in person at the annual meeting unless you have a proxy from your broker issued in your name giving you the right to vote your shares.**



**How many shares must be present to hold the annual meeting?**

A majority of our outstanding shares of common stock must be present to hold the annual meeting and conduct business. This is called a quorum. For purposes of determining whether a quorum exists, we count as present any shares that are voted over the Internet, by telephone, by completing and submitting a proxy or that are represented in person at the meeting. Further, for purposes of establishing a quorum, we will count as present shares that a stockholder holds even if the stockholder votes to abstain or only votes on one of the proposals. In addition, we will count as present shares held in street name by brokers or nominees who indicate on their proxies that they do not have authority to vote those shares on Proposals 2 or 3. If a quorum is not present, we expect to adjourn the annual meeting until we obtain a quorum.

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**Q. What vote is required to approve each matter and how are votes counted?**

**A. Proposal 1 Election of three Class II Directors**

The three nominees for director to receive the highest number of votes FOR election will be elected as directors. This is called a plurality. Abstentions are not counted for purposes of electing directors. If your shares are held by your broker in street name, and you do not vote your shares, your brokerage firm may vote your unvoted shares on Proposal 1. You may:

vote FOR all nominees;

vote FOR one or more nominee(s) and WITHHOLD your vote from the other nominee(s); or

WITHHOLD your vote from all nominees.

Votes that are withheld will not be included in the vote tally for the election of directors and will not affect the results of the vote.

**Proposal 2 Approval of Amendment and Restatement of the 2004 Plan**

To approve Proposal 2, stockholders holding a majority of the votes cast on the matter must vote FOR the proposal. Proposal 2 is not considered a routine matter. Therefore, if your shares are held by your broker in street name, and you do not vote your shares, your brokerage firm cannot vote your shares on Proposal 2. Shares held in street name by brokers or nominees who indicate on their proxies that they do not have authority to vote the shares on Proposal 2, will not be counted as votes in favor of or against the proposal, and will also not be counted as votes cast or shares voting on the proposal. If you vote to ABSTAIN on Proposal 2, your shares will not be voted for or against the proposal and will also not be counted as votes cast or shares voting on the proposal. As a result, broker non-votes and votes to ABSTAIN will have no effect on the voting on the proposal.

**Proposal 3 Approval of Adoption of the 2009 Plan**

To approve Proposal 3, stockholders holding a majority of the votes cast on the matter must vote FOR the proposal. Proposal 3 is not considered a routine matter. Therefore, if your shares are held by your broker in street name, and you do not vote your shares, your brokerage firm cannot vote your shares on Proposal 3. Shares held in street name by brokers or nominees who indicate on their proxies that they do not have authority to vote the shares on Proposal 3, will not be counted as votes in favor of or against the proposal, and will also not be counted as votes cast or shares voting on the proposal. If you vote to ABSTAIN on Proposal 3, your shares will not be voted for or against the proposal and will also not be

counted as votes cast or shares voting on the proposal. As a result, broker non-votes and votes to ABSTAIN will have no effect on the voting on the proposal.

**Proposal 4 Ratification of Appointment of Independent Auditors**

To approve Proposal 4, stockholders holding a majority of the votes cast on the matter must vote FOR the proposal. If your shares are held by your broker in street name, and you do not vote your shares, your brokerage firm may vote your unvoted shares on Proposal 4. If you vote to ABSTAIN on Proposal 4, your shares will not be voted in favor of or against the proposal and will also not be counted as votes cast or shares voting on the proposal. As a result, voting to ABSTAIN will have no effect on the voting on the proposal.

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

- Q. Are there other matters to be voted on at the annual meeting?** **A.** We do not know of any matters that may come before the annual meeting other than the election of three Class II directors, the approval of the 2004 Plan, the approval of the 2009 Plan and the ratification of the appointment of our independent auditors. If any other matters are properly presented at the annual meeting, the persons named in the accompanying proxy intend to vote, or otherwise act, in accordance with their judgment on the matter.
- Q. Where can I find the voting results?** **A.** We expect to report the voting results in our Quarterly Report on Form 10-Q for the second quarter ending June 30, 2009, which we anticipate filing with the SEC in August 2009.
- Q. What are the costs of soliciting these proxies?** **A.** We will bear the cost of soliciting proxies. In addition to these proxy materials, our directors, officers and employees may solicit proxies by telephone, e-mail, facsimile and in person, without additional compensation. We have also retained The Altman Group to solicit proxies by mail, courier, telephone and facsimile and to request brokers, custodians and fiduciaries to forward proxy soliciting materials to the owners of stock held in their names. For these services, we will pay a fee of \$12,150, plus expenses. We may reimburse brokers or persons holding stock in their names, or in the names of their nominees, for their expenses in sending proxies and proxy material to beneficial owners.
- Q: How do I vote my 401(k) shares?** **A.** You may give voting instructions for the number of shares of Alnylam common stock equal to the interest in Alnylam common stock credited to your 401(k) plan account as of the record date. To vote these shares, complete and return to Computershare the proxy card sent to you with this proxy statement. The 401(k) plan trustee will vote your shares according to your instructions. Only Computershare and its affiliates or agents will have access to your individual voting instructions. You may revoke previously given voting instructions by filing with the trustee either a written revocation or a properly completed and signed proxy bearing a later date. If you do not provide voting instructions to the 401(k) plan trustee, the 401(k) plan trustee will not vote your shares.

**Householding of Annual Meeting Materials**

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to stockholders may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you upon written or oral request to Alnylam Pharmaceuticals, Inc., 300 Third Street, Cambridge,

Massachusetts 02142, Attention: Investor Relations and Corporate Communications, telephone: (617) 551-8200. If you want to receive separate copies of the proxy statement or annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and phone number.



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The following table sets forth information regarding beneficial ownership of our common stock as of February 28, 2009 by:

each person, or group of affiliated persons, known to us to be the beneficial owner of 5% or more of the outstanding shares of our common stock;

each of our directors;

our principal executive officer, our principal financial officer and our two other executive officers who served during the year ended December 31, 2008, whom, collectively, we refer to as our named executive officers; and

all of our directors and executive officers as a group.

The number of shares of common stock beneficially owned by each person or entity is determined in accordance with the applicable rules of the SEC and includes voting or investment power with respect to shares of our common stock. The information is not necessarily indicative of beneficial ownership for any other purpose. Unless otherwise indicated, to our knowledge, all persons named in the table have sole voting and investment power with respect to their shares of common stock, except to the extent authority is shared by spouses under community property laws. The inclusion herein of any shares as beneficially owned does not constitute an admission of beneficial ownership.

Name and Address of Beneficial Owner(1)	Number of Shares Owned	+	Common Stock Underlying Options Acquirable Within 60 Days(2)	=	Total Beneficial Ownership	Percentage of Common Stock Beneficially Owned(3)
<b>Holders of more than 5% of our common stock</b>						
FMR LLC(4)	6,211,963				6,211,963	15.0%
Novartis Pharma AG(5)	5,481,753				5,481,753	13.2%
Aletheia Research and Management, Inc.(6)	2,791,191				2,791,191	6.7%
Barclays Global Investors, NA(7)	2,106,674				2,106,674	5.1%
<b>Directors and Named Executive Officers</b>						
John K. Clarke	8,891		35,000		43,891	*
Victor J. Dzau, M.D.			20,000		20,000	*
John M. Maraganore, Ph.D.	844(8)		986,500		987,344	2.3%
Vicki L. Sato, Ph.D.			40,000		40,000	*
Paul R. Schimmel, Ph.D.	296,473(9)		15,000		311,473	*

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Edward M. Scolnick, M.D.		15,000	15,000	*
Phillip A. Sharp, Ph.D.	289,472	188,750	478,222	1.1%
Kevin P. Starr		117,631	117,631	*
James L. Vincent	10,000	100,000	110,000	*
Patricia L. Allen	1,631(8)	123,142	124,773	*
Barry E. Greene	717(8)	265,567	266,284	*
John (Jack) A. Schmidt, Jr., M.D.(10)				*
All directors and executive officers as a group (12 persons)	608,028	1,906,590	2,514,618	5.8%

\* Less than 1% of our outstanding common stock.

(1) Unless otherwise indicated, the address of each stockholder is c/o Alnylam Pharmaceuticals, Inc., 300 Third Street, Cambridge, MA 02142.

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- (2) For purposes of this table, shares underlying options that will vest within 60 days after February 28, 2009 are deemed outstanding.
- (3) Percentage of beneficial ownership is based on 41,434,194 shares of our common stock outstanding as of February 28, 2009. Shares of common stock subject to options currently exercisable, or exercisable within 60 days of February 28, 2009, are deemed outstanding for computing the percentage of the common stock beneficially owned by the person holding such options but are not deemed outstanding for computing the percentage ownership for any other person.
- (4) According to Amendment No. 4 to a Schedule 13G filed by FMR LLC (previously known as FMR Corp.) with the SEC on February 13, 2009, as of December 31, 2008, Fidelity Management & Research Company, a wholly-owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 6,201,958 shares, as a result of acting as an investment advisor to various investment companies registered under Section 8 of the Investment Company Act of 1940. The ownership of one investment company, Fidelity Growth Company Fund, amounted to 4,008,509 shares, or 9.7% of our outstanding common stock. Edward C. Johnson 3d, Chairman of FMR LLC, and FMR LLC, through its control of Fidelity Management & Research Company, and the funds each has sole power to dispose of the 6,201,958 shares owned by such funds. Neither FMR LLC nor Edward C. Johnson 3d has the sole power to vote or direct the voting of the shares owned directly by such funds, which power resides with the funds' Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the funds' Boards of Trustees. Strategic Advisors, Inc., a wholly owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, is the beneficial owner of 10,005 shares. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of our common stock held by these funds. The address of FMR LLC is 82 Devonshire Street, Boston, MA 02109.
- (5) According to Amendment No. 1 to a Schedule 13G filed by Novartis AG and Novartis Pharma AG with the SEC on February 6, 2009, as of December 31, 2008, Novartis Pharma AG is the record and beneficial owner of 5,481,753 shares and Novartis AG, as parent of Novartis Pharma AG, is the indirect beneficial owner of such shares. Our investor rights agreement with Novartis Pharma AG provides Novartis with the right to acquire additional equity securities of Alnylam in the event that we propose to sell or issue any equity securities, subject to specified exceptions, as described in the investor rights agreement, such that Novartis would be able generally to maintain its ownership percentage in Alnylam. In accordance with terms of the investor rights agreement, in connection with the issuance of shares of our common stock under our stock plans during 2008, Novartis has the right until May 3, 2009 to purchase from us up to 65,922 shares of our common stock at a purchase price of \$17.50 per share. The information contained in the table above does not include the 65,922 shares that Novartis has the right to purchase under the investor rights agreement. The address of Novartis Pharma AG is Lichstrasse 35, 4053 Basel, Switzerland.
- (6) According to Amendment No. 2 to a Schedule 13G filed by Aletheia Research and Management, Inc. with the SEC on February 17, 2009, as of December 31, 2008, Aletheia Research and Management, Inc. is an investment adviser registered under Section 203 of the Investment Advisers Act of 1940 and serves in such capacity for a number of managed accounts and funds. In its role as investment advisor or manager, Aletheia Research and Management, Inc. possesses investment and/or voting power over the shares of common stock reported as beneficially owned. Aletheia Research and Management, Inc. disclaims beneficial ownership of such shares of common stock. Various accounts and funds managed by Aletheia Research and Management, Inc. have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of our common stock held in their respective accounts. The address of Aletheia Research and Management, Inc. is 100

Wilshire Boulevard, Suite 1960, Santa Monica, CA 90401.

- (7) According to Schedule 13G filed by Barclays Global Investors, NA, a wholly owned subsidiary of Barclays PLC, with the SEC on February 5, 2009, as of December 31, 2008, Barclays Global Investors, NA is the beneficial owner of 2,106,674 shares, as a result of acting as an investment advisor and institutional manager to various investment companies registered under Section 8 of the Investment

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Company Act of 1940. The ownership of Barclays Global Investors, NA amounted to 875,163 shares, or 2.1% of our outstanding common stock, and the ownership of another investment company, Barclays Global Fund Advisors amounted to 1,231,511 shares, or 3.0% of our outstanding common stock. Barclays Global Investors, NA has sole power to dispose of the 2,106,674 shares owned by such funds. Barclays Global Investors, NA has the sole power to vote or direct the voting of 1,986,862 shares owned directly by such funds. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of our common stock held by these funds. The address of Barclays Global Investors, NA is 400 Howard Street, San Francisco, CA 94105.

- (8) Includes shares contributed by Alnylam to our 401(k) plan for the benefit of the named executive officers as of February 28, 2009: Dr. Maraganore, 844 shares; Ms. Allen, 561 shares; and Mr. Greene, 717 shares.
- (9) Includes shares held by the Paul Schimmel Prototype PSP, of which Dr. Schimmel is the trustee and over which he has sole investment and voting power.
- (10) Dr. Schmidt joined Alnylam as our senior vice president and chief scientific officer on September 29, 2008 and is an executive officer of Alnylam.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, or the Exchange Act, as amended, requires our directors, executive officers and the holders of more than 10% of our common stock to file with the SEC initial reports of ownership of our common stock and other equity securities on a Form 3 and reports of changes in such ownership on a Form 4 or Form 5. Officers, directors and 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on a review of our records and written representations by the persons required to file these reports, we believe that all filing requirements of Section 16(a) were satisfied with respect to our most recent fiscal year.

## **PROPOSAL 1 ELECTION OF CLASS II DIRECTORS**

We have three classes of directors, currently consisting of three Class I directors, three Class II directors and three Class III directors. At each annual meeting, directors are elected for a term of three years to succeed those whose terms are expiring. The terms of the three classes are staggered so that only one class is elected by stockholders annually. John K. Clarke, Vicki L. Sato, Ph.D., and James L. Vincent are currently serving as Class II directors. Mr. Clarke has served as a director since 2002 and each of Dr. Sato and Mr. Vincent has served as a director since 2005. The Class II directors elected this year will serve as members of our board until the 2012 annual meeting of stockholders, or until their respective successors are elected and qualified.

The persons named in the enclosed proxy will vote to elect Mr. Clarke, Dr. Sato and Mr. Vincent as Class II directors unless the proxy is marked otherwise. Mr. Clarke, Dr. Sato and Mr. Vincent have indicated their willingness to serve on our board, if elected; however, if any nominee should be unable to serve, the person acting under the proxy may vote the proxy for a substitute nominee designated by our board. Our board has no reason to believe that Mr. Clarke, Dr. Sato or Mr. Vincent would be unable to serve if elected.

## **Board Recommendation**

**The board of directors recommends a vote FOR the election of each of the Class II director nominees.**



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Set forth below for each director, including the Class II director nominees, Mr. Clarke, Dr. Sato and Mr. Vincent, is information as of February 28, 2009 with respect to his or her (a) name and age, (b) positions and offices at Alnylam, if any, (c) principal occupation and business experience during at least the past five years, (d) directorships, if any, of other publicly held companies and (e) the year such person became a member of our board of directors. The duration of an individual's service on our board or as an officer described below includes service on the board of directors or as an officer of our predecessor company, which was also known as Alnylam Pharmaceuticals, Inc.

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Principal Occupation, Other Business Experience During the Past Five Years and Other Directorships</b>
<b>Class II directors, nominees to be elected at the annual meeting (terms expiring in 2012)</b>			
John K. Clarke <i>Chairman of the Board Audit Committee Nominating and Corporate Governance Committee (Chair)</i>	55	2002	Mr. Clarke is a founder of Alnylam and has served as the chairman of our board of directors since June 2002. Since founding Cardinal Partners, a venture capital firm focused on healthcare, in 1997, Mr. Clarke has served as its Managing General Partner. Mr. Clarke also serves as a director of Momenta Pharmaceuticals, Inc.
Vicki L. Sato, Ph.D. <i>Compensation Committee (Chair)</i>	60	2005	Dr. Sato has served as a member of our board of directors since December 2005. Dr. Sato currently is Professor of Management Practice at Harvard Business School and Professor of the Practice at Harvard University Department of Molecular and Cell Biology. Dr. Sato served as President of Vertex Pharmaceuticals Incorporated from December 2000 to February 2005. Prior to serving as Vertex's President, Dr. Sato served as its Chief Scientific Officer. Prior to joining Vertex, she held numerous positions at Biogen, Inc. (now Biogen Idec Inc.). She also serves as a director of Infinity Pharmaceuticals, Inc. (through June 2009), PerkinElmer, Inc. and Bristol-Myers Squibb Company.
James L. Vincent <i>Compensation Committee</i>	69	2005	Mr. Vincent has served as a member of