

RIGEL PHARMACEUTICALS INC  
Form DEF 14A  
April 09, 2019

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

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

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

**RIGEL PHARMACEUTICALS, INC.**

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(Name of Registrant as Specified In Its Charter)

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(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.
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    - (2) Form, Schedule or Registration Statement No.:
    - (3) Filing Party:
    - (4) Date Filed:
-

**RIGEL PHARMACEUTICALS, INC.**

**1180 Veterans Boulevard  
South San Francisco, California 94080**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held On May 22, 2019**

**DEAR STOCKHOLDER:**

Notice is hereby given that the 2019 Annual Meeting of Stockholders (the "Annual Meeting") of RIGEL PHARMACEUTICALS, INC., a Delaware corporation (the "Company" or "Rigel"), will be held on Wednesday, May 22, 2019 at 10:00 a.m. local time at our executive offices, located at 1180 Veterans Boulevard, South San Francisco, California 94080, for the following purposes:

1. To elect the nominees, Bradford S. Goodwin, Keith A. Katkin, and Jane Wasman to the Board of Directors of the Company (the "Board") to hold office until the 2022 Annual Meeting of Stockholders.
2. To approve the Company's 2018 Equity Incentive Plan, as amended (the "2018 Plan") to increase the aggregate number of shares of common stock authorized for issuance under the 2018 Plan by 4,000,000 shares.
3. To approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed in this proxy statement.
4. To ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2019.
5. To conduct any other business properly brought before the meeting or any adjournment or postponement of the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is March 28, 2019. Only stockholders of record at the close of business on that date may vote at the meeting or any continuation, postponement or adjournment thereof. We appreciate your continued confidence in Rigel and look forward to seeing you at the meeting on May 22, 2019.

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**IMPORTANT NOTICE REGARDING  
THE AVAILABILITY OF PROXY MATERIALS FOR  
THE STOCKHOLDERS' MEETING TO BE HELD ON MAY 22, 2019**

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**THIS PROXY STATEMENT, NOTICE OF ANNUAL MEETING AND FORM OF PROXY CARD AND THE 2018 ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE TO YOU AT [HTTP://WWW.PROXYVOTE.COM](http://www.proxyvote.com).**

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**WE ENCOURAGE YOU TO ACCESS AND REVIEW THE IMPORTANT INFORMATION CONTAINED IN ALL OF THE PROXY MATERIALS BEFORE VOTING.**

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By Order of the Board of Directors,

Dolly A. Vance  
*Corporate Secretary*

South San Francisco, California  
April 9, 2019

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**YOUR VOTE IS IMPORTANT.**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE VOTE YOUR PROXY PROMPTLY SO YOUR SHARES CAN BE REPRESENTED AT THE MEETING. YOU CAN VOTE BY INTERNET, BY TELEPHONE, OR BY REQUESTING A PRINTED OR ELECTRONIC COPY OF A FULL SET OF THE PROXY MATERIALS AND COMPLETING, SIGNING AND RETURNING THE PROXY CARD AS INSTRUCTED IN THE MATERIALS.**

**INSTRUCTIONS ON HOW TO ACCESS THE PROXY MATERIALS OVER THE INTERNET, OR TO REQUEST THAT A PAPER OR ELECTRONIC COPY OF THE FULL SET OF PROXY MATERIALS BE SENT TO YOUR SPECIFIED POSTAL OR EMAIL ADDRESS, MAY BE FOUND IN THE NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS MAILED TO STOCKHOLDERS ON APRIL 9, 2019.**

**ANY PROXY THAT WILL NOT BE DELIVERED IN PERSON TO THE ANNUAL MEETING MUST BE RECEIVED BY US NO LATER THAN 11:59 P.M. EASTERN TIME ON TUESDAY, MAY 21, 2019. EVEN IF YOU HAVE VOTED BY PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER AGENT AND YOU WISH TO VOTE IN PERSON AT THE MEETING, YOU MUST BRING WITH YOU A PROXY ISSUED IN YOUR NAME FROM THAT RECORD HOLDER CONFIRMING THAT YOU ARE THE BENEFICIAL OWNER OF THOSE SHARES.**

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## **RIGEL PHARMACEUTICALS, INC.**

**1180 Veterans Boulevard  
South San Francisco, California 94080**

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### **PROXY STATEMENT**

#### **FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS**

**May 22, 2019**

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

##### **WHY DID I RECEIVE A NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS ON THE INTERNET?**

Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have decided to provide access to our proxy materials to our stockholders via the Internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the "Notice") to our stockholders of record and posting our proxy materials online at [www.proxyvote.com](http://www.proxyvote.com). The Notice contains only an overview of the complete proxy materials available. Stockholders are encouraged to access and review all the proxy materials on the website or request a paper or electronic copy of the full set of proxy materials for review prior to voting. Instructions on how to access the proxy materials over the Internet or to request a paper or electronic copy of the full set of the proxy materials may be found in the Notice.

We intend to mail the Notice on or about April 9, 2019 to all stockholders of record as of March 28, 2019 who are entitled to vote at the Annual Meeting.

##### **WILL I RECEIVE ANY PROXY MATERIALS BY MAIL OTHER THAN THE NOTICE?**

No, you will not receive any other proxy materials by mail unless you request a paper copy of proxy materials. To request that a full set of the proxy materials be sent to your specified postal address, please go to [www.proxyvote.com](http://www.proxyvote.com) or call 1-800-579-1639. Please have your proxy card in hand when you access the website or call and follow the instructions provided.

##### **HOW DO I ATTEND THE ANNUAL MEETING?**

The Annual Meeting will be held on Wednesday, May 22, 2019 at 10:00 a.m. local time at our executive offices, located at 1180 Veterans Boulevard, South San Francisco, California 94080. Information on how to vote in person at the Annual Meeting is discussed below. Directions to the Annual Meeting may be found online at <http://www.rigel.com/index.php/contact-us/>.

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**WHO CAN VOTE AT THE ANNUAL MEETING?**

Only stockholders of record at the close of business on March 28, 2019 are entitled to vote at the Annual Meeting. On this record date, there were 167,179,088 shares of common stock outstanding and entitled to vote.

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

If, on March 28, 2019, your shares were registered directly in your name with our transfer agent, Wells Fargo Bank, N.A., then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to fill out and return the proxy card or vote by proxy over the telephone or on the Internet as instructed below, to ensure your vote is counted. We must receive any proxy cards that will not be delivered in person at the Annual Meeting, or proxies submitted telephonically or over the internet, no later than 11:59 p.m. Eastern Time on Tuesday, May 21, 2019.

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

If, on March 28, 2019, your shares were not held in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in "street name" and the Notice is being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your broker or other agent and bring the proxy with you to the Annual Meeting.

**WHAT AM I VOTING ON?**

There are four matters scheduled for a vote at the Annual Meeting:

Election of Bradford S. Goodwin, Keith A. Katkin, and Jane Wasman to the Board to hold office until the 2022 Annual Meeting of Stockholders;

Approval of the 2018 Plan, as amended to increase the aggregate number of shares of common stock authorized for issuance under the 2018 Plan by 4,000,000 shares;

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

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

**WHAT IF ANOTHER MATTER IS PROPERLY PRESENTED AT THE ANNUAL MEETING?**

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

## HOW DO I VOTE?

You may either vote "For" all the nominees to the Board or you may "Withhold" your vote for any nominee you specify. For the other matters to be voted on, you may either vote "For" or "Against" or abstain from voting. The procedures for voting are fairly simple:

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

If you are a stockholder of record, you may vote using one of the following methods:

**In Person:** To vote in person, come to the Annual Meeting and bring your proxy card or request a ballot in order to vote your shares.

**Internet:** To vote via the Internet, go to [www.proxyvote.com](http://www.proxyvote.com). You can use the Internet to transmit your voting instructions and to elect for electronic delivery of information up until 11:59 P.M. Eastern Time on May 21, 2019. Please have your proxy card in hand when you access the website and follow the instructions provided.

**Telephone:** To vote by telephone, call 1-800-690-6903. You can use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on May 21, 2019. Please have your proxy card in hand when you call and follow the instructions provided.

**Mail:** To vote by mail, you must first request a paper or electronic copy of the proxy materials. To request that a full set of the proxy materials be sent to your specified postal or email address, please go to [www.proxyvote.com](http://www.proxyvote.com) or call 1-800-579-1639. Please have your proxy card in hand when you access the website or call and follow the instructions. Upon receipt of the materials, 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.

Whether or not you plan to attend the Annual Meeting and vote in person, we urge you to vote by proxy to ensure your vote is counted. You may still attend the Annual Meeting and vote in person even if you have already voted by proxy.

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

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received the Notice containing voting instructions from that organization rather than from Rigel. 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 and bring this proxy with you to the Annual Meeting. Follow the instructions from your broker or bank included with the Notice, or contact your broker or bank to request a proxy form.

Please see the Notice or the information your bank, broker, or other holder of record provided you for more information on these proxy voting options.

### *Voting Via the Internet or by Telephone*

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

## HOW MANY VOTES DO I HAVE?

On each matter to be voted upon, you have one vote for each share of common stock you owned as of March 28, 2019.

**WHAT HAPPENS IF I DO NOT VOTE?**

*Stockholder of Record: Shares Registered in Your Name*

If you are a stockholder of record and do not vote by completing your proxy card, by telephone, through the internet or in person at the annual meeting, your shares will not be voted.

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

If you are a beneficial owner and do not instruct your broker, bank, or other agent how to vote your shares, the question of whether your broker or nominee will still be able to vote your shares depends on whether the New York Stock Exchange ("NYSE") deems the particular proposal to be a "routine" matter." Brokers and nominees can use their discretion to vote "uninstructed" shares with respect to matters that are considered to be "routine," but not with respect to "non-routine" matters. In this regard, the NYSE has advised us that Proposals 1, 2 and 3 are considered to be "non-routine" under NYSE rules, meaning that your broker may not vote your shares on those proposals in the absence of your voting instructions. However, the NYSE has advised us that Proposal 4 is considered to be a "routine" matter under NYSE rules, meaning that if you do not return voting instructions to your broker by its deadline, your shares may be voted by your broker in its discretion on Proposal 4.

**WHAT IF I RETURN A PROXY CARD BUT DO NOT MAKE SPECIFIC CHOICES?**

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted: (a) "For" the election of Bradford S. Goodwin, Keith A. Katkin, and Jane Wasman to the Board to hold office until the 2022 Annual Meeting of Stockholders; (b) "For" approval of the 2018 Plan, as amended to increase the aggregate number of shares of common stock authorized for issuance under the 2018 Plan by 4,000,000 shares; (c) "For" the advisory approval of executive compensation; and (d) "For" ratification of the selection by the Audit Committee of the Board of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2019. 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. However, if you are a beneficial owner of shares registered in the name of your broker, bank or other agent, please see "How are the votes counted?" and "What are "Broker Non-Votes?" below.

**WHO IS PAYING FOR THIS PROXY SOLICITATION?**

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

**WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE NOTICE?**

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

**CAN I CHANGE OR REVOKE MY VOTE AFTER SUBMITTING MY PROXY?**

Yes. You can change or 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 change or revoke your proxy in any one of three ways:

You may submit another properly completed proxy card with a later date by mail, or grant a subsequent proxy via the Internet or by telephone. Your most current proxy card or telephone or

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Internet proxy is the one that is counted and must be received before 11:59 P.M. Eastern Time on May 21, 2019. All other proxies previously submitted will be automatically revoked.

You may send a timely written notice that you are revoking your proxy to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

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

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 regarding how to change or revoke your proxy.

### **HOW ARE VOTES COUNTED?**

Votes will be counted by the inspector of election appointed for the meeting, who will separately count, for the proposal to elect directors, votes "For," "Withhold" and broker non-votes; and with respect to all other proposals, votes "For" and "Against," abstentions and, if applicable, broker non-votes. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Annual Meeting. Abstentions will be counted towards the vote total for each proposal, and will have the same effect as "Against" votes for each proposal. Broker non-votes have no effect and will not be counted towards the vote total for any proposal.

### **WHAT ARE "BROKER NON-VOTES"?**

As discussed above, when a beneficial owner of shares held in "street name" does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed by the NYSE to be "non-routine," the broker or nominee cannot vote the shares. These unvoted shares are counted as "broker non-votes."

### **HOW MANY VOTES ARE NEEDED TO APPROVE EACH PROPOSAL?**

Each nominee presented in Proposal 1 must be elected by a majority of the votes cast. Nominees are elected by a majority vote for non-contested director elections. Because the number of nominees properly nominated for the Annual Meeting is the same as the number of directors to be elected, the election of directors at this Annual Meeting is non-contested. If the number of votes "For" a nominee exceeds the number of votes "Withheld" (among votes properly cast in person or by proxy), then the nominee will be elected. Broker non-votes will have no effect.

To be approved, Proposal 2, the approval of the 2018 Plan, as amended, must receive "For" votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have no effect.

Proposal 3, advisory approval of the compensation of the Company's named executive officers, will be considered to be approved if it receives "For" votes from the holders of a majority of shares either present in person or represented by proxy and entitled to vote. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have no effect.

To be approved, Proposal 4, ratification of the selection of Ernst & Young LLP as the independent registered public accounting firm of Rigel for the fiscal year ending December 31, 2019, must receive "For" votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have no effect. Although stockholder ratification of the

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selection of Ernst & Young LLP as Rigel's independent registered public accounting firm is not required, the Board is submitting Proposal 4 to the stockholders for ratification as a matter of good corporate practice. See Proposal 4 for more information regarding stockholder ratification.

### **WHAT IS THE QUORUM REQUIREMENT?**

A quorum of stockholders is necessary to hold a valid Annual Meeting. A quorum will be present if stockholders holding at least a majority of the outstanding shares are present at the meeting in person or represented by proxy. On the record date, there were 167,179,088 shares outstanding and entitled to vote. Thus, the holders of 83,589,545 shares must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement.

If there is no quorum, the chairman or the holders of a majority of shares present at the Annual Meeting in person or represented by proxy may adjourn the meeting to another date.

### **HOW CAN I FIND OUT THE RESULTS OF THE VOTING AT THE ANNUAL MEETING?**

Preliminary voting results will be announced at the Annual Meeting. In addition, final voting results will be published in a report on Form 8-K that we expect to file within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

### **WHEN ARE STOCKHOLDER PROPOSALS DUE FOR NEXT YEAR'S ANNUAL MEETING?**

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing and must comply with all requirements of Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), by December 11, 2019 to Rigel's Secretary at 1180 Veterans Boulevard, South San Francisco, California 94080. However, if Rigel's 2019 Annual Meeting of Stockholders is not held between April 22, 2019 and June 19, 2019, then the deadline will be a reasonable time prior to the time Rigel begins to print and mail its proxy materials. If you wish to submit a proposal or nominate a director, not to be included in next year's proxy materials, you must do so no earlier than the close of business on January 23, 2020 and no later than the close of business on February 22, 2020. However, if Rigel's 2019 Annual Meeting of Stockholders is not held between April 22, 2019 and June 19, 2019, to be timely, notice by the stockholder must be received no earlier than the close of business on the 120th day prior to the 2020 Annual Meeting of Stockholders and not later than the close of business on the later of the 90th day prior to the 2020 Annual Meeting of Stockholders or the 10th day following the day on which public announcement of the date of the 2020 Annual Meeting of Stockholders is first made. You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. The chair of the 2020 Annual Meeting of Stockholders may determine, if the facts warrant, that a matter has not been properly brought before the meeting and, therefore, may not be considered at the meeting. In addition, the proxy solicited by the Board for the 2020 Annual Meeting of Stockholders will confer discretionary voting authority with respect to (i) any proposal presented by a stockholder at that meeting for which Rigel has not been provided with timely notice and (ii) any proposal made in accordance with Rigel's Bylaws, if the 2020 proxy statement briefly describes the matter and how management's proxy holders intend to vote on it, if the stockholder does not comply with the requirements of Rule 14a-4(c)(2) promulgated under the Exchange Act.

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

Rigel's Board of Directors (the "Board") is divided into three classes. Each class has a three-year term. Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy in a class, including 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 elected and qualified.

With the recent appointment of Jane Wasman to the Board, the Board presently has nine members. The Board will have eight members after May 22, 2019, upon the completion of Peter Ringrose's term, who will not be standing for re-election. There are currently no vacancies. There are three directors in the class standing for election in 2019. Each of the nominees listed below is currently a director of the Company. If elected at the Annual Meeting, each of these nominees would serve until the 2022 Annual Meeting and until his or her successor is elected and has qualified, or sooner in the event of the director's death, resignation or removal. It is Rigel's policy to encourage directors and nominees for director to attend the Annual Meeting. A majority of our directors attended the 2018 Annual Meeting of Stockholders.

In a contested election, which is an election in which the number of nominees exceeds the number of directors to be elected, our directors will be elected by a plurality of the shares represented in person or by proxy and entitled to vote on the election of directors at that Annual Meeting. In a non-contested election involving incumbent directors, our Bylaws provide that, if the votes cast "For" an incumbent director nominee do not exceed the number of votes "Withheld", the incumbent director will offer to tender his or her resignation to the Board. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether an incumbent director has been elected. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee of the Board will review the circumstances surrounding the "Withheld" vote and promptly make a recommendation to the Board on whether to accept or reject the resignation or whether other action should be taken. In making its decision, the Board will evaluate the best interests of Rigel and our stockholders and will consider all factors and relevant information. The Board will act on the Corporate Governance, Health Care Compliance Oversight and Nominating Committee's recommendation and publicly disclose its decision, as well as the rationale behind it, within 90 days from the date of certification of the stockholder vote. The director who tenders his or her resignation will not participate in the Board's or the Corporate Governance, Health Care Compliance Oversight and Nominating Committee's decisions.

In the event that any nominee should become unavailable for election as a result of an unexpected occurrence, the proxies will be voted for the election of a substitute nominee or nominees proposed by the Corporate Governance, Health Care Compliance Oversight and Nominating Committee of the Board. Each person nominated for election has agreed to serve if elected, and the Board has no reason to believe that any nominee will be unable to serve.

The following is a brief biography of each nominee and each director whose term will continue after the Annual Meeting and a discussion of the specific experience, qualifications, attributes or skills of each nominee that led the Board to nominate each director for the upcoming term. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee seeks to assemble a board that, as a whole, possesses the appropriate balance of professional and industry knowledge, financial expertise and high-level management experience necessary to oversee and direct the Company's business. To that end, the Corporate Governance, Health Care Compliance Oversight and Nominating Committee has identified and evaluated nominees in the broader context of the Board's overall composition, with the goal of recruiting members who complement and strengthen the skills of other members and who also exhibit integrity, collegiality, sound business judgment and other qualities that

the Board views as critical to effective functioning of the Board. The brief biographies below include information, as of the date of this proxy statement, regarding the specific and particular experience, qualifications, attributes or skills of each director or nominee that led the Board to believe that the nominee should continue to serve on the Board. However, each member of the Board may have a variety of reasons why he or she believes a particular person would be an appropriate nominee for the Board, and these views may differ from the views of other members of the Board.

**NOMINEES FOR ELECTION FOR A THREE-YEAR TERM EXPIRING AT THE 2022 ANNUAL MEETING**

*Bradford S. Goodwin*, age 64, joined us as a director in January 2007. Mr. Goodwin is currently CEO of CharlestonPharma, LLC, a biopharmaceutical company. Mr. Goodwin's prior public company board service includes NeurogesX from August 2009 to July 2013, Facet Biotech Corporation from December 2008 to April 2010, when Facet was acquired by Abbott Laboratories, PDL BioPharma from 2006 to 2008, CoTherix, Inc., a biopharmaceutical company, from 2004 until 2007, when it was acquired by Actelion Pharmaceuticals Ltd., and Novacea, Inc., a publicly held biopharmaceutical company focused on in licensing, developing and commercializing novel therapies for cancer, from 2002 until 2006. From 2001 to 2006, he was Chief Executive Officer of Novacea. Prior to Novacea, Mr. Goodwin was President, Chief Operating Officer and Founder of Collabra Pharma, Inc., a company focused on pharmaceutical product licensing and development. Before founding Collabra, he held various senior executive positions with Genentech, including Vice President of Finance. After becoming a CPA while working as an auditor at PricewaterhouseCoopers, he served on expert advisory committees of the American Institute of Certified Public Accountants, the Financial Accounting Standards Board and the International Accounting Standards Board. Mr. Goodwin is also a co-founder and director of finance for The Rare Barrel, a craft brewery specializing in barrel aged sour beer, which commenced brewing operations in February 2013. He holds a B.S. in Business Administration from the University of California, Berkeley.

The Board concluded that Mr. Goodwin should continue to serve as a member of the Board in part due to his financial expertise and extensive public accounting and corporate governance experience, as well as his experience sitting on the audit committees of other public companies.

*Keith A. Katkin*, age 47, joined us as a director in June 2015. Mr. Katkin is currently the CEO and a member of the board of directors of Urovant Sciences, a global biopharmaceutical company focused on developing novel therapies for urologic conditions. Mr. Katkin previously served as President and Chief Executive Officer of Avanir Pharmaceuticals from 2007 to 2016, until its acquisition by Otsuka Pharmaceutical Co. Mr. Katkin joined Avanir in July of 2005 as the senior vice president of Sales and Marketing and a member of Avanir's executive management team, and has served on their board of directors since 2007. Mr. Katkin was responsible for creating and executing the plan that led to the approval of Nuedexta, the growth of the company to commercial success, and the acquisition of the company by Otsuka Pharmaceutical Co. in January 2015. Prior to joining Avanir, Mr. Katkin served as the vice president, Commercial Development for Peninsula Pharmaceuticals, playing a key role in the concurrent initial public offering and ultimate sale of the company to Johnson and Johnson. Additionally, Mr. Katkin's employment experience includes leadership roles at InterMune, Amgen and Abbott Laboratories. In addition to Avanir and Urovant, Mr. Katkin is currently a member of the board of directors of Syndax Pharmaceuticals, Inc., and is chairman of the board of directors of Novus Therapeutics, Inc. Mr. Katkin has an M.B.A. from the Anderson School at UCLA and earned his B.S. in Business and Accounting from Indiana University. Mr. Katkin became a licensed certified public accountant in 1995.

The Board concluded that Mr. Katkin should continue to serve as a member of the Board in part due to his extensive experience in commercial development, business development and operational

management in the biopharmaceutical industry, particularly with regard to product launches, all of which are key to the success of our business.

*Jane Wasman*, age 62, joined us as a director in April 2019. Ms. Wasman is currently President, International & General Counsel, of Acorda Therapeutics, Inc., a publicly traded biopharmaceutical company developing therapies that restore function and improve the lives of people with neurological disorders. Prior to joining Acorda in 2004, Ms. Wasman held roles in increasing responsibility at Schering-Plough Corp., including Staff Vice President & Associate General Counsel, from 1995-2004. Additionally, Ms. Wasman's experience includes work at the U.S. Senate Veterans' Affairs Committee, and major global law firms in New York and California. Ms. Wasman currently serves as chair of the board of directors of Sellas Life Sciences Group, Inc. and serves on the board of directors of New York BIO (New York Biotechnology Association). Ms. Wasman holds a J.D. from Harvard Law School, and an A.B. *magna cum laude* from Princeton University.

The board concluded that Ms. Wasman should continue to serve as a member of the Board in part due to her broad strategic and transactional experience in commercial stage biopharmaceutical companies, as well as her legal and corporate governance background and extensive experience in operational implementation.

**THE BOARD OF DIRECTORS RECOMMENDS  
A VOTE IN FAVOR OF EACH NAMED NOMINEE.**

**DIRECTORS CONTINUING IN OFFICE UNTIL THE 2020 ANNUAL MEETING OF STOCKHOLDERS**

*Walter H. Moos, Ph.D.*, age 64, joined us as a director in March 1997. In November 2018, Dr. Moos became Managing Director of Pandect Bioventures, a life science venture capital firm. In February 2017, Dr. Moos became Chief Executive Officer of ShangPharma Innovation, Inc., a global pharmaceutical incubator investing in therapeutics and biotechnologies. Dr. Moos retired from SRI International in January 2016, where he served as Vice President and head of the bioscience division since March 2005 and President of SRI Biosciences since January 2015. From 1997 to 2004, Dr. Moos served as the Chairman and Chief Executive Officer of MitoKor, Inc., a biotechnology company. Prior to that, he served as a Vice President of Chiron Corporation, a biotechnology company, and as a Vice President at the Parke-Davis Pharmaceutical Research Division of the Warner-Lambert Company. He has been an Adjunct Professor at the University of California, San Francisco, since 1992. Dr. Moos served on the board of directors of MIGENIX Inc., a biopharmaceutical company, from 2004 to 2008. He has also served on the boards of, and been a consultant to, numerous U.S. and international companies and several non-profit organizations. Dr. Moos has been an advisor to the National Academy of Sciences and venture capital firms. Dr. Moos holds an A.B. from Harvard University and a Ph.D. in Chemistry from the University of California Berkeley.

Dr. Moos was selected to serve as a member of the Board in part due to his extensive leadership skills and operational expertise, as well as his expertise in the chemical sciences, which is particularly relevant to our business as we are a company focused on small molecules.

*Raul R. Rodriguez*, age 58, was appointed President and Chief Executive Office and a member of the Board of Directors in November 2014. Until then, he had served as our President and Chief Operating Officer since May 2010. He joined us as Vice President, Business Development in April 2000, became our Senior Vice President, Business Development and Commercial Operations in December 2002 and became our Executive Vice President and Chief Operating Officer in June 2004. From 1997 to March 2000, he served as Senior Vice President, Business Development and Operations for Ontogeny, Inc., a biotechnology company. From 1994 to 1997, he served as the Executive Director, Business Development and Market Planning for Scios, Inc., a pharmaceutical company. From 1989 to

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1994, Mr. Rodriguez held various positions at G.D. Searle & Company, a pharmaceutical company. In these companies, Mr. Rodriguez held positions of increasing responsibility in the areas of business development and planning. After earning his Bachelor's degree from Harvard College, Mr. Rodriguez went on to earn his Masters of Public Health at the University of Illinois and subsequently received his M.B.A. at the Stanford Graduate School of Business.

Mr. Rodriguez was selected to serve as a member of the Board in part due to his extensive leadership skills and operational expertise, including his operational experience and deep understanding of our business as our President and Chief Executive Officer.

### **DIRECTORS CONTINUING IN OFFICE UNTIL THE 2021 ANNUAL MEETING OF STOCKHOLDERS**

*Gregg A. Lapointe, CPA, MBA*, age 60, joined us as director in November 2017. Mr. Lapointe is currently the chief executive officer and co-founder of Cerium Pharmaceuticals, Inc., a biopharmaceutical company focused on developing and commercializing medicines for patients with rare diseases. Mr. Lapointe offers Rigel's board nearly three decades of commercial and financial experience bringing products to market in the areas of medical devices and rare diseases. He previously served in varying roles for Sigma-Tau Pharmaceuticals, Inc., a private biopharmaceutical company, starting in 2001, including Chief Financial Officer from 2001 to 2002, Chief Operating Officer from 2003 to 2007, and Chief Executive Officer from 2008 to 2012. Mr. Lapointe led the effort to transform Sigma-Tau Pharmaceuticals from a small specialty dialysis company into a global leader in the development and commercialization of medicines for Rare Diseases. Mr. Lapointe also serves on the Board of Directors of Soligenix, Inc., Catabasis Pharmaceuticals Inc. and Cytori Therapeutics, Inc. He previously sat on the board of SciClone Pharmaceuticals, Inc., ImmunoCellular Therapeutics, Inc., Raptor Pharmaceuticals, Inc., Questcor Pharmaceuticals, Inc. and Cambrooke Therapeutics, Inc., among others. From 2009 to 2012, Mr. Lapointe was a member of the Board of Directors, and Chair of the Rare Disease Committee, of the Pharmaceutical Research and Manufacturers of America (PhRMA) in Washington, DC. He holds a Bachelor of Commerce degree from Concordia University (Montreal), a Graduate Diploma in Public Accountancy from McGill University (Montreal), an MBA from Duke University, and is a CPA (Illinois).

Mr. Lapointe was selected to serve as a member of the Board in part due to his significant experience in the areas of global strategic planning and implementation, business development, corporate finance, and acquisitions, and his experience as an executive officer and board member in the pharmaceutical and medical products industries.

*Brian L. Kotzin, M.D.*, age 70, joined us as a director in August 2017. A board-certified rheumatologist and internist, Dr. Kotzin is currently Senior Vice President, Clinical Development at Nektar Therapeutics. From 2004 to 2015, he was Vice President, Global and Clinical Development and Head, Inflammation Therapeutic Area at Amgen, directing the global development efforts for product candidates in the inflammation area. Before joining Amgen, Dr. Kotzin was the head of Clinical Immunology in the Department of Medicine and director of the Autoimmunity Center of Excellence at the University of Colorado Health Sciences Center in Denver. Dr. Kotzin has won numerous honors, including elected "Master" of the American College of Rheumatology, the Kirkland Scholar Award for Lupus Research, the Henry Claman Chair in Clinical Immunology, the Gretchen Kramer Award for Outstanding Contributions to Medicine, and Chairmanship of the National Institutes of Health Autoimmunity Centers of Excellence. He earned his medical degree from Stanford and undergraduate degree in mathematics from the University of Southern California.

Dr. Kotzin was selected to serve as a member of the Board in part due to his extensive experience with developing therapeutics, particularly in the area of immunology, which is the core of our treatment focus for fostamatinib and our pipeline.

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*Gary A. Lyons*, age 67, joined us as a director in October 2005 and was appointed Chairman of the Board in November 2014. Mr. Lyons is also a member of the board of directors of Neurocrine Biosciences, Inc., a biopharmaceutical company. Mr. Lyons served as Neurocrine's Chief Executive Officer and member of its board of directors from 1993 until 2008. Mr. Lyons also serves on the board of directors of Novus Therapeutics, Inc. and Vical, Inc., and is chairman of the board at Retrophin, Inc., each a biopharmaceutical company. He served on the board of directors of PDL BioPharma, Inc., a biopharmaceutical company, from July 2008 until he resigned in December 2008 to join the board of directors of Facet Biotech Corporation following Facet's spin-off from PDL, and served on the board of directors there until Facet's acquisition by Abbott Laboratories in April 2010. Mr. Lyons also served on the board of directors of NeurogesX, Inc. and KaloBios Pharmaceuticals, Inc., each a biopharmaceutical company. From 1983 to 1993, he held a number of management positions at Genentech, including Vice President of Business Development and Vice President of Sales, and also served as a member of Genentech's Executive Committee. Mr. Lyons was responsible for international licensing, acquisitions and partnering for Genentech's Corporate Venture Program and had operating responsibility for two subsidiaries, Genentech Canada, Inc. and Genentech Limited (Japan). He holds a B.S. in Marine Biology from the University of New Hampshire and an M.B.A. from Northwestern University's J.L. Kellogg Graduate School of Management.

Mr. Lyons was selected to serve as a member of the Board in part due to his extensive experience negotiating and developing collaborative relationships, his sales expertise and his track record of assessing the market for pharmaceutical candidates, all of which are key to the success of our business.

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

#### **Independence of the Board of Directors**

The Nasdaq Stock Market ("Nasdaq") listing standards require that a majority of the members of a listed company's Board of Directors qualify as "independent," as affirmatively determined by the Board. The Board consults with our counsel from time to time to ensure that the Board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of Nasdaq.

Consistent with these considerations, after review of all relevant identified transactions and relationships between each director, or any of his or her family members, and Rigel, our senior management and our independent registered public accounting firm, the Board has affirmatively determined that all of our current directors are independent directors within the meaning of the applicable Nasdaq listing standards, except for Raul R. Rodriguez, our Chief Executive Officer who is not an independent director by virtue of his employment with the Company. In making this determination, the Board found that none of the directors or nominees for director determined to be independent by the Board had a material or other disqualifying relationship with Rigel.

#### **Meetings of the Board of Directors**

The Board met four times during fiscal year 2018. All of our directors attended at least 75% of the aggregate number of meetings of the Board and the committees on which they served that were held during the period for which they were directors or committee members, respectively. As required under applicable Nasdaq listing standards, in fiscal year 2018, Rigel's independent directors met in executive session, at which only independent directors were present, at every regularly scheduled meeting of the Board.

### **Board Leadership Structure**

Currently, the Board has an independent chair, Mr. Lyons, who has authority, among other things, to call and preside over Board meetings, including meetings of the independent directors, to set meeting agendas and to determine materials to be distributed to the Board. Accordingly, the Board chair has substantial ability to shape the work of the Board. The Board has no specific policy with respect to the separation of the positions of Board chair and Chief Executive Officer, and believes that separation of the positions represents an appropriate allocation of roles and responsibilities at this time.

### **Role of the Board in Risk Oversight**

One of the Board's key functions is informed oversight of the Company's risk management process. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee oversees Enterprise Risk Assessment and Management, which had previously been administered through the Board as a whole. Various Board standing committees continue to address risks inherent to their respective areas of oversight. Our Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures. Our Corporate Governance, Health Care Compliance Oversight and Nominating Committee continues to monitor the effectiveness of our corporate governance and healthcare compliance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. Our Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. Both the Board as a whole and the various standing committees receive periodic reports, as well as incidental reports, as matters arise, from our General Counsel, who is also our Corporate Secretary, and from our Chief Compliance Officer. It is the responsibility of the committee chairs to report findings regarding material risk exposures to the Board and the Corporate Governance, Health Care Compliance Oversight and Nominating Committee as quickly as possible. The Board has delegated to the General Counsel the responsibility of coordinating between the Board and management with regard to the determination and implementation of responses to any problematic risk management issues.

**INFORMATION REGARDING COMMITTEES OF THE BOARD OF DIRECTORS**

The Board has five standing committees: an Audit Committee, a Compensation Committee, a Finance Committee, a Corporate Governance, Health Care Compliance Oversight and Nominating (or, Corp. Gov., Hecco., & Nom.) Committee and a Scientific and Clinical Trial Advisory Committee. The following table provides membership and meeting information for fiscal year 2018 for each of the Board committees:

Name	Audit	Compensation	Finance	Corp. Gov., Hecco., & Nom. Committee	Scientific and Clinical Trial Advisory Committee
Raul R. Rodriguez			X		
Keith A. Katkin(1)	X	X		X	
Bradford S. Goodwin	X*		X		
Gary A. Lyons		X	X		
Walter H. Moos, Ph.D.(2)		X*		X	X
Peter S. Ringrose, Ph.D.				X	X*
Gregg A. Lapointe(3)	X			X*	
Brian L. Kotzin, M.D.				X	X
Total meetings in fiscal year 2018	8	5	1	4	2

\*  
Committee Chairperson

- (1) Mr. Katkin resigned his position on the Corporate Governance, Health Care Compliance Oversight and Nominating Committee on February 1, 2018.
- (2) Dr. Moos resigned his position on the Corporate Governance, Health Care Compliance Oversight and Nominating Committee on February 1, 2018.
- (3) Mr. Lapointe was appointed to, and made chairman of, the Corporate Governance, Health Care Compliance Oversight and Nominating Committee on February 1, 2018.

Below is a description of each standing committee of the Board. Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate, to carry out its responsibilities. The Board has determined that each member of each committee meets the applicable Nasdaq rules and regulations regarding "independence" and that each member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to the Company.

**Audit Committee**

The Audit Committee of the Board of Directors was established by the Board in accordance with Section 3(a)(58)(A) of the Exchange Act to oversee Rigel's corporate accounting and financial reporting processes and audits of our financial statements. The Audit Committee: evaluates the performance of and assesses the qualifications of the independent registered public accounting firm; determines and approves the engagement of the independent registered public accounting firm; determines whether to retain or terminate the existing independent registered public accounting firm or to appoint and engage a new independent public registered accounting firm; reviews and approves the retention of the independent registered public accounting firm to perform any proposed audit, review and attest services and any permissible non-audit services; monitors the rotation of partners of the independent registered public accounting firm on Rigel's audit engagement team as required by law; reviews and assesses the objectivity and independence of our independent registered public accounting firm; reviews the financial statements to be included in Rigel's Annual Report on Form 10-K; discusses with management and the independent registered public accounting firm the results of the annual audit

and the results of Rigel's quarterly financial statements; reviews with management the disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operation" in the Company's periodic reports filed with the SEC; confers with management and the independent registered public accounting firm regarding the effectiveness of internal controls over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; reviews the results of management's efforts to monitor compliance with Rigel's programs and policies designed to ensure adherence to applicable laws and rules and Rigel's Code of Conduct, including reviewing and approving related-party transactions. In addition, our Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures.

The following three directors are the current members of the Audit Committee: Mr. Goodwin, Mr. Katkin and Mr. Lapointe. The Audit Committee met eight times during fiscal year 2018. The Audit Committee has adopted a written charter that is available to stockholders on our website at <https://ir.rigel.com/corporate-governance>.

The Board reviews the Nasdaq listing standards definition of "independence" for Audit Committee members on an annual basis and has determined that all members of Rigel's Audit Committee are independent (as independence is currently defined in Rules 5605(c)(2)(A)(i) and (ii) of the Nasdaq listing standards). The Board has also determined that Messrs. Goodwin, Katkin, and Lapointe each qualify as an "audit committee financial expert," as defined in applicable rules and regulations promulgated by the SEC, and satisfies the financial sophistication requirements of the Nasdaq listing standards. For each of Messrs. Goodwin, Katkin, and Lapointe, the Board made a qualitative assessment of their individual levels of knowledge and experience, based on a number of factors, including their respective formal education and the fact that each is a former chief executive officer with financial oversight responsibilities, as well as Mr. Katkin's experience as a licensed certified public accountant, Mr. Goodwin's experience as a principal accounting officer for a public company, and Mr. Lapointe's experience as a licensed certified public accountant and both a principal financial officer and a chief executive officer with financial oversight responsibilities.

**REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS(1)**

The Company's management has primary responsibility for preparing the Company's financial statements and establishing the financial reporting process. Rigel's independent registered public accounting firm is responsible for performing an audit of the Company's financial statements and expressing an opinion as to the conformity of such financial statements with United States generally accepted accounting principles.

The Audit Committee reviewed and discussed with Rigel's management the audited financial statements for the fiscal year ended December 31, 2018. The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board ("PCAOB"). The Audit Committee also received the written disclosures and the letter from the independent registered public accountants, as required by the applicable requirements of the PCAOB regarding independent accountants' communications with the Audit Committee concerning independence, and discussed with the independent registered public accountants their independence. Based on the foregoing, the Audit Committee recommended to the Board that the audited financial statements be included in Rigel's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

**Audit Committee**

Bradford S. Goodwin  
Keith A. Katkin  
Gregg A. Lapointe

**Compensation Committee**

The Compensation Committee of the Board of Directors acts on behalf of the Board to review, adopt and oversee Rigel's compensation strategy, policies, plans and programs. The Compensation Committee: reviews and approves corporate performance goals and objectives relevant to the compensation of Rigel's executive officers and other senior management; reviews and approves the compensation and other terms of employment of Rigel's Chief Executive Officer; reviews and approves the compensation and other terms of employment of the other members of senior management; reviews and approves the compensation for Board members; administers Rigel's stock option and stock purchase plans, bonus plans, deferred compensation plans and other similar programs; and reviews with management Rigel's Compensation Discussion and Analysis (the "CD&A") and considers whether to recommend that it be included in Rigel's proxy statements and other filings. In addition, our Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

The following three directors are the members of the Compensation Committee: Mr. Lyons, Mr. Katkin and Dr. Moos. All members of Rigel's Compensation Committee are independent (as "independence" is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards). The Compensation Committee met five times during fiscal year 2018. The Compensation Committee has adopted a written charter that is available to stockholders on our website at: <https://ir.rigel.com/corporate-governance>.

Typically, the Compensation Committee meets at least quarterly and with greater frequency if necessary. The agenda for each meeting is usually developed by the Chair of the Compensation

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(1) The material in this Report of the Audit Committee of the Board of Directors is not "soliciting material," is not deemed "filed" with the SEC, and is not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act.

Committee, in consultation with a representative from management. In 2018, our General Counsel and our Executive Vice President, Human Resources served as representatives of management. In addition, from time to time, various members of management and other employees, as well as outside advisors or consultants, may be invited by the Compensation Committee to make presentations, provide financial or other background information or advice, or otherwise participate in Compensation Committee meetings. The Chief Executive Officer may not participate in, or be present during, any deliberations or determinations regarding his compensation or individual performance objectives. However, the Chief Executive Officer is consulted regarding any promotion or compensation decision affecting other members of management. The charter of the Compensation Committee grants the Compensation Committee full access to all books, records, facilities and personnel of Rigel, as well as authority to obtain, at the expense of the Company, advice and assistance from internal and external legal, accounting or other advisors and consultants and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. In particular, the Compensation Committee has the authority to retain compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultants' reasonable fees and other retention terms.

During the last fiscal year, the Compensation Committee engaged Radford (an AON Hewitt Company) to review and make recommendations regarding Rigel's peer group, executive compensation and director compensation. As compensation for these services during the last fiscal year, Radford was paid \$30,700. For more information regarding the market analysis used by the Compensation Committee to set executive compensation, please see "Competitive Market Review and Benchmarking" below.

Historically, the Compensation Committee has made most of the significant adjustments to annual compensation, determined bonus and equity awards, and recommended new performance objectives to the Board at one or more meetings generally held during the first quarter of the year. The Compensation Committee also considers, at various meetings throughout the year, matters related to individual compensation, such as compensation for new executive hires, as well as high-level strategic issues, such as the efficacy of Rigel's compensation strategy, potential modifications to that strategy, and new trends, plans or approaches to compensation. Unanticipated circumstances can result in a promotion or a change to an individual's compensation package. Generally, the Compensation Committee's process comprises two related elements: the determination of compensation level and the establishment or recommendation of performance objectives for the current year. In the case of the Chief Executive Officer, the evaluation of his performance is conducted by the Compensation Committee and, based upon that evaluation, the Compensation Committee either approves any adjustments to his compensation or makes a recommendation to our Board regarding any such adjustments to his compensation, as well as awards to be granted. For all executive officers and directors, as part of its deliberations, the Compensation Committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tally sheets that set forth the total compensation that may become payable to executive officers in various hypothetical scenarios, executive and director stock ownership information, company stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels, and recommendations of the Compensation Committee's compensation consultant, including analyses of executive and director compensation paid at other companies identified by the consultant or public information. The Compensation Committee referenced the peer group identified in the report of Radford in setting executive compensation and considering director compensation for 2018, as well as publicly available data provided by management on the executive and director compensation of the peer group identified by Radford.

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The specific recommendations of the Compensation Committee with respect to executive and director compensation for fiscal year 2018 is described in greater detail in the Compensation Discussion and Analysis section of this proxy statement.

### **Risk Assessment of Compensation Policies and Practices.**

Members of our senior management, including our Chief Executive Officer, Chief Financial Officer, Executive Vice President, Human Resources and General Counsel, with oversight by the Compensation Committee, conducted an assessment of our compensation programs and policies to determine whether the incentives provided by these programs and policies were appropriate or had the potential to encourage excessive risk-taking by employees.

The assessment focused on the key terms of the Company's equity compensation and variable cash incentive compensation programs, such as the cash incentive plans. Our compensation programs were analyzed to determine whether they introduced or encouraged excessive risk-taking or other behaviors that could have an adverse impact on our business and whether existing risk mitigation features were sufficient in light of the overall structure and composition of our compensation programs. In particular, the assessment focused on the ability of participants to affect the level of the variable component of their compensation and the controls over participant action and variable compensation.

Specific features of our compensation plans and programs identified during the assessment process as discouraging or potentially mitigating excessive risk-taking include:

Annual base salary, which is fixed compensation, constitutes the primary component of compensation for all employees, including for executives.

Performance-based cash incentive awards, primarily designed to reward corporate performance for those at executive and managerial positions, rather than purely individual performance.

The vast majority of our employees earn annual salaries, although a few are paid on an hourly basis. Additionally, all of our employees are eligible for cash incentive payments based on company performance, and our sales force is eligible for payments under a sales incentive plan, and none are being paid on a commission basis.

Our internal controls over financial reporting and the measurement and calculation of compensation goals, such as corporate performance measures and other financial, operational, and compliance policies and practices, are designed to prevent compensation programs from being susceptible to manipulation by any employee.

Our compensation programs are designed to encourage employees to remain focused on both short-term and long-term goals through the use of performance-based annual cash incentive awards, which focus on short-term performance goals, and equity awards, which typically vest over a number of years and, therefore, encourage employees to focus on long-term performance.

The Compensation Committee determined that, for all employees, our compensation programs do not encourage excessive risk-taking or create risks that are reasonably likely to have a material adverse effect on the Company and, instead, encourage behaviors that support sustainable value generation.

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

No member of the Compensation Committee is currently, or ever has been, an officer or employee of Rigel. No executive officer of Rigel has served as a member of the Board or Compensation Committee of any entity that has one or more executive officers serving as a member of our Compensation Committee.

Rigel has entered into indemnity agreements with all of our board members, including the members of our Compensation Committee, which provide, among other things, that the Company will indemnify each of them, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings which he or she is or may be made a party by reason of his position as a director of Rigel, and otherwise to the fullest extent permitted under Delaware law and Rigel's Bylaws.

## **REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS(2)**

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis section of this proxy statement. Based on this review and discussion, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and incorporated into our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

### **Compensation Committee**

Gary A. Lyons  
Keith A. Katkin  
Walter H. Moos, Ph.D.

### **Finance Committee**

The Finance Committee of the Board was formed in September 2004. The Finance Committee reviews and approves the overall strategy, plans, policies and actions related to adjustments to Rigel's capital structure, certain financing arrangements and strategic collaborations for the Company. The following three directors were members of the Finance Committee for all of 2018: Mr. Lyons, Mr. Rodriguez and Mr. Goodwin. Other than Mr. Rodriguez, all members of Rigel's Finance Committee are independent (as "independence" is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards). The Finance Committee met once during fiscal year 2018.

### **Corporate Governance, Health Care Compliance Oversight and Nominating Committee**

The Corporate Governance, Health Care Compliance Oversight and Nominating Committee of the Board is responsible for identifying, reviewing and evaluating candidates to serve as directors of the Company (consistent with criteria approved by the Board), reviewing and evaluating incumbent directors, recommending candidates for election to the Board, making recommendations to the Board regarding the membership of the committees of the Board, assessing the performance of management and the Board, overseeing the Company's compliance with health care laws and regulations, and developing a set of corporate governance guidelines for Rigel. In addition, our Corporate Governance, Health Care Compliance Oversight and Nominating Committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct.

In May of 2017, the Board approved amending the charter of the Corporate Governance, Health Care Compliance Oversight and Nominating Committee to include the responsibilities of Enterprise Risk Assessment and Management and Health Care Compliance. The Committee periodically reviews and assesses the risk exposure of Rigel, prioritizing as appropriate, and makes recommendations to management pertaining to monitoring and minimizing findings in such assessments. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee also periodically meets

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The material in this Report of the Compensation Committee of the Board is not "soliciting material," is not deemed "filed" with the SEC, and is not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act.

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with, and communicates directly with, the Chief Compliance Officer. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee has oversight responsibility to identify risks relating to Rigel and health care compliance, to understand the plans to mitigate such risks, and to ensure the Board is aware of any issues related to Rigel and health care compliance.

The following three directors are the members of the Corporate Governance, Health Care Compliance Oversight and Nominating Committee: Mr. Lapointe, Dr. Ringrose, and Dr. Kotzin. All members of the Corporate Governance, Health Care Compliance Oversight and Nominating Committee are independent (as "independence" is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards). The Corporate Governance, Health Care Compliance Oversight and Nominating Committee met four times during fiscal year 2018. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee has adopted a written charter that is available to stockholders on our website at <https://ir.rigel.com/corporate-governance>.

The Corporate Governance, Health Care Compliance Oversight and Nominating Committee believes that candidates for director should have certain minimum qualifications. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee will generally consider such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, demonstrating the ability to read and understand basic financial statements, having sufficient time to devote to the affairs of Rigel, possessing a reputation for personal integrity and ethics, having demonstrated excellence in his or her field, exhibiting the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of Rigel's stockholders. However, the Corporate Governance, Health Care Compliance Oversight and Nominating Committee retains the right to modify these qualifications from time to time. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee also values diversity as a factor in selecting nominees to serve on the Board. Although there is no specific policy on diversity, the Corporate Governance, Health Care Compliance Oversight and Nominating Committee considers the criteria noted above in selecting nominees for directors as well as the combined background, spectrum of experience and expertise of a nominee as enhancing the diversity of the Board. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of Rigel and the long-term interests of stockholders. In conducting this assessment, the Corporate Governance, Health Care Compliance Oversight and Nominating Committee considers all factors, as it deems appropriate, given the current needs of the Board and Rigel, to maintain a balance of knowledge, experience and capability. In the case of incumbent directors whose terms of office are set to expire, the Corporate Governance, Health Care Compliance Oversight and Nominating Committee reviews these directors' overall service to Rigel during their terms, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair the directors' independence. In the case of new director candidates, the Corporate Governance, Health Care Compliance Oversight and Nominating Committee also determines whether the nominee is independent for Nasdaq purposes, which determination is based upon applicable Nasdaq listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates, after considering the function and needs of the Board. The Corporate Governance, Health Care Compliance Oversight and Nominating Committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board.

The Corporate Governance, Health Care Compliance Oversight and Nominating Committee will consider director candidates recommended by stockholders. The Corporate Governance, Health Care

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Compliance Oversight and Nominating Committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above, based on whether or not the candidate was recommended by a stockholder. Stockholders who wish to recommend individuals for consideration by the Corporate Governance, Health Care Compliance Oversight and Nominating Committee to become nominees for election to the Board may do so by delivering a written recommendation to the Corporate Governance, Health Care Compliance Oversight and Nominating Committee at least 120 days prior to the anniversary date of the mailing of Rigel's proxy statement for the preceding annual meeting of stockholders, addressed to the Legal Department, Rigel Pharmaceuticals, Inc. at 1180 Veterans Boulevard, South San Francisco, CA 94080. The deadline for nominating a director for the 2020 Annual Meeting of Stockholders is December 11, 2019. Submissions must include the full name of the proposed nominee, a description of the proposed nominee's business experience for at least the previous five years, complete biographical information, a description of the proposed nominee's qualifications as a director and a representation that the nominating stockholder is a beneficial or record holder of the Company's stock and has been a holder for at least one year. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

### **Scientific and Clinical Trial Advisory Committee**

In August 2015, the Board established a Scientific and Clinical Trial Advisory Committee. The following three directors are the members of the Scientific and Clinical Trial Advisory Committee: Dr. Moos, Dr. Ringrose and Dr. Kotzin. The primary function of the Scientific and Clinical Trial Advisory Committee is to assist the Board in undertaking its oversight responsibilities with respect to the Company's research and development activities as they related to the strategic and operating goals of the Company, and reporting to the Board about developments and strategy, at such times as the Committee determines to be appropriate. All members of Rigel's Scientific and Clinical Trial Advisory Committee are independent (as "independence" is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards). The Scientific and Clinical Trial Advisory Committee met twice during fiscal year 2018.

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

To date, Rigel has not adopted a formal process related to stockholder communications with the Board. Nevertheless, every effort has been made to ensure that the views of stockholders are heard by the Board or individual directors, as applicable, and that appropriate and timely responses are provided to stockholders. We believe our responsiveness to stockholder communications to the Board has been excellent. If a formal process for stockholder communications with the Board is adopted, we will publish it promptly and post it on Rigel's website.

Persons interested in communicating with the independent directors regarding their concerns or issues may address correspondence to a particular director, or to the independent directors generally, in care of Legal Department, Rigel Pharmaceuticals, Inc. at 1180 Veterans Boulevard, South San Francisco, CA 94080. If no particular director is named, letters will be forwarded, depending on the subject matter, to the Chair of the Audit, Compensation, Finance or Corporate Governance, Health Care Compliance Oversight and Nominating Committee.

### **CODE OF CONDUCT**

We have adopted the Rigel Pharmaceuticals Code of Conduct that applies to all officers, directors and employees. If Rigel makes any amendments to the Code of Conduct or grants any waiver from a provision of the Code of Conduct to any executive officer or director, we intend to promptly disclose the nature of the amendment or waiver on our website. The Code of Conduct is available on our website at <https://ir.rigel.com/corporate-governance>.

**PROPOSAL 2**

**APPROVAL OF 2018 EQUITY INCENTIVE PLAN, AS AMENDED**

Subject to stockholder approval, our Board approved and/or ratified the amendments to the Rigel Pharmaceuticals, Inc. 2018 Equity Incentive Plan (the "2018 Plan") on January 31, 2019 (the 2018 Plan, as amended, the "Amended 2018 Plan") to, among other administrative amendments: (i) increase the number of shares of common stock authorized for issuance under the 2018 Plan by 4,000,000 shares; (ii) increase the aggregate maximum number of shares of our common stock that may be issued pursuant to the exercise of incentive stock options under the 2018 Plan by 4,000,000 shares; (iii) increase the number of shares of the non-discretionary annual grants to non-employee Directors by 15,000 shares. In this Proposal 2, our stockholders are being asked to approve the Amended 2018 Plan. Our Board believes that the Amended 2018 Plan is an integral part of our long-term compensation policy and that the Amended 2018 Plan is necessary to continue providing the appropriate levels and types of equity compensation to our employees.

**Why We are Asking our Stockholders to Approve the Amended 2018 Plan**

Our Board believes it is in the best interests of the Company and our stockholders to approve the Amended 2018 Plan to increase the number of shares available for issuance by an additional 4,000,000 shares, given our need to recruit and retain employees to support expansion of the market opportunities and sales efforts around our recently launched product. If the Amended 2018 Plan is not approved, we will not have a sufficient number of authorized shares for future issuance through 2021. Prior to the Board approving the Amended 2018 Plan, 39,070,403 shares of common stock were authorized for issuance under the 2018 Plan. As of March 1, 2019, 9,620,980 shares of common stock remained available for future grant under the 2018 Plan. If this Proposal 2 is approved, an additional 4,000,000 shares will become available for future grant under the Amended 2018 Plan, which, as discussed below, will enable us to make anticipated stock option grants through 2021.

**Why You Should Vote to Approve the Amended 2018 Plan**

**Equity Awards Are an Important Part of Our Compensation Philosophy**

Our Board believes that our future success depends, in large part, on our ability to maintain a competitive position in attracting, retaining and motivating key personnel, non-employee directors, consultants and advisors. The Board believes that the issuance of equity awards is a key element underlying our ability to attract, retain and motivate key personnel, non-employee directors, consultants and advisors, and better aligns the interests of our personnel, non-employee directors, consultants and advisors with those of our stockholders. The Amended 2018 Plan will allow us to continue to provide performance-based incentives to our eligible employees, non-employee directors, consultants and advisors. Therefore, the Board believes that the Amended 2018 Plan is in the best interests of the Company and its stockholders and recommends a vote in favor of this Proposal 2.

**We Have Experienced and Expect to Continue to Experience Substantial Growth in Our Business**

The Board now believes that the Amended 2018 Plan is necessary to ensure that the number of shares available for issuance is sufficient to allow us to continue to attract and retain the services of talented individuals essential to our long-term growth and financial success. For example, we recently built a commercial team of over fifty employees, including a sales force, to support product launch and sales efforts. Our Board strongly believes that the issuance of equity awards is a key element underlying our ability to attract, retain and motivate our employees, including our executives, and our consultants and advisors, and is a substantial contributing factor to our success and the growth of our business. So far we have relied significantly on equity incentives in the form of stock option awards to attract and retain key employees, and we believe that equity incentives are necessary for us to remain competitive

in the marketplace for executive talent and other employees. The adoption of the Amended 2018 Plan will address the depletion to the 2018 Plan's available share reserves that has occurred as a result of the recent corporate developments discussed above. In particular, an immediate increase to the share reserve will provide the Board with flexibility to make anticipated annual equity awards to eligible employees and new hires through 2021.

#### **We Manage Our Equity Incentive Award Use Carefully, and Dilution Is Reasonable**

We continue to believe that equity awards such as stock options are a vital part of our overall compensation program. Our compensation philosophy reflects broad-based eligibility for equity incentive awards, and we grant awards to substantially all of our employees. However, we recognize that equity awards dilute existing stockholders, and, therefore, we must responsibly manage the growth of our equity compensation program. We are committed to effectively monitoring our equity compensation share reserve, including our "burn rate," to ensure that we maximize stockholders' value by granting the appropriate number of equity incentive awards necessary to attract, reward, and retain employees and non-employee directors. To date, we have not granted any restricted stock units (RSUs). The tables below show our responsible overhang and burn rate percentages.

#### **The Size of Our Share Reserve Request Is Reasonable**

If the Amended 2018 Plan is approved by our stockholders, we expect to have approximately 13,789,342 shares available for grant after our annual meeting, which we anticipate being a pool of shares sufficient for grants through 2021, and necessary to provide a predictable amount of equity for attracting, retaining, and motivating employees. The size of our request is also reasonable in light of the equity granted to our employees and directors over the past year.

#### **Important Aspects of Our Amended 2018 Plan Designed to Protect Our Stockholders' Interests**

The Amended 2018 Plan includes provisions that are designed to protect our stockholders' interests and to reflect corporate governance best practices including:

*No single trigger accelerated vesting upon change in control.* The Amended 2018 Plan does not provide for any automatic mandatory vesting of awards upon a change in control.

*No liberal share counting or recycling of appreciation awards.* The following shares will not become available again for issuance under the Amended 2018 Plan: (i) shares underlying stock options or stock appreciation rights that are reacquired or withheld (or not issued) by us to satisfy the exercise or purchase price of a stock award; (ii) shares underlying stock options or stock appreciation rights that are reacquired or withheld (or not issued) by us to satisfy a tax withholding obligation in connection with a stock award; and (iii) any shares repurchased by us on the open market with the proceeds of the exercise or purchase price of a stock option or a stock appreciation right.

*Fungible share counting.* The Amended 2018 Plan contains a "fungible share counting" structure, whereby the number of shares of our common stock available for issuance under the Amended 2018 Plan will be reduced by (i) one share for each share issued pursuant to a stock option or stock appreciation right with an exercise price that is at least 100% of the fair market value of our common stock on the date of grant (an "Appreciation Award") granted under the Amended 2018 Plan and (ii) 1.54 shares for each share issued pursuant to a stock award that is not an Appreciation Award (a "Full Value Award") granted under the Amended 2018 Plan. As part of such fungible share counting structure, the number of shares of our common stock available for issuance under the Amended 2018 Plan will be increased by (i) one share for each share that becomes available again for issuance under the terms of the Amended 2018 Plan subject to an

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Appreciation Award and (ii) 1.54 shares for each share that becomes available again for issuance under the terms of the Amended 2018 Plan subject to a Full Value Award.

*Awards subject to forfeiture/clawback.* Awards granted under the Amended 2018 Plan will be subject to recoupment in accordance with any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, we have adopted a clawback policy that applies to equity-based incentive compensation and we may impose other clawback, recovery or recoupment provisions in an award agreement, including a reacquisition right in respect of previously acquired shares or other cash or property upon the occurrence of cause.

*Repricing is not allowed.* The Amended 2018 Plan prohibits the repricing of outstanding stock options and stock appreciation rights and the cancellation of any outstanding stock options or stock appreciation rights that have an exercise or strike price greater than the then-current fair market value of our common stock in exchange for cash or other stock awards under the Amended 2018 Plan without prior stockholder approval.

*Stockholder approval is required for additional shares.* The Amended 2018 Plan does not contain an annual "evergreen" provision. The Amended 2018 Plan authorizes a fixed number of shares, so that stockholder approval is required to issue any additional shares, allowing our stockholders to have direct input on our equity compensation programs.

*No liberal change in control definition.* The change in control definition in the Amended 2018 Plan is not a "liberal" definition. A change in control transaction must actually occur in order for the change in control provisions in the Amended 2018 Plan to be triggered.

*No discounted stock options or stock appreciation rights.* All stock options and stock appreciation rights granted under the Amended 2018 Plan must have an exercise or strike price equal to or greater than the fair market value of our common stock on the date the stock option or stock appreciation right is granted.

*Administration by independent committee.* The Amended 2018 Plan will be administered by the members of our Compensation Committee, all of whom are "non-employee directors" within the meaning of Rule 16b-3 under the Exchange Act and "independent" within the meaning of the NASDAQ listing standards.

*Material amendments require stockholder approval.* Consistent with NASDAQ rules, the Amended 2018 Plan requires stockholder approval of any material revisions to the Amended 2018 Plan. In addition, certain other amendments to the Amended 2018 Plan require stockholder approval.

*Automatic non-employee director awards and limitation on non-employee director compensation.* The Amended 2018 Plan contains provisions that call for automatic, non-discretionary grants to the non-employee members of our Board. In addition, the maximum amount of cash compensation that may be payable to any non-employee director shall not exceed \$150,000 per year (subject to exceptions under extraordinary circumstances, where the non-employee director receiving any compensation in excess of such limit may not participate in the decision to award such compensation).

*Restrictions on dividends.* The Amended 2018 Plan provides that (i) no dividends or dividend equivalents may be paid with respect to any shares of our common stock subject to an award before the date such shares have vested, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be subject to all of the terms and conditions applicable to such shares under the terms of the applicable award agreement (including any vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect

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to any such shares will be forfeited to us on the date such shares are forfeited to or repurchased by us due to a failure to vest.

### Overhang

The following table provides certain additional information regarding our equity incentive program.

	<b>As of March 15, 2019</b>
Total number of shares of common stock subject to outstanding stock options	25,940,046
Weighted-average exercise price of outstanding stock options	\$3.72
Weighted-average remaining term of outstanding stock options	6.69 years
Total number of shares of common stock subject to outstanding full value awards	
Total number of shares of common stock available for grant under the 2018 Plan	9,789,342
Total number of shares of common stock available for grant under other equity incentive plans (the Rigel Pharmaceuticals, Inc. Inducement Plan)	30,000

	<b>As of Record Date</b>
Total number of shares of common stock outstanding	167,179,088
Per-share closing price of common stock as reported on Nasdaq Global Select Market	\$2.47

### Burn Rate

The following table provides detailed information regarding the activity related to our equity incentive plans for fiscal year 2018.

	<b>Fiscal Year 2018</b>
Total number of shares of common stock subject to stock options granted	4,594,225
Total number of shares of common stock subject to full value awards granted	
Weighted-average number of shares of common stock outstanding	160,528,741
Burn Rate	2.86%

### Description of the Amended 2018 Plan

The material features of the Amended 2018 Plan are described below. The following description of the Amended 2018 Plan is a summary only and is qualified in its entirety by reference to the complete text of the Amended 2018 Plan. Stockholders are urged to read the actual text of the Amended 2018 Plan in its entirety, which is attached to this proxy statement as *Appendix A*.

#### *Purpose*

The Amended 2018 Plan is designed to secure and retain the services of our employees, directors and consultants, provide incentives for our employees, directors and consultants to exert maximum efforts for the success of our company and our affiliates, and provide a means by which our employees, directors and consultants may be given an opportunity to benefit from increases in the value of our common stock.

#### *Types of Awards*

The terms of the Amended 2018 Plan provide for the grant of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, and other stock awards.

*Shares Available for Awards*

Subject to adjustment for certain changes in our capitalization, the aggregate number of shares of our common stock that may be issued under the Amended 2018 Plan, or the Share Reserve, will not exceed 43,070,403, which is the sum of (i) 10,032,133 shares subject to the Prior Plans' Available Reserve (as defined below) (ii) 5,000,000 shares originally added to the Share Reserve in connection with the Company's adoption of the 2018 Plan, (iii) 4,000,000 shares that are subject to approval by our stockholders under this Proposal 2, and (iv) any Prior Plans' Returning Shares (as defined below), as such shares become available from time to time.

The "Prior Plans' Available Reserve" refers to the unallocated shares that, as of the effective date of the 2018 Plan, remained available for grant under the Rigel Pharmaceuticals, Inc. 2011 Equity Incentive Plan, the Rigel Pharmaceuticals, Inc., 2000 Equity Incentive Plan, as amended and restated, and the Rigel Pharmaceuticals, Inc. 2000 Non-Employee Directors' Stock Option Plan (collectively, the "Prior Plans").

The "Prior Plans' Returning Shares" are shares subject to outstanding stock awards granted under the Prior Plans that, from and after the effective date of the Amended 2018 Plan, (i) expire or terminate for any reason prior to exercise or settlement, (ii) are forfeited, cancelled or otherwise returned to us because of the failure to meet a contingency or condition required for the vesting of such shares, or (iii) other than with respect to outstanding stock options and stock appreciation rights granted under the Prior Plans with an exercise or strike price of at least 100% of the fair market value of the underlying common stock on the date of grant ("Prior Plans' Appreciation Awards"), are reacquired or withheld (or not issued) by us to satisfy a tax withholding obligation in connection with a stock award.

The number of shares of our common stock available for issuance under the Amended 2018 Plan will be reduced by (i) one share for each share of common stock issued pursuant to a stock option or stock appreciation right with an exercise or strike price of at least 100% of the fair market value of the underlying common stock on the date of grant, and (ii) 1.54 shares for each share of common stock issued pursuant to a full value award (i.e., any stock award that is not a stock option or stock appreciation right with an exercise or strike price of at least 100% of the fair market value of the underlying common stock on the date of grant).

If (i) any shares of common stock subject to a stock award are not issued because the stock award expires or otherwise terminates without all of the shares covered by the stock award having been issued or is settled in cash, (ii) any shares of common stock issued pursuant to a stock award are forfeited back to or repurchased by us because of the failure to meet a contingency or condition required for the vesting of such shares, or (iii) with respect to a full value award, any shares of common stock are reacquired or withheld (or not issued) by us to satisfy a tax withholding obligation in connection with the award, then such shares will again become available for issuance under the Amended 2018 Plan (collectively, the "2018 Plan Returning Shares"). For each 2018 Plan Returning Share subject to a full value award, or Prior Plans' Returning Share subject to a stock award other than a Prior Plans' Appreciation Award, the number of shares of common stock available for issuance under the Amended 2018 Plan will increase by 1.54 shares.

Any shares of common stock reacquired or withheld (or not issued) by us to satisfy the exercise or purchase price of a stock award will no longer be available for issuance under the Amended 2018 Plan, including any shares subject to a stock award that are not delivered to a participant because the stock award is exercised through a reduction of shares subject to the stock award. In addition, any shares reacquired or withheld (or not issued) by us to satisfy a tax withholding obligation in connection with a stock option or stock appreciation right granted under the Amended 2018 Plan or a Prior Plans' Appreciation Award, or any shares repurchased by us on the open market with the proceeds of the exercise or strike price of a stock option or stock appreciation right granted under the Amended 2018

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Plan or a Prior Plans' Appreciation Award will no longer be available for issuance under the Amended 2018 Plan.

### *Eligibility*

All of our (including our affiliates') approximately 165 employees, 7 non-employee directors and approximately 200 consultants as of March 15, 2019 are eligible to participate in the Amended 2018 Plan and may receive all types of awards other than incentive stock options. Incentive stock options may be granted under the Amended 2018 Plan only to our employees (including officers) and employees of our affiliates.

### *Non-Employee Director Compensation Limit*

Under the Amended 2018 Plan, each person who is elected or appointed for the first time to be a non-employee member of our Board of Directors, or a "non-employee director", automatically shall, upon the date of his or her initial election or appointment to be a non-employee director by the Board or stockholders of the Company, be granted a stock option to purchase eighty thousand (80,000) shares of our common stock. However, the non-employee director may instead receive a grant in the form of a restricted stock unit award that covers a number of shares that has a value equal to a stock option to purchase eighty thousand (80,000) shares of our common stock (calculating such value based on the grant date fair value of each of the stock option and restricted stock unit for financial reporting purposes). On the day following each annual meeting, each person who is then a non-employee director automatically will be granted a stock option to purchase fifty-five thousand (55,000) shares of our common stock; provided, however, that (i) the non-employee director may instead receive a grant in the form of a restricted stock unit award that covers a number of shares that has a value equal to a stock option to purchase fifty-five thousand (55,000) shares of our common stock (calculating such value based on the grant date fair value of each of the stock option and restricted stock unit for financial reporting purposes), and (ii) if the person has not been serving as a non-employee director for the entire period since the preceding annual meeting, then the number of shares subject to such automatic grant will be reduced pro rata for each full quarter prior to the date of grant during which such person did not serve as a non-employee director. All such option grants will have an exercise price per share equal to the fair market value of our common stock on the date of grant. Each initial grant for a non-employee director will vest over a three year period or in equal monthly installments between the director's date of appointment and the first annual meeting at which they will be considered for election to the Board by stockholders, and each annual grant for a non-employee director will vest monthly over a one year period, in each case subject to the director's continuing service on our Board of Directors. In addition, the maximum amount of cash compensation that may be payable to any non-employee director shall not exceed \$150,000 per year, subject to exceptions under extraordinary circumstances, where the non-employee director receiving any compensation in excess of such limit may not participate in the decision to award such compensation.

### *Administration*

The Amended 2018 Plan will be administered by our Board, which may in turn delegate authority to administer the Amended 2018 Plan to a committee. Our Board has delegated concurrent authority to administer the Amended 2018 Plan to our Compensation Committee, but may, at any time, revert in itself some or all of the power delegated to our Compensation Committee. The Board and the Compensation Committee are each considered to be a Plan Administrator for purposes of this Proposal 2. Subject to the terms of the Amended 2018 Plan, the Plan Administrator, may determine the recipients, the types of awards to be granted, the number of shares of our common stock subject to or the cash value of awards, and the terms and conditions of awards granted under the Amended 2018 Plan, including the period of their exercisability and vesting. The Plan Administrator also has the

authority to provide for accelerated exercisability and vesting of awards. Subject to the limitations set forth below, the Plan Administrator also determines the fair market value applicable to a stock award and the exercise or strike price of stock options and stock appreciation rights granted under the Amended 2018 Plan.

The Plan Administrator may also delegate to one or more officers the authority to designate employees who are not officers to be recipients of certain stock awards and the number of shares of our common stock subject to such stock awards. Under any such delegation, the Plan Administrator will specify the total number of shares of our common stock that may be subject to the stock awards granted by such officer. The officer may not grant a stock award to himself or herself.

*Repricing; Cancellation and Re-Grant of Stock Awards*

Under the Amended 2018 Plan, the Plan Administrator does not have the authority to reprice any outstanding stock option or stock appreciation right by reducing the exercise or strike price of the stock option or stock appreciation right or to cancel any outstanding stock option or stock appreciation right that has an exercise or strike price greater than the then-current fair market value of our common stock in exchange for cash or other stock awards without obtaining the approval of our stockholders. Such approval must be obtained within 12 months prior to such an event.

*Stock Options*

Stock options may be granted under the Amended 2018 Plan pursuant to stock option agreements. The Amended 2018 Plan permits the grant of stock options that are intended to qualify as incentive stock options, or ISOs, and nonstatutory stock options, or NSOs.

The exercise price of a stock option granted under the Amended 2018 Plan may not be less than 100% of the fair market value of the common stock subject to the stock option on the date of grant and, in some cases (see "Limitations on Incentive Stock Options" below), may not be less than 110% of such fair market value.

The term of stock options granted under the Amended 2018 Plan may not exceed ten years and, in some cases (see "Limitations on Incentive Stock Options" below), may not exceed five years. Except as otherwise provided in a participant's stock option agreement or other written agreement with us or one of our affiliates, if a participant's service relationship with us or any of our affiliates (referred to in this Proposal 2 as "continuous service") terminates (other than for cause and other than upon the participant's death or disability), the participant may exercise any vested stock options for up to three months following the participant's termination of continuous service. Except as otherwise provided in a participant's stock option agreement or other written agreement with us or one of our affiliates, if a participant's continuous service terminates due to the participant's disability or death (or the participant dies within a specified period, if any, following termination of continuous service), the participant, or his or her beneficiary, as applicable, may exercise any vested stock options for up to 12 months following the participant's termination due to the participant's disability or for up to 18 months following the participant's death. Except as explicitly provided otherwise in a participant's stock option agreement or other written agreement with us or one of our affiliates, if a participant's continuous service is terminated for cause (as defined in the 2018 Plan), all stock options held by the participant will terminate upon the participant's termination of continuous service and the participant will be prohibited from exercising any stock option from and after such termination date. Except as otherwise provided in a participant's stock option agreement or other written agreement with us or one of our affiliates, the term of a stock option may be extended if the exercise of the stock option following the participant's termination of continuous service (other than for cause and other than upon the participant's death or disability) would be prohibited by applicable securities laws or if the sale of any common stock received upon exercise of the stock option following the participant's termination of

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continuous service (other than for cause) would violate our insider trading policy. In no event, however, may a stock option be exercised after its original expiration date.

Acceptable forms of consideration for the purchase of our common stock pursuant to the exercise of a stock option under the Amended 2018 Plan will be determined by the Plan Administrator and may include payment: (i) by cash, check, bank draft or money order payable to us; (ii) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board; (iii) by delivery to us of shares of our common stock (either by actual delivery or attestation); (iv) by a net exercise arrangement (for NSOs only); or (v) in other legal consideration approved by the Plan Administrator.

Stock options granted under the Amended 2018 Plan may become exercisable in cumulative increments, or "vest," as determined by the Plan Administrator at the rate specified in the stock option agreement. Shares covered by different stock options granted under the Amended 2018 Plan may be subject to different vesting schedules as the Plan Administrator may determine.

The Plan Administrator may impose limitations on the transferability of stock options granted under the Amended 2018 Plan in its discretion. Generally, a participant may not transfer a stock option granted under the Amended 2018 Plan other than by will or the laws of descent and distribution or, subject to approval by the Plan Administrator, pursuant to a domestic relations order or an official marital settlement agreement. However, the Plan Administrator may permit transfer of a stock option in a manner that is not prohibited by applicable tax and securities laws. In addition, subject to approval by the Plan Administrator, a participant may designate a beneficiary who may exercise the stock option following the participant's death.

### *Limitations on Incentive Stock Options*

The aggregate fair market value, determined at the time of grant, of shares of our common stock with respect to ISOs that are exercisable for the first time by a participant during any calendar year under all of our stock plans may not exceed \$100,000. The stock options or portions of stock options that exceed this limit or otherwise fail to qualify as ISOs are treated as NSOs. No ISO may be granted to any person who, at the time of grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any affiliate unless the following conditions are satisfied:

the exercise price of the ISO must be at least 110% of the fair market value of the common stock subject to the ISO on the date of grant; and

the term of the ISO must not exceed five years from the date of grant.

Subject to adjustment for certain changes in our capitalization, the aggregate maximum number of shares of our common stock that may be issued pursuant to the exercise of ISOs under the Amended 2018 Plan is 43,070,403 shares.

### *Stock Appreciation Rights*

Stock appreciation rights may be granted under the Amended 2018 Plan pursuant to stock appreciation right agreements. Each stock appreciation right is denominated in common stock share equivalents. The strike price of each stock appreciation right will be determined by the Plan Administrator, but will in no event be less than 100% of the fair market value of the common stock subject to the stock appreciation right on the date of grant. The Plan Administrator may also impose restrictions or conditions upon the vesting of stock appreciation rights that it deems appropriate. The appreciation distribution payable upon exercise of a stock appreciation right may be paid in shares of our common stock, in cash, in a combination of cash and stock, or in any other form of consideration determined by the Plan Administrator and set forth in the stock appreciation right agreement. Stock appreciation rights will be subject to the same conditions upon termination of continuous service and restrictions on transfer as stock options under the Amended 2018 Plan.

*Restricted Stock Awards*

Restricted stock awards may be granted under the Amended 2018 Plan pursuant to restricted stock award agreements. A restricted stock award may be granted in consideration for cash, check, bank draft or money order payable to us, the participant's services performed for us or any of our affiliates, or any other form of legal consideration acceptable to the Plan Administrator. Shares of our common stock acquired under a restricted stock award may be subject to forfeiture to or repurchase by us in accordance with a vesting schedule to be determined by the Plan Administrator. Rights to acquire shares of our common stock under a restricted stock award may be transferred only upon such terms and conditions as are set forth in the restricted stock award agreement. A restricted stock award agreement may provide that any dividends paid on restricted stock will be subject to the same vesting conditions as apply to the shares subject to the restricted stock award. Upon a participant's termination of continuous service for any reason, any shares subject to restricted stock awards held by the participant that have not vested as of such termination date may be forfeited to or repurchased by us.

*Restricted Stock Unit Awards*

Restricted stock unit awards may be granted under the Amended 2018 Plan pursuant to restricted stock unit award agreements. Payment of any purchase price may be made in any form of legal consideration acceptable to the Plan Administrator. A restricted stock unit award may be settled by the delivery of shares of our common stock, in cash, in a combination of cash and stock, or in any other form of consideration determined by the Plan Administrator and set forth in the restricted stock unit award agreement. Restricted stock unit awards may be subject to vesting in accordance with a vesting schedule to be determined by the Plan Administrator. Dividend equivalents may be credited in respect of shares of our common stock covered by a restricted stock unit award, provided that any additional shares credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying restricted stock unit award. Except as otherwise provided in a participant's restricted stock unit award agreement or other written agreement with us or one of our affiliates, restricted stock units that have not vested will be forfeited upon the participant's termination of continuous service for any reason.

*Performance Awards*

The Amended 2018 Plan allows us to grant performance stock awards.

A performance stock award is a stock award that is payable (including that may be granted, may vest, or may be exercised) contingent upon the attainment of pre-determined performance goals during a performance period. A performance stock award may require the completion of a specified period of continuous service. The length of any performance period, the performance goals to be achieved during the performance period, and the measure of whether and to what degree such performance goals have been attained will be determined by the Plan Administrator in its discretion. In addition, to the extent permitted by applicable law and the performance stock award agreement, the Plan Administrator may determine that cash may be used in payment of performance stock awards.

Performance goals under the Amended 2018 Plan will be based on any one or more of the following performance criteria: (i) earnings per share; (ii) earnings before interest, taxes and depreciation; (iii) earnings before interest, taxes, depreciation and amortization (EBITDA); (iv) net earnings; (v) total stockholder return; (vi) return on equity; (vii) return on assets, investment, or capital employed; (viii) operating margin; (ix) gross margin; (x) operating income; (xi) net income (before or after taxes); (xii) net operating income; (xiii) net operating income after tax; (xiv) pre- and after-tax income; (xv) pre-tax profit; (xvi) operating cash flow; (xvii) sales or revenue targets; (xviii) increases in revenue or product revenue; (xix) expenses and cost reduction goals; (xx) improvement in or attainment of expense levels; (xxi) improvement in or attainment of working capital levels; (xxii) economic value

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added (or an equivalent metric); (xxiii) market share; (xxiv) cash flow; (xxv) cash flow per share; (xxvi) share price performance; (xxvii) debt reduction; (xxviii) implementation or completion of projects or processes; (xxix) customer satisfaction; (xxx) total stockholder return; (xxxi) stockholders' equity; and (xxxii) other measures of performance selected by the Plan Administrator.

Performance goals may be based on a company-wide basis, with respect to one or more business units, divisions, affiliates or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. The Plan Administrator is authorized to make appropriate adjustments in the method of calculating the attainment of performance goals for a performance period as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects, as applicable, for non-U.S. dollar denominated net sales and operating earnings; (iii) to exclude the effects of changes to generally accepted accounting standards required by the Financial Accounting Standards Board; (iv) to exclude the effects of any items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (v) to exclude the effects to any statutory adjustments to corporate tax rates; and (vi) to make other appropriate adjustments selected by the Plan Administrator.

In addition, the Plan Administrator retains the discretion to reduce or eliminate the compensation or economic benefit due upon the attainment of any performance goals and to define the manner of calculating the performance criteria it selects to use for a performance period.

### *Other Stock Awards*

Other forms of stock awards valued in whole or in part by reference to, or otherwise based on, our common stock may be granted either alone or in addition to other stock awards under the Amended 2018 Plan. Subject to the terms of the Amended 2018 Plan, the Plan Administrator will have sole and complete authority to determine the persons to whom and the time or times at which such other stock awards will be granted, the number of shares of our common stock to be granted and all other terms and conditions of such other stock awards.

### *Clawback Policy*

Awards granted under the Amended 2018 Plan will be subject to recoupment in accordance with any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Company has adopted a clawback policy for equity-based compensation and the Plan Administrator may impose other clawback, recovery or recoupment provisions in an award agreement as the Plan Administrator determines necessary or appropriate, including a reacquisition right in respect of previously acquired shares of our common stock or other cash or property upon the occurrence of cause.

### *Changes to Capital Structure*

In the event of certain capitalization adjustments, the Plan Administrator will appropriately adjust: (i) the class(es) and maximum number of securities subject to the Amended 2018 Plan; (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of ISOs; (iii) the class(es) and maximum number of securities to be granted as initial or annual grants to non-employee members of our Board of Directors pursuant to the Amended 2018 Plan and (iv) the class(es) and number of securities and price per share of stock subject to outstanding stock awards.

*Corporate Transaction*

The following applies to stock awards under the Amended 2018 Plan in the event of a corporate transaction (as defined in the Amended 2018 Plan), unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or in any director compensation policy or unless otherwise expressly provided by the Plan Administrator at the time of grant.

In the event of a corporate transaction, any stock awards outstanding under the Amended 2018 Plan may be assumed, continued or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to the stock award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then (i) with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the corporate transaction ("Current Participants"), the vesting (and exercisability, if applicable) of such time-based stock awards will be accelerated in full (and the vesting of any performance-based stock awards shall be deemed satisfied at the target level) to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the corporate transaction), and (ii) any such stock awards that are held by persons other than Current Participants will terminate if not exercised (if applicable) prior to the effective time of the corporate transaction, except that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the corporate transaction.

In the event a stock award will terminate if not exercised prior to the effective time of a corporate transaction, the Plan Administrator may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but instead will receive a payment equal in value to the excess (if any) of (i) the value of the property the participant would have received upon exercise of such stock award immediately prior to the effective time of the corporate transaction (after application of the vesting acceleration described above) over (ii) any exercise price payable in connection with such exercise.

For purposes of the Amended 2018 Plan, a corporate transaction generally will be deemed to occur in the event of the consummation of: (i) a sale, lease or other disposition of all or substantially all of our assets; (ii) a sale or other disposition of at least 90% of our outstanding securities; (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (iv) a reverse merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to the transaction are converted or exchanged into other property by virtue of the transaction.

*Change in Control*

Under the Amended 2018 Plan, a stock award will not be subject to additional acceleration of vesting and exercisability in connection with a change in control (as defined in the Amended 2018 Plan and described below), unless otherwise provided in the participant's stock award agreement or as otherwise may be provided in any other written agreement with us or one of our affiliates. In addition, upon a change in control, all stock awards held by each director who is not an employee and whose continuous service has not terminated immediately prior to the change in control shall become fully vested and exercisable immediately prior to the effectiveness of such change in control.

For purposes of the Amended 2018 Plan, a change in control generally will be deemed to occur in the event of: (i) the acquisition of beneficial ownership of 50% or more of the combined voting power

of our then outstanding securities; (ii) the individuals who, as of the effective date of the Amended 2018 Plan, are members of the Board, or the incumbent board, cease to constitute at least a majority of the Board, unless the election or nomination of any new director was approved by a vote of at least a majority of the incumbent board; (iii) the closing of (1) a merger or consolidation if our stockholders immediately prior thereto do not own, directly or indirectly, more than 50% of the combined outstanding voting power of the corporation resulting from such transaction in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction; or (2) a complete liquidation or dissolution of the Company or an agreement for the sale or other disposition of all or substantially all the assets of the Company.

The acceleration of vesting of an award in the event of a corporate transaction or a change in control event under the Amended 2018 Plan may be viewed as an anti-takeover provision, which may have the effect of discouraging a proposal to acquire or otherwise obtain control of us.

#### *Plan Amendments and Termination*

The Plan Administrator will have the authority to amend or terminate the Amended 2018 Plan at any time. However, except as otherwise provided in the Amended 2018 Plan or an award agreement, no amendment or termination of the Amended 2018 Plan may materially impair a participant's rights under his or her outstanding awards without the participant's consent. We will obtain stockholder approval of any amendment to the Amended 2018 Plan as required by applicable law and listing requirements. No incentive stock options may be granted under the Amended 2018 Plan after the tenth anniversary of the date the Amended 2018 Plan was adopted by our Board.

#### **U.S. Federal Income Tax Consequences**

The following is a summary of the principal United States federal income tax consequences to participants and us with respect to participation in the Amended 2018 Plan. This summary is not intended to be exhaustive and does not discuss the income tax laws of any local, state or foreign jurisdiction in which a participant may reside. The information is based upon current federal income tax rules and therefore is subject to change when those rules change. Because the tax consequences to any participant may depend on his or her particular situation, each participant should consult the participant's tax adviser regarding the federal, state, local and other tax consequences of the grant or exercise of an award or the disposition of stock acquired under the Amended 2018 Plan. The Amended 2018 Plan is not qualified under the provisions of Section 401(a) of the Code and is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974. Our ability to realize the benefit of any tax deductions described below depends on our generation of taxable income as well as the requirement of reasonableness and the satisfaction of our tax reporting obligations.

#### *Nonstatutory Stock Options*

Generally, there is no taxation upon the grant of an NSO if the stock option is granted with an exercise price equal to the fair market value of the underlying stock on the grant date. Upon exercise, a participant will recognize ordinary income equal to the excess, if any, of the fair market value of the underlying stock on the date of exercise of the stock option over the exercise price. If the participant is employed by us or one of our affiliates, that income will be subject to withholding taxes. The participant's tax basis in those shares will be equal to his or her fair market value on the date of exercise of the stock option, and the participant's capital gain holding period for those shares will begin on that date.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the participant.

*Incentive Stock Options*

The Amended 2018 Plan provides for the grant of stock options that are intended to qualify as "incentive stock options," as defined in Section 422 of the Code. Under the Code, a participant generally is not subject to ordinary income tax upon the grant or exercise of an ISO. If the participant holds a share received upon exercise of an ISO for more than two years from the date the stock option was granted and more than one year from the date the stock option was exercised, which is referred to as the required holding period, the difference, if any, between the amount realized on a sale or other taxable disposition of that share and the participant's tax basis in that share will be long-term capital gain or loss.

If, however, a participant disposes of a share acquired upon exercise of an ISO before the end of the required holding period, which is referred to as a disqualifying disposition, the participant generally will recognize ordinary income in the year of the disqualifying disposition equal to the excess, if any, of the fair market value of the share on the date of exercise of the stock option over the exercise price. However, if the sales proceeds are less than the fair market value of the share on the date of exercise of the stock option, the amount of ordinary income recognized by the participant will not exceed the gain, if any, realized on the sale. If the amount realized on a disqualifying disposition exceeds the fair market value of the share on the date of exercise of the stock option, that excess will be short-term or long-term capital gain, depending on whether the holding period for the share exceeds one year.

For purposes of the alternative minimum tax, the amount by which the fair market value of a share of stock acquired upon exercise of an ISO exceeds the exercise price of the stock option generally will be an adjustment included in the participant's alternative minimum taxable income for the year in which the stock option is exercised. If, however, there is a disqualifying disposition of the share in the year in which the stock option is exercised, there will be no adjustment for alternative minimum tax purposes with respect to that share. In computing alternative minimum taxable income, the tax basis of a share acquired upon exercise of an ISO is increased by the amount of the adjustment taken into account with respect to that share for alternative minimum tax purposes in the year the stock option is exercised.

We are not allowed a tax deduction with respect to the grant or exercise of an ISO or the disposition of a share acquired upon exercise of an ISO after the required holding period. If there is a disqualifying disposition of a share, however, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the participant, subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and provided that either the employee includes that amount in income or we timely satisfy our reporting requirements with respect to that amount.

*Restricted Stock Awards*

Generally, the recipient of a restricted stock award will recognize ordinary income at the time the stock is received equal to the excess, if any, of the fair market value of the stock received over any amount paid by the recipient in exchange for the stock. If, however, the stock is not vested when it is received (for example, if the employee is required to work for a period of time in order to have the right to sell the stock), the recipient generally will not recognize income until the stock becomes vested, at which time the recipient will recognize ordinary income equal to the excess, if any, of the fair market value of the stock on the date it becomes vested over any amount paid by the recipient in exchange for the stock. A recipient may, however, file an election with the Internal Revenue Service, within 30 days following his or her receipt of the stock award, to recognize ordinary income, as of the date the recipient receives the award, equal to the excess, if any, of the fair market value of the stock on the date the award is granted over any amount paid by the recipient for the stock.

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The recipient's basis for the determination of gain or loss upon the subsequent disposition of shares acquired from a restricted stock award will be the amount paid for such shares plus any ordinary income recognized either when the stock is received or when the stock becomes vested.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the restricted stock award.

### *Restricted Stock Unit Awards*

Generally, the recipient of a restricted stock unit award structured to comply with the requirements of Section 409A of the Code or an exception to Section 409A of the Code will recognize ordinary income at the time the stock is delivered equal to the excess, if any, of the fair market value of the stock received over any amount paid by the recipient in exchange for the stock. To comply with the requirements of Section 409A of the Code, the stock subject to a restricted stock unit award may generally only be delivered upon one of the following events: a fixed calendar date (or dates), separation from service, death, disability or a change in control. If delivery occurs on another date, unless the restricted stock unit award otherwise complies with or qualifies for an exception to the requirements of Section 409A of the Code (including delivery upon achievement of a performance goal), in addition to the tax treatment described above, the recipient will owe an additional 20% federal tax and interest on any taxes owed.

The recipient's basis for the determination of gain or loss upon the subsequent disposition of shares acquired from a restricted stock unit award will be the amount paid for such shares plus any ordinary income recognized when the stock is delivered.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the restricted stock unit award.

### *Stock Appreciation Rights*

Generally, if a stock appreciation right is granted with an exercise price equal to the fair market value of the underlying stock on the grant date, the recipient will recognize ordinary income equal to the fair market value of the stock or cash received upon such exercise. Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock appreciation right.

**New Plan Benefits**

Name and position	Amended 2018 Plan	
	Dollar value	Number of shares
Raul R. Rodriguez President and Chief Executive Officer	(1)	(1)
Dean L. Schorno Executive Vice President and Chief Financial Officer	(1)	(1)
Dolly A. Vance Executive Vice President, Corporate Affairs, General Counsel and Corporate Secretary	(1)	(1)
Anne-Marie Duliege Executive Vice President, Chief Medical Officer	(1)	(1)
Eldon C. Mayer, III Executive Vice President, Chief Commercial Officer	(1)	(1)
All current executive officers as a group	(1)	(1)
All current directors who are not executive officers as a group	(2)	(2)
All employees, including all current officers who are not executive officers, as a group	(1)	(1)

- (1) Awards granted under the Amended 2018 Plan to our executive officers and other employees are discretionary and are not subject to set benefits or amounts under the terms of the Amended 2018 Plan, and our Board and our Compensation Committee have not granted any awards under the Amended 2018 Plan subject to stockholder approval of this Proposal 2. Accordingly, the benefits or amounts that will be received by or allocated to our executive officers and other employees under the Amended 2018 Plan, as well as the benefits or amounts which would have been received by or allocated to our executive officers and other employees for fiscal year 2018 if the Amended 2018 Plan had been in effect, are not determinable.
- (2) The Amended 2018 Plan includes automatic, non-discretionary awards to our non-employee directors as follows: Each person who is elected or appointed for the first time to be a non-employee member of our Board, or a "non-employee director", automatically shall, upon the date of his or her initial election or appointment to be a non-employee director by the Board or stockholders of the Company, be granted a stock option to purchase eighty thousand (80,000) shares of our common stock. However the non-employee director may instead receive a grant in the form of a restricted stock unit award that covers a number of shares that has a value equal to a stock option to purchase eighty thousand (80,000) shares of our common stock (calculating such value based on the grant date fair value of each of the stock option and restricted stock unit for financial reporting purposes). On the day following each annual meeting, each person who is then a non-employee director automatically will be granted a stock option to purchase fifty-five thousand (55,000) shares of our common stock; provided, however, that (i) the non-employee director may instead receive a grant in the form of a restricted stock unit award that covers a number of shares that has a value equal to a stock option to purchase fifty-five thousand (55,000) shares of our common stock (calculating such value based on the grant date fair value of each of the stock option and restricted stock unit for financial reporting purposes), and (ii) if the person has not been serving as a non-employee director for the entire period since the preceding annual meeting, then the number of shares subject to such automatic grant will be reduced pro rata for each full quarter prior to the date of grant during which such person did not serve as a non-employee director. All option grants will have an exercise price per share equal to the fair

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market value of our common stock on the date of grant. Each initial grant for a non-employee director will vest over a three year period or in equal monthly installments between the director's date of appointment and the first annual meeting at which they will be considered for election to the Board by stockholders, and each annual grant for a non-employee director will vest monthly over a one year period, in each case subject to the director's continuing service on our Board of Directors. After the date of the annual meeting, any such awards will be granted under the Amended 2018 Plan if this Proposal 2 is approved by our stockholders. For additional information regarding our compensation policy for non-employee directors, see the "*Director Compensation*" section below.

### Plan Benefits

The following table shows, for each of the individuals and the various groups indicated, the number of shares of our common stock underlying awards that have been granted (even if not currently outstanding) under the 2018 Plan since its approval by our stockholders in 2018 and through March 15, 2019.

Name and principal position	Number of awards granted (#)
Raul R. Rodriguez President and Chief Executive Officer	1,200,000
Dean L. Schorno Executive Vice President and Chief Financial Officer	660,000
Dolly A. Vance Executive Vice President, Corporate Affairs, General Counsel and Corporate Secretary	325,000
Anne-Marie Duliege, M.D. Executive Vice President and Chief Medical Officer	325,000
Eldon C. Mayer, III Executive Vice President and Chief Commercial Officer	400,000
All current executive officers as a group (8 persons)	3,585,000
All current non-executive directors as a group (7 persons)	270,000
The two nominees standing for re-election as directors:	
Bradford S. Goodwin	40,000
Keith A. Katkin	40,000
Each associate of any director, executive officer or nominee (15 persons)	
Each other person who received or is to receive 5% of awards (0 persons)	
All employees, including all current non-executive officers, as a group (162 persons)	6,160,025

### REQUIRED VOTE

Stockholders are requested in this Proposal 2 to approve the Amended 2018 Plan described above. 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 approve the Amended 2018 Plan. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved. The Amended 2018 Plan will not go into effect if our stockholders do not vote "FOR" the approval of the amendment to the 2018 Plan. A copy of the Amended 2018 Plan is appended to this proxy statement as *Appendix A*.

### THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 2.

**PROPOSAL 3**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**

At the 2011 Annual Meeting, our stockholders indicated their preference that the Company solicit a non-binding advisory vote on the compensation of the named executive officers, commonly referred to as a "say-on-pay vote," every year, and confirmed this preference at the 2017 Annual Meeting. The Board has adopted a policy that is consistent with that preference. In accordance with that policy, this year, the Board is again asking the stockholders to approve, on an advisory basis, the compensation of our Named Executive Officers as disclosed in this proxy statement in accordance with SEC rules.

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. The compensation of our Named Executive Officers subject to the vote is disclosed in the Compensation Discussion and Analysis section, the compensation tables and the related narrative disclosure contained in this proxy statement.

As discussed in the Compensation Discussion and Analysis section of this proxy statement, we believe that our compensation policies and decisions are designed to motivate our management team to create long-term value for our stockholders by achieving strategic business objectives while effectively managing the risks and challenges inherent in a clinical stage biotechnology company. Further, we believe that our long-term success depends in large measure on the talents of our employees. Our compensation system plays a significant role in our ability to attract, retain and motivate the highest quality workforce and experienced executives to lead us successfully in a competitive environment. We believe that our current executive compensation program directly links executive compensation to performance, aligning the interests of our executive officers with those of our stockholders. We encourage you to review carefully the "Compensation Discussion and Analysis" beginning on page 45 of this proxy statement and the tabular and other disclosures on executive compensation beginning on page 52 of this proxy statement.

Accordingly, our Board is asking our stockholders to indicate their support for the compensation of our Named Executive Officers as described in this proxy statement by casting a non-binding advisory vote "For" the following resolution:

"RESOLVED, that the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED."

Because the vote is advisory, it is not binding on the Board or us. Nevertheless, the views expressed by the stockholders, whether through this vote or otherwise, are important to management and the Board and, accordingly, the Board and the Compensation Committee intend to consider the results of this vote in making determinations in the future regarding executive compensation arrangements.

Advisory approval of this proposal requires the 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. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

**THE BOARD OF DIRECTORS RECOMMENDS  
A VOTE IN FAVOR OF PROPOSAL 3.**

**PROPOSAL 4****RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board has selected Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal 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 the Company's financial statements since 1998. 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 the Company's Bylaws nor other governing documents or law require stockholder ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm. However, the Audit Committee of the Board 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 of the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee of the Board, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of the Company and its stockholders.

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 cast on this proposal and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this proposal has been approved.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES AND SERVICES**

In connection with the audit of the 2018 financial statements, the Company entered into an engagement agreement with Ernst & Young LLP that sets forth the terms by which Ernst & Young LLP will perform audit and interim review services for the Company, which engagement agreement is subject to alternative dispute resolution procedures.

The following table represents aggregate fees billed to the Company for the fiscal years ended December 31, 2018 and December 31, 2017 by Ernst & Young LLP, the Company's independent registered public accounting firm (in thousands).

	Fiscal Year Ended	
	2018	2017
Audit fees	\$ 1,199	\$ 1,054
Audit-related fees		
Tax fees		
All other fees	\$ 2	\$ 2
Total fees	\$ 1,201	\$ 1,056

"Audit fees" consist of fees billed for professional services rendered for the audit of our financial statements and review of the interim financial statements included in quarterly reports and services that are normally provided by Ernst & Young LLP in connection with statutory and regulatory filings or engagements. Audit fees in 2018 and 2017 included \$35,000 and \$75,000, respectively, fees associated with our "at-the-market" public offering and \$95,000, related to an underwritten public offering, which was completed in April 2018.

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"Audit-related fees" consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees." No such fees were billed during either fiscal year 2018 or 2017.

"Tax fees" include fees for tax compliance, tax planning and tax advice. No tax fees were billed in 2018 or 2017.

"All other fees" consist of fees for products and services other than the services described above.

All fees described above were approved by the Audit Committee.

### **PRE-APPROVAL POLICIES AND PROCEDURES**

The Audit Committee pre-approves all audit and permissible non-audit services rendered by our independent registered public accounting firm, Ernst & Young LLP. These services may include audit services, audit-related services, tax services and other services. Pre-approval may be given as part of the Audit Committee's approval of the scope of the engagement of the independent registered public accounting firm, or on an individual, explicit case-by-case basis, before the independent registered public accounting firm 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 Audit Committee has determined that the rendering of the services other than audit services by Ernst & Young LLP is compatible with maintaining the principal accountant's independence.

**THE BOARD OF DIRECTORS RECOMMENDS  
A VOTE IN FAVOR OF PROPOSAL 4.**

**MANAGEMENT  
EXECUTIVE OFFICERS**

Set forth below is the name, age, position and a brief summary of the business experience of each of our executive officers as of January 31, 2018.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Raul R. Rodriguez	58	President and Chief Executive Officer and Director
Dolly A. Vance	54	Executive Vice President, Corporate Affairs, General Counsel and Corporate Secretary
Esteban Masuda, Ph.D.	57	Senior Vice President, Research
Anne-Marie Duliege, M.D.	59	Executive Vice President and Chief Medical Officer
Eldon C. Mayer III	57	Executive Vice President and Chief Commercial Officer
Joseph Lasaga	44	Senior Vice President, Business Development and Alliance Management
Dean L. Schorno	55	Executive Vice President and Chief Financial Officer
Stacy Markel	54	Executive Vice President, Human Resources

*Raul R. Rodriguez's* biography is set forth under the heading "Proposal 1 Election of Directors" above.

*Dolly A. Vance* has served as our Executive Vice President, Corporate Affairs, General Counsel and Corporate Secretary since May 2010. Ms. Vance joined Rigel in September 2000 as Rigel's first in-house counsel and served in ascending leadership roles until her current position. Ms. Vance played critical roles in Rigel's transformation to a commercial stage pharmaceutical company. Until September 2000, she was a partner at the law firm of Flehr Hohbach Test Albritton & Herbert LLP (now Dorsey & Whitney LLP). Prior to law school she worked in various research laboratories, including the laboratory of Norman Davidson at California Institute of Technology. She holds a Bachelor's degree from University of California, San Diego and a J.D. from Boston University School of Law.

*Esteban Masuda, Ph.D.* was appointed Senior Vice President, Research in September 2016. Before being named to that position, Dr. Masuda held the title of Senior Vice President, Immunology since 2013. He joined Rigel as a scientist in 1998. He has worked on and led numerous drug discovery projects in inflammatory and allergic diseases, and served as the first project leader of the program that led to the discovery of fostamatinib. His work has resulted in: moving several product candidates into clinical development; establishing various corporate partnerships; producing 57 publications; and issuing 49 U.S. patents. Prior to joining Rigel, Dr. Masuda spent seven years at DNAX Research Institute of Molecular and Cellular Biology in cytokine biology. He received a B.S. in biochemistry from University of California, Riverside and a Ph.D. in molecular genetics from Hiroshima University, Japan.

*Anne-Marie Duliege, M.D. M.S.* has served as our Executive Vice President and Chief Medical Officer since March 2016. Prior to joining Rigel, Dr. Duliege was Chief of Strategic Development and Head of Immuno-oncology at ChemoCentryx, Inc. From 2004 to 2013, Dr. Duliege was at Affymax Inc., initially as Vice President, Clinical, Medical and Regulatory Affairs, and then as Chief Medical Officer. At Affymax, she grew the Clinical Development organization and successfully managed the development of its first marketed product through international clinical studies, resulting in NDA approval by the FDA. In that role, she was responsible for working closely with the FDA on product label and post-marketing requirements, as well as the strategy and implementation of significant post-launch epidemiological studies. She was also responsible for providing critical pipeline development results in support of the Affymax initial public offering and follow-on public offerings, led a major partnership with Takeda, Inc. and contributed to business development projects. Before Affymax, Dr. Duliege worked at Chiron and Genentech. Dr. Duliege received her Doctorate of Medicine, her certification in Pediatrics, and an M.S. in Biostatistics from Paris Medical School, and an M.S. in Epidemiology from the Harvard School of Public Health. She is an Adjunct Clinical Assistant

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Professor at Stanford's School of Medicine and the Lucile Packard Children's Hospital. She also serves on the board of the CIRM, the California Institute for Regenerative Medicine.

*Eldon C. Mayer III* was appointed as Executive Vice President and Chief Commercial Officer in October 2016. Prior to joining Rigel, Mr. Mayer successfully led the commercial strategy function at Questcor Pharmaceuticals, a Specialty BioPharma company that focused on serious, ultra-rare diseases. As head of commercial operations, Mr. Mayer launched a drug in many new indications, building out a specialty commercial team from 10 to nearly 500 people and growing annual sales to over \$1 billion. Prior to that, he held positions of increasing responsibility at a number of biopharma companies including Schering-Plough, ALZA, Chiron, and Connetics, in functional areas including strategic planning, marketing, sales, market research/analytics, operations and finance. Mr. Mayer serves as a member of the Board of Directors for Eiger BioPharmaceuticals, Inc., Promet Therapeutics LLC and the National Community Oncology Dispensing Association. Mr. Mayer holds a BS in Finance from Fairleigh Dickinson University and an MBA in Marketing from Syracuse University.

*Joseph Lasaga* was appointed Vice President, Business Development and Alliance Management in October 2016 and was made Senior Vice President, Business Development and Alliance Management in January 2019. Prior to rejoining Rigel, Mr. Lasaga was Vice President, Business Development and Alliance Management at Galena Biopharma, Inc., where he was responsible for managing corporate and business development strategy and activities. From 2010 until 2014, Mr. Lasaga was Director, and later named Senior Director, Business Development at Nektar Therapeutics, where he led licensing activities, managed key alliances and structured research collaborations. He began his career at Rigel in 1998, working in research before moving into business development, most recently as Associate Director. In that role, he served as the alliance manager for all of Rigel's partners, was an integral member of the negotiating team for Rigel's outlicensing of fostamatinib to AstraZeneca in early 2010, and managed all other aspects of business development. Mr. Lasaga graduated from San Jose State University with a B.S. in Molecular Biology and earned his M.B.A. in Marketing from San Francisco State University.

*Dean L. Schorno* was appointed as Executive Vice President and Chief Financial Officer (CFO) in May 2018. Mr. Schorno joined Rigel from 23andMe, Inc., the leading consumer genetics and research company, where he has been CFO since 2015. Before joining 23andMe, Mr. Schorno was CFO of Adaptive Biotechnologies (Seattle, WA) and Genomic Health (Redwood City, CA). During this time, he led financial operations through periods of significant business and commercial growth which included significant financing and commercial transaction activity. Mr. Schorno began his career in finance at an international accounting firm in San Francisco, CA before starting his own consultancy in 1991. A certified public accountant, Mr. Schorno is a graduate of the University of California, Berkeley (BS, Business Administration) and Golden Gate University (MS, Taxation).

*Stacy Markel* was appointed Executive Vice President, Human Resources in March 2018. Prior to joining Rigel, Ms. Markel was the Senior Vice President of Human Resources at Portola Pharmaceuticals, Inc., where she helped successfully transition the company from a development stage company to a commercial stage company preparing the organization for the launch of their first marketed product. Prior to Portola, Ms. Markel served as the Senior Vice President of Human Resources and Professional Development at Actelion Pharmaceuticals, Ltd., where she was a member of the Executive Leadership Team and Global Human Resources Leadership Team from 2005 to 2015. She was instrumental in the successful growth of the organization and in positioning culture as a key advantage in attracting and retaining talent. Ms. Markel has over 25 years of business experience in the pharmaceutical/biotechnology industry. She began her career in sales and sales management with Roche Laboratories. Ms. Markel holds a bachelor's degree from University of California, Davis.

Our executive officers are appointed by our Board and serve until their successors are elected or appointed. There are no family relationships among any of our directors or executive officers.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

As of January 31, 2019, stock options covering an aggregate of 26,383,210 shares of common stock were outstanding under the 2018 Plan and the Inducement Plan (24,779,585 under the 2018 Plan, and 1,603,625 under the Inducement Plan) and 9,424,885 shares of common stock (plus any shares that might in the future be returned to the 2018 Plan, and the Inducement Plan as a result of the repurchase of shares or the cancellation or expiration of options) remained available for future grant under the 2018 Plan, and the Inducement Plan (9,394,885 shares under the 2018 Plan, and 30,000 shares under the Inducement Plan). The weighted average exercise price of all options outstanding as of January 31, 2019 was approximately \$3.73 (\$3.75 for shares under the 2018 Plan, and \$3.43 for shares under the Inducement Plan), and the weighted average remaining term of such options was approximately 6.70 years (6.62 years under the 2018 Plan, and 7.90 years under the Inducement Plan). Except as set forth above, as of January 31, 2019, there were no shares of common stock that were subject to issuance upon the exercise of outstanding non-compensatory warrants and no other shares were subject to issuance upon the conversion of any convertible securities. A total of 167,179,088 shares of common stock were outstanding as of the record date.

The following table provides certain information with respect to all of the Company's equity compensation plans in effect as of December 31, 2018.

**EQUITY COMPENSATION PLAN INFORMATION**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders	19,107,456	\$ 4.27	16,398,598(1)
Equity compensation plans not approved by security holders	1,605,875	\$ 3.43	30,000(2)
<b>Total</b>	<b>20,713,331</b>	<b>\$ 4.20</b>	<b>16,428,598(1)</b>

(1) Includes 1,331,584 shares of common stock authorized for future issuance under the Purchase Plan.

(2) Represents shares of stock authorized for future issuance under the Inducement Plan.

**SECURITY OWNERSHIP OF  
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the ownership of the Company's common stock as of January 31, 2019 by: (i) each director and nominee for director; (ii) each of the executive officers named in the Summary Compensation Table; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than five percent of its common stock. Unless otherwise indicated, the address for each beneficial owner listed below is: c/o Rigel Pharmaceuticals, Inc., 1180 Veterans Boulevard, South San Francisco, CA 94080.

Beneficial Owner	Beneficial Ownership(1)	
	Number of Shares	Percent of Total
<i>Five percent stockholders</i>		
Entities Affiliated with FMR LLC(2) 245 Summer Street Boston, MA 02109	24,996,008	14.95%
Wellington Management Company, LLP(3) 348 Congress Street Boston, MA 02210	23,328,436	13.95%
Entities Affiliated with BlackRock, Inc.(4) 55 East 52 <sup>nd</sup> Street New York, NY 10055	13,724,460	8.21%
<i>Directors and executive officers</i>		
Raul R. Rodriguez(5)	3,767,475	2.21%
Dolly A. Vance(6)	1,734,598	1.03%
Dean L. Schorno(7)	13,225	*
Anne-Marie Duliege, M.D.(8)	426,906	*
Eldon C. Mayer III(9)	540,008	*
Bradford S. Goodwin(10)	263,333	*
Walter H. Moos, Ph.D.(11)	255,555	*
Peter S. Ringrose, Ph.D.(12)	253,333	*
Gary A. Lyons(13)	253,333	*
Keith A. Katkin(14)	193,333	*
Gregg A. Lapointe(15)	105,000	*
Brian L. Kotzin(16)	113,333	*
All executive officers and directors as a group (15 persons)(17)	8,696,928	4.96%

\*  
Less than one percent.

(1) This table is based upon information supplied by officers, directors and principal stockholders and Schedules 13D and 13G filed with the SEC. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 167,171,505 shares of the common stock of the Company outstanding on January 31, 2019, adjusted as required by rules.

(2) FMR LLC is a parent holding company and is the beneficial owner of 24,996,008 shares with sole voting power with respect to 8,304,351 shares and sole dispositive power with respect to all of the shares. Fidelity Growth Company Fund, is the beneficial owner of 11,435,952 shares of the common stock outstanding and has sole voting power with respect to 11,435,952 shares. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies



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registered under the Investment Company Act ("Fidelity Funds") advised by Fidelity, a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees.

- (3) Wellington Management Group LLP, formerly known as Wellington Management Company, LLP, ("Wellington Management"), an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E) promulgate under the Exchange Act, may be deemed to have beneficial ownership of 23,328,436 shares of the common stock of the Company that are held of record by clients of Wellington Management. Wellington Management has shared voting power over 21,329,933 shares. Those clients have the right to receive, or the power to direct the receipt of, dividends or the proceeds from the sale of such securities. No such client is known to have such right or power with respect to more than five percent of the Company's common stock.
- (4) BlackRock, Inc. possesses sole voting power over 13,307,986 shares and sole dispositive power over 13,724,460 shares.
- (5) Includes 3,591,562 shares subject to stock options that are exercisable within 60 days.
- (6) Includes 1,728,406 shares subject to stock options that are exercisable within 60 days.
- (7) Includes 10,156 shares subject to stock options that are exercisable within 60 days.
- (8) Includes 421,906 shares subject to stock options that are exercisable within 60 days.
- (9) Includes 320,221 shares subject to stock options that are exercisable within 60 days.
- (10) Includes 253,333 shares subject to stock options that are exercisable within 60 days.
- (11) Includes 253,333 shares subject to stock options that are exercisable within 60 days.
- (12) Includes 253,333 shares subject to stock options that are exercisable within 60 days.
- (13) Includes 253,333 shares subject to stock options that are exercisable within 60 days.
- (14) Includes 193,333 shares subject to stock options that are exercisable within 60 days.
- (15) Includes 105,000 shares subject to stock options that are exercisable within 60 days.
- (16) Includes 113,333 shares subject to stock options that are exercisable within 60 days.
- (17) Includes shares owned by and granted to executive officers and directors. Includes 8,247,410 shares subject to stock options that are exercisable within 60 days, as described in the notes above.

### **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 common stock and other equity securities of our company. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish us with

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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 fiscal year ended December 31, 2018, all Section 16(a) filing requirements applicable to our officers, directors and greater than ten percent beneficial owners were complied with.

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

This section explains our executive compensation program and philosophy, our compensation-setting process, our executive compensation program components, and the decisions made in 2018 and resulting pay-out thereunder with respect to the compensation of each of the following executive officers, who are referred to in this Compensation Discussion and Analysis and in the subsequent tables as our "Named Executive Officers":

Raul R. Rodriguez, our President and Chief Executive Officer;

Dean L. Schorno, our Executive Vice President and Chief Financial Officer;

Dolly A. Vance, our Executive Vice President, Corporate Affairs, General Counsel and Corporate Secretary;

Anne-Marie Duliege, M.D., our Executive Vice President and Chief Medical Officer; and

Eldon C. Mayer, III, our Executive Vice President and Chief Commercial Officer.

#### Overview of Compensation Program and Philosophy

Our executive officer compensation program is intended to meet three principal objectives:

Retain key executive talent and motivate our management team to create long-term value for our stockholders by achieving our strategic business objectives;

Effectively manage the risks and challenges inherent in a commercial stage biotechnology company; and

Ensure that a material portion of compensation is tied to company performance, including the achievement of strategic business objectives, product development, financial performance and cash position.

Based on this philosophy, our performance-driven compensation program consists of three components: base salary, short-term cash incentive compensation, and long-term equity incentive compensation. Our Compensation Committee has determined that these three components, with a substantial portion of total compensation allocated to "at-risk" performance-based incentives through the use of short-term and long-term incentive compensation, best align the interests of our executive officers with those of our stockholders. While our Compensation Committee does not have any formal policies for allocating compensation among the three components, our Compensation Committee reviews relevant market compensation data and uses its judgment to determine the appropriate level and mix of compensation on an annual basis to ensure that compensation is competitive, targeting the 50th percentile of similarly-situated executives among our peers, and that we are able to attract and retain capable executive officers to work for our long-term prosperity and stockholder value, without taking unnecessary or excessive risks.

The following key governance features underlie our compensation program:

Our executive compensation programs are administered by our Compensation Committee consisting solely of independent directors.

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Our executive compensation programs are structured to avoid inappropriate risk taking by our executive officers. Please see the discussion entitled "Risk Assessment of Compensation Policies and Practices" beginning on page 17 for more information on how our Compensation Committee concluded that the incentives provided in our employee compensation programs do

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not encourage excessive risk-taking or create risks that are reasonably likely to have a material adverse effect on us and instead encourage behaviors that support sustainable value generation.

We have adopted a clawback policy that applies to cash and equity-based incentive compensation.

We do not permit hedging or other forms of speculative transactions by our employees and directors, as well as certain designated consultants and contractors.

### Response to Say-on-Pay Vote

Our Compensation Committee values the opinions of our stockholders and considers the outcome of each non-binding advisory stockholder vote on the compensation program for our named executive officers, commonly referred to as a "say on pay" vote, when we make compensation decisions for the members of our executive team, including the Named Executive Officers.

Stockholder support for our recent say-on-pay votes has been strong: 99% in 2017 and 98% in 2018. Our Compensation Committee is committed to continue considering stockholder concerns and feedback in the future.

### Business Highlights

From a business perspective, 2018 was a transformative year for Rigel, both clinically and commercially. Since the beginning of 2018, our strategic, clinical and commercial efforts yielded the following significant events:

In January 2018, we reported updated phase 2 results for fostamatinib in autoimmune hemolytic anemia (AIHA) at the 36<sup>th</sup> annual J.P. Morgan Healthcare Conference, including that 47% of the evaluable trial patients had responded to fostamatinib treatment as of December 2017.

In March 2018, we announced that Stacy Markel joined our executive team as Executive Vice President, Human Resources.

On April 17, 2018 we reported that the U.S. Food and Drug Administration (FDA) approved TAVALISSE (fostamatinib disodium hexahydrate) for the treatment of thrombocytopenia in adult patients with chronic immune thrombocytopenia (ITP) who have had an insufficient response to a previous treatment.

Also in April, we announced that we raised net proceeds of approximately \$67.2 million, after standard deductions, in an underwritten public offering.

In May 2018, we announced that TAVALISSE (fostamatinib disodium hexahydrate) was available by prescription.

Also in May, we announced that Dean L. Schorno joined our executive team as Executive Vice President and Chief Financial Officer.

In June 2018, we reported the initiation of a Phase 1 study to assess safety, tolerability, pharmacokinetics and pharmacodynamics of R835 in healthy subjects. R835 is a proprietary molecule selected from our interleukin receptor associated kinase (IRAK) preclinical development program for human clinical trials.

Also in June, we reported further results in the AIHA phase 2 study at the 23<sup>rd</sup> Congress of the European Hematology Association (EHA), including that 53% of the evaluable trial patients achieved a response to fostamatinib treatment, including a late responder in the Stage 1 extension study, as of April 2, 2018.



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In October 2018, we announced that the European Medicines Agency (EMA) validated the Marketing Authorization Application (MAA) for fostamatinib in adult chronic immune thrombocytopenia. The validation was received on October 4, 2018 and initiated the MAA review process.

Also in October, we reported that we entered into an exclusive license and supply agreement with Kissei Pharmaceutical Co., Ltd. ("Kissei") to develop and commercialize fostamatinib in all current and potential indications in Japan, China, Taiwan and the Republic of Korea.

In February 2019, we announced 2018 total revenues of \$44.5 million for 2018, including \$13.9 million from sales of TAVALISSE since launch.

### **Process for Setting Executive Compensation**

We seek to foster a performance-oriented culture, where individual performance is aligned with organizational objectives. In order to achieve this, we evaluate and reward our executive officers based on their contributions to the achievement of annual goals and objectives set early in the year. Performance is reviewed at least annually through processes discussed further below, with a focus on our research, clinical, regulatory, commercial, financial and operational performance, and in view of economic and financial conditions affecting the performance period.

### ***Role of Our Compensation Committee***

Our Compensation Committee reviews and approves our executive compensation philosophy, objectives and methods, evaluates our performance and the performance of our executive officers, and either approves executive compensation or makes recommendations for ratification by our independent Board members. Between Board meetings, our Compensation Committee consults with various members of management, other committees of the Board or other members of the Board and independent third-party consultants, where appropriate, and reviews management's compensation recommendations. The members of our Compensation Committee are appointed by our Board, and each member is an independent director (as "independence" is currently defined in Rule 5605(a)(2) of the Nasdaq listing rules). The members of our Compensation Committee are Mr. Lyons, Mr. Katkin and Dr. Moos.

Our Compensation Committee typically meets at least quarterly, and with greater frequency if necessary, to evaluate the performance of our executive officers and the impact that performance had on the achievement of our corporate strategies, business objectives and the long-term interests of our stockholders by:

carefully reviewing our corporate objectives identified by our senior management and directors;

updating, from time to time, our compensation and benefit plan policies;

receiving updates on the various compensation options, emerging topics and best practices, and customizing those compensation options to our business goals and objectives; and

either approving executive compensation arrangements or taking its recommendations to the independent members of the Board for approval.

Typically, such evaluations are made throughout the year, with compensation packages awarded by our Compensation Committee and/or Board at quarterly meetings planned in advance. Awards of short-term performance-based compensation for the previous year are typically made at the first-scheduled Compensation Committee meeting of the year, although circumstances may warrant a later determination if events of the previous year's work have not fully unfolded. Adjustments to base salary, if any, are also typically made in the first quarter of a calendar year. Vesting of long-term performance-based equity compensation depends on the determination of attainment of relevant performance goals.

***Role of Management in Executive Compensation***

For executive compensation decisions, our Compensation Committee considers the recommendations of our President and Chief Executive Officer, Raul R. Rodriguez, but Mr. Rodriguez does not participate in the deliberations or determination of his own compensation. Mr. Rodriguez annually leads the development of our corporate objectives and goals, which are typically reviewed and recommended by our Compensation Committee and approved by the Board. Alternatively, our Compensation Committee may set the corporate objectives and goals pursuant to the powers delegated under the charter of our Compensation Committee. Mr. Rodriguez provided the Company's business and operations perspective for our Compensation Committee's final review of progress made on the goals set for 2018. Dolly Vance, our General Counsel, and Stacy Markel, our EVP, Human Resources, also provides our Compensation Committee with general and company-specific information regarding compensation matters, as well as updates on compensation of our peer companies, as public information becomes available, if requested by the Compensation Committee. Other than as described above, no other executive officers participate in the determination or recommendation of the amount or form of executive officer compensation. Our Compensation Committee does not delegate any of its functions to others in determining or recommending executive officer compensation and, except as described below, we have not engaged any consultants with respect to executive compensation matters.

***Role of Our Compensation Committee's Compensation Consultant in Executive Compensation***

From time to time, our Compensation Committee engages a well-established consulting firm to analyze our executive officers' compensation against the compensation of executive officers at comparable companies to ensure that our compensation is competitive with our peers, with the goal of retaining and adequately motivating our senior management. In late 2017, our Compensation Committee engaged Radford to make recommendations for updating our peer group, and to review and make recommendations regarding our executive compensation for 2018. Radford was invited to attend Compensation Committee meetings where they presented and discussed their analysis and findings. For 2018, based on the recommendations from Radford, our Compensation Committee established a new peer group, described below in the section entitled "Competitive Market Review and Benchmarking."

***Competitive Market Review and Benchmarking***

When considering compensation decisions, our Compensation Committee reviews the compensation of similarly-situated executive officers at companies that we consider to be our peers, when such information is available and determined to be meaningful, taking into consideration the experience, position and functional role, level of responsibility and uniqueness of applicable skills of both our executive officers and those of our peers, and the demand and competitiveness for attracting and retaining an individual with each executive officer's specific expertise and experience in the biotechnology industry. While benchmarking analysis is helpful in determining market-competitive compensation for senior management, leading to better attraction and retention of top-quality executive officers, it is only one factor in determining our executive officers' compensation, and our Compensation Committee has discretion in determining the nature and extent of its use.

To identify a new peer group of companies, Radford considered such factors as industry, geography, product development stage, market capitalization and revenue. Based on that review, the

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following companies were identified by our Compensation Committee as our peer group for 2018 compensation determinations:

Achaogen, Inc.	Adamas Pharmaceuticals, Inc.	Agenus Inc.
ChemoCentryx, Inc.	Curis, Inc.	Cytokinetics, Inc.
Dynavax Technologies Corp.	Enanata Pharmaceuticals, Inc.	Geron Corp.
Heron Therapeutics, Inc.	ImmunoGen, Inc.	Keryx Biopharmaceuticals, Inc.
La Jolla Pharmaceutical Co.	Progenics Pharmaceuticals, Inc.	Sangamo Therapeutics, Inc.
Synergy Pharmaceuticals Inc.	Zogenix, Inc.	

Prior to engagement of Radford for 2018, our Compensation Committee analyzed whether the work of Radford as a compensation consultant raised any conflict of interest, taking into consideration the following factors: (i) the provision of other services to our company by Radford, including any business from or related to their parent company, Aon Hewitt; (ii) the amount of fees from our company paid to Radford as a percentage of the firm's total revenue; (iii) Radford's policies and procedures that are designed to prevent conflicts of interest; (iv) any business or personal relationship of Radford or the individual compensation advisors employed by the firm with an executive officer of our company; (v) any business or personal relationship of the individual compensation advisors with any member of our Compensation Committee; and (vi) any stock of our company owned by the individual compensation advisors employed by Radford. Our Compensation Committee determined, based on its analysis of the above factors, that the work of Radford and the individual compensation advisors employed by Radford as compensation consultants has not created any conflict of interest and our Compensation Committee is satisfied with the independence of Radford. Going forward, our Compensation Committee intends to assess the independence of any of our compensation advisers by reference to the foregoing factors, consistent with applicable Nasdaq listing standards.

### Executive Compensation Program Components

**Base Salary.** The base salaries that we pay to our executive officers and other employees are designed to compensate them for day-to-day services rendered during the fiscal year. Appropriate base salaries are used to recognize the experience, skills, knowledge and responsibilities required of each executive officer and to allow us to attract and retain officers capable of leading us to achieve our business goals in competitive market conditions. The base salaries of our executive officers are reviewed on at least an annual basis and adjustments are made to reflect performance-based factors, for the Company as well as the individual, and competitive market conditions, as discussed under "Competitive Market Review and Benchmarking" above. Our Compensation Committee also takes into account subjective performance criteria, such as an executive officer's ability to lead, organize and motivate others, develop the skills necessary to mature with the Company, set realistic goals to be achieved in his or her respective area, and recognize and pursue new business opportunities that enhance our growth and success. Our Compensation Committee does not apply specific formulas to determine increases, but instead makes an evaluation of each executive officer's contribution to our long-term success, as well as the independent recommendations of our compensation advisors (Radford for 2018). Annual adjustments to salaries are generally effective as of January 1 of each year, with mid-year adjustments to salaries made under special circumstances, such as promotions or increased responsibilities, or in order to align certain salaries with those of individuals in peer companies.

**Short-Term Cash Incentive Compensation.** Annual cash incentive compensation is designed both to motivate our executive officers to achieve specified short-term company goals and objectives and to reward our executive officers when those goals are achieved. The goals and objectives on which the cash incentive compensation is based are also designed to reflect progress towards achieving long-term

value for the Company and its stockholders and, as a result, may fluctuate from year to year to reflect our Compensation Committee's determination of the progress made in that year. Therefore, our Compensation Committee views cash incentive compensation as an important component of both our short-term and long-term compensation packages.

Awards under the cash incentive program are based on a thorough quantitative and qualitative review of facts and circumstances related to company, department, function and individual performance, as compared to the corporate goals approved by our Compensation Committee or the Board during the first part of the performance year. When establishing awards, our Compensation Committee also considers, among other things, general market and industry conditions and economic changes during the relevant performance year.

Each year, our Compensation Committee establishes an annual cash incentive plan, providing target bonus payouts based on a percentage of the applicable individual's base salary. The target bonus payout for an individual varies depending on the individual's position and responsibilities. The corporate goals established by our Compensation Committee, or recommended by our Compensation Committee for approval by the Board, are designed to be aggressive, but are goals that our Compensation Committee believes can be attained if the Company performs according to plan. In the event the Company or an individual displays exemplary performance for the year, our Compensation Committee, in exercising its discretion, may grant or recommend bonuses in excess of the target bonus levels, up to a maximum of 120% of the individual's base salary. Alternatively, in the event the Company or an individual displays inadequate performance for the year, our Compensation Committee, in exercising its discretion, may grant or recommend cash bonuses that are less than the target bonus levels or no bonuses at all. Our Compensation Committee uses a threshold of "40% completion of corporate goals" to determine whether bonuses should be received by the executive officers. Generally, in order to be eligible to receive the maximum bonus payout, the Company's performance must not only exceed the targets established by our Compensation Committee, but the individual's contribution to that achievement must exceed the contribution expected of that individual in the course of performing his or her duties at the level expected of someone in that individual's position.

In addition, from time to time, our Compensation Committee may establish special cash incentive plans to further incentivize our employees.

*Long-Term Incentive Compensation.* Our long-term incentive compensation is in the form of stock option awards and is designed to align a component of our executive officers' compensation packages with the interests of our stockholders to create long-term value in the Company, as demonstrated through stock price performance. Our Compensation Committee grants options to purchase our common stock to our executive officers that are subject to time-based vesting, in order to tie this element of our compensation program to the long-term appreciation of our stock value, which is dependent on us achieving our corporate goals. Our Compensation Committee grants stock options with performance-based vesting to our executive officers, to provide further incentive to achieve important business goals for the Company. Employees in more senior roles have an increasing proportion of their compensation tied to long-term performance, because they are in a position to have greater influence on longer-term results. The value of these options is contingent on company performance and the resulting increase in our stock's value over time.

We believe that granting equity awards as a significant component of the compensation of our executive officers not only provides a retention incentive during the applicable vesting periods but also aligns the interests of our executive officers with those of our stockholders. While we have not adopted formal stock ownership or holding guidelines, our executive officers generally have held a substantial portion of the equity awards they have received, even long after the awards have vested, which we believe shows the executives' confidence in our long-term prospects and maintains the alignment between the interests of our executive officers and those of our stockholders over the longer term.

In general, stock options are granted periodically to existing employees, including our executive officers, and upon a new hire or promotion, and are subject to vesting over time, based on the individual's continued employment. Generally, options granted to an executive officer who became an officer for the first time will vest monthly over a four-year period and are not available for exercise until after the first full year of employment, in any position. Under our current equity incentive plans, the exercise price of an option is equal to the fair market value of our common stock on the date of grant, which is equal to the closing price of our stock on the grant date. Typically, stock option grants are made to our existing executive officers during the first quarter of each fiscal year, but grants may be made by the Board or our Compensation Committee at other times if, for example, outstanding grants expire unexercised, a mid-year promotion is made or additional responsibilities are taken on or objectives achieved, meriting a supplemental grant, or an equity plan that is low in available shares at the time of grant is replenished later in the year, making available shares to which the individual would otherwise have been entitled.

The factors considered in determining the size of option grants include the executive officer's position within the Company, the percentage ownership of the Company that the options represent on a fully-diluted basis, the executive officer's percentage ownership in the Company as compared to the executive officer's peers, both internally and externally at other comparable companies in the biotechnology industry, the vesting status of options already held by the executive officer, if any, and the executive officer's contributions to both the creation of value and the long-term success of the Company. The Board and Compensation Committee also consider the total option pool available in a given year and the total number of options that may be granted to all employees, including the executive officers.

We grant stock options under our 2018 Plan, and in limited circumstances, our Inducement Plan. Each of the 2018 Plan and the Inducement Plan prohibit the repricing, exchange or cashing out of stock awards, including stock options, without stockholder approval within 12 months prior to such repricing. We did not reprice any stock options in 2018, despite the fact that our executives hold a significant amount of stock options that are under water. This reflects our commitment to our pay-for-performance philosophy.

*Incentive Compensation Recoupment Policy.* In January 2019, we adopted a clawback policy that applies to individuals designated by the Board as executive officers for purposes of Section 16 of the U.S. Securities Exchange Act of 1934. Our policy generally provides that, in the event that (i) an incentive compensation payment or award (or the vesting of such award) was based upon the achievement of financial results that were subsequently the subject of a restatement to correct an accounting error due to material noncompliance with any financial reporting requirement under the federal securities laws (other than corrections resulting from changes to accounting standards) and (ii) a lower incentive compensation payment or award would have been made to such officer (or lesser or no vesting would have occurred with respect to such award) based upon the restated financial results, then we will recover the full or partial portion of cash or equity-based incentive compensation received by such officer during the three fiscal years preceding the date on which we were required to prepare the restatement. Our policy is separate from and in addition to requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to our Chief Executive Officer and Chief Financial Officer.

*Anti-Hedging Policy.* In August 2018, we adopted a policy that prohibits our employees and directors, as well as certain designated consultants and contractors, from engaging in short sales, transactions in put or call options, hedging transactions, margin accounts, pledges or other inherently speculative transactions with respect to our stock. We adopted this policy as a matter of good corporate governance.

**2018 Executive Compensation**

We believe that our 2018 executive compensation packages were reasonable and consistent with our financial performance, the individual performance of each of our Named Executive Officers and the overall achievement of the goals that we believe create and enhance stockholder value.

*Base Salary.* As discussed under "Competitive Market Review and Benchmarking" above, when establishing base salaries of our executive officers, our Compensation Committee primarily reviews the base salaries of similarly-situated executive officers at companies that we consider to be our peers. In addition to competitive market conditions, our Compensation Committee also took into account a number of performance-based factors in establishing the 2018 base salaries of the Named Executive Officers, including: each executive officer's experience, position and functional role, level of responsibility, uniqueness of applicable skills, and the demand and competitiveness for attracting and retaining an individual with each Named Executive Officer's specific expertise and experience in the biotechnology industry. Our Compensation Committee also assessed each Named Executive Officer's contributions to the achievement of our corporate goals, as well as the individual's personal performance.

Our Compensation Committee did not establish individual 2018 personal performance criteria for any of our Named Executive Officers, but considered subjective performance-based factors, including: an executive officer's ability to lead, organize and motivate teams and instill loyalty, develop the skills necessary to mature with the Company, set realistic goals to be achieved in his or her respective area, and recognize and pursue new business opportunities that enhance our growth and success. Our Compensation Committee also considered turnover trends within a group, meeting deadlines and the results of certain projects. In establishing the 2018 base salaries of our Named Executive Officers, our Compensation Committee assessed each Named Executive Officer's individual performance against these subjective performance-based factors and determined that each Named Executive Officer performed at or above expectations during 2017.

The 2017 and 2018 base salaries for our Named Executive Officers (annualized in the case of Mr. Schorno), along with the percentage increases from 2017 to 2018, are set forth in the table below.

Named Executive Officer	2017 Base Salary	2018 Base Salary	% Increase from Final 2017 Base Salary
Raul R. Rodriguez	\$ 618,000	\$ 636,540	3.00%
Dean L. Schorno		\$ 400,000	N/A
Dolly A. Vance	\$ 489,814	\$ 504,508	3.00%
Anne-Marie Duliege	\$ 450,000	\$ 463,500	3.00%
Eldon C. Mayer, III	\$ 385,000	\$ 400,015	3.90%

In determining the 2018 base salary for each of our Named Executive Officers, our Compensation Committee did an analysis of competitive market salaries of similarly-situated executive officers at companies within our peer group, which does not take into account certain attributes such as tenure and experience, as well as the base salaries of the Named Executive Officers relative to each other. Our Compensation Committee also considered the Company's cash position and market conditions, and cost of living in the bay area. Based on this analysis, each of our Named Executive Officers (other than Mr. Schorno, who commenced employment with us in 2018) received salary increases in 2018. In contrast, none of our Named Executive Officers received salary increases in 2017.

*Short Term Cash Incentive Compensation.*

*2018 Cash Incentive Plan.*

Our Named Executive Officers' short-term cash incentive compensation is dependent upon the achievement of specific and objective company performance goals that focus on creating incentives for management to achieve strategically important operational goals designed to translate into longer-term financial performance, as well as specific annual financial goals instrumental to achieving these operational goals and to the overall success of the Company. As reflected by the goals established under our 2018 Cash Incentive Plan (which was attached as an exhibit to our current report on Form 8-K filed on February 2, 2018) we continue to believe that executive compensation should be tied to goals related to clinical development and regulatory approval with respect to current or potential product candidates, business development, our cash position, and our pipeline of potential product candidates that is, goals that help increase stockholder value and contribute to the long-term stockholder return and prosperity of the Company, particularly given the volatile nature of our industry.

For performance in fiscal year 2018, an individual was eligible to receive a cash incentive award equal to a percentage of his or her 2018 base salary, based on the achievement of specific corporate goals recommended by our Compensation Committee and approved by the Board at the beginning of fiscal year 2018, pursuant to our 2018 Cash Incentive Plan. Under the 2018 Cash Incentive Plan, target bonus levels for our executive officers, if we performed at plan, range from 40% to 60% of such executive officer's 2018 base salary, based on position and responsibilities of the executive. The plan provides the Compensation Committee and the Board with the discretion to adjust the actual bonus that an executive officer would be eligible to receive from a minimum of 0% to a maximum of 120% of the executive officer's 2018 base salary.

Pursuant to its discretionary authority, our Compensation Committee also considered other performance goals, current economic conditions and exceptional and/or inadequate performances by each executive officer when evaluating whether and to what extent to award bonuses.

After consideration of the goals set and the accomplishments achieved by the Company, our Compensation Committee approved, and the Board ratified, a payout for each of the Named Executives at 130% of each executive's target bonus opportunity, as the goals of the 2018 Cash Incentive Plan were, in total, deemed to be exceeded. The corporate goals established under the 2018

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Cash Incentive Plan included, and the payouts under the 2018 Cash Incentive Plan were based on, the following:

Corporate Goals under 2018 Cash Incentive Plan and Achievement Rationale	Target Weighting	Determination of Achievement	Actual Weighting
<b>Launching of and achieving product uptake for fostamatinib</b>			
Successfully launched TAVALISSE in late May, resulting in \$13.9 million in net product sales of TAVALISSE, with strong coverage from all payer types and fourth bottle refill rate exceeding 45%.	60%	Exceeded Goal	90%
<b>Advancing fostamatinib for use in other indications, such as AIHA</b>			
Advanced fostamatinib in AIHA, including meeting with the FDA regarding trial design for a phase 3 clinical study of fostamatinib in AIHA to be commenced in 2019; but, did not achieve advancement in other indications.	15%	Partially Met Goal	10%
<b>Expanding the Company's pipeline</b>			
Initiated a Phase 1 study of R835, from our IRAK <sup>1/4</sup> program; advanced other preclinical programs; and, evaluated in-licensing opportunities.	10%	Met Goal	10%
<b>Expanding available markets for fostamatinib and maintaining a viable cash position for the Company at December 31, 2018</b>			
Obtained a partnership agreement in Asia, with Kissei, and progressed towards a partnership agreement in the EU, with Grifols, sufficiently to have completed that partnership agreement in January 2019; had \$44.5 million in total revenues in 2018 and ended the year with \$128.5 million in cash, cash equivalents and short-term investments.	15%	Exceeded Goal	20%
<b>Total (as a % of Target Bonus):</b>	<b>100%</b>	<b>Exceeded Goal</b>	<b>130%</b>

The following table sets forth the target bonus levels (each expressed as a percentage of base salary), and the actual amounts paid, for each of our Named Executive Officers for fiscal year 2018:

Named Executive Officer	Target Bonus Level as % of Base Salary	Actual Bonus Level at 130% of Target Bonus, as a % of Base Salary	Target Bonus (\$)	Actual Payment (\$)
Raul R. Rodriguez	60%	78%	\$ 381,924	\$ 496,501
Dean L. Schorno	50%	65%	\$ 118,904	\$ 154,575
Dolly A. Vance	50%	65%	\$ 252,254	\$ 327,930
Anne-Marie Duliege	50%	65%	\$ 231,750	\$ 301,275
Eldon C. Mayer, III	50%	65%	\$ 200,007	\$ 260,010

Bonus target and payout were prorated based on the date Mr. Schorno commenced employment with us.

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### *2018 NDA Cash Incentive Plan.*

In January 2018, to further incentivize our employees, including our Named Executive Officers, for assisting in achieving a particular goal, our Compensation Committee adopted the 2018 NDA Cash Incentive Plan. Under the 2018 NDA Cash Incentive Plan, cash bonuses, if any, were approved based on meeting the goal of FDA approval of a New Drug Application "NDA" for TAVALISSE. Target payments under the 2018 NDA Cash Incentive Plan were set at 18% of 2018 base salary for the CEO and 15% of 2018 base salary for each of the remaining Named Executive Officers. FDA approval for TAVALISSE was granted on April 17, 2018, definitively establishing that the goal set under the 2018 NDA Cash Incentive Plan had been achieved.

The following table sets forth the target bonus levels, and the actual amounts paid in fiscal year 2018, for each of our Named Executive Officers under the 2018 NDA Cash Incentive Plan:

Named Executive Officer	Target 2018 NDA Cash Incentive Target as % of Base Salary	Target 2018 NDA Cash Incentive Target (\$)	Actual 2018 NDA Cash Incentive Paid (\$)
Raul R. Rodriguez	18%	\$ 111,240	\$ 111,240
Dolly A. Vance	15%	\$ 73,472	\$ 73,472
Anne-Marie Duliege	15%	\$ 67,500	\$ 67,500
Eldon C. Mayer, III	15%	\$ 57,750	\$ 57,750

Mr. Schorno was not eligible to participate in the 2018 NDA Cash Incentive Plan, as he did not commence employment with us until May 2018.

### *Long-Term Incentive Compensation.*

As discussed above, we carefully consider the appropriate amount of stock options to grant our Named Executive Officers, based on each executive's individual contributions and past performance, percentage ownership of the Company, position with the Company and comparison to the equity ownership of the corresponding executives of our peer companies, and we typically grant stock options in January or February of each year, based on these considerations and in light of the events of the preceding year. In January 2018, after considering each of these factors, our Compensation Committee granted stock options to each of our Named Executive Officers who were employees at the time, as set forth in the table below. Mr. Schorno's options were granted in August 2018 in connection with the commencement of his employment with us. For options granted to the Named Executive Officers in 2018, 50% are subject to time-based vesting on a monthly basis over four years and 50% are subject to performance-based vesting criteria related to net sales of fostamatinib.

Named Executive Officer	Number of Performance-Based Stock Options Awarded	Number of Time-Based Stock Options Awarded
Raul R. Rodriguez	475,000	475,000
Dean L. Schorno	167,500	167,500
Dolly A. Vance	150,000	150,000
Anne-Marie Duliege, MD	150,000	150,000
Eldon C. Mayer III	150,000	150,000

*Severance and Change of Control Benefits.* In January 2018, our Compensation Committee amended our Change of Control Severance Plan to include provisions for when there is an involuntary termination without a change in control, and therefore changed the title of the plan to Rigel Pharmaceuticals, Inc. Executive Severance Plan (the "Severance Plan"). Pursuant to the Severance Plan, our Named Executive Officers are entitled to certain severance benefits in two scenarios;

"double-trigger" benefits in the event of an involuntary termination without cause or resignation with good reason concurrent with a change in control of the company, and "single-trigger" benefits in the event of involuntary termination without cause or resignation with good reason. These are described in more detail below in the sections entitled "Employment, Severance and Change of Control Agreements", "2018 Potential Payments Upon Change in Control and Termination Table", and "2018 Potential Payments Upon Termination Table". For all of our Named Executive Officers, the Severance Plan provides for a combination of (i) cash severance payments, (ii) continued benefits, (iii) accelerated vesting of certain outstanding equity-based awards, and (iv) an extended exercise period for stock options upon termination under either scenario. The terms differ depending on whether there is a change of control or not, and on the Named Executive Officer's position.

Given the nature of the industry in which we participate and the range of strategic initiatives that we may explore, we believe these severance benefits are an essential element of our executive compensation package and assist us in recruiting and retaining talented individuals. In addition, since we believe it may be difficult for our executive officers to find comparable employment following a termination without cause or resignation with good reason in connection with or following a change of control, these severance and change of control benefits are intended to ease the consequences to an executive officer of an unexpected termination of employment. By establishing these severance and change of control benefits, we believe we can mitigate the distraction and loss of executive officers that may occur in connection with rumored or actual fundamental corporate changes and thereby protect shareholder interests while a transaction is under consideration or pending.

*Perquisites and Other Benefits.* We provide general employment benefits to our executive officers on the same basis as the benefits provided to all of our employees, including health, vision and dental insurance, term life insurance, and short-term and long-term disability insurance. We do not have programs in place to provide personal perquisites for any employee.

*Total Compensation.* For further information regarding the 2018 compensation for our Named Executive Officers, see the "Summary Compensation Table" and the "Grants of Plan-Based Awards" table below.

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

The accounting and tax consequences to the Company of certain compensation elements are important considerations for our Compensation Committee when evaluating and recommending compensation packages for our executive officers. Generally, our Compensation Committee seeks to balance its objective to create an effective compensation program that attracts, retains and rewards executives in order to maximize the return to stockholders with the need for appropriate accounting and tax consequences of such compensation.

Under Section 162(m) of the Internal Revenue Code ("Section 162(m)"), compensation paid to any publicly held corporation's "covered employees" that exceeds \$1 million per taxable year for any covered employee is generally non-deductible.

Prior to the amendment of the Tax Cuts and Jobs Act, Section 162(m) provided a performance-based compensation exception, pursuant to which the deduction limit under Section 162(m) did not apply to any compensation that qualified as "performance-based compensation" under Section 162(m). Pursuant to the Tax Cuts and Jobs Act, the performance-based compensation exception under Section 162(m) was repealed with respect to taxable years beginning after December 31, 2017, except that certain transition relief is provided for compensation paid pursuant to a written binding contract which was in effect on November 2, 2017 and which is not modified in any material respect on or after such date.

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As a result, compensation paid to any of the Company's "covered employees" in excess of \$1 million per taxable year generally will not be deductible unless it qualifies for the performance-based compensation exception under Section 162(m) pursuant to the transition relief provided by the Tax Cuts and Jobs Act. Because of certain ambiguities and uncertainties as to the application and interpretation of Section 162(m), no assurance can be given that any compensation paid by the Company will be eligible for such transition relief and qualify for the performance-based compensation exception under Section 162(m). Although the Compensation Committee will continue to monitor the applicability of Section 162(m) to the Company's ongoing compensation arrangements, the Compensation Committee also intends to continue to provide compensation for the Company's named executive officers in a manner consistent with the best interests of the Company and its stockholders (which may include providing for compensation that is non-deductible due to the deduction limit under Section 162(m)).

### PAY-RATIO INFORMATION

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act and the related SEC rule (the "Rule"), the Company is required to provide to its shareholders specified disclosure regarding the relationship of CEO total compensation to the total compensation of its median employee, referred to as "pay-ratio" disclosure.

For fiscal 2018,

the median of the annual total compensation of all employees of the Company (other than the CEO) was \$255,058 and

the annual total compensation of the CEO, as reported in the Summary Compensation Table included in this Proxy Statement, was \$3,980,860.

Based on this information, the ratio of the annual total compensation of the CEO to the median of the annual total compensation of all employees was 16 to 1.

The pay ratio above represents the Company's 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, shareholders 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 shareholders to better understand and assess each particular company's compensation practices and pay-ratio disclosures.

Set forth below is a description of the methodology, including any material assumptions, adjustments and estimates, the Company used to identify the median employee for purposes of the Rule.

To determine the Company's total population of employees as of October 31, 2018, the Company included all full-time and part-time employees. None of the Company's employees are located outside of the U.S.

To identify the "median employee" from the Company's employee population as determined above, the Company compared the aggregate amount of each employee's annual base pay (using a reasonable estimate of the hours worked during 2018 for hourly employees and actual salary paid for the remaining employees), the annual cash incentive awards and the grant date fair value of equity awards granted in 2018. In making this determination, the Company annualized the compensation of employees who were employed by the Company for less than the entire fiscal year. This compensation measure was consistently applied to all employees included in the calculation and reasonably reflects the annual compensation of employees. Because we do not maintain a defined benefit or other actuarial plan for our employees and did not provide company matching contributions to employees participating in our 401(k) plan in 2018, the median employee's annual total compensation did not include amounts attributable to these arrangements.

Using this approach, the Company selected the employee at the median of its employee population, who was a Territory Business Manager, based in the United States. The Company then calculated annual total compensation for this employee using the same methodology used to calculate annual total compensation for the named executive officers as set forth in the Summary Compensation Table. The Company determined that the employee's annual total compensation for the fiscal year ended December 31, 2018 was \$255,058 (excluding any estimated retirement and health benefits).

## SUMMARY COMPENSATION TABLE(1)

The following table shows, for the fiscal years ended December 31, 2016, 2017 and 2018 compensation awarded to or paid to or earned by our Named Executive Officers(1).

Name and Principal Position	Year	Salary (\$)	Option Awards \$(2)	Non-Equity Incentive Plan Compensation \$(3)	All Other Compensation \$(4)	Total (\$)
Raul R. Rodriguez	2018	636,540	2,733,225	607,741	3,354	3,980,860
President and Chief Executive Officer	2017	618,000	1,180,636	370,800	3,354	2,172,790
	2016	618,000	1,315,680	241,020	3,354	2,178,054
Dean L. Schorno	2018	237,808	749,682	154,575	52,096(5)	1,194,161
Executive Vice President and Chief Financial Officer	2017					
	2016					
Dolly A. Vance	2018	504,508	863,124	401,402	1,794	1,770,828
Executive Vice President, Corporate Affairs, General Counsel and Corporate Secretary	2017	489,814	393,545	244,907	1,794	1,130,060
	2016	489,814	493,380	159,190	1,794	1,144,178
Anne-Marie Duliege	2018	463,500	863,124	368,775	3,354	1,698,753
Executive Vice President, Chief Medical Officer	2017	450,000	393,545	225,000	3,354	1,071,899
	2016	358,197	604,800	120,205	62,795(6)	1,145,997
Eldon C. Mayer, III	2018	400,015	863,124	317,760	3,354	1,584,252
Executive Vice President, Chief Commercial Officer	2017	385,000	131,182	192,500	3,354	712,036
	2016	86,625	962,145	28,453	60,838(6)	1,138,061

- (1) See "Compensation Discussion and Analysis" above for complete description of compensation plans pursuant to which the amounts listed under the Summary Compensation Table were paid or awarded and the criteria for such payment, including payment of annual incentives, as well as performance criteria on which such payments were based.
- (2) Reflects the aggregate grant date fair value of option awards, computed in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 718, *Compensation Stock Compensation*, for option awards granted in 2018, 2017, and 2016, respectively. The amounts shown exclude the impact of estimated forfeiture related to service-based vesting conditions. For additional information on the valuation assumptions with respect to these grants, refer to Note 6 "Stock-Based Compensation" in our Annual Report on Form 10-K for the year ended December 31, 2018.
- (3) Reflects performance-based bonuses earned under both the 2018 Cash Incentive Plan and the 2018 NDA Cash Incentive Plan.
- (4) Represents group term life insurance premiums paid on behalf of our Named Executive Officers.
- (5) Includes a one-time signing bonus of \$50,000.
- (6) Includes a one-time signing bonus of \$60,000.

## GRANTS OF PLAN-BASED AWARDS

The following table shows for the fiscal year ended December 31, 2018, certain information regarding grants of plan-based awards to the Named Executive Officers:

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)(2)	Closing Market Price on Grant Date (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(3)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Raul R. Rodriguez 2018 Plan 2018 Cash Incentive Plan 2018 NDA Cash Incentive Plan	1/24/2018		381,924	763,848	950,000	4.49	4.49	2,733,225
Dean L. Schorno 2018 Plan 2018 Cash Incentive Plan 2018 NDA Cash Incentive Plan	6/4/2018		118,904	285,370	335,000	3.44	3.44	749,682
Dolly A. Vance 2018 Plan 2018 Cash Incentive Plan 2018 NDA Cash Incentive Plan	1/24/2018		252,254	605,410	300,000	4.49	4.49	863,124
Anne-Marie Duliege 2018 Plan 2018 Cash Incentive Plan 2018 NDA Cash Incentive Plan	1/24/2018		231,750	556,200	300,000	4.49	4.49	863,124
Eldon Mayer, III 2018 Plan 2018 Cash Incentive Plan 2018 NDA Cash Incentive Plan	1/24/2018		200,008	480,018	300,000	4.49	4.49	863,124
			67,500					
			57,750					

(1)

The amounts shown for the 2018 Cash Incentive Plan reflect estimated payouts for the fiscal year ended December 31, 2018 under the 2018 Cash Incentive Plan based on the Company's performance. See "2018 Executive Compensation Short-Term Cash Incentive Compensation" for a complete description of the 2018 Cash Incentive Plan and the related performance criteria. There are no set thresholds (or equivalent items) with respect to payouts under the 2018 Cash Incentive Plan. Maximum amounts represent the maximum range of discretion of the Compensation Committee to grant bonuses in excess of the target bonus levels. See "2018 NDA Cash Incentive Plan" for a complete description of the 2018 NDA Cash Incentive Plan and the related performance criteria. There are no set thresholds or maximums (or equivalent items) with respect to payouts under the 2018 NDA Cash Incentive Plan.

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- (2) The exercise price of options under our 2018 Plan, pursuant to which option grants were made to our Named Executive Officers in 2018, is set at the fair market value of our common stock on the date of grant, which is defined as the closing price of our common stock on the grant date.
- (3) Reflects the aggregate grant date fair value of the awards, computed in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 718, *Compensation - Stock Compensation*. We calculated the estimated fair value of each stock award using the fair value of our common stock on the date of the grant. For additional information on the valuation assumptions with respect to these grants, refer to Note 6 "Stock-Based Compensation" in our Annual Report on Form 10-K for the year ended December 31, 2018.

**OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END**

The following table shows for the fiscal year ended December 31, 2018, certain information regarding outstanding equity awards at fiscal year end for the Named Executive Officers.

**Option Awards(1)**