

Epizyme, Inc.
Form DEF 14A
April 18, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

EPIZYME, INC.

(Exact name of registrant as specified in its charter)

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

Payment of Filing Fee (Check the appropriate box):

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

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- (4) Proposed maximum aggregate value of transaction:
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Fee paid previously with preliminary materials.

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

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
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- (4) Date Filed:

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EPIZYME, INC.

400 Technology Square

Cambridge, Massachusetts 02139

NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

To be held May 31, 2019

You are cordially invited to attend the 2019 Annual Meeting of Stockholders, or the Annual Meeting, of Epizyme, Inc., which is scheduled to be held on Friday, May 31, 2019 at 10:00 a.m. Eastern time, at the offices of Wilmer Cutler Pickering Hale and Dorr, 60 State Street, Boston, Massachusetts 02109.

Only stockholders who owned common stock at the close of business on April 5, 2019 can vote at the Annual Meeting or any adjournment that may take place. At the Annual Meeting, the stockholders will consider and vote on the following matters:

1. Election of three class III directors to our board of directors, each to serve until the 2022 annual meeting of stockholders;
2. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. Approval on an advisory (non-binding) basis, of the compensation of our named executive officers;
4. Holding, on an advisory (non-binding) basis, an annual vote on the compensation of our named executive officers; and
5. Transaction of any other business properly brought before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

You can find more information, including the nominees for director, in the proxy statement for the Annual Meeting, which is available for viewing, printing and downloading at <http://www.edocumentview.com/epzm>. The board of directors recommends that you vote in favor of each of proposals one through three as outlined in the attached proxy statement.

Instead of mailing a paper copy of our proxy materials to all of our stockholders, we are providing access to our proxy materials over the Internet under the Securities and Exchange Commission's notice and access rules. As a result, we are sending to our stockholders a Notice of Internet Availability of Proxy Materials, or the Notice, instead of a paper copy of this proxy statement and our Annual Report for the fiscal year ended December 31, 2018, or the 2018 Annual Report. We plan to mail the Notice on or about April 18, 2019, and the Notice contains instructions on how to access

our proxy materials over the Internet. The Notice also contains instructions on how each of our stockholders can receive a paper copy of our proxy materials, including the proxy statement, our 2018 Annual Report, and a form of proxy card.

We cordially invite all stockholders to attend the Annual Meeting in person. Stockholders of record at the close of business on April 5, 2019, the record date for the Annual Meeting, are entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement of the Annual Meeting. You may obtain directions to the location of the Annual Meeting by calling our offices at 617-229-5872. Whether or not you expect to attend the Annual Meeting in person, please vote your shares to ensure your representation and the presence of a quorum at

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the Annual Meeting. If you are a stockholder of record, you may vote your shares on the Internet by visiting <https://www.investorvote.com/epzm>, by telephone by calling 1-800-652-VOTE (8683) and following the recorded instructions or by completing, signing, dating, and returning a proxy card. Your vote is important regardless of the number of shares you own. If you mail your proxy card or vote by telephone or the Internet and then decide to attend the Annual Meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures set forth in the proxy statement.

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

By order of the Board of Directors,

/s/ Robert Bazemore

Robert Bazemore

President and Chief Executive Officer

Cambridge, Massachusetts

April 18, 2019

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Epizyme, Inc.

Proxy Statement

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EPIZYME, INC.

400 Technology Square

Cambridge, Massachusetts 02139

617-229-5872

PROXY STATEMENT

FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS

to be held May 31, 2019

This proxy statement contains information about the Annual Meeting of Stockholders of Epizyme, Inc., or the Annual Meeting, to be held on Friday, May 31, 2019 at 10:00 a.m. Eastern time, at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts, 02109. The board of directors of Epizyme is using this proxy statement to solicit proxies for use at the Annual Meeting. In this proxy statement, unless expressly stated otherwise or the context otherwise requires, the use of Epizyme, our, we or us refers to Epizyme, Inc. and its subsidiary.

All properly submitted proxies will be voted in accordance with the instructions contained in those proxies. If no instructions are specified, the proxies will be voted in accordance with the recommendation of our board of directors with respect to each of the matters set forth in the accompanying Notice of Meeting. If you are a stockholder of record, you may change your vote or revoke your proxy at any time before it is exercised at the meeting by giving our Secretary written notice to that effect.

Instead of mailing a paper copy of our proxy materials to all of our stockholders, we are providing access to our proxy materials over the Internet under the Securities and Exchange Commission's notice and access rules. As a result, we are mailing to our stockholders a Notice of Internet Availability of Proxy Materials, or Notice, instead of a paper copy of this proxy statement and our Annual Report for the fiscal year ended December 31, 2018, or the 2018 Annual Report. We sent the Notice on or about April 18, 2019, and it contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how each of our stockholders can receive a paper copy of our proxy materials, including this proxy statement, our 2018 Annual Report, and a form of proxy card.

Important Notice Regarding the Availability of Proxy Materials for

the Annual Meeting of Stockholders to be Held on May 31, 2019:

This proxy statement and our 2018 Annual Report are

available for viewing, printing and downloading at <http://www.edocumentview.com/epzm>.

A copy of our annual report on Form 10-K for the fiscal year ended December 31, 2018, as filed with the Securities and Exchange Commission, or SEC, except for exhibits, will be furnished without charge to any stockholder upon written request to Epizyme, Inc. 400 Technology Square, Cambridge, Massachusetts 02139. This proxy statement and our annual report on Form 10-K for the fiscal year ended December 31, 2018 are

also available on the SEC's website at <http://www.sec.gov>.

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IMPORTANT INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Purpose of the Annual Meeting

At the Annual Meeting, our stockholders will consider and vote on the following matters:

1. Election of three class III directors to our board of directors, each to serve until the 2022 annual meeting of stockholders;
2. Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;
3. Approval, on an advisory (non-binding) basis, of the compensation of our named executive officers;
4. Holding, on an advisory (non-binding) basis, an annual vote on the compensation of our named executive officers; and
5. Transaction of any other business properly brought before the Annual Meeting or any adjournment or postponement thereof.

As of the date of this proxy statement, we are not aware of any business to come before the meeting other than the first four items noted above.

Board of Directors Recommendation

Our board of directors unanimously recommends that you vote:

FOR the election of the three nominees to serve as class III directors on our board of directors for a three-year term;

FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019;

FOR the approval, on an advisory (non-binding) basis, of the compensation of our named executive officers; and

FOR holding, on an advisory (non-binding) basis, an annual vote on the compensation of our named executive officers.

Availability of Proxy Materials

The proxy materials, including this proxy statement, a proxy card and our 2018 Annual Report are available for viewing, printing and downloading on the Internet at <http://www.edocumentview.com/epzm>.

Who Can Vote at the Annual Meeting

Only stockholders of record at the close of business on the record date of April 5, 2019, are entitled to receive notice of the Annual Meeting and to vote the shares of our common stock that they held on that date. As of April 5, 2019, there were 90,810,988 shares of common stock issued and outstanding. Each share of common stock is entitled to one vote on each matter properly brought before the Annual Meeting.

Difference between a stockholder of record and a beneficial owner of shares held in street name

Stockholder of Record. If your shares are registered directly in your name with our transfer agent, Computershare, then you are considered a stockholder of record of those shares. You may vote your shares by proxy prior to the Annual Meeting by following the instructions contained in the Notice and in the section titled How to Vote on page 3 of this proxy statement.

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Beneficial Owners of Shares Held in Street Name. If your shares are held in a brokerage account or by a bank, trust or other nominee or custodian, then you are considered the beneficial owner of those shares, which are held in street name. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As the beneficial owner, you have the right to instruct that organization as to how to vote the shares held in your account by following the instructions contained on the voting instruction card provided to you by that organization.

Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

We are pleased to comply with the SEC rules that allow companies to distribute their proxy materials over the Internet under the notice and access approach. As a result, on or about April 18, 2019, we sent our stockholders and beneficial owners a copy of the Notice instead of paper copies of this proxy statement, our proxy card, and our 2018 Annual Report. Detailed instructions on how to access these materials via the Internet may be found in the Notice. This proxy statement and our 2018 Annual Report are available for viewing, printing and downloading on the Internet at <http://www.edocumentview.com/epzm>.

How to Vote

If you are a stockholder of record, you can vote your shares in one of two ways: either by proxy or in person at the Annual Meeting. If you choose to vote by proxy, you may do so by telephone, via the Internet or by mail. Each of these methods is explained below.

By Telephone. You may transmit your proxy over the phone by calling 1-800-652-VOTE (8683) and following the instructions provided in the Notice and on the proxy card.

Via the Internet. You may transmit your proxy via the Internet by following the instructions provided in the Notice and on the proxy card.

By Mail. If you requested printed copies of proxy materials, you can vote by mailing your proxy card as described in the proxy materials.

In Person at the Annual Meeting. You may vote in person at the Annual Meeting. We will give you a ballot when you arrive. If you are the beneficial owner of shares held in street name and you wish to vote in person at the Annual Meeting, you must obtain a legal proxy from the organization that holds your shares and present it with your ballot to the inspector of election at the Annual Meeting. Even if you plan to attend the Annual Meeting, we urge you to vote your shares by proxy in advance of the Annual Meeting so that if you should become unable to attend the Annual Meeting your shares will be voted as directed by you.

Telephone and Internet voting for stockholders of record will be available up until 1:00 a.m. Eastern time on May 31, 2019, and mailed proxy cards must be received by May 30, 2019 in order to be counted at the Annual Meeting. If the Annual Meeting is adjourned or postponed, these deadlines may be extended.

The voting deadlines and availability of telephone and Internet voting for beneficial owners of shares held in street name will depend on the voting processes of the organization that holds your shares. Therefore, we urge you to carefully review and follow the voting instruction card and any other materials that you receive from that organization.

Can I Vote My Shares by Filling Out and Returning the Notice of Internet Availability of Proxy Materials?

No. The Notice contains instructions on how to vote via the Internet, by telephone, by requesting and returning a paper proxy card, or by submitting a ballot in person at the Annual Meeting.

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Quorum

A quorum of stockholders is necessary to hold a valid meeting. Our amended and restated by-laws provide that a quorum will exist if stockholders holding a majority of the shares of stock issued and outstanding and entitled to vote are present at the meeting in person or by proxy. If a quorum is not present, the meeting may be adjourned until a quorum is obtained.

Abstentions and broker non-votes count as present for establishing a quorum but will not be counted as votes cast. Broker non-votes occur when your broker or other nominee submits a proxy for your shares (because the broker or other nominee has received instructions from you on one or more proposals, but not all proposals, or has not received instructions from you but is entitled to vote on a particular discretionary matter) but does not indicate a vote for a particular proposal because the broker or other nominee either does not have the authority to vote on that proposal and has not received voting instructions from you or has discretionary authority but chooses not to exercise it.

Ballot Measures Considered Discretionary and Non-Discretionary

The election of directors (Proposal No. 1) is a matter considered non-discretionary under applicable rules. A broker or other nominee cannot vote without instructions on non-discretionary matters, and therefore there may be broker non-votes on Proposal No. 1.

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2019 (Proposal No. 2) is a matter considered discretionary under applicable rules. A broker or other nominee may generally exercise discretionary authority and vote on discretionary matters. If they exercise this discretionary authority, no broker non-votes are expected to occur in connection with Proposal No. 2.

Approval, on an advisory (non-binding) basis, of the compensation of our named executive officers (Proposal No. 3) is a matter considered non-discretionary under applicable rules. A broker or other nominee cannot vote without instructions on non-discretionary matters, and therefore there may be broker non-votes on Proposal No. 3.

Holding, on an advisory (non-binding) basis, a vote on the frequency of future executive compensation advisory votes of the compensation of our named executive officers (Proposal No. 4) is a matter considered non-discretionary under applicable rules. A broker or other nominee cannot vote without instructions on non-discretionary matters, and therefore there may be broker non-votes on Proposal No. 4.

Votes Required to Elect a Director, Ratify Appointment of Ernst & Young LLP and Approve the Advisory Vote on Executive Officer Compensation and the Frequency of Future Executive Compensation Advisory Votes

To be elected, a director must receive a plurality of the votes cast by stockholders entitled to vote at the meeting (Proposal No. 1).

The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (Proposal No. 2); the approval of the advisory vote on executive compensation (Proposal 3); and the approval of one of the three frequency options under the advisory vote on the frequency of future executive compensation advisory votes (Proposal 4) require the affirmative vote of a majority of the shares of common stock present or represented by proxy and voted for or against such matter.

Shares which abstain and broker non-votes will not be counted as votes in favor of, or with respect to, these proposals and will also not be counted as votes cast. Accordingly, abstentions and broker non-votes will have no effect on the outcome of these proposals.

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Method of Counting Votes

Each holder of common stock is entitled to one vote at the Annual Meeting on each matter to come before the Annual Meeting, including the election of directors, for each share held by such stockholder as of the record date. Votes cast in person at the Annual Meeting or by proxy by mail, via the Internet or by telephone will be tabulated by the inspector of election appointed for the Annual Meeting, who will also determine whether a quorum is present.

Revoking a Proxy; Changing Your Vote

If you are a stockholder of record, you may revoke your proxy before the vote is taken at the meeting:

by submitting a new proxy with a later date before the applicable deadline either signed and returned by mail or transmitted using the telephone or Internet voting procedures described in the **How to Vote** section above;

by voting in person at the meeting; or

by filing a written revocation with our corporate Secretary.

If your shares are held in street name, you may submit new voting instructions by contacting your broker or other organization holding your account. You may also vote in person at the Annual Meeting, which will have the effect of revoking any previously submitted voting instructions, if you obtain a legal proxy from the organization that holds your shares as described in the **How to Vote** section above.

Your attendance at the Annual Meeting will not automatically revoke your proxy.

Costs of Proxy Solicitation

We will bear the costs of soliciting proxies. Our directors, officers and regular employees, without additional remuneration, may solicit proxies by mail, telephone, facsimile, email, personal interviews and other means.

Voting Results

We plan to announce preliminary voting results at the Annual Meeting and will publish final results in a Current Report on Form 8-K to be filed with the SEC within four business days following the Annual Meeting.

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PROPOSAL NO. 1 ELECTION OF THREE CLASS III DIRECTORS

Our board of directors currently consists of nine members. In accordance with the terms of our certificate of incorporation and by-laws, our board of directors is divided into three classes (class I, class II and class III), with members of each class serving staggered three-year terms. The members of the classes are divided as follows:

the class I directors are Andrew R. Allen, M.D., Ph.D., Kenneth Bate and Robert Bazemore, and their term expires at the annual meeting of stockholders to be held in 2020;

the class II directors are Kevin T. Conroy, Carl Goldfischer, M.D., and Beth Seidenberg, M.D., and their term expires at the annual meeting of stockholders to be held in 2021; and

the class III directors are Michael F. Giordano, M.D., David M. Mott, and Richard F. Pops, and their term expires at the Annual Meeting;

Upon the expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of stockholders in the year in which their term expires.

Our certificate of incorporation and by-laws provide that the authorized number of directors may be changed only by resolution of our board of directors. Our certificate of incorporation and by-laws also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least 75% of the votes that all our stockholders would be entitled to cast in an annual election of directors, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

Our board of directors has nominated Michael F. Giordano, M.D., David M. Mott, and Richard F. Pops for election as class III directors at the Annual Meeting. Each of the nominees is presently a director, and each has indicated a willingness to continue to serve as director, if elected. If a nominee becomes unable or unwilling to serve, however, the proxies may be voted for substitute nominees selected by our board of directors.

We have no formal policy regarding board diversity. Our priority in selection of board members is identification of members who will further the interests of our stockholders through their established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, knowledge of our business and understanding of the competitive landscape.

Table of Contents**Nominees for Election as Class III Directors**

Biographical information as of April 1, 2019, including principal occupation and business experience during the last five years, for our nominees for election as class III directors at our Annual Meeting is set forth below.

	Age
<i>Class III Directors (Term Expires at Annual Meeting)</i>	
<p>Michael F. Giordano, M.D. has served as a director since March 8, 2018. Dr. Giordano served as a clinical advisor to us from December 2017 to August 2018. From 1999 to 2017, Dr. Giordano worked at Bristol-Myers Squibb, or BMS, most recently serving as senior vice president and head of development, oncology and immuno-oncology. In this role, he was responsible for the development strategy for this therapeutic area, as well as for the direction of eight teams working on innovative medicines to improve the standard of care for patients, including Opdivo®, Yervoy®, Empliciti, Ixempra®, and Sprycel®. Dr. Giordano also held positions of increasing responsibility within the BMS research and development organization, leading the development of more than a dozen molecules in the United States, Europe and Asia. From 1990 to 1999, he served as assistant professor of medicine and founding director of the Cornell Clinical Trials Unit, a National Institutes of Health and Industry-supported AIDS clinical trials center at New York Hospital-Cornell University Medical Center. He earned his M.D. and completed his residency and fellowship training at New York Presbyterian Weill Cornell Medical Center, and received his B.A. in natural sciences from The Johns Hopkins University. We believe that Dr. Giordano's extensive experience in oncology and immuno-oncology at BMS, as well as his experience as a clinical advisor to us, provide him with the qualifications and skills to serve as a director of our company.</p>	61
<p>David M. Mott has served as a director since December 2009 and as Chairman of the board since April 2016. Mr. Mott has served as a general partner of New Enterprise Associates, Inc., an investment firm focused on venture capital and growth equity investments and a holder of more than 5% of our voting securities, since September 2008, where he leads the healthcare investing practice. From 1992 until 2008, Mr. Mott worked at MedImmune, Inc., or MedImmune, a biotechnology company and subsidiary of AstraZeneca Plc, or AstraZeneca, and served in numerous roles during his tenure, including most recently as Chief Executive Officer from October 2000 to July 2008. During that time, Mr. Mott also served as Executive Vice President of AstraZeneca from June 2007 to July 2008 following AstraZeneca's acquisition of MedImmune in June 2007. Mr. Mott also serves as the Chairman of the board of directors of Ardelyx, Inc. and Adaptimmune and serves on the boards of several private biopharmaceutical companies. Mr. Mott received a B.A. from Dartmouth College. We believe that Mr. Mott's extensive experience in the life sciences industry as a senior executive and venture capitalist, as well as his service on the boards of directors of other life sciences companies, provide him with the qualifications and skills to serve as a director of our company.</p>	53
<p>Richard F. Pops has served as a director since September 2008. Mr. Pops has served as Chief Executive Officer of Alkermes plc, or Alkermes, a publicly traded biopharmaceutical company, since 2009 and from 1991 to 2007. Mr. Pops has been a director of Alkermes since February 1991 and has been Chairman of the board of directors since April 2007. Mr. Pops also serves on the board of directors of Neurocrine Biosciences, Inc. and Acceleron Pharma, Inc. Mr. Pops received a B.A. in economics from Stanford University. We believe that Mr. Pops' leadership experience, including as chief executive officer of a public biopharmaceutical company, his business judgment and his industry knowledge provide him with the qualifications and skills to serve as a director of our company.</p>	56

The proxies will be voted in favor of the nominees unless a contrary specification is made in the proxy. The nominees have consented to serve as our directors if elected. However, if any nominee is unable for any reason to serve as a director, proxies may be voted for one or more substitutes who will be designated by our board of directors.

The board of directors recommends voting FOR the election of each of Michael F. Giordano, M.D., David M. Mott, and Richard F. Pops as class III directors, each for a three-year term ending at the annual meeting of stockholders to be held in 2022.

Table of Contents**Directors Continuing in Office**

Biographical information as of April 1, 2019, including principal occupation and business experience during the last five years, for our directors continuing in office after the Annual Meeting is set forth below.

	Age
<i>Class I Directors (Term Expires at 2020 Annual Meeting)</i>	
<p>Andrew R. Allen, M.D., Ph.D. has served as a director since June 2014. Dr. Allen has served as the Chief Executive Officer and President of Gritstone Oncology, Inc., an immunotherapy company that he co-founded, since August 2015. From April 2009 to August 2015, Dr. Allen served as the Executive Vice President of Clinical and Pre-Clinical Development and Chief Medical Officer of Clovis Oncology, Inc., a biopharmaceutical company that he co-founded. Prior to co-founding Clovis, he served in the same role at Pharmion Corporation, a pharmaceutical company, beginning in 2006. From 2004 to 2006, Dr. Allen served as Vice President of BioPharma Development and Head of the Oncology Therapeutic Unit for Chiron Corporation, a biotechnology company. Prior to that, Dr. Allen served as global project head in Abbott Laboratories oncology franchise, and he progressed through positions of increasing responsibility at the management consulting firm McKinsey & Company, with a focus on oncology strategy. Dr. Allen qualified in medicine at Oxford University and earned his Ph.D. from the Imperial College of Science, Technology and Medicine in London. Dr. Allen also obtained post-graduate internal medicine qualification as a Member of Royal College of Physicians. We believe that Dr. Allen's extensive experience in the pharmaceutical industry and his expertise in oncology clinical development and oncology strategy provide him with the qualifications and skills to serve as a director of our company.</p>	52
<p>Kenneth Bate has served as a director since December 2014. Mr. Bate has served as an independent consultant in the biotechnology field since 2012. From 2009 to 2012, Mr. Bate served as President and Chief Executive Officer of Archemix, Inc., or Archemix, a privately-held biotechnology company. Prior to Archemix, from 2006 to 2009, Mr. Bate served in various positions at NitroMed, Inc., a pharmaceutical company, most recently as President and Chief Executive Officer. From 2002 to 2005, Mr. Bate served as Chief Financial Officer of Millennium Pharmaceuticals, where he headed the commercial organization. Prior to joining Millennium Pharmaceuticals, Mr. Bate co-founded JSB Partners, LLC, a banking and advisory services firm for biopharmaceutical and life sciences companies. From 1990 to 1996, he was with Biogen Inc., a biotechnology company, first as their Chief Financial Officer, and then as head of the commercial organization responsible for launching the multiple sclerosis business. Mr. Bate serves on the board of directors of AVEO Pharmaceuticals, Inc., Catabasis Pharmaceuticals, Inc., Vanda Pharmaceuticals Inc. and Genocea Biosciences, Inc. Mr. Bate received his B.A. in chemistry from Williams College and his M.B.A. from the Wharton School of the University of Pennsylvania. We believe that Mr. Bate's extensive financial and leadership experience, his experience as an executive and his service on the board of directors of numerous public and privately held companies provide him with the qualifications and skills to serve as a director of our company.</p>	68
<p>Robert B. Bazemore Jr. has served as a director and our President and Chief Executive Officer since September 2015. From September 2014 to June 2015, Mr. Bazemore served as the Chief Operating Officer of Synageva BioPharma Corp., a biopharmaceutical company developing therapeutic products for rare disorders. Prior to joining Synageva, Mr. Bazemore served in increasing levels of responsibility at Johnson & Johnson, a healthcare company, including Vice President of Centocor Ortho Biotech Sales & Marketing from</p>	51

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2008 to 2010, President of Janssen Biotech from January 2010 to October 2013 and Vice President of Global Surgery at Ethicon from October 2013 to September 2014. Prior to Johnson & Johnson, Mr. Bazemore worked at Merck & Co., Inc., or Merck, for eleven years, where he served in a variety of roles in medical affairs, sales and marketing. Mr. Bazemore serves on the board of directors of Ardelyx, Inc. and Neon Therapeutics, Inc. He received a B.S. in biochemistry from the University of Georgia. We believe that Mr. Bazemore's extensive experience in the pharmaceutical industry, his experience as an executive, and his past service on the board of directors of a life sciences industry group, provide him with the qualifications and skills to serve as a director of our company.

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Age

Class II Directors (Term Expires at 2021 Annual Meeting)

Kevin T. Conroy has served as a director since February 2017. Mr. Conroy is currently the President, Chief Executive Officer and Chairman of the Board of Directors of Exact Sciences Corporation, or Exact Sciences, a molecular diagnostics company. Mr. Conroy was named Chairman of the Board of Exact Sciences in March 2014, and has served as President and Chief Executive Officer since April 2009 and as a director since March 2009. Prior to joining Exact Sciences, Mr. Conroy served in multiple executive leadership positions at Third Wave Technologies, or Third Wave, a molecular diagnostic testing company, including President and Chief Executive Officer from December 2005 until the acquisition of Third Wave by Hologic, Inc. in July 2008. He joined Third Wave in July 2004 and served as General Counsel from October 2004 until December 2005. Prior to Third Wave, Mr. Conroy served as Intellectual Property Counsel at GE Healthcare, a medical imaging and diagnostics company and a division of General Electric Company. Before joining GE Healthcare, Mr. Conroy was the chief operating officer of two early-stage, venture-backed technology companies. Prior to that, he was an intellectual property litigator at McDermott Will & Emery and Pattishall, McAuliffe, Newbury, Hilliard and Geraldson, where he was a partner. Mr. Conroy received a B.S. in electrical engineering from Michigan State University and a J.D. from the University of Michigan Law School. We believe that Mr. Conroy's extensive executive experience in the life sciences industry and his service on the board of directors of a life sciences company provide him with the qualifications and skills to serve as a director of our company. 53

Carl Goldfischer, M.D. has served as a director since September 2009. Dr. Goldfischer has served as an Investment Partner, Managing Director, member of the board of directors and member of the executive committee of Bay City Capital LLC, or Bay City Capital, a life sciences investment firm and a holder of more than 5% of our voting securities, since January 2000. Prior to joining Bay City Capital, Dr. Goldfischer was Chief Financial Officer of ImClone Systems Incorporated, a biopharmaceutical company. Since 2004, Dr. Goldfischer has served on the board of directors of EnteroMedics Inc., a publicly traded medical device company. He has previously served on the board of directors of two other publicly traded companies, MAP Pharmaceuticals, Inc. from 2004 to 2011 and Poniard Pharmaceuticals, Inc. from 2000 to 2012. Dr. Goldfischer received a B.A. from Sarah Lawrence College and an M.D. with honors in Scientific Research from Albert Einstein College of Medicine. We believe that Dr. Goldfischer's extensive finance and investment experience, his experience as an executive and his service on the board of directors of numerous public and privately held companies provide him with the qualifications and skills to serve as a director of our company. 60

Beth Seidenberg, M.D. has served as a director since February 2008. Dr. Seidenberg has been a partner at Kleiner Perkins Caufield & Byers, or Kleiner Perkins, a venture capital firm and a holder of more than 5% of our voting securities, since May 2005, where she primarily focuses on life sciences investing. Prior to joining Kleiner Perkins, Dr. Seidenberg was the Senior Vice President, Head of Global Development and Chief Medical Officer at Amgen, Inc., a biotechnology company. In addition, Dr. Seidenberg was a senior executive in research and development at Bristol Myers Squibb Company, a biopharmaceutical company, and Merck. Dr. Seidenberg serves on the board of directors of Atara Biotherapeutics. Dr. Seidenberg received a B.S. from Barnard College and an M.D. from the University of Miami School of Medicine and completed her post-graduate training at the Johns Hopkins University, George Washington University and the National Institutes of Health. We believe that Dr. Seidenberg's extensive experience in the life sciences industry as a senior executive and venture capitalist, as well as her training as a physician, provide her with the qualifications and skills to serve as a director of our company. 61

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There are no family relationships between or among any of our directors or executive officers. The principal occupation and employment during the past five years of each of our directors was carried on, in each case except as specifically identified above, with a corporation or organization that is not a parent, subsidiary or other affiliate of us. There is no arrangement or understanding between any of our directors and any other person or persons pursuant to which he or she is to be selected as a director.

There are no material legal proceedings to which any of our directors is a party adverse to us or any of our subsidiaries or in which any such person has a material interest adverse to us or any of our subsidiaries.

Table of Contents**Executive Officers Who Are Not Directors**

Biographical information as of March 1, 2019 for our executive officers who are not directors is listed below.

	Age
<p><i>Matthew E. Ros</i> has served as our Chief Strategy and Business Officer since September 2018 and as our Chief Operating Officer from May 2016 to September 2018. Prior to joining us, from September 2010 to May 2016, Mr. Ros served in increasing levels of responsibility at Sanofi, a multinational pharmaceutical company, most recently as Chief Operating Officer/Global Head of the Oncology Business unit from December 2014 to May 2016. Prior to that role, Mr. Ros served in the rare disease business of Genzyme, a Sanofi company, where he served as Vice President and Franchise Head of its Pompe disease unit from September 2012 to December 2014, and also served as the Associate Vice President and Iniparib Global Brand Leader in Sanofi's Oncology Business unit from September 2010 to September 2012. From October 2007 to June 2010, Mr. Ros served at ARIAD Pharmaceuticals, Inc., a global oncology company, most recently as Senior Vice President, Commercial Operations. He started his pharmaceutical career in Bristol-Myers Squibb's Oncology Division, serving in roles with increasing responsibility from 1990 to 2007. He received a B.S. from the State University of New York, College at Plattsburgh and completed the Executive Education Program in Finance and Accounting for the Non-Financial Manager at Wharton School of the University of Pennsylvania.</p>	52
<p><i>Dr. Shefali Agarwal</i> has served as our Chief Medical Officer since joining us in June 2018. Prior to joining us, Dr. Agarwal held leadership positions across medical research, clinical development, clinical operations and medical affairs. She most recently served as Chief Medical Officer at SQZ Biotech, a biotechnology company developing cell therapies for patients with a wide range of diseases, from July 2017 to May 2018 and as a non-executive advisor from May 2018 to July 2018, where she built and led the clinical development organization, which included clinical research operations and the regulatory function. Before SQZ Biotech, Dr. Agarwal also held leadership positions at Curis, Inc. a biotechnology company developing therapeutics for the treatment of cancer, from July 2016 to July 2017 and TESARO, Inc., an oncology-focused biopharmaceutical company, from July 2013 to July 2017. At Curis, Inc., Dr. Agarwal oversaw the Phase 2 study for its dual HDAC/PI3K inhibitor in diffuse large B-cell lymphoma, and the Phase 1 study in solid tumors for its oral checkpoint inhibitor. At TESARO, Inc., Dr. Agarwal led the New Drug Application and European Medicines Agency submissions for ZEJULA® (niraparib) in ovarian cancer. Dr. Agarwal also held positions of increasing responsibility at Covidien plc, a medical devices and health care products company, from April 2010 to December 2011, AVEO Pharmaceuticals, Inc., a biopharmaceutical company advancing targeted oncology medicines, from December 2011 to July 2013 and Pfizer Inc., a pharmaceutical company with a wide range of treatments, from June 2005 to April 2010. Dr. Agarwal received her MBBS medical degree from Karnataka University's Mahadevappa Rampure Medical School in India, Master's Degree in Public Health from Johns Hopkins University, where she led clinical research in the Department of Anesthesiology and Critical Care Medicine, and a Master of Science degree in Business from the University of Baltimore's Merrick School of Business.</p> <p>The principal occupation and employment during the past five years of each of our executive officers was carried on, in each case except as specifically identified above, with a corporation or organization that is not a parent, subsidiary or other affiliate of us. There is no arrangement or understanding between any of our executive officers and any other person or persons pursuant to which he or she was or is to be selected as an executive officer.</p>	45

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There are no material legal proceedings to which any of our executive officers is a party adverse to us or any of our subsidiaries or in which any such person has a material interest adverse to us or any of our subsidiaries.

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**PROPOSAL NO. 2 RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP
AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE
FISCAL YEAR ENDING DECEMBER 31, 2019**

Our stockholders are being asked to ratify the appointment by the audit committee of the board of directors of Ernst & Young LLP as our independent registered public accounting firm. Ernst & Young LLP has served as our independent registered public accounting firm since 2009.

The audit committee is solely responsible for appointing our independent registered public accounting firm for the fiscal year ending December 31, 2019. Stockholder approval is not required to appoint Ernst & Young LLP as our independent registered public accounting firm. However, the board of directors believes that submitting the appointment of Ernst & Young LLP to the stockholders for ratification is consistent with good corporate governance. If the stockholders do not ratify this appointment, the audit committee will reconsider whether to retain Ernst & Young LLP. If the appointment of Ernst & Young LLP is ratified, the audit committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time it decides that such a change would be in the best interest of our company and our stockholders.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting and will have an opportunity to make a statement if he or she desires to do so and to respond to appropriate questions from our stockholders.

We incurred the following fees from Ernst & Young LLP for the audit of the consolidated financial statements and for other services provided during the years ended December 31, 2018 and 2017.

	2018	2017
Audit fees (1)	\$ 1,010,000	\$ 555,000
Audit-related fees		
Tax fees		
All other fees		
Total fees	\$ 1,010,000	\$ 555,000

- (1) Audit fees consist of fees for the audit of our annual financial statements, the review of the interim financial statements included in our quarterly reports on Form 10-Q, and other professional services provided in connection with any registration statements filed with the SEC.

Audit Committee Pre-Approval Policy and Procedures

Our audit committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. This policy provides that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by our audit committee or the engagement is entered into pursuant to the pre-approval procedure described below.

From time to time, our audit committee may pre-approve specified types of services that are expected to be provided to us by our independent registered public accounting firm during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount.

During our 2018 and 2017 fiscal years, no services were provided to us by Ernst & Young LLP other than in accordance with the pre-approval policies and procedures described above.

The board of directors recommends voting FOR Proposal No. 2 to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm.

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CORPORATE GOVERNANCE

Director Nomination Process

Our nominating and corporate governance committee is responsible for identifying individuals qualified to serve as directors, consistent with criteria approved by our board, and recommending the persons to be nominated for election as directors, except where we are legally required by contract, law or otherwise to provide third parties with the right to nominate director candidates.

The process followed by our nominating and corporate governance committee to identify and evaluate director candidates includes requests to board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the committee and our board. While there are no specific minimum qualifications for a committee-recommended nominee to our board of directors, the qualifications, qualities and skills that our nominating and corporate governance committee believes must be met by a committee-recommended nominee for a position on our board of directors are as follows:

Nominees should have a reputation for integrity, honesty and adherence to high ethical standards.

Nominees should have demonstrated business acumen, experience and ability to exercise sound judgments in matters that relate to our current and long-term objectives and should be willing and able to contribute positively to our decision-making process.

Nominees should have a commitment to understand our company and our industry and to regularly attend and participate in meetings of our board of directors and its committees.

Nominees should have the interest and ability to understand the sometimes conflicting interests of our various constituencies, which include stockholders, employees, customers, governmental units, creditors and the general public, and to act in the interests of all stockholders.

Nominees should not have, nor appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of all of our stockholders and to fulfill the responsibilities of a director.

Nominees shall not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability or any other basis proscribed by law. The value of diversity on our board of directors is considered.

Nominees should typically be able to serve for at least three years before reaching the age of 75. Stockholders may recommend individuals to the nominating and corporate governance committee for consideration as potential director candidates. Any such proposals should be submitted to our corporate Secretary at our principal

executive offices and should include appropriate biographical and background material to allow the nominating and corporate governance committee to properly evaluate the potential director candidate and the number of shares of our stock beneficially owned by the stockholder proposing the candidate. The specific requirements for the information that is required to be provided for such recommendations to be considered are specified in our by-laws and must be received by us no later than the date referenced below under the heading Stockholder Proposals. Assuming that biographical and background material has been provided on a timely basis, any recommendations received from stockholders will be evaluated in the same manner as potential nominees proposed by the nominating and corporate governance committee. If our board of directors decides to nominate a stockholder-recommended candidate and recommends his or her election, then his or her name will be included on our proxy card for the next annual meeting.

Director Independence

Applicable Nasdaq rules require a majority of a listed company's board of directors to be comprised of independent directors within one year of listing. In addition, the Nasdaq rules require that, subject to specified

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exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent and that audit committee members also satisfy independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act and that compensation committee members satisfy independence criteria set forth in Rule 10C-1 under the Exchange Act. Under applicable Nasdaq rules, a director will only qualify as an independent director if, in the opinion of the listed company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee, accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries or otherwise be an affiliated person of the listed company or any of its subsidiaries. In addition, in affirmatively determining the independence of any director who will serve on a company's compensation committee, Rule 10C-1 under the Exchange Act requires that a company's board of directors must consider all factors specifically relevant to determining whether a director has a relationship to such company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including: the source of compensation to the director, including any consulting, advisory or other compensatory fee paid by such company to the director, and whether the director is affiliated with the company or any of its subsidiaries or affiliates.

In March 2019, our board of directors undertook a review of the composition of our board of directors and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors determined that each of our directors, with the exceptions of Mr. Bazemore and Dr. Giordano, are independent directors as defined under applicable Nasdaq rules. In making such determination, our board of directors considered the relationships that each such director has with our company and all other facts and circumstances that our board of directors deemed relevant in determining his or her independence, including the beneficial ownership of our capital stock by each director. Mr. Bazemore is not an independent director under these rules because he is currently serving as our president and chief executive officer. Dr. Giordano is not an independent director under these rules because he has received more than \$120,000 in consulting fees during a 12 month period within the last three years.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. Each of the audit committee, compensation committee and nominating and corporate governance committee operates under a charter, and each such committee reviews its respective charter at least annually. A current copy of the charter for each of the audit committee, compensation committee and the nominating and corporate governance committee is posted on the corporate governance section of the Investor Center on our website, which is located at <http://www.epizyme.com>.

Audit Committee

The members of our audit committee are Dr. Goldfischer, Mr. Bate and Mr. Pops. Dr. Goldfischer is chair of the audit committee. Our audit committee met five times during 2018. Our audit committee's responsibilities include:

appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;

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overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of reports from that firm;

reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures;

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monitoring our internal control over financial reporting, disclosure controls and procedures and code of conduct;

overseeing our internal audit function, if any;

discussing our risk management policies;

establishing procedures for the receipt and retention of accounting-related complaints and concerns;

meeting independently with our internal audit staff, if any, our independent registered public accounting firm and management;

reviewing and approving or ratifying any related person transactions; and

preparing the audit committee report required by SEC rules.

All audit and non-audit services, other than *de minimis* non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.

Our board of directors has determined that Dr. Goldfischer and Mr. Bate are each an audit committee financial expert as defined in applicable SEC rules. We believe that the composition of our audit committee meets the requirements for independence under current Nasdaq and SEC rules and regulations.

Compensation Committee

Performance Measure	Target	Maximum	Actual (as determined in 2008)	Actual (as determined in 2009)
Base Case Combined Ratio with Write-Offs	94.0%	91.0%	92.6%	92.0%
Base Case in Gross Written Premium Growth	7.5%	15.0%	2.8%	2.8%

The payout for achieving maximum performance was 200% of target. Interpolation was used to determine payments for performance results that fell between the points on the 2005 LTIC matrix with potential payments ranging from 0% to 200% of target.

Performance Share Plan

As noted above, our Compensation Committee believes a meaningful portion of an NEO's overall compensation should be equity-based. During its 2007 compensation review, PM&P recommended that our Compensation Committee institute a performance share plan to motivate the NEOs through a long-term incentive compensation plan, and to facilitate increased ownership of the Company's stock by its NEOs. In 2008, our Board of Directors, upon the recommendation of our Compensation Committee, approved the 2008 Performance Share Plan. On May 20, 2008, the shareholders approved the 2008 Performance Share Plan, which our Board subsequently amended to reduce the number of shares available for issuance to 500,000 from 1,000,000.

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Prior to the issuance of any Performance Share Units, Mr. Gober expressed to our Compensation Committee his belief that a company functions best when senior management embraces a team oriented approach to making business decisions, as is the practice at Infinity, and as such, the number of Performance Share Units awarded to each NEO should not vary considerably, if at all. However, our Compensation Committee ultimately concluded that the Chief Executive Officer's award should be larger than the award to the other NEOs, but in keeping with

Mr. Gober's wishes, decided to limit Mr. Gober's award of Performance Share Units to approximately 110% of the size of the award of Performance Share Units to the other NEOs. On February 5, 2008, our Compensation Committee approved an award of 11,072 Performance Share Units to Mr. Gober and awards of 9,965 Performance Share Units to each of Messrs. Smith, Simon, Godwin and Pitrone for the 2008-2010 Performance Measurement Cycle. In determining the number of Performance Share Units to award, the Compensation Committee divided the closing price of the Company's common stock on December 31, 2007 into \$400,000 (per PM&P's recommendation as to the value of the Performance Share grant) for Mr. Gober and \$360,000 (per PM&P's recommendation as to the value of the Performance Share grants) for each of Messrs. Smith, Simon, Godwin and Pitrone to arrive at the Performance Share Unit award for each NEO.

At the conclusion of each three-year Performance Measurement Cycle, which begins on January 1st of year 1 and ends on December 31st of year 3, each Performance Share Unit will convert to between 0 to 3 shares of common stock depending on the performance results. In determining the conversion ratio, actual performance will be measured against the pre-established 2008-2010 Performance Component Targets, which consist of i) a matrix with the performance results for the annual Growth in Net Written Premiums on one axis and the Statutory Combined Ratio, including Write Offs, Bad Faith Claims on the other axis, which is used to establish an initial payout ratio of between 0% to 200%, and ii) the Compound Annual Growth Rate in Urban Zone Net Written Premiums performance, which allows for the initial payout ratio to be increased by up to 1.5 times, thus resulting in a potential payout of between 0% to 300%. The Performance Component Targets for the 2008-2010 Performance Measurement Cycle are as follows:

Performance Measure	Threshold	Target	Maximum
Statutory Combined Ratio, including Write Offs, Bad Faith Claims	98.0%	96.0%	93.0%
Growth in Net Written Premiums	<-5.0%	5.0%	12.5%

The initial payout ratio is 0% at or below Threshold performance, 100% at Target performance, and 200% at Maximum performance, subject to enhancement as set forth below.

Compound Annual Growth Rate in Urban Zone Net Written Premiums	Multiplier
<7.5%	1.00
7.5%-15.0%	1.25
>15.0%	1.50

Statutory Combined Ratio means the statutory combined ratio plus GAAP agents' balances and premium receivables charged off.

Growth in Net Written Premiums means the growth in premiums written on all policies the company has issued during the period, net of reinsurance.

Compound Annual Growth Rate in Urban Zone Net Written Premiums means the compound annual growth rate of premiums written on all policies the company has issued in designated Urban Zones, net of reinsurance.

Interpolation will be used to determine payments for performance results that fall between the points on the 2008-2010 Performance Compensation Matrix.

Restricted Stock

During its 2007 compensation review, PM&P recommended that our Compensation Committee grant the NEOs restricted stock, subject to a four-year cliff vesting provision, as a means to create a retention incentive for the NEOs and to bring the Company's long-term incentive compensation, which had been below the median of its peer companies, in line with its peer companies. Mr. Gober expressed to our Compensation Committee his

belief that a company functions best when senior management embraces a team oriented approach to making business decisions, as is the practice at Infinity, and as such, the awards to each NEO should not vary considerably, if at all. Our Compensation Committee ultimately concluded that the Chief Executive Officer's grant should be larger than the grant to the other NEOs, but in keeping with Mr. Gober's wishes, decided to limit Mr. Gober's equity grant to approximately 110% of the size of the equity grants to the other NEOs. On July 31, 2007, our Compensation Committee approved restricted stock grants to Messrs. Gober, Smith, Simon, Godwin and Pitrone with 15,510 shares granted to Mr. Gober and 14,181 shares granted to each of the other NEOs.

The Compensation Committee believes that the restricted stock grant made in 2007 continues to provide an adequate retention incentive for the NEOs; therefore, no restricted stock was granted to the NEOs during 2008.

Retirement and Deferred Compensation Plans

During 2008 the Company matched employee contributions to the 401(k) plan on a dollar-for-dollar basis on the first 3% of a participant's contributions. NEOs are eligible to receive matching benefits. Historically, the Company has made discretionary contributions to the 401(k) plan based upon the Company's financial performance for the year. Beginning for fiscal year 2008, the Company elected not to make a discretionary contribution to the 401(k) plan and does not intend to make discretionary contributions in future years. However, the Company retains the ability to begin making discretionary contributions at any time.

The Internal Revenue Code limits employer matching and discretionary contributions in 401(k) plans to the first \$230,000 of an employee's annual compensation. The Company maintains a Supplemental Executive Retirement Plan (SERP) in which employees, including the NEOs that earn in excess of \$230,000, may participate and into which the Company provides discretionary contributions in excess of the statutory limit. The Company also maintains a deferred compensation plan (the DCP) in which any eligible participant, including the NEOs, may elect to defer between 5% to 80% of his or her base salary during any calendar year period and/or between 10% to 80% of any incentive payment other than a long-term incentive compensation payment. The Company does not have a defined benefit retirement plan for its employees, including its NEOs.

Beginning on January 1, 2009, the Company matches employee contributions to the 401(k) plan in an amount equal to 100% of the first 4% of a participant's contribution and 50% of the next 2% of a participant's contribution. NEOs are eligible to receive this benefit. As a result of the changes to the Company's 401(k) plan the Company anticipates amending the SERP or adopting a replacement SERP to permit the Company to make matching contributions into the SERP on participants' 401(k) contributions that exceed the statutory annual compensation limit of \$230,000 for qualified defined contribution plans. Additionally, the Company intends to make a SERP contribution equal to 2% of each NEO's 2008 compensation in excess of the statutory limit on annual compensation of \$230,000 for qualified defined contribution plans subsequent to the amendment of the current SERP or the adoption of a replacement SERP.

Perquisites

It is the Company's philosophy to limit the type and amount of perquisites that it provides its executives, including its NEOs. As disclosed in the Summary Compensation Tables, Mr. Gober received a personal automobile allowance, and Messrs. Gober, Smith and Godwin received automobile and homeowners insurance premiums. Prior to the Company's initial public offering in 2003, Messrs. Gober, Smith and Godwin had received these perquisites. So as not to reduce the level of benefits provided to these executives, the Company has continued to provide these perquisites to these executives.

Employment Contracts / Change-in-Control Arrangements

The Company has employment agreements with Messrs. Simon, Smith, Pitrone, and Godwin that expire on July 31, 2010, while Mr. Gober's agreement expires on December 31, 2009. The independent members of the Board of Directors approved these employment agreements on July 31, 2007. The employment agreements

contain a double trigger for payment of severance benefits upon a change-in-control (meaning that an executive is entitled to severance benefits only upon the occurrence of both a change-in-control and termination of employment, as defined in the agreements). Our Board of Directors believes that such an arrangement is beneficial to the Company, as some employment agreements provide for severance benefits solely upon a change-in-control. Messrs. Simon, Smith, Pitrone, and Godwin's agreements also give the Company the option to extend the term of each agreement for a period of one year from its expiration. The agreements provide for a base salary of at least \$558,800 for Mr. Gober, \$406,400 for Mr. Simon, \$304,800 for Mr. Smith, \$237,806 for Mr. Godwin and \$220,000 for Mr. Pitrone, and an annual incentive opportunity for each NEO. Pursuant to the employment agreements, the annual incentive target must be equal to at least 100% of Mr. Gober's annual salary, 60% of Messrs. Smith and Simon's annual salary, and 50% of Messrs. Pitrone, and Godwin's annual salary.

Each NEO's employment agreement provides for certain severance benefits in the event that the NEO's employment with the Company is terminated. If Messrs. Gober, Simon, Smith, Godwin or Pitrone's employment is terminated by the Company other than for cause, or is terminated by the executive for good reason, which includes, among other things, the assignment to the executive of any duties inconsistent with the executive's status as an executive officer of the Company (including by reason of the Company becoming a subsidiary, or under the control, of a company not an affiliate of Infinity), the agreements provide that the executive will receive payment of:

- (i) two times the NEO's most recent salary in a lump sum payment;
- (ii) two times the NEO's target annual incentive in a lump sum payment;
- (iii) 100% vesting of any stock options and an allowance that such options may be exercised within 3 years of the NEO's termination date;
- (iv) the NEO's target annual incentive, pro rated based upon the actual number of days elapsed in the year in which the NEO's termination takes place in a lump sum payment;
- (v) 100% vesting of restricted shares;
- (vi) immediate conversion to cash of all performance units issued under the 2005 LTIC;
- (vii) payment of the NEO's life insurance for 24 months after termination;
- (viii) payment of the NEO's medical and dental benefits for a period of 18 months after termination; and
- (ix) (for Mr. Gober only) accelerated, pro rata vesting of restricted stock upon qualified retirement.

In the event of an NEO's death or disability, the NEO (or the NEO's estate) will receive a lump sum payment equal to the NEO's target annual incentive, pro rated based upon the actual number of days elapsed in the year in which the NEO's termination takes place. Regardless of the manner in which an NEO's employment is terminated, an NEO is entitled to receive amounts earned but unpaid during the NEO's term of employment. These amounts include accrued but unpaid salary, payment of accrued but unused vacation time, and reimbursement of any incurred business expense prior to the date of termination. Additionally, an NEO will be entitled to receive all amounts accrued and vested under our 401(k) Plan, the DCP, and the SERP, in which the NEO participates. All payments set forth in the employment agreement shall be paid in a manner that complies with Section 409A of the Internal Revenue Code.

Pursuant to the terms of each NEO's employment agreement, each NEO agrees to the following restrictions during the term of the NEO's employment and for a period of 12 months (24 months in the case of Mr. Gober) following the NEO's termination of employment:

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- (i) *Non-Competition.* The NEO agrees not to compete against the Company;

- (ii) *Non-Diversion.* The NEO agrees not to divert customers or take advantage of business opportunities of which the NEO becomes aware during his employment with the Company;

- (iii) *Non-Recruitment.* The NEO agrees not to solicit, induce or influence or attempt to solicit, induce or influence any employee of the Company to leave his or her employment;
- (iv) *Non-Disclosure.* The NEO agrees not to disclose Confidential Information of the Company;
- (v) *Litigation Cooperation.* The NEO agrees to reasonably cooperate with the Company, at the Company's expense, by making himself available to testify on behalf of the Company in any action, suit or proceeding and to provide information to the Company or its counsel in regards to such action, suit or proceeding; and
- (vi) *Non-Disparagement.* Both the Company and the NEO agree not to make disparaging statements about each other; however, neither party is precluded from making truthful statements or disclosures as required by law, regulation or the legal process.

COMPENSATION COMMITTEE REPORT

Our Compensation Committee is responsible for establishing the compensation for Infinity's Executive Officers and for administering Infinity's equity-based compensation plans. Our Compensation Committee met three times during 2008. Our Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K as well as the accompanying tables, and based on this review and discussion has recommended to our Board of Directors that the Compensation Discussion and Analysis be included in the Company's Proxy Statement.

Respectfully submitted,

Compensation Committee

Harold E. Layman (Chairman)

Jorge G. Castro

William Stancil Starnes

Gregory C. Thomas

COMPENSATION TABLES

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
James R. Gober Chief Executive Officer and President	2008	\$ 558,800	\$ 0	\$ 205,229	\$ 79,416	\$ 696,779 ^{5 6}	\$ 22,618 ⁷	\$ 43,170 ^{8 9 10 11}	\$ 1,606,013
	2007	\$ 558,800	\$ 0	\$ 71,152	\$ 189,652	\$ 1,428,881 ^{6 12 13}	\$ 0	\$ 54,909 ^{8 9 10 11}	\$ 2,303,394
	2006	\$ 558,800	\$ 0	\$ 13,889	\$ 189,648	\$ 831,187 ^{6 13}	\$ 2,199 ⁷	\$ 45,127 ^{8 9 10}	\$ 1,640,850
Roger Smith Executive Vice President and Chief Financial Officer	2008	\$ 304,800	\$ 0	\$ 187,144	\$ 57,520	\$ 294,156 ^{5 6}	\$ 4,611 ⁷	\$ 33,140 ^{8 9 10 11}	\$ 881,370
	2007	\$ 304,800	\$ 5,862 ¹⁴	\$ 65,055	\$ 79,567	\$ 642,130 ^{6 12}	\$ 141 ⁷	\$ 33,163 ^{8 9 10 11}	\$ 1,130,717
	2006	\$ 304,800	\$ 5,862 ¹⁴	\$ 3,472	\$ 79,560	\$ 213,188 ⁶	\$ 511 ⁷	\$ 26,557 ^{8 9 10}	\$ 633,950
Samuel J. Simon Executive Vice President, General Counsel and Secretary	2008	\$ 406,400	\$ 0	\$ 187,144	\$ 59,124	\$ 371,267 ^{5 6}	\$ 3,106 ⁷	\$ 28,140 ^{9 10 11}	\$ 1,055,181
	2007	\$ 406,400	\$ 7,815 ¹⁴	\$ 65,055	\$ 98,809	\$ 708,430 ^{6 12}	\$ 223 ⁷	\$ 29,132 ^{9 10 11}	\$ 1,315,864
	2006	\$ 406,400	\$ 7,815 ¹⁴	\$ 4,861	\$ 98,808	\$ 284,250 ⁶	\$ 359 ⁷	\$ 25,037 ^{9 10}	\$ 827,530
Glen N. Godwin, Regional President	2008	\$ 237,806	\$ 4,573 ¹⁴	\$ 187,144	\$ 15,261	\$ 217,008 ^{5 15 16}	\$ 5,890 ⁷	\$ 27,073 ^{8 9 10 11}	\$ 694,754
	2007	\$ 232,881	\$ 4,573 ¹⁴	\$ 65,055	\$ 30,466	\$ 739,118 ^{12 13 17 18}	\$ 0	\$ 33,806 ^{8 9 10 11}	\$ 1,105,899
	2006	\$ 218,292	\$ 4,327 ¹⁴	\$ 0	\$ 30,468	\$ 233,150 ^{13 19}	\$ 215 ⁷	\$ 33,358 ^{8 9 10}	\$ 519,810
Scott C. Pitrone, Regional President	2008	\$ 220,000	\$ 4,231 ¹⁴	\$ 187,144	\$ 15,064	\$ 85,758 ^{5 15 16}	\$ 0	\$ 21,140 ^{9 10 11}	\$ 533,337
	2007	\$ 220,000	\$ 4,231 ¹⁴	\$ 65,055	\$ 28,097	\$ 508,493 ^{12 13 17 18}	\$ 0	\$ 16,780 ^{9 10 11}	\$ 842,656

¹ Includes dollar amounts recognized for financial statement reporting purposes for the fiscal years ended December 31, 2008, December 31, 2007 and December 31, 2006, in accordance with SFAS 123(R) for awards under the Company's Restricted Stock Plan and thus may include awards granted in and prior to 2006. Assumptions used in the calculation of these amounts are included in Note 6, Share-Based Compensation, to the Company's audited financial statements for the fiscal years ended December 31, 2008, December 31, 2007 and December 31, 2006, included in the Company's 2008, 2007 and 2006 Annual Reports on Form 10-K.

² Includes dollar amounts recognized for financial statement reporting purposes in the amount of \$34,464 for Mr. Gober and \$31,011 for Messrs. Smith, Simon, Godwin and Pitrone for the fiscal year ended December 31, 2008, in accordance with SFAS 123(R) for awards under the Company's Performance Share Plan. Assumptions used in the calculation of these amounts are included in Note 6, Share-Based Compensation, to the Company's audited financial statements for the fiscal year ended December 31, 2008, included in the Company's 2008 Annual Report on Form 10-K.

³ Includes dollar amounts recognized for financial statement reporting purposes for the fiscal years ended December 31, 2008, December 31, 2007 and December 31, 2006, in accordance with SFAS 123(R) for awards under the Company's 2002 Stock Option Plan and thus may include awards granted in and prior to 2006. Assumptions used in the calculation of these amounts are included in Note 6, Share-Based Compensation, to the Company's audited financial statements for the fiscal years ended December 31, 2008, December 31, 2007 and December 31, 2006, included in the Company's 2008, 2007 and 2006 Annual Reports on Form 10-K.

⁴ Rows may not cross-foot due to rounding.

⁵ Includes an upward adjustment of \$90,900 for Mr. Gober and \$62,820 for Messrs. Smith, Simon, Godwin and Pitrone in the amounts payable during the first quarter of 2009 under the 2005 Long-Term Incentive Compensation Plan (the "2005 LTIC") due to favorable development on the combined ratio for accident years 2005 through 2007.

⁶ Includes payments of \$605,879; \$231,336 and \$308,447 to Messrs. Gober, Smith and Simon, respectively, payable in the first quarter of 2009 under the Annual Executive Bonus Plan for 2008; payments of \$607,750; \$198,900 and \$265,200 to Messrs. Gober, Smith and Simon, respectively, payable in the first quarter of 2008 under the Annual Executive Bonus Plan for 2007; and payments of \$651,406; \$213,188 and \$284,250 to Messrs. Gober, Smith and Simon, respectively, payable in the first quarter of 2007 under the Annual Executive Bonus Plan for 2006.

⁷ Attributable to above market rate of interest on deferred compensation.

⁸ Includes i) automobile allowances of \$7,042; \$5,856 and \$3,110 for Mr. Gober in 2008, 2007 and 2006, respectively, and of \$4,029 and \$6,926 for Mr. Godwin in 2007 and 2006, respectively, and ii) automobile and homeowners' insurance premiums of \$4,404; \$9,000 and \$5,933 for Messrs. Gober, Smith and Godwin, respectively, in 2008, of \$4,320; \$9,000 and \$9,000 for Messrs. Gober, Smith and Godwin, respectively, in 2007, and of \$4,187; \$5,886 and \$8,358 for Messrs. Gober, Smith and Godwin, respectively, in 2006.

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- ⁹ Includes supplemental executive retirement contributions of approximately \$18,000; \$11,000; \$15,000; \$8,000 and \$8,000 for Messrs. Gober, Smith, Simon, Godwin and Pitrone, respectively, for 2008, of \$29,566; \$9,235; \$14,204; \$5,849 and \$1,852 (erroneously

- reported as \$24,630; \$7,471; \$11,837; \$4,874 and \$1,543 in the 2007 proxy statement) for Messrs. Gober, Smith, Simon, Godwin and Pitrone, respectively, for 2007, and of \$24,630; \$7,471; \$11,837; and \$4,874 (erroneously reported as \$31,878; \$8,642; \$13,722; and \$3,647 in the 2007 proxy statement) for Messrs. Gober, Smith, Simon and Godwin, respectively, for 2006.
- ¹⁰ Includes \$6,900 and \$12,375 (erroneously reported as \$12,325 in the 2007 proxy statement) for 2008 and 2007, respectively, for Messrs. Gober, Smith, Simon, Godwin and Pitrone and \$13,200 for 2006 for Messrs. Gober, Smith, Simon and Godwin in matching and discretionary 401(k) contributions.
- ¹¹ Includes \$6,824 and \$2,792 in accrued but unpaid dividends in 2008 and 2007, respectively, on restricted stock for Mr. Gober and \$6,240 and \$2,553 in accrued but unpaid dividends in 2008 and 2007, respectively, on restricted stock for Messrs. Smith, Simon, Godwin and Pitrone.
- ¹² Includes \$641,350 for Mr. Gober and \$443,230 for Messrs. Smith, Simon, Godwin and Pitrone from the 2005 LTIC; 75% of which is payable in 2008 and 25% of which is payable in 2009 and is subject to adjustment based upon favorable or unfavorable changes to 2005 through 2007 accident year results.
- ¹³ Includes \$179,781 for Mr. Gober and \$26,150 for Messrs. Godwin and Pitrone from a long-term incentive compensation plan established prior to Infinity becoming a publicly traded company.
- ¹⁴ Represents discretionary profit sharing bonus made by the Company, as described in the Compensation Discussion and Analysis section.
- ¹⁵ Includes (\$1,125) of reduced incentive compensation related to the executive's 2007 incentive compensation, attributable to unfavorable development of the 2007 accident year during the 2008 calendar year, which reduced the remaining amount payable for 2007 performance to the executive during the first quarter of 2009.
- ¹⁶ Includes \$155,313 and \$24,063 of incentive compensation for Messrs. Godwin and Pitrone, respectively, for 2008 performance, of which \$116,485 and \$18,047, respectively, is payable in the first quarter of 2009 and the remainder of which is payable during the first quarter of 2010 and which is subject to upward or downward adjustment based upon the favorable or unfavorable development of the combined ratio for accident year 2008 during the 2009 calendar year.
- ¹⁷ Includes \$4,800 of additional incentive compensation related to the executive's 2006 incentive compensation, attributable to favorable development of the 2006 accident year during the 2007 calendar year, and payable during the first quarter of 2008.
- ¹⁸ Includes \$264,938 and \$34,313 of incentive compensation for Messrs. Godwin and Pitrone, respectively, for 2007 performance, of which \$198,704 and \$25,735, respectively, is payable in the first quarter of 2008 and the remainder of which is payable during the first quarter of 2009 and which is subject to upward or downward adjustment based upon the favorable or unfavorable development of the combined ratio for accident year 2007 during the 2008 calendar year.
- ¹⁹ Includes \$207,000 of incentive compensation for 2006 performance, of which \$103,500 is payable in the first quarter of 2007 and the remainder of which is payable during the first quarter of 2008 and which is subject to upward or downward adjustment based upon the favorable or unfavorable development of the combined ratio for accident year 2006 during the 2007 calendar year.

GRANTS OF PLAN-BASED AWARDS

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
James R. Gober	02/05/2008 ⁽¹⁾ 02/05/2008 ⁽²⁾	\$0	\$ 558,800	\$ 1,117,600	0	11,072	33,216	\$ 432,804
Roger Smith	02/05/2008 ⁽¹⁾ 02/05/2008 ⁽²⁾	\$0	\$ 213,360	\$ 426,720	0	9,965	29,895	\$ 389,532
Samuel J. Simon	02/05/2008 ⁽¹⁾ 02/05/2008 ⁽²⁾	\$0	\$ 284,480	\$ 568,960	0	9,965	29,895	\$ 389,532
Glen N. Godwin	02/05/2008 02/05/2008 ⁽²⁾	\$0	\$ 175,000	\$ 350,000	0	9,965	29,895	\$ 389,532
Scott C. Pitrone	02/05/2008 02/05/2008 ⁽²⁾	\$0	\$ 175,000	\$ 350,000	0	9,965	29,895	\$ 389,532

(1) Our Compensation Committee approved the Annual Executive Bonus Plan for 2008 performance on February 5, 2008. The shareholders approved the Annual Executive Bonus Plan at the Annual Meeting of Shareholders on May 23, 2006.

(2) Our Compensation Committee approved the 2008 Performance Share Plan and established the Performance Component Targets for the 2008-2010 Performance Measurement Cycle (as such terms are defined in the 2008 Performance Share Plan) on February 5, 2008. The shareholders approved the 2008 Performance Share Plan at the Annual Meeting of Shareholders on May 20, 2008.

In keeping with his egalitarian-based approach towards executive compensation, Mr. Gober advised our Compensation Committee that he would like to have each NEO receive an identical or nearly identical award of Performance Share Units. Our Compensation Committee elected to award Mr. Gober a slightly larger grant, approximately eleven percent (11%) larger, at its February 5, 2008 meeting. For further information regarding the Annual Executive Bonus Plan for 2008 and the Performance Share Plan and Performance Measurement Cycle for 2008-2010, please refer to the Compensation Discussion and Analysis section of this Proxy Statement.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, or Other Rights That Have Not Vested	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
James R. Gober	20,000	5,000 ⁽¹⁾		\$ 33.58 ⁽²⁾	02/13/2014				
	101,500			\$ 16.00 ⁽³⁾	02/18/2013	15,510 ⁽⁴⁾	\$ 724,782	11,072 ⁽⁵⁾	\$ 0
Roger Smith	16,000	4,000 ⁽¹⁾		\$ 33.58 ⁽²⁾	02/13/2014				
	8,120			\$ 16.00 ⁽³⁾	02/18/2013	14,181 ⁽⁴⁾	\$ 662,678	9,965 ⁽⁵⁾	\$ 0
Samuel J. Simon	16,000	4,000 ⁽¹⁾		\$ 33.58 ⁽²⁾	02/13/2014				
	36,540			\$ 16.00 ⁽³⁾	02/18/2013	14,181 ⁽⁴⁾	\$ 662,678	9,965 ⁽⁵⁾	\$ 0
Glen N. Godwin	4,000	1,000 ⁽¹⁾		\$ 33.58 ⁽²⁾	02/13/2014				
	8,400			\$ 16.00 ⁽³⁾	02/18/2013	14,181 ⁽⁴⁾	\$ 662,678	9,965 ⁽⁵⁾	\$ 0
Scott C. Pitrone	4,000	1,000 ⁽¹⁾		\$ 33.58 ⁽²⁾	02/13/2014				
	7,200			\$ 16.00 ⁽³⁾	02/18/2013	14,181 ⁽⁴⁾	\$ 662,678	9,965 ⁽⁵⁾	\$ 0

(1) The unvested options vested on February 13, 2009.

(2) The closing price of the Company's stock on February 13, 2004, the date of grant, was \$32.12. \$33.58 reflects the closing price of the Company's stock on February 12, 2004, the day before the date of grant.

(3) The closing price of the Company's stock on February 18, 2003, the date of grant, was \$16.02. As set forth in the Company's Form S-1/A filed on February 12, 2003, the Company's former parent, American Financial Group, agreed, prior to the Company's initial public offering of common stock, to grant these options at the price of its initial public offering of common stock, \$16.00, upon the consummation of the common stock offering.

(4) Represents restricted stock vesting on July 31, 2011.

(5) Represents Performance Share Units awarded for the 2008-2010 Performance Measurement Cycle (as such terms are defined in the 2008 Performance Share Plan). Each Performance Share Unit will convert into 0 to 3 shares of common stock based upon actual performance vis-à-vis the pre-established Performance Component Targets (as defined in the 2008 Performance Share Plan) for the 2008-2010 Performance Measurement Cycle.

NONQUALIFIED DEFERRED COMPENSATION

Name	Executive contributions in last FY	Registrant contributions in last FY	Aggregate earnings in last FY (\$)	Aggregate withdrawals/distributions	Aggregate balance at last FYE (\$)
(a)	(\$) (b)	(\$) (c)	(d)	(\$) (e)	(f)
James R. Gober	\$ 527,395	\$ 29,566 ⁽¹⁾	\$ 28,463 ⁽²⁾	\$ 0	\$ 1,819,973 ⁽³⁾⁽⁴⁾
Roger Smith	\$ 100,095	\$ 9,235 ⁽¹⁾	\$ 21,320 ⁽²⁾	\$ 0	\$ 380,185 ⁽³⁾⁽⁴⁾
Samuel J. Simon	\$ 30,480	\$ 14,204 ⁽¹⁾	(\$ 4,260) ⁽²⁾	\$ 0	\$ 272,682 ⁽³⁾⁽⁴⁾
Glen N. Godwin	\$ 272,405	\$ 5,849 ⁽¹⁾	\$ 23,355 ⁽²⁾	\$ 0	\$ 506,857 ⁽³⁾⁽⁴⁾
Scott A. Pitrone	\$ 0	\$ 1,852 ⁽¹⁾	\$ 172	\$ 0	\$ 7,911 ⁽⁴⁾

- (1) Amount is included in Column (i), All Other Compensation, for 2007 in the above Summary Compensation Table.
- (2) Includes \$22,618; \$4,611; \$3,106 and \$5,890 of above-market interest reported in Column (h), Change in Pension Value and Nonqualified Deferred Compensation Earnings, in the above Summary Compensation Table for Messrs. Gober, Smith, Simon and Godwin, respectively, for fiscal year 2008.
- (3) Includes above-market interest previously reported in Column (h), Change in Pension Value and Nonqualified Deferred Compensation Earnings, in the above Summary Compensation Table in the amount of \$141 and \$223 for Messrs. Smith and Simon, respectively, for fiscal year 2007, and in the amount of \$2,199; \$511; \$359 and \$215; for Messrs. Gober, Smith, Simon and Godwin, respectively, for fiscal year 2006.
- (4) Includes Supplemental Executive Retirement Plan contributions previously reported in Column (i), All Other Compensation, in the above Summary Compensation Table in the amount of \$29,566; \$9,235; \$14,204; \$5,849 and \$1,852 for Messrs. Gober, Smith, Simon, Godwin and Pitrone, respectively, for fiscal year 2007, and in the amount of \$24,630; \$7,471; \$11,837 and \$4,874 for Messrs. Gober, Smith, Simon and Godwin, respectively, for fiscal year 2006.

The above table contains data relating to two separate plans. One of these plans is the Deferred Compensation Plan (the "DCP"), effective as of February 19, 2003, as amended and restated effective January 1, 2005. Certain members of management, including Messrs. Gober, Smith, Simon, Godwin and Pitrone, are eligible to participate in the DCP. For fiscal year 2008, the interest rate paid on balances in the DCP was 7.0%. A participant in the DCP may elect to defer between 5% to 80% of his or her base salary during any calendar year period and/or between 10% to 80% of any incentive payment other than a long-term incentive compensation payment. Additionally, participants are not permitted to make a deferral election that would reduce a participant's paid compensation below the amount necessary to satisfy applicable employment taxes (e.g. FICA/Medicare) on amounts deferred, benefit plan withholding requirements or income tax withholding for compensation that cannot be deferred. Upon making a deferral election, the participant must decide to either defer such compensation until the participant's termination of employment with the Company or defer such compensation until the first day of a year selected by the participant (a "Fixed Date"). However, in the event that a participant is still an employee on the Fixed Date, then such distribution will not begin until after the participant's termination of his or her employment with the Company. Distributions begin on January 15th or July 15th of a calendar year following the expiration of the participant's employment or the Fixed Date. Pursuant to Section 409A of the Internal Revenue Code, the Company will generally need to wait a minimum of 6 months following termination of employment before making a distribution to a participant. Participants may choose to receive such distributions in a lump sum payment or in annual installments, not to exceed ten years. On or about November 15th of each year, the Company establishes the interest rate to be paid on deferred compensation balances for the upcoming year.

The other plan is the Supplemental Executive Retirement Plan (the "SERP"), effective as of May 1, 2003, as amended and restated effective January 1, 2005. The SERP is a nonqualified deferred compensation plan that is intended to enable eligible employees to receive employer retirement contributions that are precluded by the provisions of the Company's 401(k) retirement plan or by limitations on compensation which may be considered in making contributions to the Company's 401(k) retirement plan. Each participant in the SERP directs his or her contributions into one or more of the investment options contained in the Company's 401(k) retirement plan. Participant returns are dependent upon the performance of the investment options chosen by the participant. No

participant may receive a distribution from the SERP prior to the participant's death or the participant's resignation, discharge or retirement from the Company. Upon the participant's death or the participant's resignation, discharge or retirement from the Company, the participant shall be entitled to a distribution of his or her SERP account balance in a lump sum or in ten or fewer equal annual installments that begin on the following January 15th or July 15th. As a result of the changes to the Company's 401(k) plan, which are discussed in the Compensation Discussion and Analysis section of this Proxy Statement, the Company anticipates amending the SERP or adopting a replacement SERP to permit the Company to make matching contributions into the SERP on participants' 401(k) contributions that exceed the statutory annual compensation limited of \$230,000 for qualified defined contribution plans.

Employment Contracts / Change-in-Control Arrangements

The following table shows the compensation costs that would result from a termination of an NEO's employment due to (i) Termination by the Company without Cause or by the NEO for good reason, as described in the Compensation Discussion and Analysis section, (ii) Voluntary Termination by the NEO without good reason or by the Company with Cause, and (iii) Death or Disability. Except as otherwise indicated in the footnotes below, the calculations used to prepare this table assume that the terminating event occurred on the last day of the Company's most recently completed fiscal year and that the price per share of common stock is the closing market price as of the date on which the Company's stock was last actively traded in the most recently completed fiscal year. An NEO is entitled to receive amounts earned during his term of employment regardless of the manner in which the NEO's employment is terminated. These amounts include accrued but unpaid salary, payment of accrued but unused vacation time, and reimbursement of any incurred business expense prior to the date of termination. Except for unused vacation time, these amounts are not shown in the tables. Additionally, an NEO will be entitled to receive all amounts accrued and vested under our 401(k) Plan, the DCP, and the SERP, in which the NEO participates. These amounts will be determined and paid in accordance with the applicable plans and are not included in the tables because they are not termination payments. Lastly, payments due to the NEOs under the 2005 Long-Term Incentive Compensation Plan, which were made in the first quarter of 2009, are not included in the tables, because the NEOs' right to receive these payments vested on December 31, 2007 and thus are not termination payments. In order to receive the enhanced payments due to Termination by the Company without Cause or by the NEO for good reason, the NEO must enter into a binding general waiver and release of claims with the Company. For additional information on the employment contracts of the NEOs, please refer to the Compensation Discussion and Analysis section.

Name	Benefit	Termination by the Company without Cause or by the Officer for Good Reason (\$)	Voluntary Termination by Officer without Good Reason or Termination by the Company with Cause (\$)	Death or Disability (\$)
		(c)	(d)	(e)
(a) James R. Gober	Salary	\$ 1,117,600	\$ 0	\$ 0
	Annual Performance Incentive	\$ 1,676,400	\$ 0	\$ 558,800
	Accelerated Performance Share Vesting	\$ 0	\$ 0	\$ 0
	Accelerated Stock-Option Vesting	\$ 65,750	\$ 0	\$ 65,750 ⁽²⁾
				(\$65,750 upon retirement) ⁽¹⁾
	Accelerated Restricted Stock Vesting	\$ 734,398 ⁽³⁾	\$ 0	\$ 0
	Unused Vacation Time	\$ 62,353	\$ 62,353	\$ 62,353
	Life Insurance	\$ 70,540	\$ 0	\$ 0
	Medical Insurance	\$ 9,601	\$ 0	\$ 0
	Dental Insurance	\$ 254	\$ 0	\$ 0
	Payout in Lieu of 401(k) Match and Discretionary Contribution and Supplemental Executive Retirement Plan Contribution	\$ 0	\$ 0	\$ 0

Name	Benefit	Termination by the	Voluntary Termination	Death or
		Company without Cause or by the Officer for Good Reason (\$)	by Officer without Good Reason or Termination by the Company with Cause (\$)	
(a)	(b)	(c)	(d)	(e)
Roger Smith	Salary	\$ 609,600	\$ 0	\$ 0
	Annual Performance Incentive	\$ 640,080	\$ 0	\$ 213,360
	Accelerated Performance Share			
	Vesting	\$ 0	\$ 0	\$ 0
	Accelerated Stock-Option Vesting	\$ 52,600	\$ 0	\$ 52,600 ⁽²⁾
	Accelerated Restricted Stock			
	Vesting	\$ 671,471 ⁽⁴⁾	\$ 0	\$ 0
	Unused Vacation Time	\$ 11,726	\$ 11,726	\$ 11,726
	Life Insurance	\$ 27,809	\$ 0	\$ 0
	Medical Insurance	\$ 15,274	\$ 0	\$ 0
	Dental Insurance	\$ 410	\$ 0	\$ 0
	Payout in Lieu of 401(k) Match and Discretionary Contribution and Supplemental Executive Retirement Plan Contribution	\$ 0	\$ 0	\$ 0
	Samuel J. Simon	Salary	\$ 812,800	\$ 0
Annual Performance Incentive		\$ 853,440	\$ 0	\$ 284,480
Accelerated Performance Share				
Vesting		\$ 0	\$ 0	\$ 0
Accelerated Stock-Option Vesting		\$ 52,600	\$ 0	\$ 52,600 ⁽²⁾
Accelerated Restricted Stock				
Vesting		\$ 671,471 ⁽⁴⁾	\$ 0	\$ 0
Unused Vacation Time		\$ 18,027	\$ 18,027	\$ 18,027
Life Insurance		\$ 44,687	\$ 0	\$ 0
Medical Insurance		\$ 15,274	\$ 0	\$ 0
Dental Insurance		\$ 410	\$ 0	\$ 0
Payout in Lieu of 401(k) Match and Discretionary Contribution and Supplemental Executive Retirement Plan Contribution		\$ 0	\$ 0	\$ 0
Glen N. Godwin		Salary	\$ 475,613	\$ 0
	Annual Performance Incentive	\$ 525,000	\$ 0	\$ 175,000
	Accelerated Performance Share			
	Vesting	\$ 0	\$ 0	\$ 0
	Accelerated Stock-Option Vesting	\$ 13,150	\$ 0	\$ 13,150 ⁽²⁾
	Accelerated Restricted Stock			
	Vesting	\$ 671,471 ⁽⁴⁾	\$ 0	\$ 0
	Unused Vacation Time	\$ 12,556	\$ 12,556	\$ 12,556
	Life Insurance	\$ 24,963	\$ 0	\$ 0
	Medical Insurance	\$ 15,274	\$ 0	\$ 0
	Dental Insurance	\$ 410	\$ 0	\$ 0
	Payout in Lieu of 401(k) Match and Discretionary Contribution and Supplemental Executive Retirement Plan Contribution	\$ 0	\$ 0	\$ 0

Name	Benefit	Termination by the	Voluntary Termination	Death or
		Company without Cause or by the Officer for Good Reason (\$)	by Officer without Good Reason or Termination by the Company with Cause (\$)	
(a)	(b)	(c)	(d)	(e)
Scott C. Pitrone	Salary	\$ 440,000	\$ 0	\$ 0
	Annual Performance Incentive	\$ 525,000	\$ 0	\$ 175,000
	Accelerated Performance Share			
	Vesting	\$ 0	\$ 0	\$ 0
	Accelerated Stock-Option Vesting	\$ 13,150	\$ 0	\$ 13,150 ⁽²⁾
	Accelerated Restricted Stock			
	Vesting	\$ 671,471 ⁽⁴⁾	\$ 0	\$ 0
	Unused Vacation Time	\$ 19,472	\$19,472	\$ 19,472
	Life Insurance	\$ 18,404	\$ 0	\$ 0
	Medical Insurance	\$ 9,601	\$ 0	\$ 0
	Dental Insurance	\$ 254	\$ 0	\$ 0
	Payout in Lieu of 401(k) Match and Discretionary Contribution and Supplemental Executive Retirement Plan Contribution	\$ 0	\$ 0	\$ 0

- (1) Pursuant to the terms of the 2002 Stock Option Plan, but not the terms of his employment contract, Mr. Gober would have a benefit of \$65,750 through the accelerated vesting of stock options upon his Retirement, as defined in the 2002 Stock Option Plan, since Mr. Gober had reached fifty-five (55) years of age with ten (10) years of service by December 31, 2008.
- (2) Pursuant to the terms of the 2002 Stock Option Plan, not the officer's employment contract.
- (3) Includes \$9,616 in accrued but unpaid dividends on restricted stock, with \$6,824 and \$2,792 reported in Column (i), All Other Compensation, in the above Summary Compensation Table for years 2008 and 2007, respectively.
- (4) Includes \$8,792 in accrued but unpaid dividends on restricted stock, with \$6,240 and \$2,553 reported in Column (i), All Other Compensation, in the above Summary Compensation Table for years 2008 and 2007, respectively.

DIRECTOR COMPENSATION

The Company uses a combination of cash and equity-based compensation to attract and retain qualified candidates to serve on its Board of Directors. In setting director compensation, consideration is given to the limited pool of individuals with the necessary skills to serve as a director of a publicly-traded company and the significant time commitment required of each director, particularly with respect to the enhanced time commitments of those individuals that serve on one or more Board committees, as Chairman of a Board committee and/or as Lead Director.

Name	Fees Earned or Paid in	Stock Awards	All Other Compensation	Total
	Cash (\$) (b)	(\$) (c) ⁽¹⁾	(\$) (g)	(\$) (h)
(a) Jorge G. Castro	\$ 49,500	\$ 50,000	\$ 275 ⁽²⁾	\$ 99,775
Gregory G. Joseph ⁽³⁾	\$ 37,000	\$ 0	\$ 0	\$ 37,000
Harold E. Layman	\$ 50,000	\$ 50,000	\$ 275 ⁽²⁾	\$ 100,275
Drayton Nabers, Jr.	\$ 50,500	\$ 50,000	\$ 275 ⁽²⁾	\$ 100,775
William Stancil Starnes ⁽⁴⁾	\$ 24,380	\$ 50,000	\$ 275 ⁽²⁾	\$ 74,655
Gregory C. Thomas	\$ 64,500	\$ 50,000	\$ 275 ⁽²⁾	\$ 114,775
Samuel J. Weinhoff	\$ 45,000	\$ 50,000	\$ 275 ⁽²⁾	\$ 95,275

- (1) Includes dollar amounts recognized for financial statement reporting purposes for the fiscal year ended December 31, 2008, in accordance with SFAS 123(R) for awards under the Company's Non-Employee Directors' Stock Ownership Plan. Assumptions used in the calculation of these amounts are included in Note 6, Share-Based Compensation, to the Company's audited financial statements for the fiscal year ended December 31, 2008, included in the Company's 2008 Annual Report on Form 10-K.
- (2) Includes dividends paid on restricted stock during the restriction period.
- (3) Mr. Joseph declined to stand for re-election at the 2008 Annual Meeting of Shareholders, and therefore his service on the Board of Directors terminated as of May 20, 2008.
- (4) Mr. Starnes was elected to the Board of Directors on May 20, 2008.

Cash Compensation Paid to Board Members

For the fiscal year ended December 31, 2008, each Non-Employee Director received an annual cash retainer of \$30,000. The Chairmen of both the Compensation and the Nominating and Corporate Governance Committees each received an additional annual cash retainer of \$5,000. The Chairman of the Audit Committee and the Lead Director each received an additional annual cash retainer of \$15,000. Finally, each Non-Employee Director received a cash payment of \$1,500 for each Board or committee meeting attended, whether in person or telephonically. Board members who are employees of the Company are not entitled to cash compensation for their service on the Board or for attending Board or committee meetings.

Equity Compensation Paid to Board Members

The equity portion of a Non-Employee Director's annual retainer was increased to \$50,000 in 2007. The Company has established the Non-Employee Directors' Stock Ownership Plan (the Directors' Stock Plan) for the purpose of better aligning the interests of its Non-Employee Directors with the interests of its shareholders by providing a portion of the Non-Employee Directors' annual compensation in the form of restricted stock. Pursuant to the Directors' Stock Plan, each Non-Employee Director is entitled to receive a grant of restricted stock on or about June 1st of each year, which vests 6 months after the date of grant. The Directors' Stock Plan is designed to award Non-Employee Directors with approximately \$50,000 in restricted stock grants each year. The specific formula for determining the number of shares granted to each director is as follows: \$50,000 divided by the average trading price (defined as the midpoint between the intraday high and low) of the Company's stock over the five preceding days on which the Company's stock is traded. Any fractional result is rounded up to the nearest whole number.

In order to further align the Non-Employee Directors' interests with the interest of the Company's shareholders, the Directors' Stock Plan contains guidelines specifying that each director, within three years of receiving his or her first restricted stock award, should beneficially own Company stock in an amount equal to at least \$90,000 or three times the then-current cash portion of the annual Board retainer, whichever is less (the Share Ownership Target). The Directors' Stock Plan provides that no Non-Employee Director shall dispose of shares received as part of an annual restricted stock grant until that director reaches the Share Ownership Target. As of December 31, 2008, each director beneficially owned Company stock in excess of the Share Ownership Target.

Infinity encourages its Non-Employee Directors to attend director education seminars that are designed to develop skills and strategies for effective service on the Board. As such, it is Infinity's policy to reimburse its Non-Employee Directors for the reasonable and direct costs, including transportation and lodging, of attending such educational seminars. These reimbursement costs are not included in the Director's Compensation Table.

AUDIT COMMITTEE

General

The Audit Committee is composed of Gregory C. Thomas (Chairman), Jorge G. Castro and Samuel J. Weinhoff and met four times during 2008. Each of the Audit Committee members meets the financial literacy requirements under Nasdaq Global Select Market rules. Gregory C. Thomas, a licensed (non-practicing) certified public accountant and former Chief Financial Officer of a public company, has been designated as the Audit Committee financial expert. All members of the Audit Committee are independent as that term is used in the rules of the Nasdaq Global Select Market and under Rule 10A-3 of the Securities Exchange Act of 1934.

The Board of Directors has established an Audit Committee Charter for the Audit Committee, which is available on our website at www.ipacc.com and is reviewed annually by the Audit Committee.

The Audit Committee oversees our accounting and financial reporting processes and audits of our financial statements by our outside auditors. The Audit Committee is responsible for the appointment, compensation, retention and oversight of our outside auditor. The Audit Committee also evaluates information received from the outside auditor and management to determine whether the outside auditor is independent of management. The outside accounting firm reports directly to the Audit Committee. Ernst & Young was the outside, independent auditor retained by the Audit Committee for the 2008 fiscal year. Representatives from Ernst & Young will attend the 2009 Annual Meeting of Shareholders and will have an opportunity to make a statement and be available to respond to appropriate questions.

The Audit Committee has established procedures for the receipt, retention and treatment of complaints received by Infinity concerning accounting, internal accounting controls or auditing matters, and has established procedures for the confidential and anonymous submission by employees of any concerns they may have regarding questionable accounting or auditing matters.

Fees Paid to Independent Auditor

The Audit Committee approved all of the fees provided below. Aggregate fees billed by Ernst & Young for the fiscal years ending December 31, 2008 and December 31, 2007 were:

	2008	2007
Audit Fees	\$ 1,159,400	\$ 1,201,866
Audit-Related Fees	0	0
Tax Fees	0	0
All Other Fees	0	0
	\$ 1,159,400	\$ 1,201,866

Approval of Audit and Non-Audit Services

The Audit Committee, or its Chairman, pre-approves all audit and non-audit services (including the fees and terms of the services) performed by our independent accountants prior to the time that those services are commenced. The Chairman reports to the full Audit Committee at each of its meetings, and the Audit Committee considers and ratifies, where appropriate, those items that the Chairman properly authorized between meetings. For these purposes, the Audit Committee or its Chairman is provided with information as to the nature, extent and purpose of each proposed service, as well as the approximate timeframe and proposed cost arrangements for that service. No non-audit services were performed by our independent auditors during 2007 or 2008.

The Audit Committee has submitted the following report to shareholders:

REPORT OF THE AUDIT COMMITTEE

On February 26, 2008, the Audit Committee retained Ernst & Young as Infinity's independent public accountants for fiscal year 2008. On July 22, 2008, the Audit Committee met with representatives of Ernst & Young and Infinity management and reviewed with them the proposed 2008 Audit Plan.

At its meeting on February 24, 2009, the Audit Committee reviewed and discussed with Ernst & Young (with and without management present) and Infinity's accounting and internal audit officers the results of the 2008 audit, including the audited financial statements and management's assessment of the effectiveness of the company's internal controls. The Audit Committee had been kept apprised of the progress of management's assessment and provided oversight and advice to management during the process. At the conclusion of the process, management presented to the Audit Committee its favorable report on the effectiveness of the company's internal controls over financial reporting. The Audit Committee then discussed with Ernst & Young the matters required by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU § 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Ernst & Young representatives distributed to and discussed and reviewed with the Audit Committee the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the public accountant's communications with the Audit Committee concerning independence and presented their Report on Auditor Independence to the Audit Committee.

During the course of the February 24, 2009 meeting, the Audit Committee also reviewed a draft of the Form 10-K, which had been provided to the Audit Committee in advance of the meeting. Based on its review and discussions, the Audit Committee recommended to the Board of Directors that Infinity's audited financial statements be included in its Annual Report on Form 10-K for the year ended December 31, 2008 for filing with the Securities and Exchange Commission. As part of its deliberations, the Audit Committee determined that Ernst & Young was independent of Infinity.

Respectfully submitted,

Audit Committee

Gregory C. Thomas (Chairman)

Jorge G. Castro

Samuel J. Weinhoff

INVESTMENT COMMITTEE

Upon the recommendation of management and the Nominating and Corporate Governance Committee, the Board unanimously authorized the formation of an Investment Committee at its February 3, 2009 meeting. As of the date of this Proxy Statement, the Board has not yet adopted a charter nor appointed members to this Committee. Following the Annual Meeting of Shareholders, the Nominating and Corporate Governance Committee intends to recommend for Board approval the membership composition of this Committee and the adoption of a formal charter, which we intend to post on our website.

While a charter has not yet been established for this Committee, it is contemplated that the duties of this Committee shall consist primarily of providing additional oversight and risk management for the Company's investment portfolio. Currently, the Audit Committee establishes the guidelines governing permissible investments (including the appropriate weighting and average duration to maturity of securities) within the Company's investment portfolio, authorizes any deviation from the guidelines, establishes benchmarks for the performance of the investment portfolio managers, reviews the performance of the investment portfolio managers, and reviews the accounting treatment of securities in the investment portfolio for compliance with GAAP. With the exception of continuing to review the accounting relating to the investment portfolio, it is contemplated that the Investment Committee will assume the aforementioned responsibilities from the Audit Committee.

Security Ownership of Certain Beneficial Owners

The following are the only shareholders we know to beneficially own 5% or more of our outstanding common stock as of December 31, 2008. As permitted under the rules of the Securities and Exchange Commission, information regarding the following shareholders and contained in the table below has been obtained from reports filed with the Securities and Exchange Commission.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, Maryland 21202	1,632,810 ⁽¹⁾	11.4%
Dimensional Fund Advisors LP 1299 Ocean Avenue, 11 th Floor Santa Monica, CA 90401	1,508,781 ⁽²⁾	10.54%
Barclays Global Investors NA 400 Howard Street San Francisco, CA 94105	1,008,457 ⁽³⁾	7.04%

- (1) According to the information contained in the Schedule 13G/A filed by T. Rowe Price Associates, Inc., T. Rowe Price New Horizons Fund, Inc. and T. Rowe Price Small-Cap Stock Fund, Inc. (collectively, Price Associates) with the Securities and Exchange Commission on February 12, 2009, Price Associates has sole voting power as to 1,474,710 of these shares and sole dispositive power as to all of these shares. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. This information is provided as of December 31, 2008.
- (2) According to the information contained in the Schedule 13G/A filed by Dimensional Fund Advisors LP (Dimensional) with the Securities and Exchange Commission on February 9, 2009, Dimensional has sole voting power as to 1,503,278 shares and sole dispositive power as to all of these shares. Such shares are owned by certain investment companies, commingled group trusts and separate accounts to which Dimensional furnishes investment advice or acts as investment manager. Dimensional disclaims beneficial ownership of all such shares. This information is provided as of December 31, 2008.

(3) According to the information contained in the Schedule 13G filed by Barclays Global Investors, NA.; Barclays Global Fund Advisors; Barclays Global Investors, LTD; Barclays Global Investors Japan Limited; Barclays Global Investors Canada Limited; Barclays Global Investors Australia Limited and Barclays Global Investors (Deutschland) AG (collectively, Barclays) with the Securities and Exchange Commission on February 5, 2009, Barclays has sole voting power as to 784,620 of these shares and sole dispositive power as to all of these shares. Barclays holds these shares in trust accounts for the economic benefit of the beneficiaries of such accounts. This information is provided as of December 31, 2008.

Security Ownership of Directors and Executive Officers

The following table shows the beneficial ownership of common stock by each director and each named executive officer and our directors and executive officers as a group, as of March 27, 2009. Additional information regarding the directors can be found under **Item 1: Election of Directors**.

Name	Position	Common Stock	Other Common	Total Common Stock	
		Subject to Options Exercisable within 60 Days	Stock Beneficially Owned	Beneficially Owned Amount	Percentage
James R. Gober	Chairman of the Board, Chief Executive Officer and President	126,500	72,198 ⁽¹⁾	198,698	1.43%
Roger Smith	Executive Vice President, Chief Financial Officer, Treasurer and Director	28,120	0 ⁽²⁾	28,120	*
Samuel J. Simon	Executive Vice President, General Counsel, Secretary and Director	56,540	8,650 ⁽²⁾	65,190	*
Glen N. Godwin	Regional President	13,400	751 ⁽²⁾	14,151	*
Scott C. Pitrone	Regional President	12,200	714 ⁽²⁾	12,914	*
Maria Teresa Alvarez Canida	Nominee	0	0	0	*
Jorge G. Castro	Director	5,000	3,571	8,571	*
Harold E. Layman	Director	5,000	5,071	10,071	*
Drayton Nabers, Jr.	Director	0	5,192	5,192	*
William Stancil Starnes	Director	0	2,249	2,249	*
Gregory C. Thomas	Director	2,500	5,596	8,096	*
Samuel J. Weinhoff	Director	2,500	6,181 ⁽³⁾	8,681	*
	All executive officers, directors and nominees as a group (12 persons)			361,926	2.61%

(1) Does not include 15,510 shares of restricted stock over which the executive lacks voting or investment power.

(2) Does not include 14,181 shares of restricted stock over which the executive lacks voting or investment power.

(3) Includes 500 shares held in trust for his son.

* Less than 1%

Glen N. Godwin, age 51, was appointed as West Regional President in 2005. Mr. Godwin has served in various executive capacities with Infinity since 1987.

Scott C. Pitrone, age 46, was appointed as South Regional President in 2005. Mr. Pitrone has served in various executive capacities with Infinity since 1993.

Equity Compensation Plan Information

The following table includes information on all of our equity compensation plans as of December 31, 2008.

Plan Category	Number of Securities to be Issued upon Exercise of Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Awarded as Restricted Stock	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plan approved by security holders:				
2002 Stock Option Plan	338,560	\$ 22.81		338,560
2002 Restricted Stock Plan			206,609	293,391
2005 Non-Employee Directors Ownership Plan			20,047	179,953
Employee Stock Purchase Plan				967,944
2008 Performance Share Plan ⁽¹⁾	50,932			449,068
Equity Compensation Plans not approved by security holders:				
None				

- (1) Represents an outstanding award of Performance Share Units issued under the 2008 Performance Share Plan. Upon conversion, each Performance Share Unit will convert into between 0 to 3 shares of common stock. The figure shown in column (a), 50,932, represents the maximum number of shares of common stock that could be issued upon the conversion of the outstanding Performance Share Unit awards at December 31, 2008. As of December 31, 2008 and based upon actual results as of that date, the Company expects to issue 12,165 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers, directors and persons who own more than ten percent (10%) of a registered class of our equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission by a specified date. Regulations promulgated by the Securities and Exchange Commission require us to disclose in this Proxy Statement any reporting violations with respect to the 2008 fiscal year. Based solely upon a review of the applicable filings made with the Securities and Exchange Commission by the officers, directors and greater than 10% shareholders, all reports required by Section 16(a) of the Securities Exchange Act of 1934 were filed on a timely basis.

Certain Relationships and Related Transactions

Pursuant to the terms of its Charter, our Nominating and Corporate Governance Committee is charged with considering questions involving potential conflict of interests between any director or member of senior management. Pursuant to the terms of our Code of Ethics, all directors and officers are also required to make full disclosure to the Audit Committee Chairman of any conflicts of interest. Finally, pursuant to the terms of its Charter, our Audit Committee is charged with reviewing and approving or disapproving all related-party transactions. To the extent that a transaction may constitute both a potential conflict of interest and a related-party transaction, then both the Audit Committee and Nominating and Corporate Governance Committee would review and approve or disapprove of such transaction.

Shareholder Proposals for Next Year

Any shareholder who intends to submit a proposal for the 2010 Annual Meeting of Shareholders for inclusion in the Proxy Statement for that meeting may do so in accordance with Securities and Exchange Commission Rule 14a-8 and is advised that the proposal must be received by the Corporate Secretary, at the address listed on the cover page of this Proxy Statement, no later than December 15, 2009.

For those shareholder proposals that are not submitted in accordance with Rule 14a-8, the designated proxies may exercise their discretionary voting authority, without any discussion of the proposal in our proxy materials, with respect to any shareholder proposal that is received by the Corporate Secretary after February 28, 2010. If there is a change in these deadlines by more than 30 days, we will notify you of the change through our Form 10-Q filings.

INFINITY PROPERTY AND CASUALTY CORPORATION

PROXY FOR ANNUAL MEETING OF SHAREHOLDERS, MAY 18, 2009

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF

INFINITY PROPERTY AND CASUALTY CORPORATION

The undersigned Shareholder(s) of INFINITY PROPERTY AND CASUALTY CORPORATION (the Company) hereby constitutes and appoints James R. Gober and Samuel J. Simon, and each of them, agents and proxies of the undersigned, each with full power of substitution, to attend, vote and act for the undersigned at the Annual Meeting of Shareholders of the Company to be held on May 18, 2009, and at any adjournment or postponement thereof, according to the number of shares of Common Stock of the Company which the undersigned may be entitled to vote, and with all the powers which the undersigned would possess if personally present, as indicated on the reverse side.

The proxies are directed to vote as specified on the reverse side. Except as specified to the contrary on the reverse side, the shares represented by this proxy will be voted FOR all nominees listed and FOR Proposal 2. If cumulative voting is invoked by a shareholder through proper notice to the Company, this proxy will give the proxy holders authority, in their discretion, to cumulate all votes to which the undersigned is entitled in respect of the shares represented by this proxy and allocate them in favor of any one or more of the nominees for director if any situation arises which, in the opinion of the proxy holders, makes such action necessary or desirable.

The undersigned revokes any prior proxy at such meeting and ratifies all acts of said agents and proxies, or any of them, may lawfully do by virtue hereof. Receipt of Notice of Annual Meeting of Shareholders and Proxy Statement is hereby acknowledged.

(Continued and to be signed on the reverse side)

**ANNUAL MEETING OF SHAREHOLDERS OF
INFINITY PROPERTY AND CASUALTY CORPORATION**

May 18, 2009

*****IMPORTANT NOTICE*****

Regarding Internet Availability of Proxy Materials

for the Annual Meeting to be held on May 18, 2009

You are receiving this communication because you hold shares in the above company, and
the materials you should review before you cast your vote are now available.

The Proxy Statement and 2008 Annual Report are available at <http://ir.ipacc.com/phoenix.zhtml?c=136099&p=irol-reports>

Please date, sign and mail your proxy card in the envelope provided as soon as possible.

↓ Please detach along perforated line and mail in the envelope provided. ↓

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE
OR BLACK INK AS SHOWN HERE x**

			FOR	AGAINST	ABSTAIN
Proposal 1. Election of ten directors.					
FOR ALL NOMINEES	NOMINEES:				
	• Maria Teresa Alvarez Canida	Proposal 2. Ratify appointment of Ernst & Young LLP as Infinity's independent registered public accounting firm.			
	• Jorge G. Castro				
	• James R. Gober				
	• Harold E. Layman				

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• **WITHHOLD AUTHORITY FOR** • Drayton Nabers, Jr.

ALL NOMINEES

• Samuel J. Simon

• Roger Smith

• **FOR ALL EXCEPT** • William Stancil Starnes

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.

(See instructions below)

• Gregory C. Thomas

• Samuel J. Weinhoff

INSTRUCTION: To withhold authority to vote for any individual nominee(s),

mark **FOR ALL EXCEPT** and fill in the circle next to each nominee you wish to withhold, as shown here: x

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.

Signature of Shareholder

Date:

Signature of Shareholder

Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.