
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Infinity Pharmaceuticals, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount previously paid:

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

(3) Filing party:

(4) Date Filed:



784 Memorial Drive
Cambridge, MA 02139
Tel: (617) 453-1000
Fax: (617) 453-1001
www.infi.com

April 19, 2017

Dear Stockholder:

You are cordially invited to attend our 2017 annual meeting of stockholders to be held at 8:30 a.m. local time on Thursday, May 25, 2017, at Infinity Pharmaceuticals, Inc., 784 Memorial Drive, Cambridge, Massachusetts 02139.

The Notice of 2017 Annual Meeting and Proxy Statement that accompany this letter describe the items to be voted on at the annual meeting. We hope you will be able to attend and participate in the meeting. Whether or not you plan to attend, please review the accompanying materials carefully and take the time to cast your vote – it is important that your shares be represented and voted at the meeting.

On behalf of your board of directors and our community of citizen-owners, we would like to thank you for your continued support of, and interest in, Infinity.

Yours sincerely,

A handwritten signature in black ink that reads "Adelene Q. Perkins". The signature is written in a cursive, flowing style.

Adelene Q. Perkins
Chair of the Board and Chief Executive Officer

INFINITY PHARMACEUTICALS, INC.
784 Memorial Drive
Cambridge, Massachusetts 02139
NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS
To Be Held on May 25, 2017

To Our Stockholders:

We invite you to our 2017 annual meeting of stockholders, which will be held at Infinity Pharmaceuticals, Inc., 784 Memorial Drive, Cambridge, Massachusetts 02139, on Thursday, May 25, 2017 at 8:30 a.m., local time. At the meeting, stockholders will consider and vote upon the following matters:

1. the election of seven directors to serve for a one-year term expiring at the 2018 annual meeting of stockholders;
2. the approval of an advisory vote on executive compensation;
3. the holding of an advisory vote on the frequency of future executive compensation advisory votes;
4. the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017; and
5. the transaction of such other business as may properly come before the meeting or any adjournment thereof.

Stockholders of record as of March 31, 2017 will be entitled to notice of and to vote at the annual meeting or any adjournment thereof. Our stock transfer books will remain open for the purchase and sale of our common stock.

If you are a stockholder of record, you may submit your proxy (1) over the Internet at www.proxyvote.com, (2) by telephone at 1-800-690-6903, or (3) by mail, or you may vote in person at the meeting. For specific instructions, please refer to the second page of the accompanying proxy statement and the instructions on the proxy card relating to the annual meeting. Proxies submitted over the Internet or by telephone must be received by 11:59 p.m. EDT on May 24, 2017.

If you are a stockholder whose shares are held in "street name" by a bank or brokerage firm, your bank or brokerage firm will provide you a vote instruction form with this proxy statement, which you may use to direct how your shares will be voted. **You must instruct your broker how to vote with respect to the election of directors (Proposal 1) and each advisory vote (Proposals 2 and 3) because your broker cannot exercise its discretion to vote on these proposals on your behalf.** Many banks and brokerage firms also offer the option of voting over the Internet or by telephone, instructions for which would be provided by your bank or brokerage firm on your vote instruction form.

We hope that you will attend the annual meeting. Whether or not you plan to attend, we urge you to vote your shares over the Internet or by telephone, or to complete, date, sign and return the enclosed proxy card in the accompanying postage-prepaid envelope. A prompt response will greatly facilitate arrangements for the meeting, and your cooperation is appreciated. Stockholders who attend the meeting may vote their stock personally, even if they have previously submitted their proxies.

By Order of the Board of Directors,



Seth A. Tasker
Vice President, General Counsel, and Secretary

Cambridge, Massachusetts
April 19, 2017

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INFINITY PHARMACEUTICALS, INC.
784 Memorial Drive
Cambridge, Massachusetts 02139
PROXY STATEMENT FOR 2017 ANNUAL MEETING OF STOCKHOLDERS
To Be Held on May 25, 2017

This proxy statement contains information about our 2017 annual meeting of stockholders. The meeting will be held on Thursday, May 25, 2017, beginning at 8:30 a.m. local time, at Infinity Pharmaceuticals, Inc., 784 Memorial Drive, Cambridge, Massachusetts 02139. You may obtain directions to the location of the annual meeting by contacting Jaren Irene Madden in our investor relations department. She may be contacted at 784 Memorial Drive, Cambridge, Massachusetts 02139; telephone: (617) 453-1336; e-mail: irpr_info@infi.com.

This proxy statement is furnished in connection with the solicitation of proxies by our board of directors for use at the annual meeting and at any adjournment of that meeting. All proxies will be voted in accordance with the instructions they contain. If you do not specify your voting instructions on your proxy, it will be voted in accordance with the recommendations of our board of directors. You may revoke your proxy at any time before it is exercised at the meeting by giving our corporate secretary, Seth A. Tasker, written notice to that effect. He may be contacted at 784 Memorial Drive, Cambridge, Massachusetts 02139; telephone: (617) 453-1312; e-mail: seth.tasker@infi.com.

These proxy materials, together with our annual report to stockholders for our 2016 fiscal year, are first being mailed to stockholders on or about April 19, 2017.

**Important Notice Regarding the Availability of Proxy Materials for
the Annual Meeting of Stockholders to be Held on May 25, 2017:**

**This proxy statement and the 2016 annual report to stockholders are available for
viewing, printing and downloading at www.infi.com/proxy.**

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

- Q. What is the purpose of the annual meeting?**
- A.** At the annual meeting, stockholders will consider and vote on the following matters:
1. the election of seven directors to serve for a one-year term expiring at the 2018 annual meeting of stockholders;
 2. the approval of an advisory vote on executive compensation;
 3. the holding of an advisory vote on the frequency of future executive compensation advisory votes;
 4. the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017; and
 5. the transaction of such other business as may properly come before the meeting or any adjournment thereof.
- Q. Who can vote?**
- A.** To be able to vote, you must have been a stockholder of record at the close of business on March 31, 2017. This date is the record date for the annual meeting.
- Stockholders of record at the close of business on March 31, 2017 are entitled to vote on each proposal at the annual meeting. The number of outstanding shares entitled to vote on each proposal at the meeting is 50,426,205 shares of our common stock.

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- Q. How many votes do I have?** A. Each share of our common stock that you owned on the record date entitles you to one vote on each matter that is voted on.
- Q. Is my vote important?** A. **Your vote is important no matter how many shares you own.** Please take the time to vote. Take a moment to read the instructions below. Choose the way to vote that is easiest and most convenient for you and cast your vote as soon as possible.
- Q. How do I vote?** A. If you are the “record holder” of your shares, meaning that you own your shares in your own name and not through a bank or brokerage firm, you may vote in one of four ways:
1. **You may vote over the Internet.** If you have Internet access, you may vote your shares from any location in the world at www.proxyvote.com by following the instructions on that site or on the “Vote by Internet” instructions on the enclosed proxy card.
 2. **You may vote by telephone.** You may vote your shares by calling 1-800-690-6903 and following the instructions provided or following the “Vote by Phone” instructions on the enclosed proxy card.
 3. **You may vote by mail.** You may vote by completing and signing the proxy card enclosed with this proxy statement and promptly mailing it in the enclosed postage-prepaid envelope. You do not need to put a stamp on the enclosed envelope if you mail it from the United States. The shares you own will be voted according to your instructions on the proxy card you mail. If you return the proxy card, but do not give any instructions on a particular matter described in this proxy statement, the shares you own will be voted in accordance with the recommendations of our board of directors.
 4. **You may vote in person.** If you attend the meeting, you may vote by delivering your completed proxy card in person or by completing a ballot. Ballots will be available at the meeting.
- Our board of directors recommends that you vote “FOR” each of the nominees for director, “FOR” Proposals 2 and 4, and “ONE YEAR” for Proposal 3.***
- Q. Can I change my vote after I have mailed my proxy card or after I have voted my shares over the Internet or by telephone?** A. Yes. You can change your vote and revoke your proxy at any time before the polls close at the meeting. To do so you must do one of the following:
1. Sign another proxy card with a later date;
 2. Give our corporate secretary written notice before or at the meeting that you want to revoke your proxy; or
 3. Vote in person at the meeting.
- Your attendance at the meeting alone will not change your vote or revoke your proxy.
- Q. Can I vote if my shares are held by a bank or brokerage firm in “street name”?** A. If the shares you own are held in the name of a bank or brokerage firm, also known as “street name,” that bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares held in “street name,” you will need to follow the directions your bank or brokerage firm provides you. Many brokers also offer the option of voting over the Internet or by telephone, instructions for which would be provided by your bank or brokerage firm on your vote instruction form.

If you do not give instructions to your bank or brokerage firm, it will still be able to vote your shares with respect to certain “discretionary” items. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm (Proposal 4) is such a “discretionary item.” However, your bank or brokerage firm will not be allowed to vote your shares with respect to certain “non-discretionary” items. **The election of directors (Proposal 1), the advisory vote on executive compensation (Proposal 2), and the advisory vote on the frequency with which we hold future advisory votes on executive compensation (Proposal 3) are such “non-discretionary” items. If you do not instruct your bank or brokerage firm how to vote with respect to these “non-discretionary” items, your bank or brokerage firm will not vote with respect to those proposals and those votes will be counted as “broker non-votes.”** “Broker non-votes” are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have or did not exercise discretionary authority to vote on a particular matter.

If your shares are held in street name, you must bring an account statement or letter from your bank or brokerage firm showing that you are the beneficial owner of the shares as of the record date (March 31, 2017) in order to vote those shares at the annual meeting. To be able to vote your shares held in street name at the meeting, you will need to obtain a proxy card from your bank or brokerage firm.

Q. How do I vote my 401(k) shares?

A. If you participate in the Infinity Pharmaceuticals Stock Fund through our company’s 401(k) Plan and Trust, or 401(k) Plan, your proxy will also serve as a voting instruction for Principal Trust Company, or Principal, which serves as trustee of the 401(k) Plan, with respect to shares of our common stock held in your 401(k) Plan account, or 401(k) Plan shares, as of the record date. You should sign the proxy card and return it in the enclosed envelope to Broadridge Financial Solutions, Inc., or you may submit your proxy over the Internet or by telephone by following the instructions on the enclosed proxy card. Broadridge will notify Principal of the manner in which you have directed your 401(k) Plan shares to be voted. Principal will vote your 401(k) Plan shares as of the record date in the manner that you direct. If Broadridge does not receive your voting instructions from you by 11:59 p.m. eastern daylight time on May 21, 2017, Principal will vote your 401(k) plan shares in the same proportion as those 401(k) shares for which Principal has received proper direction for such matter.

Q. What constitutes a quorum?

A. In order for business to be conducted at the meeting, a quorum must be present in person or represented by valid proxies. For each of the proposals to be presented at the meeting, a quorum consists of the holders of a majority of the shares of common stock issued and outstanding on March 31, 2017, the record date, or at least 25,213,103 shares.

Shares of common stock represented in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to a particular proposal to be voted upon) will be counted for the purpose of determining whether a quorum exists at the meeting for that proposal.

If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

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- Q. What vote is required for each item, and how will votes be counted?**
- A.** Each share of common stock will be counted as one vote according to the instructions contained on a proper proxy card, whether submitted in person, by mail, over the Internet or by telephone, or on a ballot voted in person at the meeting.

Election of directors. Under our bylaws, a nominee will be elected to our board of directors if the votes cast “for” the nominee’s election exceed the votes cast “against” the nominee’s election. Abstentions and broker non-votes do not count as votes “for” or “against” and therefore have no effect on the outcome of the voting. If the shares you own are held in street name by a bank or brokerage firm, that bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. **If you do not instruct your bank or brokerage firm how to vote with respect to this proposal, your bank or brokerage firm will not vote with respect to this proposal.** If an uncontested incumbent director nominee receives a majority of votes “against” his election, the director must tender a resignation from our board. Our board of directors, acting through the Nominating and Corporate Governance Committee, will then decide whether to accept the resignation or other action should be taken. We will publicly disclose our board’s decision and its reasoning with regard to the tendered resignation.

Advisory Vote on the Compensation of our Named Executive Officers. The approval of the advisory vote on the compensation of our named executive officers requires the affirmative vote of the holders of a majority in voting power of shares present at the annual meeting, in person or by proxy, and entitled to vote on the proposal. Abstentions will have the same effect as votes against this proposal. **If you do not instruct your bank or brokerage firm how to vote with respect to this item, your bank or brokerage firm will not vote with respect to this proposal.** Such broker non-votes will have the same effect as votes against this proposal.

Advisory Vote on the Frequency of Future Executive Compensation Advisory Votes. The approval of one of the three frequency options under the advisory vote on the compensation of our named executive officers requires the affirmative vote of the holders of a majority in voting power of shares present at the annual meeting, in person or by proxy, and entitled to vote on the proposal. Abstentions will have the same effect as votes against each of the options under this proposal. **If you do not instruct your bank or brokerage firm how to vote with respect to this proposal, your bank or brokerage firm will not vote with respect to this proposal.** Such broker non-votes will have the same effect as votes against each of the options under this proposal. With respect to this proposal, if none of the frequency options (one year, two years or three years) receive a majority vote, we will consider the frequency that receives the highest number of votes by stockholders to be the frequency that has been recommended by stockholders. However, because this vote is advisory and not binding on us or our board in any way, our board may decide that it is in our and our stockholders’ best interests to hold an advisory vote on executive compensation more or less frequently than the alternative approved by our stockholders.

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Ratification of the appointment of our independent registered public accounting firm. Under our bylaws, the affirmative vote of a majority in total voting power of shares of stock present in person at the annual meeting or by proxy and entitled to vote on the proposal is needed to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017. If the shares you own are held in street name by a bank or brokerage firm, that bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. **If you do not provide instructions, the bank or brokerage firm may vote your shares or leave them unvoted resulting in a broker non-vote.** These broker non-votes will have no effect on the outcome of the voting. If you vote to “abstain” from voting, your shares will not be voted “for” or “against” the proposal, which has the same effect as a vote against the proposal.

- Q. Who will count the votes?** A. The votes will be counted, tabulated and certified by Broadridge Financial Solutions, Inc.
- Q. Will my vote be kept confidential?** A. Yes, your vote will be kept confidential and we will not disclose your vote, unless (1) we are required to do so by law (including in connection with the pursuit or defense of a legal or administrative action or proceeding), or (2) there is a contested election for the board of directors. The inspector of election will forward any written comments that you make on the proxy card to management without providing your name, unless you expressly request disclosure on your proxy card.
- Q. How does the board of directors recommend that I vote on the proposals?** A. Our board of directors recommends that you vote:
FOR the election of each of the seven nominees to serve on our board of directors, each for a one year term;
FOR the approval of the compensation of our named executive officers;
“ONE YEAR” as the frequency with which we will hold future advisory votes on executive compensation; and
FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017.
- Q. Will any other matters be voted on at this meeting?** A. We do not know of any other matters that may come before the meeting. If any other matters are properly presented at the meeting, the persons named on the accompanying proxy card intend to vote, or otherwise act, in accordance with their judgment on those matters. Our bylaws establish the process for a stockholder to bring a matter before a meeting. See the question ***“How and when may I submit a stockholder proposal, including a stockholder nomination for director, for the 2018 annual meeting?”*** below.
- Q. Where can I find the voting results?** A. We will report the voting results in a Form 8-K filed with the U.S. Securities and Exchange Commission, or SEC, within four business days after the end of our annual meeting.

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- Q. How and when may I submit a stockholder proposal, including a stockholder nomination for director, for the 2018 annual meeting?**
- A.** In accordance with the rules of the SEC, if you are interested in submitting a proposal to be included in the proxy statement for our 2018 annual meeting of stockholders, we must receive your proposal, addressed to Seth A. Tasker, Vice President, General Counsel and Secretary, Infinity Pharmaceuticals, Inc., 784 Memorial Drive, Cambridge, Massachusetts 02139, no later than December 20, 2017.
- In addition, our bylaws require that we be given advance written notice for nominations for election to our board of directors and other matters that stockholders wish to present for action at an annual meeting other than those to be included in our proxy statement. We must receive such proposals not later than the close of business on February 24, 2018, nor earlier than the close of business on January 25, 2018. If the date of our 2018 annual meeting of stockholders is before April 25, 2018 or after August 3, 2018, we must receive such proposals not earlier than the close of business on the 120th day prior to the 2018 annual meeting of stockholders nor later than the 10th day following the date of the first public announcement of such meeting. To submit a proposal, a stockholder must send a notice containing the supporting information set forth in our bylaws to Mr. Tasker at the address provided above.
- Q. Who will bear the costs of soliciting these proxies?**
- A.** We will bear the costs of solicitation of proxies. In addition to these proxy materials, our directors, officers and employees may solicit proxies by telephone, e-mail, facsimile and in person, without additional compensation. We will request brokers, custodians and fiduciaries to forward proxy soliciting material to the owners of shares of our common stock that they hold in their names. We will reimburse brokers, custodians and fiduciaries for their reasonable out-of-pocket expenses incurred in connection with the distribution of our proxy materials.
- Q. How can I obtain an Annual Report on Form 10-K?**
- A.** Our annual report on Form 10-K for the fiscal year ended December 31, 2016 is available on our website at www.infi.com. If you would like a copy of our annual report on Form 10-K, including the financial statements, or any of its exhibits, we will send you one without charge. Please contact Jaren Irene Madden in our investor relations department. She may be contacted at 784 Memorial Drive, Cambridge, Massachusetts 02139; telephone: (617) 453-1336; e-mail: irpr_info@infi.com.
- Q. Whom should I contact if I have any questions?**
- A.** If you have any questions about the annual meeting or your ownership of our common stock, please contact Jaren Irene Madden in our investor relations department. She may be contacted at 784 Memorial Drive, Cambridge, Massachusetts 02139; telephone: (617) 453-1336; e-mail: irpr_info@infi.com.

STOCKHOLDERS SHARING THE SAME ADDRESS

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to stockholders may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you if you write or call Jaren Irene Madden in our investor relations department. She may be contacted at 784 Memorial Drive, Cambridge, Massachusetts 02139; telephone: (617) 453-1336; e-mail: irpr_info@infi.com. If you want to receive separate copies of the proxy statement or annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and telephone number.

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STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table contains information regarding the beneficial ownership of our common stock as of April 7, 2017 by:

- stockholders we know to beneficially own more than 5% of our outstanding common stock;
- each of our current directors and nominees for director named in this proxy statement;
- each of our executive officers named in the Summary Compensation Table included in this proxy statement; and
- all of our current directors and executive officers as a group.

Name and Address of Beneficial Owner(1)	Number of Shares of Common Stock Owned	+	Common Stock Underlying Options, Warrants and Other Rights Acquirable Within 60 Days (2)	=	Total Beneficial Ownership (#)	Percentage of Common Stock Beneficially Owned (%) (3)
5% Stockholders						
Biotechnology Value Fund, L.P.(4)	7,860,808		—		7,860,808	15.58%
Wellington Management Group(5)	4,358,071		—		4,358,071	8.64%
The Vanguard Group(6)	3,680,641		—		3,680,641	7.30%
BlackRock, Inc.(7)	3,413,579		—		3,413,579	6.77%
Entities affiliated with Samuel D. Isaly (Orbimed Advisors LLC and Orbimed Capital LLC)(8)	3,250,300		—		3,250,300	6.44%
Directors						
Adelene Q. Perkins(9)	460,000		1,453,597		1,913,597	3.69%
José Baselga, M.D., Ph.D.	0		70,000		70,000	*
Jeffrey Berkowitz, J.D.	30,384		70,000		100,384	*
Anthony B. Evnin, Ph.D.	107,091		69,500		176,591	*
Michael Kauffman, M.D., Ph.D.	—		—		—	*
Norman C. Selby	10,000		124,000		134,000	*
Ian F. Smith	0		137,875		137,875	*
Michael C. Venuti, Ph.D.	50,000		128,500		178,500	*
Other Named Executive Officers						
Julian Adams, Ph.D. (10)	322,095		—		322,095	*
William Bertrand, J.D. (11)	12,348		—		12,348	*
Lawrence E. Bloch, M.D., J.D. (12)	47,933		360,616		408,549	*
Sujay Kango (13)	4,690		—		4,690	*
Seth A. Tasker, J.D. (14)	15,595		40,494		56,089	*
All directors and executive officers as a group (14 persons)	1,063,221		2,545,938		3,609,159	6.81%

* Represents holdings of less than 1%.

(1) Unless otherwise indicated, the address for each person is to the care of Infinity Pharmaceuticals, Inc., 784 Memorial Drive, Cambridge, Massachusetts 02139.

(2) The number of shares of our common stock owned by each person is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire by June 6, 2017, through the exercise of any stock option, warrant or other right.

(3) Percentage of beneficial ownership is based on 50,443,128 shares of our common stock outstanding as of April 7, 2017. In addition, shares of common stock subject to options or other rights currently exercisable, or exercisable within 60 days of April 7, 2017, are

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- deemed outstanding and beneficially owned for the purpose of computing the percentage beneficially owned by (i) the individual holding such options, warrants or other rights (but not any other individual) and (ii) the directors and executive officers as a group.
- (4) BVF Partners L.P. (Partners), BVF Inc., and Mark N. Lampert (Mr. Lampert), as director and officer of BVF Inc., claim beneficial ownership, shared voting and shared dispositive power of 7,860,808 shares, of which: Biotechnology Value Fund, L.P. (BVF), claims beneficial ownership, shared voting and shared dispositive power of 3,629,958 shares; Biotechnology Value Fund II, L.P. (BVFII), claims beneficial ownership, shared voting and shared dispositive power of 2,335,849 shares; Biotechnology Value Trading Fund OS LP (Trading Fund OS) and BVF Partners OS Ltd. (Partners OS) each claim beneficial ownership, shared voting and shared dispositive power of 698,623 shares. The address of the principal business office of Partners, BVF Inc., Mr. Lampert, BVF, and BVFII is 1 Sansome Street, 30th Floor, San Francisco, CA 94104. The address of the principal business office of Trading Fund OS and Partners OS is PO Box 309 Ugland House, Grand Cayman, KY1-1104, Cayman Islands. For information regarding Partners, BVF Inc., Mr. Lampert, BVF, BVFII, Trading Fund OS, and Partners OS, we have relied on the Schedule 13G/A filed jointly by Partners, BVF Inc., Mr. Lampert, BVF, BVFII, Trading Fund OS, and Partners OS on December 30, 2016.
 - (5) Wellington Management Group LLP, Wellington Group Holdings LLP, and Wellington Investment Advisors Holdings LLP each claim beneficial ownership and shared dispositive power of 4,358,071 shares, of which Wellington Management Company LLP claims beneficial ownership and shared dispositive power of 3,854,509 shares. Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP, and Wellington Management Company LLP each claim shared voting power of 3,691,319 shares. The address of the principal business offices is c/o Wellington Management Company LLP, 280 Congress Street, Boston, MA 02210. For information regarding Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP, and Wellington Management Company LLP we have relied on the Schedule 13G filed jointly by Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP, and Wellington Management Company LLP with the SEC on February 9, 2017.
 - (6) The Vanguard Group claims sole voting power of 86,623 shares, sole dispositive power of 3,595,988 shares and shared dispositive power of 84,653 shares. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355. For information regarding The Vanguard Group, we have relied on the Schedule 13G/A filed by The Vanguard Group with the SEC on January 10, 2017.
 - (7) BlackRock, Inc. claims sole voting power of 3,334,656 shares and sole dispositive power of 3,413,579 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055. For information regarding BlackRock, Inc., we have relied on the Schedule 13G/A filed by BlackRock, Inc. with the SEC on January 25, 2017.
 - (8) Samuel D. Isaly claims beneficial ownership, shared voting and shared dispositive power of 3,250,300 shares of which Orbimed Advisors LLC claims beneficial ownership and shared voting and shared dispositive power of 1,064,000 shares, and Orbimed Capital LLC claims beneficial ownership, shared voting and shared dispositive power of 2,186,300 shares. The address of the principal business offices of Samuel D. Isaly, Orbimed Advisors LLC and Orbimed Capital LLC is 601 Lexington Avenue, 54th Floor, New York, NY 10022. For information regarding Samuel D. Isaly, Orbimed Capital LLC and Orbimed Advisors LLC we have relied on the Schedule 13G/A filed jointly by Samuel D. Isaly, Orbimed Advisors LLC and Orbimed Capital LLC with the SEC on February 13, 2017.
 - (9) Includes 10,780 shares of common stock held in Ms. Perkins' 401(k) Plan account.
 - (10) Dr. Adams ceased to be an executive officer on January 6, 2017. Includes 262,945 shares held by a trust for which Dr. Adams serves as trustee and has voting and investment power.
 - (11) Mr. Bertrand ceased to be an executive officer on September 2, 2016. Includes 3,041 shares of common stock held in Mr. Bertrand's 401(k) Plan account.
 - (12) Includes 6,028 shares of common stock held in Dr. Bloch's 401(k) Plan account.
 - (13) Mr. Kango ceased to be an executive officer on January 6, 2017. Includes 4,091 shares of common stock held in Mr. Kango's 401(k) Plan account.
 - (14) Includes 6,678 shares of common stock held in Mr. Tasker's 401(k) Plan account.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, or Exchange Act, requires our directors, officers and holders of more than 10% of our common stock to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other of our equity securities. Based solely on our review of copies of Section 16(a) reports furnished to us and representations made to us, we believe that during the year ended December 31, 2016, our officers, directors and holders of more than 10% of our common stock complied with all Section 16(a) filing requirements.

PROPOSAL 1—ELECTION OF DIRECTORS

All of our directors stand for election annually. Gwen Fyfe, M.D., retired from the board on June 17, 2016, Eric Lander, Ph.D., retired from the board on November 1, 2016, and Michael Kauffman, M.D., Ph.D., was appointed to the board on April 5, 2017, at which time the board of directors set the number of directors at eight. However, this number will be reduced to seven at our 2017 annual meeting of stockholders following the retirement of José Baselga, M.D., Ph.D., from our board effective May 25, 2017. Unless you indicate otherwise on your proxy, the persons named in the accompanying proxy will vote to elect Messrs. Berkowitz, Selby and Smith; Drs. Eynin, Kauffman, and Venuti; and Ms. Perkins as directors to serve until our 2018 annual meeting of stockholders and until his or her successor is duly elected and qualified. Each of the nominees is currently a member of our board of directors, and each has indicated his or her willingness to serve if elected. If any nominee should be unable to serve, however, the shares of common stock represented by proxies may be voted for a substitute nominee designated by the board of directors. Assuming all nominees are elected, our board of directors will consist of seven members immediately following our 2018 annual meeting. In accordance with our bylaws, any vacancy on our board of directors can be filled by the majority vote of the members of our board of directors.

Director Qualifications

The following paragraphs provide information as of the date of this proxy statement about each nominee for director. The information presented includes information each nominee has given us about his or her age, all positions he or she holds, his or her principal occupation and business experience for the past five years, and the names of other publicly-held companies of which he or she currently serves as a director or has served as a director during the past five years. In addition to the information presented below regarding each nominee's specific experience, qualifications, attributes and skills that led our board to the conclusion that he or she should serve as a director, we also believe that each of our director nominees has a reputation for integrity, honesty and adherence to high ethical standards. Each has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our company and our board. Finally, we value their significant experience on other public company boards of directors and board committees.

Information about the number of shares of common stock beneficially owned by each of the nominees for director appears above under the heading "*Stock Ownership of Certain Beneficial Owners and Management.*" There are no family relationships between or among any of our officers, directors or nominees for director.

All registered trademarks used in the biographical information below are the property of their respective owners.

Jeffrey Berkowitz, J.D., age 51, has served as a member of our board of directors since March 6, 2014. Since January 2016, Mr. Berkowitz has served as Executive Vice President of Optum, Inc., a health services platform business of UnitedHealth Group, Inc., a publicly traded healthcare company. From January 2015 to August 2015, Mr. Berkowitz served as Executive Vice President of Walgreens Boots Alliance, Inc., a global pharmacy-led, health and wellbeing enterprise, and President of Pharma and Global Market Access. From

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September 2010 through December 2014, Mr. Berkowitz served as President of Walgreens Boots Alliance Development, GmbH, a strategic partnership between Walgreens Co. and Alliance Boots, and Senior Vice President of Pharmaceutical Development and Market Access of Walgreen Co., a publicly traded retail drug store. Mr. Berkowitz and his team led all of Walgreens' relations with branded and generic pharmaceutical manufacturers and related development programs worldwide, and also oversaw Walgreens North American-based purchasing and branded pharmaceutical relationships. Prior to joining Walgreens, Mr. Berkowitz was Senior Vice President of global market access for Merck & Company, Inc., a publicly traded pharmaceutical company, from 2009 to 2010. In that role, he was accountable for all activity related to access, pricing, payor marketing, health outcomes and health technology assessments worldwide and a member of the Global Human Health and Emerging Markets leadership teams. From 2002 to 2009, Mr. Berkowitz held a variety of positions with increasing responsibility in market access, sales and marketing with Schering-Plough, a publicly traded pharmaceutical company, prior to its acquisition by Merck in 2009. Mr. Berkowitz has served on the board of directors for ZappRx, a privately held specialty drug fulfillment company, since August 2016, and previously served on the board of directors for Physicians Interactive, a privately held marketing organization, from 2010 to July 2013. Mr. Berkowitz earned his B.A. in political science from Union College in Schenectady, N.Y., and his J.D. from Brooklyn Law School in Brooklyn, N.Y. He was recognized in PharmaVoice magazine as one of the 100 Most Inspiring Leaders in the Life Sciences in 2009, 2010 and 2012. We believe Mr. Berkowitz's qualifications to serve on our board of directors include his substantial experience in pharmaceutical development and commercialization, and global market access.

Anthony B. Evnin, Ph.D., age 76, has served as a member of our board of directors since September 2006 and a member of the board of directors of Infinity Discovery, Inc., from June 2001 until the time of its merger with our predecessor company in September 2006. Since 1975, Dr. Evnin has served as a Partner of Venrock, a venture capital firm. Dr. Evnin serves as a member of the board of directors of AVEO Pharmaceuticals, Inc., and Juno Therapeutics, Inc., both publicly traded biopharmaceutical companies; Cantel Medical Corporation, a publicly traded medical equipment company; Constellation Pharmaceuticals, Inc., a privately held biopharmaceutical company; and Bridge Medicines LLC, a privately held drug discovery company. Dr. Evnin is also a Trustee Emeritus of The Rockefeller University, a Trustee of The Jackson Laboratory, a Trustee Emeritus of Princeton University, a member of the Boards of Overseers and Managers of Memorial Sloan Kettering Cancer Center, a member of the board of directors of the New York Genome Center, and a member of the Board of Directors of the Albert and Mary Lasker Foundation. He previously served as a member of the board of directors of the following publicly traded biopharmaceuticals companies during the last five years: Acceleron Pharma, Inc., Celladon Corporation, CymaBay Therapeutics, Inc., Icagen, Inc., and Phamos Corporation. Dr. Evnin received an A.B. in Chemistry from Princeton University and a Ph.D. in Chemistry from the Massachusetts Institute of Technology, or MIT. We believe Dr. Evnin's qualifications to serve on our board of directors include his substantial experience as an investor in, and director of, numerous biopharmaceutical companies as well as his expertise in corporate strategy.

Michael G. Kauffman, M.D., Ph.D., age 53, has served as a member of our board of directors since April 2017. Dr. Kauffman co-founded Karyopharm Therapeutics, a publicly traded pharmaceutical company, in 2008 and has served as its Chief Executive Officer and acting Chief Medical Officer since January 2011. Dr. Kauffman was Chief Medical Officer at Onyx Pharmaceuticals Inc., a publicly traded biopharmaceutical company, from November 2009 to December 2010, and was Chief Medical Officer at Proteolix Inc. from November 2008 to November 2009 when it was acquired by Onyx. At Proteolix, he led the development of Kyprolis® (carfilzomib), a novel proteasome inhibitor approved in refractory myeloma by the FDA in July 2012. Dr. Kauffman was an operating partner at Bessemer Venture Partners from 2006 to 2008, where he led investments in biotechnology companies. From 2006 to 2008, he was President and Chief Executive Officer of Epix Pharmaceuticals, Inc., a biopharmaceutical company that underwent liquidation proceedings through an assignment for the benefit of creditors under Massachusetts law in 2009. Dr. Kauffman was President and Chief Executive Officer of Predix Pharmaceuticals, Inc., a private biopharmaceutical company focused on G protein-coupled receptors (GPCR), from 2002 until its merger into Epix Pharmaceuticals in 2006. In that role, he led the merger of Predix Pharmaceuticals and Epix Pharmaceuticals, oversaw the discovery and development of four

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new clinical candidates and led collaboration transactions with Amgen and GlaxoSmithKline. From March 2000 to September 2002, Dr. Kauffman was Vice President, Clinical, at Millennium Pharmaceuticals, Inc., a biopharmaceutical company, where he led the VELCADE® development program. From September 1997 to March 2000, Dr. Kauffman held a number of senior positions at Millennium Predictive Medicine, Inc., a biopharmaceutical company and a subsidiary of Millennium Pharmaceuticals, where he led the discovery and development of novel molecular diagnostics for major cancers, including melanoma, and led transactions with Becton-Dickenson and Bristol Myers Squibb. From August 1995 to September 1997, Dr. Kauffman held a number of senior positions at Biogen Idec, Inc., a biopharmaceutical company, where he led the clinical development of anti-CD40L antibodies in autoimmune and inflammatory diseases, and acted as the main medical advisor to the Biogen business development group. Dr. Kauffman currently serves on the board of directors of Kayropharm, Verastem, Inc., a publicly traded biopharmaceutical company, Excision Biotherapeutics, a privately held biotechnology company, and Kezar Life Sciences, a privately held biotechnology company. Dr. Kauffman previously served on the board of directors of the following companies during the last five years: Zalicus, a privately held biotechnology company, and Metamark Genetics, a privately held molecular diagnostic company. Dr. Kauffman received his B.A. in Biochemistry from Amherst College and his M.D. and Ph.D. from Johns Hopkins Medical School. Currently board certified in internal medicine, he trained in internal medicine and rheumatology at Beth Israel Deaconess Medical Center and Massachusetts General Hospitals. We believe Dr. Kauffman's qualifications to serve on our board of directors include his extensive experience as executive officer and director of multiple biopharmaceutical companies as well as his experience as an investor in the industry.

Adelene Q. Perkins, age 57, has served as a member of our board of directors since January 2010, including as Chair of our board of directors since November 2012, and as our Chief Executive Officer since January 2010. She has also served as our President and Chief Executive Officer from January 2010 to January 2017, as our President and Chief Business Officer from October 2008 through December 2009 and as our Executive Vice President and Chief Business Officer between September 2006 and October 2008. Ms. Perkins served as Executive Vice President of Infinity Discovery, Inc., from February 2006 until the merger with our predecessor company in September 2006 and Chief Business Officer of Infinity Discovery from June 2002 until September 2006. Ms. Perkins served as Vice President of Business and Corporate Development of TransForm Pharmaceuticals, Inc., a privately held specialty pharmaceutical company, from 2000 to 2002. From 1992 to 1999, Ms. Perkins held various positions at Genetics Institute, most recently serving as Vice President of Emerging Business and General Manager of the DiscoverEase® business unit, and from 1985 to 1992 held a variety of positions at Bain & Company, a strategy consulting firm. Ms. Perkins currently serves as a director of Project Hope, a not-for-profit social service company, BIO and the Massachusetts Biotechnology Council, both biotechnology industry organizations. She previously served as a director for Padlock Therapeutics, a privately held biopharmaceutical company, from October 2015 to April 2016, and for the Massachusetts Life Sciences Center, a quasi-public agency of the Commonwealth of Massachusetts, from July 2014 to July 2016. Ms. Perkins received a B.S. in Chemical Engineering from Villanova University and an M.B.A. from Harvard Business School, or HBS. We believe Ms. Perkins' qualifications to serve on our board of directors include her extensive experience as a senior business executive in the biopharmaceutical industry, including as our President and Chief Executive Officer, and her expertise in corporate strategy and business operations.

Norman C. Selby, age 65, has served as a member of our board of directors since March 2012. Mr. Selby has served as executive chairman of Real Endpoints, LLC, a healthcare information company, since October 2010. Prior to his role at Real Endpoints, Mr. Selby served as a Senior Advisor of Perseus, L.L.C., a private equity firm, from August 2005 to October 2010, and as President and CEO of TransForm Pharmaceuticals, Inc., a privately held specialty pharmaceutical company, from 2001 until it was acquired by Johnson & Johnson in April 2005. Prior to TransForm Pharmaceuticals, Mr. Selby was an Executive Vice President at Citigroup/Citicorp from 1997 to 2000. Mr. Selby spent the bulk of his career, from 1978 to 1997, at McKinsey & Company where he was Director (Senior Partner) in the firm's New York office. He held several leadership roles at McKinsey, including head of the firm's Global Pharmaceuticals and Medical Products Practice. From 1987 to 1989, Mr. Selby took a leave of absence from McKinsey to serve as Chief Operating Officer of the New York

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Blood Center, the largest community blood organization in the country, where he led its financial and operational turnaround. Mr. Selby is currently a member of the board of directors of the following privately held companies: Real Endpoints, LLC, a healthcare information company; Merz GmbH, a specialty pharmaceutical company; and Oppilan Pharma Ltd., a biotechnology company. Mr. Selby previously served as a director of: Metamark Genetics, a privately held life science diagnostic company; the KEW Group, Inc., a diagnostics company; Physicians Interactive Holdings, Inc., a provider of online and mobile clinical resources and solutions; Ascenta Therapeutics, Inc., a privately held biopharmaceutical company; Nanobio, Inc., a privately held biopharmaceutical company; Millennium Pharmaceuticals, Inc., a publicly traded biopharmaceutical company, from May 2000 until it was acquired by Takeda Pharmaceutical Company Limited in May 2008; and Windhover Information, a publishing and information company in the pharmaceutical, biotechnology, and medical device industries, from May 2004 until it was sold to Reed Elsevier in March 2008. Mr. Selby serves on the Board of Trustees of the Central Park Conservancy and the Memorial Sloan Kettering Cancer Center, both based in New York City. He is also a member of the advisory board of HBS's Healthcare Initiative and a board member of the National Parks Conservation Association in Washington D.C. Mr. Selby holds a B.A. in Architecture from Yale College and an M.B.A. with Distinction from the HBS. We believe Mr. Selby's qualifications to serve on our board of directors include his extensive experience as a senior business executive in the biopharmaceutical industry, and his expertise in corporate strategy, finance, and commercialization of biopharmaceutical products.

Ian F. Smith, age 51, has served as a member of our board of directors since May 2008. Mr. Smith is Executive Vice President, Chief Operating Officer, and Chief Financial Officer of Vertex Pharmaceuticals, Inc., a publicly traded biopharmaceutical company, a position he has held since January 2017. From January 2006 to January 2017, he was Vertex's Executive Vice President and Chief Financial Officer, from November 2003 to February 2006, he was Senior Vice President and Chief Financial Officer, and from October 2001 to November 2003, he served as Vertex's Vice President and Chief Financial Officer. Prior to joining Vertex, Mr. Smith served as a partner in the Life Science and Technology Practice Group of Ernst & Young LLP, an accounting firm, from 1999 to 2001. Mr. Smith initially joined Ernst & Young's U.K. firm in 1987, and then joined its Boston office in 1995. Mr. Smith currently is a member of the board of directors of Acorda Therapeutics, Inc., and Ophthotech Corporation, both publicly traded biopharmaceutical companies. He also previously served as a director of Epix Pharmaceuticals, Inc., a publicly traded biopharmaceutical company and Tolorex Inc., a privately held biopharmaceutical company. Mr. Smith holds a B.A. in accounting and finance from Manchester Metropolitan University, U.K.; is a member of the American Institute of Certified Public Accountants; and is a Chartered Accountant of England and Wales. We believe Mr. Smith's qualifications to serve on our board of directors include his experience as the chief financial officer of a publicly traded biopharmaceutical company as well as his expertise in accounting and corporate finance.

Michael C. Venuti, Ph.D., age 63, has served as a member of our board of directors and the board of directors of our predecessor company since May 2003. Dr. Venuti served as the Chief Scientific Officer of NeuroTherapeutics Pharma, Inc., a privately held biopharmaceutical company from July 2011 to March 2013. Prior to NeuroTherapeutics, Dr. Venuti served as President, Chief Executive Officer and a director of iPierian, Inc., a privately held biopharmaceutical company, between July 2010 and April 2011 after joining iPierian as President and Chief Scientific Officer in February 2010. Dr. Venuti was Chief Executive Officer and Director of BioSeek, Inc., a privately held drug discovery company, from November 2007 to February 2010. Prior to that, Dr. Venuti was an Operating Manager at TPG Growth Biotech Ventures, a private equity firm, from January through June 2007. Dr. Venuti served as the Acting Chief Executive Officer of our predecessor company prior to its merger with Infinity Discovery Inc. in September 2006, and as its Chief Scientific Officer from April 2005 through September 2006. Prior to that, he was Senior Vice President of Pharmacogenomics, and was named Senior Vice President of Research and General Manager of Celera South San Francisco when the Celera Genomics Group of Applera Corporation, a life sciences company, acquired Axys Pharmaceuticals, Inc. in 2001. From 1994 through 2001, Dr. Venuti was Director of Medicinal Chemistry, and then Chief Technical Officer, for Axys Pharmaceuticals and its predecessor company, Arris Pharmaceutical Corporation. Dr. Venuti served as a director of BioSeek and iPierian during the last five years. Dr. Venuti received an A.B. in Chemistry from Dartmouth College and a Ph.D. in Organic Chemistry from MIT. We believe Dr. Venuti's qualifications to serve

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on our board of directors include his experience and scientific expertise in running research and development operations to drive strategic and business development goals at biotechnology and larger life sciences companies.

*Our board of directors recommends that you vote **FOR** the election of each of the director nominees named above.*

CORPORATE GOVERNANCE

General

We believe that good corporate governance is important to ensure that our company is managed for the long-term benefit of our stockholders. We periodically review our corporate governance policies and practices and compare them to those suggested by various authorities in corporate governance and the practices of other public companies. As a result, we have adopted policies and procedures that we believe are in the best interests of Infinity and our stockholders.

Corporate Governance Guidelines; Code of Conduct and Ethics

Our Corporate Governance Guidelines assist our board of directors in the exercise of its duties and responsibilities and to serve the best interests of Infinity and our stockholders. These guidelines, which provide a framework for the conduct of our board's business, provide that:

- the principal responsibility of the directors is to oversee our management;
- a majority of the members of the board shall be independent directors, unless otherwise permitted by NASDAQ rules;
- the independent directors meet at least twice a year and at other times at the request of any independent director;
- directors have full and free access to management and, as necessary and appropriate, independent advisors;
- new directors participate in an orientation program; and
- at least annually, the Nominating and Corporate Governance Committee oversees a self-evaluation by the board and its committees to assess the effectiveness of the board and its committees.

In addition, our Corporate Governance Guidelines set forth our policy that directors should attend annual stockholder meetings. All of our then-serving directors attended our 2016 annual meeting of stockholders.

We have also adopted a written Code of Conduct and Ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer, or persons performing similar functions. In addition to our having posted a copy of the code on our website, we intend to post on our website all disclosures that are required by law or the NASDAQ Stock Market listing standards concerning any amendments to, or waivers of, our code.

Determination of Independence

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

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who will serve on a company's compensation committee, Rule 10C-1 under the Exchange Act requires that a company's board of directors 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, but not limited to: (i) the source of compensation of the director, including any consulting, advisory or other compensatory fee paid by such company to the director; and (ii) whether the director is affiliated with the company or any of its subsidiaries or affiliates.

Based on information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that none of Messrs. Berkowitz, Selby or Smith, or Drs. Evnin, Kauffman, or Venuti has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is or would be an "independent director" as defined under Rule 5605(a)(2) of the NASDAQ Marketplace Rules. Our board of directors has also determined (i) that Messrs. Smith and Selby and Dr. Evnin, who comprise our Audit Committee, each satisfy the independence standards for the Audit Committee established by the SEC and the NASDAQ Marketplace Rules; (ii) Dr. Venuti and Messrs. Selby and Berkowitz, who comprise our Compensation Committee, each satisfy the independence standards for the Compensation Committee established by the SEC and the NASDAQ Marketplace Rules; and (iii) Drs. Evnin and Kauffman, who comprise our Nominating and Corporate Governance Committee, each satisfy the independence standards for the Nominating and Corporate Governance Committee established by the SEC and the NASDAQ Marketplace Rules. In making such determinations, our board of directors considered the relationships that each such non-employee director has with Infinity, including each of the transactions described below in "Transactions with Related Persons," and all other facts and circumstances our board of directors deemed relevant in determining independence.

Director Candidates: Criteria and Diversity

In considering whether to recommend to our board of directors any particular candidate for inclusion in the board's slate of recommended director nominees, including candidates recommended by stockholders, the Nominating and Corporate Governance Committee of our board applies the criteria set forth in our Corporate Governance Guidelines. These criteria include the candidate's integrity, business acumen, knowledge of our business and industry, experience, diligence, conflicts of interest and the ability to act in the interests of all stockholders. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria, and no particular criterion is a prerequisite for each nominee. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the board to fulfill its responsibilities. While we do not have a formal policy with respect to diversity, the value of diversity on the board of directors is considered by the Nominating and Corporate Governance Committee, and director nominees are not discriminated against on the basis of race, gender, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

The process followed by the Nominating and Corporate Governance Committee to identify and evaluate candidates includes requests to independent directors 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 board.

Stockholders may recommend individuals to the Nominating and Corporate Governance Committee for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date such recommendation is made, to the Nominating and Corporate Governance Committee, c/o Seth A. Tasker, Company Secretary, Infinity Pharmaceuticals, Inc., 784 Memorial Drive, Cambridge, Massachusetts 02139. Assuming that appropriate biographical and background material is provided for candidates

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recommended by stockholders, the Nominating and Corporate Governance Committee will evaluate those candidates by following substantially the same process, and applying substantially the same criteria, as for candidates submitted by others.

Our stockholders also have the right to nominate director candidates themselves, without any prior review or recommendation by the Nominating and Corporate Governance Committee, by following the procedures set forth in response to the question “*How and when may I submit a stockholder proposal, including a stockholder nomination for director, for the 2018 annual meeting?*” above.

Communications from Stockholders

Our board of directors will give appropriate attention to written communications that are submitted by stockholders and other interested parties and will respond if and as appropriate. Mr. Selby, as our current Lead Independent Director, is primarily responsible for monitoring communications from stockholders and for providing copies or summaries to the other directors as he considers appropriate.

Communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the Lead Independent Director considers to be important for the directors to know. In general, communications relating to corporate governance and corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances, and matters as to which we tend to receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to the board of directors should address such communications to Board of Directors, c/o Seth A. Tasker, Company Secretary, Infinity Pharmaceuticals, Inc., 784 Memorial Drive, Cambridge, MA 02139, or by email to contactboard@infi.com.

Board and Committee Meetings

Our board of directors has responsibility for reviewing our overall performance rather than for overseeing day-to-day operations. The board’s primary responsibility is to oversee the management of our company and, in so doing, serve the best interests of our company and its stockholders. The board selects, evaluates and provides for the succession of executive officers and, subject to oversight by the Nominating and Corporate Governance Committee, the board nominates for election at annual stockholder meetings individuals to serve on our board of directors and elects individuals to fill any vacancies on the board. The board reviews corporate objectives and strategies, and evaluates and approves significant policies and proposed major commitments of corporate resources and material proposed transactions. It participates in decisions that have a potential major economic impact on our company. Management keeps the directors informed of our activities through regular written reports and presentations at board and committee meetings.

Our board of directors met ten times during our 2016 fiscal year, including by telephone conference. During that year, each of our directors attended 75% or more of the total number of meetings of the board of directors and the committees on which he or she served except for Dr. Lander, who retired from our board in 2016. Dr. Lander attended 73% of the meetings of the board of directors and the committees on which he served.

Our board has standing Audit, Compensation, Nominating and Corporate Governance, and Research and Development Committees. Each committee has a charter that has been approved by the board. Each committee must review the appropriateness of its charter and perform a self-evaluation at least annually. All members of the

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Audit, Compensation, Research and Development, and Nominating and Corporate Governance Committees are independent, non-employee directors. Current committee memberships are shown in the table below:

	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Research and Development Committee
José Baselga, M.D., Ph.D.				
Jeffrey Berkowitz				
Anthony B. Evnin, Ph.D.			 	
Michael Kauffman, M.D., Ph.D.				
Adelene Q. Perkins ★				
Norman C. Selby †				
Ian F. Smith				
Michael C. Venuti, Ph.D.				

† Lead Independent Director

★ Chair of the Board

 Committee Chair

 Committee Member

Board Leadership Structure

Our Corporate Governance Guidelines provide the board with flexibility to determine the appropriate leadership structure for the board and the Company, including but not limited to whether it is appropriate to separate the roles of Chair of the board and Chief Executive Officer. In making these determinations, the board considers numerous factors, including the specific needs and strategic direction of the Company and the size and membership of the board at the time. The board believes that combining the roles of Chief Executive Officer and Chair of our board of directors is in the best interests of the Company and stockholders. As our Chief Executive Officer and Chair of the board, Ms. Perkins is responsible for setting the strategic direction for our company and for day-to-day leadership and performance of our company, as well as setting the agenda for board meetings, and presiding over meetings of the full board. Because Ms. Perkins is an employee and is therefore not “independent,” our board of directors has appointed Mr. Selby as Lead Independent Director to preside at all executive sessions of the board. The Nominating and Corporate Governance Committee evaluates our board leadership structure from time to time and may recommend alterations of this structure in the future.

Audit Committee

The Audit Committee provides the opportunity for direct contact between our independent registered public accounting firm and the board, and has the following principal duties:

- appointing, approving the services provided by and the compensation of, and assessing the independence of our independent registered public accounting firm;
- overseeing the work of our independent registered public accounting firm, including through the receipt and consideration of certain reports from the firm;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures, and code of business conduct and ethics;
- overseeing our internal control function;
- discussing our risk management policies;

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- establishing policies regarding hiring employees from the independent registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our internal control staff, independent registered public accounting firm and management; and
- preparing the Audit Committee report required by SEC rules (which is included beginning on page 21 of this proxy statement).

The Audit Committee is authorized to retain advisors and consultants and to compensate them for their services. The Audit Committee charter is available on our website, www.infi.com.

The current members of the Audit Committee are Messrs. Smith (Chair) and Selby and Dr. Evnin. Our board of directors has determined that Mr. Smith is an "Audit Committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K, and that each of these members is independent as such term is defined under the applicable rules of the NASDAQ Stock Market and as is contemplated by Rule 10A-3 under the Exchange Act. The Audit Committee held four meetings during our 2016 fiscal year. See "Audit Committee Report" below.

Compensation Committee

Our Compensation Committee, among other things, provides recommendations to the board regarding our compensation programs, and has the following principal duties:

- reviewing and approving, or making recommendations to the board with respect to, the compensation of our Chief Executive Officer and our other executive officers;
- overseeing an evaluation of our executive officers;
- overseeing and administering our incentive compensation and equity-based plans;
- reviewing and making recommendations to the board with respect to director compensation;
- reviewing, discussing with management, and recommending to the board the Compensation Discussion and Analysis required by SEC rules (which is included beginning on page 26 of this proxy statement); and
- preparing the Compensation Committee report required by SEC rules (which is included on page 44 of this proxy statement).

The Compensation Committee is authorized to retain advisors and consultants, including advisors and consultants to assist in the evaluation of executive compensation, and to compensate them for their services. Our Compensation Committee has directly engaged Radford, an Aon Hewitt company, or Radford, as compensation consultant to provide the Compensation Committee with peer group and market information to enable the Compensation Committee to confirm that our executive compensation is competitive and commensurate with the executive officers' responsibilities and to provide advice on market trends in executive compensation practices. Radford also provides other services to us including a subscription to an annual compensation survey as well as general advice and analysis related to our non-executive compensation programs. Management considered all of the "independence" factors listed Rule 10c-1(b)(4) of the Exchange Act and determined that Radford does not have a conflict of interest that will influence the advice provided by Radford to the company regarding executive compensation. These factors include the following: the fact that the fees paid by the Company to Radford in fiscal year 2016 totaled less than \$120,000; the existence and effectiveness of Radford's consulting protocols and procedures; the lack of business or personal relationships between Radford and the Compensation Committee members and our executive officers; and the fact that Radford does not own any of our stock.

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Our board has delegated authority to Ms. Perkins to grant stock options to employees of the Company under the 2010 Stock Incentive Plan subject to the following conditions: (i) such options shall be on the terms set forth in the Company’s standard form of stock option agreement (or such other form as the Compensation Committee may designate from time to time for this purpose); (ii) any such options shall, to the maximum extent permitted by applicable federal tax laws, be granted as incentive stock options; (iii) the exercise price of such options shall be equal to the closing price of the Company’s common stock on the date of grant; and (iv) she is not authorized (a) to grant options to herself, or to any other executive officer of the Company, or to any person that the board or the Compensation Committee may from time to time designate in writing; (b) to grant in the aggregate options with respect to more than 250,000 shares of common stock in any calendar quarter; or (c) to grant to any person, in any one calendar year, options with respect to more than 50,000 shares of common stock. Ms. Perkins shall maintain a list of the options granted pursuant to this delegated authority and shall report to the Compensation Committee regarding the options granted, at such times and in such form as the Compensation Committee may from time to time request.

The Compensation Committee charter is available on our website, www.infi.com. See “Compensation of Executive Officers—Compensation Discussion and Analysis” below for additional information concerning the Compensation Committee’s role, processes and procedures in determining executive compensation. The current members of the Compensation Committee are Messrs. Selby (Chair) and Berkowitz and Dr. Venuti. Our board has determined that each of these members is independent as defined under the applicable NASDAQ rules and as contemplated by applicable Exchange Act rules. The Compensation Committee held ten meetings during our 2016 fiscal year. See “Compensation of Executive Officers—Compensation Committee Report” below.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, among other things, provides recommendations to the board regarding the nomination of directors, and has the following principal duties:

- recommending to the board the persons to be nominated for election as directors at any meeting of stockholders and the persons, if any, to be elected by the board to fill any vacancies on the board;
- developing and recommending corporate governance principles to the board; and
- overseeing the annual evaluation of the board and its committees.

The Nominating and Corporate Governance Committee is authorized to retain advisors and consultants and to compensate them for their services. The Nominating and Corporate Governance Committee has a charter, which is available on our website, www.infi.com.

The current Nominating and Corporate Governance Committee is composed of Drs. Evnin (Chair) and Kauffman, who our board of directors has determined to be independent as defined under the applicable NASDAQ rules. The Nominating and Corporate Governance Committee held one meeting during our 2016 fiscal year.

Board’s Role in Risk Oversight

Our board of directors’ role in our risk oversight process includes receiving regular reports from members of management on areas of material risk, including operational, financial, legal and regulatory, and strategic and reputational risks. The full board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate “risk owner” within our company to enable it to understand our risk identification, management and mitigation strategies. When a committee receives such a report, the chair of the relevant committee summarizes such report for the full board during the next board meeting. This process enables the board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. As part of its charter, the Audit Committee is responsible for discussing our policies with respect to risk assessment and risk management.

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Risk Considerations in our Compensation Program

We and the Compensation Committee have reviewed the compensation policies and practices for all of our employees (whom we call citizen-owners) and have concluded that any risks arising from our compensation policies and programs are not reasonably likely to have a material adverse effect on our company or business. In reaching this conclusion, we and the Compensation Committee considered various factors, including the following:

- the establishment of base salaries consistent with our executive officers' responsibilities and market comparables to ensure that our executive officers would not be motivated to take excessive risks to achieve a reasonable level of financial security;
- the mix between fixed and variable, annual and long-term, and cash and equity compensation, which is intended to encourage strategies and actions that are in our company's long-term best interests;
- vesting periods for equity compensation awards that reward sustained stock price appreciation;
- the evaluation of company performance (which drives the amount of cash and number of shares available for grant under our contingent cash compensation and annual merit stock option programs, respectively) based on a variety of long- and short-term objectives with the weighting spread across multiple objectives, thus diversifying the risk associated with any single indicator of performance; and
- the discretion available to our Compensation Committee not to apply fixed formulae in assessing our company performance, thus enabling the Compensation Committee to, among other things, (a) eliminate the potential incentive for management to conduct activities that are in the company's annual goals, but which may not, due to new data or other inputs, ultimately prove to be in the best interest of stockholders, and (b) reward management for making decisions that are in the long-term best interest of our product development programs, even when those decisions result in the failure to meet short-term objectives.

Availability of Corporate Governance Materials

You can access the current charters for the Audit, Compensation, Nominating and Corporate Governance, and Research and Development Committees of our board of directors, our Corporate Governance Guidelines, and our Code of Conduct and Ethics at www.infi.com or by contacting Jaren Irene Madden in our investor relations department. She may be reached at 784 Memorial Drive, Cambridge, Massachusetts 02139; telephone: (617) 453-1336; e-mail: irpr_info@infi.com.

Audit Committee Report

The Audit Committee has reviewed our audited financial statements for the fiscal year ended December 31, 2016 and has discussed these financial statements with our management and Ernst & Young LLP, our independent registered public accounting firm.

The Audit Committee has also received from, and discussed with, Ernst & Young LLP various communications that our independent registered public accounting firm is required to provide to the Audit Committee, including the matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") Auditing Standard No. 1301, *Communications with Audit Committee*.

The Audit Committee has received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the PCAOB regarding an independent accountant's communications with the audit committee concerning independence, and has discussed with Ernst & Young LLP its independence from Infinity.

Based on its discussions with management and the independent registered public accounting firm and its review of the representations and information provided by management and the independent registered public

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accounting firm, the Audit Committee recommended to our board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2016.

By the Audit Committee of the Board of Directors,

Ian F. Smith (Chair)
Anthony B. Evnin, Ph.D.
Norman C. Selby

Audit Fees

The following table summarizes the fees of Ernst & Young LLP billed to us for each of the last two fiscal years:

Fee Category	Fiscal Year ended December 31,	
	2016	2015
Audit Fees(1)	\$ 986,985	\$ 640,060
Audit-Related Fees(2)	45,000	—
Other Fees(3)	1,995	740
Tax Fees(4)	125,396	82,787
Total Fees	\$ 1,159,376	\$ 723,587

- (1) Consists of fees for professional services provided in connection with the audit of our financial statements and the effectiveness of our internal control over financial reporting, the review of the interim financial statements included in our quarterly reports on Form 10-Q, preparation of comfort letters and registration statements, accounting and consultation on matters addressed during the audit or interim reviews, including consultation regarding licensing activities, and other professional services provided.
- (2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit and the review of our financial statements and which are not reported under "Audit Fees."
- (3) Other fees consist of fees for a subscription to an online database managed by Ernst & Young LLP.
- (4) Tax fees consist of fees for tax compliance, tax advice and tax planning services. These services primarily relate to preparation of state and federal tax returns, analysis related to state and federal tax incentive awards and section 382 of the Internal Revenue Code of 1986, as amended, and compliance services related to foreign value added tax.

Pre-Approval Policies and Procedures

The 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 generally 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 the Audit Committee or the engagement is entered into pursuant to the pre-approval procedures described below.

From time to time, the 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.

The Audit Committee has delegated authority to the Chair of the Audit Committee to pre-approve any audit or non-audit service to be provided to us by our independent registered public accounting firm. Any approval of services by the Chair of the Audit Committee pursuant to this delegated authority must be reported on at the next meeting of the Audit Committee.

During our 2016 fiscal year, no services were provided to us by Ernst & Young LLP or any other accounting firm other than in accordance with the pre-approval policies and procedures described above.

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Director Compensation

No director who is an employee of our Company receives compensation for his or her service as a director.

The following table details the total compensation earned by our non-employee directors during our 2016 fiscal year:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Total (\$)
José Baselga, M.D., Ph.D.(3)	47,500	—	20,936	68,436
Jeffrey Berkowitz, J.D.(4)	7,501	39,999	20,936	68,436
Anthony B. Evnin, Ph.D.(5)	40,001	19,999	23,030	83,030
Gwen A. Fyfe, M.D.	—	—	—	—
Eric S. Lander, Ph.D. (6)	45,001	9,999	20,936	75,936
Norman C. Selby(7)	90,000	—	33,498	123,498
Ian F. Smith (8)	55,000	—	25,123	80,123
Michael C. Venuti, Ph.D.(9)	57,500	—	25,123	82,623

- (1) Amounts in this column reflect the grant date fair value of stock awards made pursuant to a board compensation program in which directors have the option to settle all or a portion of their cash retainer for annual board service in shares of the company's common stock.
- (2) The amounts in this column reflect the aggregate grant date fair value of option awards made to such individual.
- (3) Dr. Baselga was granted an option award on June 17, 2016 that had a grant date fair value of \$20,936. As of December 31, 2016, Dr. Baselga did not hold any stock awards, but held options to purchase 65,000 shares of our common stock.
- (4) Mr. Berkowitz was granted an option award on June 17, 2016 that had a grant date fair value of \$20,936 and a stock award that had a grant date fair value of \$39,999. As of December 31, 2016, Mr. Berkowitz held 30,384 stock awards and held options to purchase 65,000 shares of our common stock.
- (5) Dr. Evnin was granted two option awards on June 17, 2016 that had grant date fair values of \$20,936 and \$2,094 and a stock award that had a grant date fair value of \$19,999. As of December 31, 2016, Dr. Evnin held 15,191 stock awards and held options to purchase an aggregate of 64,500 shares of our common stock.
- (6) Dr. Lander was granted an option award on June 17, 2016 that had a grant date fair value of \$20,936 and a stock award that had a grant date fair value of \$9,999. As of December 31, 2016, Dr. Lander held 8,612 stock awards and held options to purchase an aggregate of 78,250 shares of our common stock.
- (7) Mr. Selby was granted three option awards on June 17, 2016 that had grant date fair values of \$20,936, \$10,468 and \$2,094. As of December 31, 2016, Mr. Selby did not hold any stock awards, but held options to purchase 119,000 shares of our common stock.
- (8) Mr. Smith was granted two option awards on June 17, 2016 that had grant date fair values of \$20,936 and \$4,187. As of December 31, 2016, Mr. Smith did not hold any stock awards, but held options to purchase 132,875 shares of our common stock.
- (9) Dr. Venuti was granted two option awards on June 17, 2016 that had grant date fair values of \$20,936 and \$4,187. As of December 31, 2016, Dr. Venuti did not hold any stock awards, but held options to purchase an aggregate of 123,500 shares of our common stock.

No changes to director compensation were made during our 2016 fiscal year. The following is a summary of the standard compensation of our non-employee directors as of December 31, 2016:

- a \$40,000 annual retainer for service as a non-executive chair of our board of directors;
- a \$40,000 annual retainer for service as a director;
- a \$30,000 annual retainer for service as lead independent director;
- a \$15,000 annual retainer for service as chair of the Audit Committee;
- a \$10,000 annual retainer for service as chair of the Research and Development Committee;
- a \$10,000 annual retainer for service as chair of the Compensation Committee;
- a \$10,000 annual retainer for service as chair of the Nominating and Corporate Governance Committee;
- a \$10,000 annual retainer for service as a non-chairing member of the Audit Committee;

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- a \$7,500 annual retainer for service as a non-chairing member of a committee of the board other than the Audit Committee.

Directors may elect to receive some or all of their annual retainer for service on our board, but not for committee service, in shares of common stock of our company.

Each non-employee director is also reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of the board of directors or any committee of the board of directors.

In addition to the cash compensation discussed above, each non-employee director automatically receives nonstatutory stock options under our 2010 Stock Incentive Plan, as amended, as follows:

- upon commencement of service on the board, each new non-employee director receives a nonstatutory stock option to purchase 40,000 shares of our common stock; and
- on the date of each annual meeting of stockholders, each then-continuing non-employee director receives a nonstatutory stock option to purchase 20,000 shares of our common stock, provided that such director was serving as a director of the company on the last day of the immediately preceding calendar year.

In addition to the awards listed above, each non-employee director who serves in the following positions receives a nonstatutory stock option to purchase shares of our common stock in the amount indicated below upon the date of commencement of service in such position and upon the date of each annual stockholder meeting thereafter:

<u>Position</u>	<u>Stock Option Grant</u>
Non-Executive Chair of the Board of Directors	12,000 shares
Lead Independent Director	10,000 shares
Chair of Research and Development Committee	4,000 shares
Chair of Audit Committee	4,000 shares
Chair of Compensation Committee	2,000 shares
Chair of Nominating and Corporate Governance Committee, if not Lead Independent Director	2,000 shares

Each of these stock options has an exercise price per share equal to the fair market value per share of our common stock on the grant date and has a ten year term, subject to earlier termination following cessation of board service by the holder of the option unless otherwise extended by our board of directors. Grants made to board members vest in equal quarterly installments beginning at the end of the first calendar quarter after the grant date, provided that the board member continues to serve as director and in the position for which the grant was made. Grants made in connection with the commencement of services vest over a period of two years (one-eighth each quarter), while grants made in connection with the annual meeting of stockholders vest over a period of one year (one-fourth each quarter). These options immediately vest in full upon certain changes in control or ownership or upon death or disability of the option holder while serving as a director.

In January 2017, our Compensation Committee conducted a review of the equity holdings of our Board and determined that little incentive value remained in the then-outstanding stock option holdings of our Board. Accordingly, in order to re-establish meaningful incentive value, our Compensation Committee granted a special one-time stock option award to purchase 40,000 shares of common stock to all directors, which is equal to the grant a director would receive upon commencement of service on our Board.

TRANSACTIONS WITH RELATED PERSONS

There are no transactions with related persons, as defined in item 404 of Regulation S-K, to report for the fiscal year ended December 31, 2016.

POLICIES AND PROCEDURES FOR RELATED PERSON TRANSACTIONS

Our board has adopted written policies and procedures for the review of any transaction, arrangement or relationship in which we are a participant, the amount involved exceeds \$120,000, and one of our executive officers, directors, director nominees or 5% stockholders (or their immediate family members), or an entity under their direct or indirect control, each of whom we refer to as a “related person,” has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a “related person transaction,” the related person must report the proposed related person transaction to our General Counsel. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by the Audit Committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction. If advance review and approval is not practicable, the Audit Committee will review, and, in its discretion, may ratify the related person transaction. The policy also permits the chair of the Audit Committee to review and, if deemed appropriate, approve proposed related person transactions that arise between Audit Committee meetings, subject to ratification by the Audit Committee at its next meeting. Any related person transactions that are ongoing in nature will be reviewed annually.

A related person transaction reviewed under the policy will be considered approved or ratified if it is authorized by the Audit Committee after full disclosure of the related person’s interest in the transaction. As appropriate for the circumstances, the Audit Committee will review and consider:

- the related person’s interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person’s interest in the transaction without regard to the amount of profit or loss;
- whether the transaction was undertaken in the ordinary course of our business;
- whether the terms of the transaction are no less favorable to us than terms that could have been reached with an unrelated party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

The Audit Committee may approve or ratify the transaction only if the Audit Committee determines that, under all of the circumstances, the transaction is not inconsistent with our best interests. The Audit Committee may impose any conditions on the related person transaction that it deems appropriate.

In addition to the transactions that are excluded by the instructions to the SEC’s related person transaction disclosure rule, our board of directors has determined that the following transactions do not create a material direct or indirect interest on behalf of related persons and, therefore, are not related person transactions for purposes of this policy:

- interests arising solely from the related person’s position as an executive officer of another entity (whether or not the person is also a director of such entity), that is a participant in the transaction,

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where (a) the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity, (b) the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any special benefits as a result of the transaction, and (c) the amount involved in the transaction equals less than the greater of \$200,000 dollars or 5% of the annual consolidated gross revenues of the other entity that is a party to the transaction; and

- a transaction that is specifically contemplated by provisions of our charter or bylaws.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by the Compensation Committee in the manner specified in its charter.

COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

This section discusses the principles underlying our policies and decisions with respect to the compensation of our executive officers who are named in the “Summary Compensation Table” below, or our “named executive officers,” and the material factors relevant to an analysis of these policies and decisions.

Executive Summary

Our compensation program is designed to reward strong performance and provide near-term and long-term incentives that are aligned with stockholder value creation. Typically, awards under our contingent cash compensation, merit stock option, and restricted stock programs are formulaically tied to the achievement of corporate goals, and we use equity awards as a compensation vehicle in order to preserve our cash resources and link compensation with stockholder return. In addition, consistent with our culture of citizen-ownership, other than pursuant to our Executive Severance Benefits Plan described below under the heading “*Components of Our Compensation Program and Relationship to Performance-Severance Benefits*,” all citizen-owners are eligible for each element of our compensation program, and our executive officers do not receive any material perquisites or other personal benefits above those offered to all citizen-owners.

At the start of each year, our executive leadership team prepares and submits for approval by our board of directors a set of annual corporate goals against which company and executive officer performance is assessed by our Compensation Committee at the end of that year. This performance assessment is used to determine both annual and long-term incentive compensation for our executive officers. In the first half of 2016, we continued our focus on the development of duvelisib across multiple indications in hematologic malignancies and our Compensation Committee established a set of annual corporate goals primarily directed toward achieving success with duvelisib. In June 2016, following the announcement of results from a registration-focused Phase 2 clinical study evaluating duvelisib in patients with refractory indolent non-Hodgkin lymphoma, or iNHL, and notice by our duvelisib collaboration partner, AbbVie Inc., of its decision to terminate our collaboration, our executive leadership team and our Board evaluated our corporate goals and determined that the 2016 goals related to duvelisib were no longer achievable and that there would be no performance based contingent cash compensation for 2016. The executive leadership team and the Board made the decision to shift the strategic focus of the company and established the following goals for the remainder of 2016:

1. focus the company on the advancement of IPI-549, our selective inhibitor of phosphoinositide-3-kinase, or PI3K, gamma;
2. preserve cash;
3. explore strategic options for duvelisib, including an out-license of the program; and
4. restructure the company, reducing headcount consistent with our corporate focus on IPI-549.

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In light of the strategic refocusing of the company and the determination that there would be no performance-based contingent cash compensation for 2016, our ability to retain, motivate and incentivize our citizen-owners to pursue our new goals became of particular concern for our board of directors and Compensation Committee. Following consideration of such factors as the size of our restructurings, the uncertainty regarding potential future restructurings, our low stock price and the associated lack of financial and retentive value in our stock option program, and the competitive employment environment, our Compensation Committee determined that it would be in the interest of our stockholders to develop a strong employee retention program. Accordingly, our Compensation Committee revised our 2016 compensation program with two objectives: 1) provide time-based, near-term cash incentives to retain citizen-owners, including key executive officers in order to refine and execute our corporate strategy, and 2) provide performance-based equity incentive awards for successful achievement of near term goals related to refocusing the company and execution of our long-term corporate strategy.

As part of the revised 2016 compensation program and retention strategy, our Compensation Committee established time-based cash retention awards, as well as an enhanced cash severance program, to provide meaningful near-term incentives for all citizen-owners to explore and execute on potential future strategic options for our company. Additionally, our Compensation Committee cancelled our 2016 performance-based stock option program, which we refer to as our merit stock option program, and replaced it with a combination of performance-based restricted stock awards and level-based stock option awards in order to align incentives with stockholder value creation.

Following our decision not to move our duvelisib program forward internally and the implementation of our revised 2016 compensation program and retention strategy, we successfully refocused the company and met our goals for the second half of 2016, resulting in:

1. the advancement of IPI-549 in clinical development; including the entry into a clinical supply agreement with Bristol Myers Squibb, or BMS, under which BMS agreed to provide nivolumab at no cost to us for use in our Phase 1 study of IPI-549;
2. the extension of our cash runway into the first quarter of 2019;
3. the out-license of duvelisib to Verastem, Inc., or Verastem; and
4. the completion of several restructurings, reducing headcount by 146 positions which represented approximately 66% of our headcount at December 31, 2015.

Our Named Executive Officers

Our named executive officers for 2016 were:

- Adelene Q. Perkins, Chief Executive Officer and Chair of the Board;
- Lawrence E. Bloch, M.D., J.D., President;
- Seth Tasker, Vice President, General Counsel and Secretary;
- Julian Adams, Ph.D., former President of Research and Development;
- William Bertrand, former Executive Vice President, General Counsel and Secretary; and
- Sujay Kango, former Executive Vice President and Chief Commercial Officer.

Mr. Bertrand departed the Company on September 2, 2016. Dr. Adams and Mr. Kango departed the Company on January 6, 2017.

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Our Compensation Objectives and Philosophy

We are a clinical-stage biopharmaceutical company focused on development of new medicines for the treatment of certain cancers. The objectives of our compensation program are to:

- attract, retain and motivate the highest caliber scientists, and clinical and business professionals to develop and execute our business plan and achieve our mission;
- ensure that compensation aligns our citizen-owners with our corporate strategy and business objectives;
- promote the achievement of important and measurable scientific, business, organizational and operational goals by linking contingent cash compensation and long-term equity incentives to the achievement of these goals; and
- align incentives with the creation of stockholder value.

The Compensation Committee is responsible for reviewing and approving the compensation of our executive officers. This committee is also responsible for evaluating our company's performance against its goals, assessing the performance of our executive officers, and ensuring that our compensation program is both aligned with the objectives described above and competitive with those of other companies in our industry that compete with us for talent.

Our compensation program ties a substantial portion of our named executive officers' overall compensation to the achievement of scientific, business, organizational and operational goals such as:

- progress in our clinical trials and research programs;
- maintaining the strong financial health of the company, including implementation of appropriate financing strategies;
- addition and development of internal competencies and retention of high-performing citizen-owners; and
- achievement of desired financial performance.

Components of Our Compensation Program and Relationship to Performance

The primary elements of our compensation program are:

- cash compensation, which includes base salary and performance-based annual cash incentives, which we refer to as contingent cash compensation;
- annual performance-based stock option awards, which we refer to as merit stock option awards;
- stock option awards granted to citizen-owners upon hire and upon promotion;
- an employee stock purchase plan;
- severance benefits plans; and
- employee benefits, such as health and life insurance and a 401(k) retirement savings plan.

Each of these elements is available to all of our citizen-owners generally, although the amounts of contingent cash compensation and severance and the size of stock option awards differ from person to person based on each citizen-owner's role, market-competitive compensation, and his or her individual performance.

We do not have any formal or informal policy or target for allocating compensation between long-term and short-term compensation, between cash and non-cash compensation, or among the different forms of non-cash compensation. Instead, the Compensation Committee, after reviewing relevant information for our compensation peer group and other relevant survey data, determines what it believes to be the appropriate level and mix of the various compensation components.

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In 2016, in connection with our restructurings and pending the evaluation of strategic direction, we introduced the following modifications to our compensation program that were intended to supplement, or in some cases replace, traditional elements of our compensation program:

- time-based cash retention awards in place of our annual contingent cash compensation program;
- performance-based restricted stock awards;
- level-based stock option awards based on position within the company in place of our merit stock option program;
- additional cash severance benefits intended to supplemental our existing severance programs; and
- suspension of the operation of our employee stock purchase plan, which has been lifted following resolution of our evaluation of strategic options for the company.

We intend to regularly assess our annual and long-term incentive compensation programs to determine if we have what we believe to be the appropriate mix of short- and long-term, cash and equity incentives needed to retain and motivate our team in consideration of the strategic direction and risk profile of our company.

Cash Compensation

Historically, our cash compensation program consisted of two elements: base salary and contingent cash compensation. Base salary is used to recognize the experience, skills, knowledge and responsibilities required of each of our citizen-owners, including each of our named executive officers. Contingent cash compensation is used to reward the achievement of company and individual goals. The Compensation Committee adheres to the general principle that base salary levels should be targeted between the 50th and 75th percentiles of the market, using peer group market compensation data, with base salaries targeted toward the 75th percentile of the market for individuals who have demonstrated strong performance and potential during a strong company-performance year. This peer group is described under the heading “*Defining and Comparing Compensation to Market Benchmarks*” below.

Historically, under our contingent cash compensation program, the Compensation Committee would establish pools of cash available for potential awards based on the Compensation Committee’s assessment of overall company performance that would be formulaically allocated among all citizen-owners based upon the relative individual performance of each citizen-owner compared to the performance of his or her peers. In 2016, our Compensation Committee determined that there would be no payments under the contingent cash compensation program and established a time-based cash retention incentive award program in order to retain key citizen-owners following the significant restructuring of the company.

Under our time-based cash retention incentive award program, each citizen-owner received an award equal to fifty percent of such citizen-owner’s base salary half of which was paid on December 30, 2016 and the remaining half of which will be paid on July 1, 2017. The awards are payable on the condition that such citizen-owner is employed by us as of the date of payment of each installment, except that if such citizen-owner is involuntarily terminated (other than for Cause) prior to payment of an installment, the remaining unpaid amount of the incentive award would be paid on a prorated basis based on the date of termination.

Additionally, in 2016 our Compensation Committee approved a supplemental cash severance program that was amended in 2017. Under this amended program, each citizen-owner is eligible to receive a cash payment equal to one week of such citizen-owner’s base salary for each week such citizen-owner was employed by us between September 30, 2016 and July 1, 2017, with such payment to occur upon the earlier of (i) July 1, 2017 if such citizen-owner is employed by us, or (ii) the termination by us of such citizen-owner’s employment with us other than for Cause (as defined in the applicable severance benefits plan).

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Assuming our current named executive officers remain employed by us as of July 1, 2017, the aggregate time-based cash retention incentive awards and amended supplemental cash program awards for our named executive officers are as follows:

	Award Earned December 30, 2016	Award Payable July 1, 2017
Adelene Q. Perkins	\$ 172,396	\$ 689,585
Lawrence E. Bloch, M.D., J.D.	115,000	460,000
Seth A. Tasker	80,000	320,000
Julian Adams, Ph.D.(1)	129,288	—
William Bertrand(1)(2)	—	—
Sujay Kango(1)	74,904	—

(1) No longer employed by the company and not eligible for any future payments.

(2) Mr. Bertrand departed prior to the commencement of, and thus was not eligible for, our 2016 time-based cash retention incentive award or amended supplemental cash severance programs.

After July 1, 2017, our Compensation Committee intends to return to our previous performance-based contingent cash compensation program for citizen-owners at the vice president level or above, including all our executive officers. We believe that returning to our contingent cash compensation program is important because it provides the following advantages:

- it is consistent with the growing practice in the biopharmaceutical industry to provide competitive, but not excessive, base salary levels together with performance-based cash incentives;
- it enables us to achieve our goal of ensuring that total cash compensation is market competitive, thus enhancing our ability to attract and retain the best possible people without increasing fixed salary expense;
- it rewards both the achievement of company goals and strong individual performance in support of those goals, thus maintaining our culture of combining individual excellence and achievement with community collaboration;
- it is consistent with our company's values, as all citizen-owners are eligible to participate in the program; and
- it further aligns citizen-owner and stockholder interests, as a substantial percentage of our named executive officers' total compensation is dependent on the achievement of company goals.

Our Compensation Committee believes that the sum of base salary and contingent cash compensation for our executive officers should be targeted:

- below the 50th percentile of actual total cash compensation for individuals in similar positions at comparable companies for a year in which the company performance rating is below 70 points (the "Meets Infinity Expectations" level), or performance that neither resulted in the achievement of all stated goals for our company, nor was consistent with performance that should reasonably be expected of a biopharmaceutical company of comparable size, resources or stage of development;
- near the 50th percentile of actual total cash compensation for individuals in similar positions at comparable companies for a year in which the company performance rating equals 100 points, or performance that resulted in the stated goals for our company substantially being met and which was consistent with performance that should reasonably be expected of a biopharmaceutical company of comparable size, resources and stage of development;
- near the 75th percentile of actual total cash compensation for individuals in similar positions at comparable companies for a year in which the company performance rating equals 125 points, or performance that exceeded industry standards and met essentially all of our goals (including some

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“stretch” goals, or goals that we believe could prove difficult to achieve) and exceeded some of our goals, with any failure to achieve a major goal being the result of factors outside of our reasonable control; and

- above the 75th percentile of actual total cash compensation for individuals in similar positions at comparable companies for a year in which the company performance rating equals 150 points (the “*Exceeds Infinity Expectations*” level), or performance that far exceeded industry standards and resulted in our goals largely being exceeded.

Equity Awards

Our equity award program is the primary vehicle for offering long-term incentives to all of our citizen-owners, including our named executive officers. We believe that equity grants are fundamental to creating a culture of citizen-ownership, providing our citizen-owners with a strong link to our long-term performance and aligning the interests of our citizen-owners and our non-employee stockholders by allowing citizen-owners to participate in the longer term success of our company as reflected in stock price appreciation. In addition, the vesting feature of our equity grants is intended to further our goal of retention because it provides an incentive for our citizen-owners, including our named executive officers, to remain in our employ during the vesting period. All equity-based awards made to our named executive officers are approved by the Compensation Committee.

Our equity awards have generally taken the form of stock options. Stock options granted to new citizen-owners upon their hire typically vest as to one-quarter of the shares on the first anniversary of the date of hire, and in equal monthly installments over the following three years. Stock options granted annually at the beginning of each year following assessments of individual performance under our merit stock option program (described below) typically vest in equal monthly installments over four years. Stock options granted to citizen-owners upon promotion to a more senior position (described below) also typically vest in equal monthly installments over four years. Additionally, the Compensation Committee may exercise its discretion to grant one-time awards to some or all citizen-owners, including our named executive officers, from time to time. All stock options granted under our equity incentive plans have a maximum term of ten years and substantially all awards have vesting rights that terminate upon termination of service to our company and exercise rights that cease shortly after termination of service to our company. Prior to the exercise of an option, the holder has no rights as a stockholder with respect to the shares subject to such option, including no voting rights and no right to receive dividends or dividend equivalents. The exercise price per share for each stock option is equal to the closing price of a share of our common stock on the date of grant.

During 2016, our Compensation Committee, in consultation with Radford, evaluated the retentive value of our existing equity program and determined that no retentive value existed in the then-outstanding stock option holdings of citizen-owners, including our executive officers. As a result, our Compensation Committee elected to replace our 2016 merit stock option program with an equity program consisting of performance-based restricted stock awards and level-based retention stock option awards for all citizen-owners. Together, these programs were designed to align the incentives of all citizen-owners, including executive officers with the creation of near-to-medium-term value for our stockholders. The performance-based restricted stock awards vest as to some or all of the underlying shares based upon the level of achievement, as determined by our Compensation Committee, of pre-specified, near-term business objectives. The level-based retention stock option awards, which vest as to all of the underlying shares on the first anniversary of the date of grant, were granted with a size and vesting schedule designed to re-establish meaningful retentive value in the stock option holdings of all our citizen-owners. The magnitude of grant size needed to re-establish meaningful retentive value was arrived at following a consideration of our company’s risk profile, previous guidelines established by our Compensation Committee for new hires in a similar position, our updated peer group, and the substantial number of shares that returned to our pool of shares available for grant following the reduction in headcount in 2016.

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The following table sets forth the 2016 performance-based restricted stock awards and level-based retention stock option awards granted to our named executive officers:

	Restricted Stock Award (Shares)	Retention Stock Option Award (Shares)
Adelene Q. Perkins	347,100	1,000,000
Lawrence E. Bloch, M.D., J.D.	177,450	500,000
Seth A. Tasker	53,400	250,000
Julian Adams, PhD (1)	177,450	—
William Bertrand (1)(2)	—	—
Sujay Kango (1)	75,000	—

(1) No longer employed by the company and departed prior to the commencement of, and thus were not eligible for, our 2016 time-based stock option award program

(2) Departed prior to the commencement of, and thus was not eligible for, our 2016 restricted stock award programs

In determining the size of these awards for our named executive officers, the Compensation Committee considered factors such as:

- market data for comparable executive officers at companies within our peer group;
- the potential retentive value of the award;
- the amount of equity previously awarded to and currently owned by the officer and the value thereof; and
- the amount of equity previously awarded to the officer that remains unvested and the value thereof.

We do not time option grants to our named executive officers in coordination with our release of material non-public information and our named executive officers are prohibited from pledging or engaging in short sales or derivative transactions of company securities. We have not adopted stock ownership guidelines for our named executive officers, in part due to the historic stock ownership of these officers (see “Stock Ownership of Certain Beneficial Owners and Management” elsewhere in this proxy statement). We do, however, encourage all of our citizen-owners to maintain an equity position in our company.

All of our citizen-owners, including our named executive officers, are also eligible to receive stock option grants in conjunction with a promotion to a more senior position. Typically, the size of such awards is equal to the difference obtained by subtracting the number of stock options that would be granted to such citizen-owner if he or she were to be newly hired into his or her previous position from the number of stock options that would be granted to such citizen-owner if he or she were to be newly hired into his or her new position.

Employee Stock Purchase Plan

Our employee stock purchase plan permits citizen-owners to purchase shares of our common stock at a discount and consists of consecutive, overlapping 24-month offering periods, each consisting of four six-month purchase periods. On the first day of each offering period, each citizen-owner who is enrolled in the employee stock purchase plan will automatically receive an option to purchase shares of our common stock in accordance with the terms of the plan. The purchase price of each of the shares purchased in a given purchase period will be 85% of the closing price of a share of our common stock on the first day of the offering period or the last day of the purchase period, whichever is lower.

Severance Benefits

Our Executive Severance Benefits Plan, or the severance plan, provides eligible full time executives holding the title of Executive Vice President or above certain severance benefits upon a termination without cause or a

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resignation for good reason including in each case within one year following a change in control, which we refer to as a covered termination. The severance plan supersedes the provisions of any separation plans, separation policies or agreements between any severance plan participant and the company that provide for severance benefits, including the offer letters of Ms. Perkins and Drs. Adams and Bloch, except to the extent expressly stated in such plans, policies or agreements. Pursuant to the severance plan, each executive who is subject to a covered termination is entitled to:

- continuation of such executive's monthly base salary for the twelve-month period following termination;
- payment by us of a portion of the cost of COBRA continuation of benefits coverage for the executive and his or her applicable dependents for the twelve-month period following such termination or until the executive commences new employment and is eligible for new plan coverage, if sooner, subject to certain conditions set forth in the severance plan;
- reasonable outplacement benefits for up to six months at the discretion of the severance plan's administrator or until the executive commences new employment, if sooner;
- any unpaid annual bonus in respect to any completed bonus period which has ended prior to the date of the executive's termination and which our board of directors deems granted to the executive in its discretion pursuant to our contingent cash compensation program;
- at the sole discretion of the severance plan's administrator, the prorated amount of any minimum bonus award approved by the Compensation Committee for the year in which the covered termination occurs; and
- immediate vesting of the portion of any outstanding equity awards of the executive which would have vested within the one (1) year-period following such covered termination.

To receive any benefits under the severance plan, the executive must comply with provisions of any applicable noncompetition or non-solicitation agreement to which he or she is a party and must observe any other obligations he or she has to us. The executive must also execute and deliver a suitable waiver and release under which the executive releases and discharges us of any and all claims arising out of his or her employment relationship with us. Severance benefits are to be paid in accordance with the terms of the severance plan and our regular pay practices in effect from time to time.

We believe providing these benefits enhances our ability to attract and retain executive talent and aligns with stockholder interests. Based on a review of practices of comparable companies by Radford, we believe that our severance benefits are generally in line with severance packages offered to executives by such companies.

We have structured severance benefits to apply also following a change in control such that benefits are paid upon the occurrence of both a change in control and the termination of the executive during the 12-month period following the change in control. We believe this structure provides the executive with appropriate incentives to cooperate in negotiating any change in control in which they believe they may lose their job.

Our severance plan does not provide any "gross-up" for the amount of excise tax liability, if any, under Section 4999 of the Internal Revenue Code of 1986, as amended, or the Code, related to the "golden parachute payment" provisions under Section 280G of the Code.

In 2016, Messrs. Bertrand and Kango were part of our restructurings and each received a severance benefits package consistent with our severance plan. Mr. Kango received an additional cash severance payment consistent with our supplemental cash severance program. In January 2017, Dr. Adams announced his retirement from the company and we and Dr. Adams agreed to a severance benefits package consistent with our severance plan and supplemental cash severance program.

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Benefits and Other Compensation

We provide a broad-based benefits program for all of our citizen-owners, including health, dental and vision insurance, life and disability insurance, group insurance discounts, first-time homebuyer's assistance, educational assistance, paid vacation time, paid sabbatical leave following five years of service, subsidized parking, and a 401(k) savings plan. Our named executive officers are eligible to participate in all of our benefit plans, in each case on the same basis as other citizen-owners. Under the company-matching feature under our 401(k) savings plan, we match 50% of each citizen-owner's contributions, up to a maximum of 6% of such citizen-owner's base salary and subject to applicable IRS limitations, to our 401(k) savings plan with shares of our common stock having a value equal to such contribution, based on the fair market value of our common stock on the last day of the quarter.

In particular circumstances, we sometimes award cash signing bonuses when executive officers first join us. Such cash signing bonuses typically are subject to repayment in full or on a pro-rated basis if the executive officer voluntarily terminates employment with us during a prescribed period of time following their date of hire. Whether a signing bonus is paid and the amount of the bonus is determined on a case-by-case basis under the hiring circumstances specific to each candidate. For instance, we may consider paying signing bonuses to compensate for amounts forfeited by an executive candidate upon terminating prior employment or to create additional incentive for an executive to join our company in a position where there is high market demand.

Given our objective of attracting the highest caliber talent, we often recruit talented individuals from outside of the Boston area to fill open positions. We generally provide reasonable relocation assistance to those individuals.

Consistent with industry practice and our philosophy of offering benefits to all of our citizen-owners generally, we have not provided any material perquisites or other personal benefits to our named executive officers.

Our Performance Evaluation Process

Our executive leadership team prepares and submits for approval by our board of directors a set of annual corporate goals. These corporate goals are directed to specific scientific, business, organizational and operational objectives and represent, in many cases, "stretch" goals that may prove difficult to achieve. Most of these objectives are focused on near-term drivers of stockholder value, but given our mission to discover, develop and deliver new medicines on a sustainable basis, a significant number of our objectives are also directed to the maintenance and enhancement of the foundations for our future success. Upon approval of the overall corporate goals by our board of directors, departmental and individual goals are set by our executive leadership team focusing on contributions that facilitate the achievement of these corporate goals.

Near the end of each year, our executive leadership team evaluates company performance against the goals for that year. With respect to company performance, the executive leadership team conducts a qualitative and quantitative assessment of the company's overall performance against goals and determines performance on the following rating scale:



Please refer to "*Components of Our Compensation Program and Relationship to Performance – Cash Compensation*" above for a description of how each of these levels is defined.

This assessment by our executive leadership team is then presented to the Compensation Committee for its review. The Compensation Committee has the discretion to determine that company performance against goals

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was achieved at a level other than the one recommended by our executive leadership team. The Compensation Committee may review, and historically has reviewed, its assessment with our board of directors, although it is not required to do so.

In addition to evaluating company performance, we evaluate the individual contributions of each citizen-owner for the year. Each citizen-owner's evaluation begins with a written self-assessment, which is submitted to that citizen-owner's manager. In addition, each citizen-owner's manager solicits input from others within and/or outside of our company, in what is commonly referred to as a "360 review process." In the case of Ms. Perkins, the Chair of our Compensation Committee solicits and organizes feedback from our board of directors and, together with our human resources function, members of our Compensation Committee solicit and organize feedback from company management. Based on this input, the manager then prepares a written performance review representing the manager's assessment of the citizen-owner's individual performance and future potential. In the case of Ms. Perkins, the Chair of our Compensation Committee meets with her to summarize her annual performance assessment and to provide development feedback.

Ms. Perkins prepares written performance reviews of her direct reports, Dr. Bloch; Claudio Dansky Ullmann, M.D., our Senior Vice President of Clinical Development; Jeffery Kutok, M.D., Ph.D., our Chief Scientific Officer; and Mr. Tasker, each based on:

- the applicable officer's self-assessment;
- feedback received during the 360 review process from members of our executive leadership team, representative direct reports of the officer, and other individuals within and outside of our company from whom feedback is deemed relevant in order to make a meaningful assessment of the applicable officer's performance and areas for future development; and
- the applicable manager's personal assessment.

Ms. Perkins discusses her contributions with the Chair of our Compensation Committee, along with sharing a summary of annual company performance. Additional assessments of her individual performance are obtained through feedback received from our board of directors and members of our executive leadership team and other citizen-owners with whom Ms. Perkins regularly interacts. On the basis of this feedback, the Compensation Committee conducts an evaluation of Ms. Perkins' individual performance and future potential:

- based on our company's performance against its goals;
- in providing leadership of our company in the pursuit of these goals;
- in providing mentorship to her direct reports; and
- based on progress against her personal and professional development goals.

Determining and Setting Executive Compensation

For 2017, individual compensation decisions by our Compensation Committee will be driven primarily by an assessment of company and individual performance against predetermined goals related to advancement of IPI-549, key 2017 milestone achievements and the maintenance of required financial strength. We believe that the approach taken by the Compensation Committee is appropriate given the stage of development and strategic mission of our company. We do not believe the application of financial metrics applicable for later stage companies to determine compensation, nor do we believe that the failure to apply such formulaic standards creates a misalignment between incentives and creation of stockholder value. We believe the success of our product development programs will be a function of management being responsive to new data while balancing the achievement of short-term objectives with a focus on long-term success. We believe that our executive compensation program has historically been generally satisfactory to our stockholders as evidenced by a favorable vote of approximately 82% of the votes cast at our 2014 annual stockholders meeting regarding the non-binding, advisory proposal on the compensation of our executive officers.

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In addition to its assessments of company and individual performance, the Compensation Committee also considers the compensation of executives in similar roles in peer companies in setting base salary and target contingent compensation opportunity for our named executive officers.

Defining and Comparing Compensation to Market Benchmarks

During 2016, our Compensation Committee established a peer group of 18 publicly traded, national and regional companies in the biopharmaceutical and biotechnology industries that was selected based on a balance of the following criteria:

- companies whose market capitalization, number of employees, maturity of product development pipeline and area of therapeutic focus are similar to ours;
- companies against which we believe we compete for talent; and
- companies based in the United States whose compensation and financial data are available in proxy statements or other public documents.

Based on these criteria, our peer group for 2016, referred to as our 2016 peer group, was comprised of the following companies:

Agenus Inc.	CytRX Corporation	Regulus Therapeutics Inc.
Arena Pharmaceuticals, Inc.	Dicerna Pharmaceuticals, Inc.	Rigel Pharmaceuticals, Inc.
Calithera Biosciences, Inc.	ImmunoGen, Inc.	Sunesis Pharmaceuticals, Inc.
Celldex Therapeutics, Inc.	Mirati Therapeutics, Inc.	Verastem, Inc.
ChemoCentryx, Inc.	NewLink Genetics Corporation	XOMA Corporation
CTI BioPharma Corp.	OncoMed Pharmaceuticals, Inc.	Zafgen, Inc.

Our Compensation Committee engaged Radford for assistance in establishing competitive equity awards for all citizen-owners, including our named executive officers, as well as in determining the base salary increases for Dr. Bloch and Mr. Tasker following their promotions to President and General Counsel, respectively, based on our 2016 peer group. Base salaries for all citizen-owners for 2017 were determined following a review of market data provided by Radford, with a minimum cost-of-living increase of 3%.

The peer group for our named executive officers is approved by the Compensation Committee annually, and the following companies that had been included in our peer group in 2015 were removed from our 2016 peer group based on the Compensation Committee's assessment that the company's profile ceased to meet the criteria we consider when selecting our peer group: Acceleron Pharma Inc., Agios Pharmaceuticals, Inc., Ariad Pharmaceuticals, Inc., Array BioPharma, Inc., Clovis Oncology, Inc., Dyax Corporation, Exelixis, Inc., Lexicon Pharmaceuticals, Inc., Merrimack Pharmaceuticals, Inc., and Momenta Pharmaceuticals, Inc. In addition, the following companies were added to the 2016 peer group: Agenus Inc., Calithera Biosciences, Inc., ChemoCentryx, Inc., CytRX Corporation, Dicerna Pharmaceuticals, Inc., Mirati Therapeutics, Inc., Regulus Therapeutics Inc., Sunesis Pharmaceuticals, Inc., Verastem, Inc., XOMA Corporation, and Zafgen, Inc.

We believe that the compensation practices of our 2016 peer group provide us with appropriate compensation benchmarks for evaluating the compensation of our named executive officers. Notwithstanding the similarities of the 2016 peer group to Infinity, due to the nature of our business, we compete for executive talent with many companies that are larger and better established than we are or that possess greater resources than we do, as well as with prestigious academic and non-profit institutions. Other considerations, including market factors, the experience level of the executive and the executive's performance against established corporate goals and individual objectives, may require that we vary from our historic compensation practices or deviate from our general compensation philosophy under certain circumstances.

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Establishment of 2017 Compensation

2017 Base Salary

In December 2016, the Compensation Committee approved base salary increases for each of our named executive officers in keeping with our compensation philosophy that base salary levels should be targeted between the 50th and 75th percentiles of our peer group, as set forth in the table below.

<u>Named Executive Officers</u>	<u>2017 Base Salary</u>	<u>% Increase over 2016</u>
Adelene Q. Perkins(1)	\$689,585	3.0%
Lawrence E. Bloch, M.D., J.D.(2)	460,000	10.0%
Seth A. Tasker, J.D.(2)	320,000	14.3%

(1) Increase in base salary represents a cost of living adjustment.

(2) Increase in base salary represents a promotion adjustment based on peer group data.

2017 Contingent Cash Compensation Targets

Our Compensation Committee set target contingent cash compensation opportunities at the following levels for the 2017 performance year. For 2017, the amount of such payout at year end will be prorated by 50% in light of the mid-year payouts expected to be made under our time-based cash retention incentive and amended supplemental cash programs. Additionally, the payout of contingent compensation at year end is payable in cash or in shares of the company's common stock, at the election of our Compensation Committee.

<u>2017 Contingent Cash Compensation Targets</u>	<u>Company Performance Rating</u>				<u>Exceeds Infinity Expectations (Maximum) 150 Points</u>
	<u><70 Points</u>	<u>Meets Infinity Expectations 70 Points</u>	<u>100 Points</u>	<u>125 Points</u>	
Chief Executive Officer	0%	40%	65%	72%	80%
President	0%	35%	50%	62%	75%
Executive Vice President	0%	30%	40%	50%	60%
Vice President/Senior Vice President	0%	20%	33%	42%	50%

For levels below Vice President, we have continued our time-based cash bonus program for the second half of 2017 wherein each citizen-owner employed by us as of December 31, 2017 is eligible to receive a bonus equal to 25% of their base salary, payable in cash or shares of common stock at the election of our Compensation Committee.

Accounting and Tax Considerations

While the Compensation Committee generally considers the financial accounting and tax implications to our company of its executive compensation decisions, neither element was a material consideration in the compensation awarded to our named executive officers in 2016. For example, Section 162(m) of the Code generally disallows a tax deduction for compensation in excess of \$1.0 million paid by a public company to its chief executive officer and to each other officer (other than its chief financial officer) whose compensation is required to be reported to stockholders by reason of being among the three most highly paid executive officers. Qualified performance-based compensation is not subject to the deduction limitation if specified requirements are met by us. We will periodically review the potential consequences of Section 162(m) on the various elements of our executive compensation program. Our board of directors or compensation committee may, in its judgment, authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent.

Summary Compensation Table

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Stock Awards (\$)(1)</u>	<u>Option Awards (\$)(2)</u>	<u>Non-Equity Incentive Plan Compensation (\$)(3)</u>	<u>All Other Compensation (\$)(4)</u>	<u>Total (\$)</u>
Current Named Executive Officers								
Adelene Q. Perkins, Chief Executive Officer ⁽⁵⁾	2016	668,750	—	—	774,281	172,396	9,825	1,625,252
	2015	646,865	—	—	2,466,550	130,000	9,825	3,253,240
	2014	568,500	—	—	687,779	369,525	9,675	1,635,479
Lawrence E. Bloch, M.D., J.D., President	2016	417,712	—	—	292,971	115,000	8,953	834,636
	2015	405,385	—	—	1,233,275	121,800	8,953	1,769,413
	2014	390,000	—	—	259,023	156,000	8,454	813,477
Seth A. Tasker, J.D., Vice President, General Counsel and Secretary	2016	265,840	—	—	49,964	80,000	8,343	404,147
Named Executive Officers No Longer Employed by Infinity								
Julian Adams, Ph.D., former President of R&D	2016	498,000	—	—	334,824	129,288	2,772	964,884
	2015	497,289	—	—	1,233,275	87,150	2,879	1,820,593
	2014	479,500	—	—	457,715	239,750	2,879	1,179,844
William Bertrand, Jr., J.D., former General Counsel	2016	276,923	—	—	—	—	168,017	444,940
Sujay Kango, former Chief Commercial Officer	2016	409,615	—	—	251,118	74,904	8,953	744,590
	2015	300,000	150,000 ⁽⁶⁾	—	1,714,100	131,100	321,090	2,616,290

- (1) Amounts represent the aggregate grant date fair value of restricted stock awards granted in 2016. As of each grant date, it was deemed to be not probable that the pre-specified performance-based vesting conditions related to each award would be achieved. See the information in Note 3, "Stock-Based Compensation – Restricted Stock," to our consolidated financial statements, included as part of our Annual Report on Form 10-K for the year ended December 31, 2016, for assumptions made in determining these values. Assuming all performance conditions are achieved, the aggregate grant date value of the restricted stock based on the closing price of our common stock on grant date as reported by NASDAQ for Ms. Perkins, Dr. Bloch, Mr. Tasker, Dr. Adams, and Mr. Kango is \$505,791, \$253,754, \$78,350, \$253,754, and \$115,500, respectively.
- (2) The amounts in this column reflect the aggregate grant date fair value of option awards granted during the applicable fiscal year. See the information in Note 3, "Stock-Based Compensation," to our consolidated financial statements, included as part of our Annual Report on Form 10-K for the year ended December 31, 2016, for assumptions made in determining these values.
- (3) For 2016, the amounts in this column reflect amounts paid to each of our named executive officers under the time-based cash retention incentive program in replacement of our 2016 contingent cash compensation program following a determination that our 2016 goals would not be met, as further described in "Compensation Discussion and Analysis" above, and for 2014 and 2015, the amounts in this column reflect amounts paid to each of our named executive officers under our contingent cash compensation program for those years.
- (4) Amounts in this column represent the sum of (i) any life insurance premiums paid on behalf of the officer, (ii) the value of any shares of common stock contributed to the officer's 401(k) account as a matching contribution, and (iii) in the case of Mr. Bertrand, \$36,210 in relocation expenses paid on his behalf in 2016 and \$123,077 in severance payments made to Mr. Bertrand in connection with his separation of employment with the company in September 2016, and (iv) in the case of Mr. Kango, \$312,434 in relocation expenses paid on his behalf in 2015.
- (5) Ms. Perkins received the amounts listed above for service as our President and Chief Executive Officer and received no compensation for service as a director. During the year ended December 31, 2016, Ms. Perkins was granted option awards with the grant date fair value set forth below under the heading "Grants of Plan-Based Awards Table." As of December 31, 2016, Ms. Perkins held 261,300 shares of performance-based restricted stock and options to purchase an aggregate of 2,116,372 shares of our common stock.
- (6) Represents a signing bonus paid to Mr. Kango pursuant to his letter of employment.

Grants of Plan-Based Awards Table

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(3)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Current Named Executive Officers											
Adelene Q. Perkins			689,585								
	1/6/2016								185,000(4)	6.71	774,281
	7/22/2016				71,280	216,000	260,000(5)				—
	10/31/2016					87,100					—
Lawrence E. Bloch, M.D., J.D.			460,000								
	1/6/2016								70,000(4)	6.71	292,971
	7/22/2016				33,792	102,400	118,300(5)				—
	10/31/2016					59,150					—
Seth A. Tasker, J.D.			320,000								
	1/6/2016								11,938(4)	6.71	49,964
	7/22/2016				13,200	40,000	40,000(5)				—
	11/1/2016					13,400					—
Named Executive Officers No Longer Employed by Infinity											
Julian Adams, Ph.D.											
	1/6/2016								80,000(4)	6.71	334,824
	7/22/2016				51,200		118,300(5)				—
	10/31/2016					59,150					—
William C. Bertrand, J.D.											
Sujay Kango											
	1/6/2016								60,000(4)	6.71	251,118
	7/22/2016					75,000(5)					—

- (1) Amounts shown represent awards payable under our cash retention incentive and amendment supplemental cash programs assuming such officer is employed by us as of July 1, 2017. See “Compensation Discussion and Analysis—Components of our Compensation Program and Relationship to Performance—Cash Compensation” above for a description of these programs. All citizen-owners at the vice president level or higher, including our named executive officers, are eligible to participate in a performance-based cash bonus program. The aggregate amount available for potential award under this program, if any, is a function of company performance against goals; the amounts payable to each of our named executive officers, if any, are based on a subjective assessment of individual performance by the Compensation Committee. As such, threshold, target and maximum are not determinable for our 2017 contingent cash compensation program. See “Compensation Discussion and Analysis—Components of our Compensation Program and Relationship to Performance—Cash Compensation” above. Citizen-owners below the vice president level are eligible to receive a fixed bonus amount at year end.
- (2) Amounts represent shares of performance-based restricted stock awards that could be paid out as of the award grant date. The threshold amount shown represents the minimum number of shares that would vest upon the achievement of a pre-specified business objective. The target amount shown represents the number of shares that would vest upon the achievement of all pre-specified business objectives at the “meets expectations” level as determined by our Compensation Committee. The maximum amount shown represents the number of shares that would vest upon the achievement of all pre-specified business objectives at the “exceeds expectations” level as determined by our Compensation Committee. Dr. Adams’ performance-based restricted stock awards were cancelled following his departure from the company.
- (3) The grant date fair value of the awards has been determined in accordance with FASB ASC Topic 718. There can be no assurance that the stock options will be exercised (if not exercised, no value will be realized by the optionee) or that the value realized upon exercise will equal the grant date fair value. As of each performance-based stock award grant date, it was deemed to be not probable that the pre-specified performance-based vesting conditions related to each award would be achieved. See the information in Note 3, “Stock-Based Compensation – Restricted Stock,” to our consolidated financial statements, included as part of our Annual Report on Form 10-K for the year ended December 31, 2016, for assumptions made in determining these values. Assuming all performance conditions are achieved, the aggregate grant date value of the restricted stock awards based on the closing price of our common stock on grant date as reported by NASDAQ for Ms. Perkins, Dr. Bloch, Mr. Tasker, Dr. Adams, and Mr. Kango is \$505,791, \$253,754, \$78,350, \$253,754, and \$115,500, respectively.
- (4) Vested as to 1/48th of the shares on January 31, 2016 and vests as to 1/48th of the shares at the end of each calendar month thereafter.
- (5) Upon the determination by the Compensation Committee of our Board of Directors that certain specified performance conditions had been met, a portion of (and in Mr. Kango’s case, the entirety of) this performance-based restricted stock award vested on October 31, 2016. The number of shares that vested for each of Ms. Perkins, Dr. Bloch, Mr. Tasker, Dr. Adams, and Mr. Kango was 85,800, 39,039, 13,200, 59,150, and 75,000, respectively. Mr. Tasker’s corresponding Form 4 reported 8,917 shares, which represents the net number of shares issued to Mr. Tasker after we withheld 4,283 shares to satisfy his income tax withholding obligation.

Outstanding Equity Awards at Fiscal Year-End Table

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)(11)
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	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 Shares, Units or Other Rights That Have Not Vested (#)	
Current Named Executive Officers								
Adelene Q. Perkins								
							Restricted Stock	
							174,200(9)	235,170
							87,100(10)	117,585
	Stock Options							
	170,568	—	13.59	1/25/2017				
	117,796	—	9.80	12/13/2017				
	226,073	—	7.18	12/4/2018				
	50,000	—	7.27	1/5/2019				
	340,930	—	6.25	1/5/2020				
	83,620	—	5.94	1/6/2021				
	191,750	—	7.93	1/6/2022				
	153,835	—	36.85	1/4/2023				
	64,125	21,375(1)	12.91	1/10/2024				
	125,000	125,000(2)	15.74	1/14/2025				
	46,250	138,750(3)	6.71	1/06/2026				
Lawrence E. Bloch, M.D., J.D.								
							Restricted Stock	
							79,261(9)	107,002
							59,150(10)	79,853
	Stock Options							
	200,000	—	15.85	7/23/2022				
	32,800	—	36.85	1/4/2023				
	24,150	8,050(1)	12.91	1/10/2024				
	62,500	62,500(2)	15.74	1/14/2025				
	17,500	52,500(3)	6.71	1/06/2026				
Seth A. Tasker, J.D.								
							Restricted Stock	
							26,800(9)	36,180
							13,400(10)	18,090
	Stock Options							
	1,190	—	7.18	12/4/2018				
	631	—	6.25	1/5/2020				
	2,000	—	6.39	3/9/2020				
	1,713	—	5.94	1/6/2021				
	2,240	—	7.93	1/6/2022				
	1,000	—	16.57	8/14/2022				
	4,730	—	36.85	1/4/2023				
	1,917	83(4)	45.24	3/6/2023				
	5,034	1,677(1)	12.91	1/10/2024				
	6,042	3,958(5)	11.24	8/25/2024				
	4,107	4,107(2)	15.74	1/14/2025				
	2,429	2,871(6)	16.53	3/19/2025				
	2,985	8,953(3)	6.71	1/6/2026				

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Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(11)
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	
Named Executive Officers No Longer Employed by Infinity								
Julian Adams, Ph.D.							Restricted Stock	
							59,150(9)	79,853
							59,150(10)	79,853
	Stock Options							
	200,000	—	13.59	1/25/2017				
	111,200	—	9.80	12/13/2017				
	110,000	—	7.18	12/4/2018				
	50,000	—	7.27	1/5/2019				
	104,000	—	6.25	1/5/2020				
	106,210	—	5.94	1/6/2021				
	126,850	—	7.93	1/6/2022				
	101,780	—	36.85	1/4/2023				
	42,675	14,225(1)	12.91	1/10/2024				
	62,500	62,500(2)	15.74	1/14/2025				
	20,000	60,000(3)	6.71	1/06/2026				
William Bertrand, J.D.(7)	—	—	—	—			—	—
Sujay Kango	Stock Options							
	87,500	112,500(8)	13.98	3/31/2025				
	15,000	45,000(3)	6.71	1/06/2026				

- (1) Vests in equal monthly installments on the last day of the month through December 31, 2017.
- (2) Vests in equal monthly installments on the last day of the month through December 31, 2018.
- (3) Vests in equal monthly installments on the last day of the month through December 31, 2019.
- (4) Vests in equal monthly installments on the last day of the month through February 28, 2017.
- (5) Vests in equal monthly installments on the last day of the month through July 31, 2018.
- (6) Vests in equal monthly installments on the last day of the month through February 28, 2019.
- (7) Mr. Bertrand's employment with the company ended on September 2, 2016. All of Mr. Bertrand's equity awards were cancelled on December 2, 2016 pursuant to the terms of their respective equity award agreements.
- (8) Vests as to one quarter of the shares on March 30, 2016 and thereafter vests as to the remaining shares in equal monthly installments through March 30, 2019.
- (9) Represents the unvested portion of a performance-based restricted stock award granted on July 22, 2016, which vests upon the determination by our Compensation Committee of the level of achievement prior to July 1, 2017 of pre-specified business objectives. On October 31, 2016, a portion of the original stock award vested upon determination by our Compensation Committee that certain specified performance conditions had been met.
- (10) This performance-based restricted stock award was granted on October 31, 2016, and vests upon the determination by our Compensation Committee of the level of achievement prior to July 1, 2017 of pre-specified business objectives.
- (11) Market value is based on the closing price of \$1.35 per share of our common stock on December 30, 2016 (the last day of trading in 2016) as reported on the NASDAQ Global Select Market.

Option Exercises and Stock Vested Table

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting #(1)	Value Realized on Vesting (\$ (2)
Current Named Executive Officers				
Adelene Q. Perkins	—	—	85,800	103,818
Lawrence E. Bloch, M.D., J.D.	—	—	39,039	47,237
Seth A. Tasker, J.D.(3)	—	—	13,200	15,972
Named Executive Officers No Longer Employed by Infinity				
Julian Adams, Ph.D.	—	—	59,150	71,572
William Bertrand, Jr., J.D.	—	—	—	—
Sujay Kango	—	—	75,000	90,750

- (1) Represents a portion of (and in Mr. Kango's case, the entirety of) a performance-based restricted stock award granted on July 22, 2016 that vested on October 31, 2016 upon determination by our Compensation Committee that certain pre-specified performance conditions had been met.
- (2) Value based on the closing price of \$1.21 per share of our common stock on October 31, 2016 as reported on the NASDAQ Global Select Market.
- (3) Represents the gross number of shares vested prior to withholding 4,283 shares (grant date fair market value of \$5,182) to satisfy Mr. Tasker's income tax withholding obligation.

Potential Payments upon Termination or Change in Control

Our named executive officers are entitled to certain benefits under the severance plan in the event their employment is terminated without cause or by way of resignation for good reason, as described above under the heading “*Compensation of Executive Officers—Compensation Discussion and Analysis—Components of our Compensation Program and Relationship to Performance—Severance Benefits.*” The following table describes the potential payments and benefits to each of our named executive officers assuming a termination of employment without cause or by way of resignation for good reason on December 31, 2016. In addition to the amounts shown in the table below, each executive would receive payments for amounts of base salary and vacation time accrued through the date of termination and payment for any reimbursable business expenses incurred.

<u>Name and Principal Position</u>	<u>Salary (S) (1)</u>	<u>Market Value of Awards Vesting on Termination (S)(2)</u>	<u>Healthcare Benefits (S)(3)</u>	<u>Other (S)(4)</u>	<u>Total (S)</u>
Current Named Executive Officers					
Adelene Q. Perkins Chief Executive Officer	861,981	—	26,859	10,000	898,840
Lawrence E. Bloch, M.D., J.D. President	575,000	—	34,461	10,000	619,461
Seth A. Tasker, J.D. Vice President, General Counsel and Secretary	400,000	—	20,838	10,000	430,838
Named Executive Officers No Longer Employed by Infinity					
Julian Adams, Ph.D. Former President of R&D	622,500	—	20,149	10,000	652,649
William Bertrand, J.D. Former General Counsel	400,000	—	27,569	10,000	437,569
Sujay Kango Former Chief Commercial Officer	512,500	—	34,461	10,000	556,961

- (1) With the exception of Mr. Bertrand, represents 52 weeks of then-current salary payable pursuant to our Executive Severance Benefits Plan and up to an additional 13 weeks of then-current salary payable pursuant to the supplemental cash severance program approved on October 31, 2016 by our Compensation Committee. For Mr. Bertrand, represents 52 weeks of salary as of his severance date (September 2, 2016).
- (2) This amount is equal to (i) the number of options that would vest as a direct result of the employment termination multiplied by (ii) the excess of \$1.35, which represents the fair market value of our common stock as of December 30, 2016 (or in the case of Mr. Bertrand, the excess of \$1.56, which represents the fair market value of our common stock as of his severance date (September 2, 2016)), over the exercise price of the options.
- (3) Represents the cost of continued COBRA benefits for the executive officer and any qualified beneficiary. With the exception of Mr. Bertrand, COBRA benefits are payable until 65 weeks following termination of employment if the named executive officer elects COBRA coverage, and only for so long as such coverage continues in force. For Mr. Bertrand, COBRA benefits are payable for 52 weeks from his severance date (September 2, 2016), and only for so long as such coverage continues in force.
- (4) Represents the estimated cost of outplacement services for a period of six months.

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Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information about the securities authorized for issuance under our equity compensation plans as of December 31, 2016:

<u>Plan Category</u>	<u>Equity Compensation Plan Information</u>		
	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted-average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u>
	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>
Equity compensation plans approved by security holders	6,067,945	\$ 12.06	3,439,419(1)
Equity compensation plans not approved by security holders	—	—	—
Total	6,067,945	\$ 12.06	3,439,419

(1) Consists of (i) 3,288,112 shares of our common stock available for future issuance under our 2010 Stock Incentive Plan and (ii) 151,307 shares of our common stock available for future issuance under our ESPP.

Compensation Committee Interlocks and Insider Participation

The current members of the Compensation Committee are Messrs. Selby (Chair) and Berkowitz and Dr. Venuti. No member of the Compensation Committee was at any time during our 2016 fiscal year an officer or employee of ours or any subsidiary of ours, nor has any member of the Compensation Committee had any relationship with us requiring disclosure under Item 404 of Regulation S-K. Dr. Venuti served as the acting Chief Executive Officer of Discovery Partners International, Inc., our predecessor company, prior to its merger with Infinity Discovery, Inc. in September 2006.

None of our executive officers have served as a director or member of the compensation committee (or other committee serving an equivalent function) of any entity that had one or more executive officers serving as a member of our board of directors or Compensation Committee.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with our management. Based on this review and discussion, the Compensation Committee recommended to our board of directors that the Compensation Discussion and Analysis be included in this proxy statement.

By the Compensation Committee of the Board of Directors,

Norman C. Selby (Chair)
Michael C. Venuti, Ph.D.
Jeffrey Berkowitz

PROPOSAL 2—ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables our stockholders to vote to approve, on an advisory (non-binding) basis, a resolution on the compensation of our named executive officers as disclosed in this proxy statement in accordance with the SEC's rules. We are asking our stockholders to provide an advisory vote on the compensation of our named executive officers for the year ended December 31, 2016, as such compensation is described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure set forth in this proxy statement, beginning on page 26.

Our executive compensation program is designed to attract, motivate, and retain our executive officers, who are critical to our success. Our program rewards strong performance and provides near-term and long-term incentives that are aligned with stockholder value creation. Awards under our contingent cash compensation program are formulaically tied to the achievement of corporate goals, and we use stock options and restricted stock awards as a compensation vehicle in order to preserve our cash resources and link compensation with stockholder return. Our board believes that this link between compensation and the achievement of both annual and long-term objectives has helped drive our performance over time and does not encourage excessive risk-taking by our executive leadership team. In addition, consistent with our culture of citizen-ownership, each element of our compensation program is broadly available across our company, and our executive officers do not receive any material perquisites or other personal benefits.

Our board of directors is asking stockholders to approve a non-binding advisory vote on the following resolution:

RESOLVED, that the stockholders of Infinity Pharmaceuticals, Inc. ("Infinity") approve, on an advisory (non-binding) basis, the compensation paid to Infinity's named executive officers, as such compensation is described in the Compensation Discussion and Analysis section, the Summary Compensation Table, and the related compensation tables, notes and narrative disclosure contained in this proxy statement.

As an advisory vote, this proposal is not binding on our company, our board, or our Compensation Committee. Neither the outcome of this advisory vote nor of the advisory vote included in Proposal No. 3 overrules any decision by us or our board of directors (or any committee thereof), creates or implies any change to the fiduciary duties of the company or our board of directors (or any committee thereof), or creates or implies any additional fiduciary duties for the company or our board of directors (or any committee thereof). However, our Compensation Committee and board of directors value the opinions to be expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for our named executive officers.

Our board of directors recommends that you vote "FOR" approval of the compensation paid to the company's named executive officers, as described in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative disclosure set forth in this proxy statement.

PROPOSAL 3—ADVISORY VOTE ON THE FREQUENCY OF FUTURE EXECUTIVE COMPENSATION ADVISORY VOTES

The Dodd-Frank Act also enables our stockholders to indicate how frequently they believe we should seek an advisory vote on executive compensation (as described in Proposal No. 2). Accordingly, we are asking our stockholders to cast a non-binding, advisory vote regarding the frequency of future executive compensation advisory votes. We are providing stockholders the option of selecting a frequency of one, two or three years, or abstaining from voting on this proposal.

After careful consideration, our board recommends that our stockholders select a frequency of ONE YEAR for future executive compensation advisory votes. Our board believes that an annual executive compensation advisory vote will facilitate more direct stockholder input about executive compensation and is consistent with our policy of reviewing our compensation program annually, as well as considering input from our stockholders on corporate governance and executive compensation matters.

The board of directors will take into consideration the outcome of this vote in making a determination about the frequency of future executive compensation advisory votes. However, because this vote is advisory and non-binding, the board of directors may decide that it is in the best interests of our stockholders and the company to hold the advisory vote to approve executive compensation more or less frequently.

Our board of directors recommends that you vote “ONE YEAR” as the frequency for future advisory votes on the compensation of our named executive officers.

PROPOSAL 4—RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has appointed the firm of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017. Although stockholder approval of the appointment of Ernst & Young LLP is not required by law, our board of directors believes that it is advisable to give stockholders an opportunity to ratify this appointment. If this proposal is not approved by our stockholders at the 2017 annual meeting, our Audit Committee will reconsider its appointment of Ernst & Young LLP.

Representatives of Ernst & Young LLP are expected to be present in person or via teleconference at the 2017 annual meeting. They will have the opportunity to make a statement if they desire to do so and will also be available to respond to appropriate questions from stockholders.

Our board of directors recommends that you vote FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2017 fiscal year.

OTHER MATTERS

Our board of directors is not aware of any other matters that are likely to be brought before the 2017 annual meeting. If other matters are properly brought before the 2017 annual meeting, including a proposal to adjourn the meeting to permit the solicitation of additional proxies in the event that one or more proposals have not been approved by a sufficient number of votes at the time of the meeting, the persons named in the enclosed proxy will vote on such matters in their own discretion.

We hope that you will attend the annual meeting. Whether or not you plan to attend, we urge you to vote your shares over the Internet or by telephone, or complete, date, sign and return the enclosed proxy card in the accompanying postage-prepaid envelope. A prompt response will greatly facilitate arrangements for the meeting, and your cooperation will be appreciated.

INFINITY PHARMACEUTICALS, INC.
C/O AMERICAN STOCK TRANSFER, 6201 15TH AVE.
BROOKLYN, NY 11219

VOTE BY INTERNET – www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE – 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

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

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

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

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

The Board of Directors recommends you vote FOR the following:

		For	Against	Abstain
1	Election of Directors, Nominees:			
01	Jeffrey Berkowitz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
02	Anthony B. Evnin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
03	Michael Kauffman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

04	Adelene Q. Perkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
05	Norman C. Selby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
06	Ian F. Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
07	Michael C. Venuti	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Board of Directors recommends you vote FOR the following Proposal 2:

		For	Against	Abstain
2	To approve on an advisory basis the compensation of our named executive officers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Board of Directors recommends you vote FOR the following Proposal 4:

		For	Against	Abstain
4	To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2017 fiscal year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Board of Directors recommends you vote ONE YEAR on the following Proposal 3:

		3 Years	2 Years	1 Year	Abstain
3	Advisory vote on the frequency of future executive compensation advisory votes.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: I also authorize my proxies to vote in their discretion with respect to such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name appears hereon. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign. If a corporation or partnership, this signature should be that of an authorized officer who should state his or her title.

Signature [PLEASE SIGN WITHIN BOX]	Date
Signature (Joint Owners) [PLEASE SIGN WITHIN BOX]	Date



784 Memorial Drive
 Cambridge, MA 02139

Tel: (617) 453-1000
 Fax: (617) 453-1001
www.infi.com

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement and Annual Report are available at www.infi.com/proxy.

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
INFINITY PHARMACEUTICALS, INC.
ANNUAL MEETING OF STOCKHOLDERS
May 25, 2017**

Those signing on the reverse side, revoking any prior proxies, hereby appoint(s) Adelene Q. Perkins, Lawrence E. Bloch, and Seth A. Tasker, or each of them, with full power of substitution, as proxies for those signing on the reverse side to act and vote at the 2017 Annual Meeting of Stockholders of Infinity Pharmaceuticals, Inc. and at any adjournments or postponements thereof as indicated upon all matters referred to on the reverse side and described in the Proxy Statement for the Annual Meeting, and, in their discretion, upon any other matters which may properly come before the Annual Meeting.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE UNDERSIGNED STOCKHOLDER. IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF EACH OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS, FOR PROPOSALS 2 AND 4, AND FOR “ONE YEAR” ON PROPOSAL 3.

Please sign this proxy exactly as your name appears hereon. Joint owners should each sign personally. Trustees and other fiduciaries should indicate the capacity in which they sign. If a corporation or partnership, this signature should be that of an authorized officer who should state his or her title.

UNLESS SUBMITTING A PROXY FOR THESE SHARES OVER THE INTERNET OR BY TELEPHONE, PLEASE MARK, SIGN, DATE, AND RETURN THIS PROXY CARD PROMPTLY IN THE ENCLOSED REPLY ENVELOPE.

CONTINUED AND TO BE SIGNED ON THE REVERSE SIDE