

ChemoCentryx, Inc.
Form DEF 14A
April 11, 2016
Table of Contents

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 under §240.14a-12

ChemoCentryx, 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:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

Table of Contents

850 Maude Avenue

Mountain View, CA 94043

**NOTICE OF ANNUAL MEETING OF
STOCKHOLDERS AND PROXY STATEMENT**

Dear stockholder:

The annual meeting of stockholders of ChemoCentryx, Inc. will be held at the Company's headquarters, located at 850 Maude Avenue, Mountain View, CA 94043, on May 26, 2016 at 10:00 a.m., local time, for the following purposes:

1. To elect two directors to serve as Class II directors for a three-year term to expire at the 2019 annual meeting of stockholders;
2. To consider and vote upon the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016; and

3. To transact such other business as may be properly brought before the meeting or any adjournment or postponement thereof. The foregoing items of business are more fully described in the attached proxy statement, which forms a part of this notice and is incorporated herein by reference. Our board of directors has fixed the close of business on March 31, 2016 as the record date for the determination of stockholders entitled to notice of and to vote at the annual meeting or any adjournment or postponement thereof.

Accompanying this notice is a proxy card. Whether or not you expect to attend our annual meeting, please complete, sign and date the enclosed proxy card and return it promptly, or complete and submit your proxy via phone or the internet in accordance with the instructions provided on the enclosed proxy card. If you plan to attend our annual meeting and wish to vote your shares personally, you may do so at any time before the proxy is voted.

All stockholders are cordially invited to attend the meeting.

By Order of the Board of Directors,

Thomas J. Schall, Ph.D.

President, Chief Executive

Officer and Chairman

Mountain View, California

April 11, 2016

Your vote is important. Please vote your shares whether or not you plan to attend the meeting.

Table of Contents

TABLE OF CONTENTS

	Page
<u>GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING</u>	1
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	5
<u>PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS</u>	16
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	18
<u>EXECUTIVE COMPENSATION AND OTHER INFORMATION</u>	21
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u>	28
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	29
<u>STOCKHOLDER PROPOSALS</u>	29
<u>ANNUAL REPORT</u>	29
<u>STOCKHOLDERS SHARING THE SAME ADDRESS</u>	30
<u>OTHER MATTERS</u>	30

Table of Contents

850 Maude Avenue

Mountain View, CA 94043

PROXY STATEMENT FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON THURSDAY, MAY 26, 2016

The board of directors of ChemoCentryx, Inc. is soliciting the enclosed proxy for use at the annual meeting of stockholders to be held at the Company's headquarters, located at 850 Maude Avenue, Mountain View, CA 94043, on May 26, 2016 at 10:00 a.m., local time. If you need directions to the location of the annual meeting, please contact us at (650) 210-2900.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on May 26, 2016.

This proxy statement and our annual report are available electronically at <https://materials.proxyvote.com/16383L>.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Why did you send me this proxy statement?

We sent you this proxy statement and the enclosed proxy card because our board of directors is soliciting your proxy to vote at the 2016 annual meeting of stockholders. This proxy statement summarizes information related to your vote at the annual meeting. All stockholders who find it convenient to do so are cordially invited to attend the annual meeting in person. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

We intend to begin mailing this proxy statement, the attached notice of annual meeting and the enclosed proxy card on or about April 11, 2016 to all stockholders of record entitled to vote at the annual meeting. Only stockholders who owned our common stock on March 31, 2016 are entitled to vote at the annual meeting. On this record date, there were 44,290,506 shares of our common stock outstanding. Common stock is our only class of stock entitled to vote.

What am I voting on?

There are two proposals scheduled for a vote:

Proposal 1: To elect two directors to serve as Class II directors for a three-year term.

Proposal 2: To consider and vote upon the ratification of the appointment of Ernst & Young LLP as our independent registered public accountants for the year ending December 31, 2016.

How many votes do I have?

Each share of our common stock that you own as of March 31, 2016 entitles you to one vote.

Table of Contents

How do I vote by proxy?

With respect to the election of the director, you may either vote For all the nominees to the board of directors or you may Withhold your vote for any nominee you specify. With respect to the ratification of the appointment of Ernst & Young LLP as our independent registered public accountants, you may vote For or Against or abstain from voting.

Stockholders of Record: Shares Registered in Your Name

If you are a stockholder of record, there are several ways for you to vote your shares. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure that your vote is counted.

By Mail: You may vote using your proxy card by completing, signing, dating and returning the proxy card in the self-addressed, postage-paid envelope provided, or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. If you properly complete your proxy card and send it to us in time to vote, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your shares, as permitted, will be voted as recommended by our board of directors. If any other matter is presented at the annual meeting, your proxy will vote in accordance with his or her best judgment. As of the date of this proxy statement, we knew of no matters that needed to be acted on at the meeting, other than those discussed in this proxy statement.

Via the Internet: You may vote at www.voteproxy.com, 24 hours a day, seven days a week. Have your proxy card available when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. Votes submitted via the Internet must be received by 11:59 p.m., Eastern Time, on May 25, 2016.

By Telephone: You may vote using a touch-tone telephone by calling 1-800-690-6903, 24 hours a day, seven days a week. Have your proxy card available when you call and then follow the instructions. Votes submitted by telephone must be received by 11:59 p.m., Eastern Time, on May 25, 2016.

In Person: You may still attend the meeting and vote in person even if you have already voted by proxy. To vote in person, come to the annual meeting and we will give you a ballot at the annual meeting. If you are a beneficial shareholder, you may need to request and bring a legal proxy to the meeting to vote.

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

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than directly from us. Simply complete and mail the proxy card to ensure that your vote is counted. You may be eligible to vote your shares electronically over the Internet or by telephone. A large number of banks and brokerage firms offer Internet and telephone voting. If your bank or brokerage firm does not offer Internet or telephone voting information, please complete and return your proxy card in the self-addressed, postage-paid envelope provided. To vote in person at the annual meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

May I revoke my proxy?

If you give us your proxy, you may revoke it at any time before it is exercised. You may revoke your proxy in any one of the three following ways:

you may send in another signed proxy with a later date,

Table of Contents

you may notify our corporate secretary, Susan M. Kanaya, in writing before the annual meeting that you have revoked your proxy, or

you may notify our corporate secretary in writing before the annual meeting and vote in person at the meeting.

What constitutes a quorum?

The presence at the annual meeting, in person or by proxy, of holders representing a majority of our outstanding common stock as of March 31, 2016, or approximately 22,145,254 shares, constitutes a quorum at the meeting, permitting us to conduct our business.

What vote is required to approve each proposal?

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

Proposal 2: Ratification of Independent Registered Public Accounting Firm. The ratification of the appointment of Ernst & Young LLP must receive For votes from the holders of a majority of the shares of common stock present or represented by proxy and entitled to vote at the annual meeting.

Voting results will be tabulated and certified by Broadridge Financial Solutions, Inc.

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

Shares of common stock held by persons attending the annual meeting but not voting, and shares represented by proxies that reflect abstentions as to a particular proposal, will be counted as present for purposes of determining the presence of a quorum. Abstentions are treated as shares present in person or by proxy and entitled to vote, so abstaining has the same effect as a negative vote for purposes of determining whether our stockholders have ratified the appointment of Ernst & Young LLP, our independent registered public accounting firm. However, because the election of directors is determined by a plurality of votes cast, abstentions will not be counted in determining the outcome of such proposal.

Shares represented by proxies that reflect a broker non-vote will be counted for purposes of determining whether a quorum exists. A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received instructions from the beneficial owner and does not have discretionary authority to vote the shares for certain non-routine matters. With regard to the election of directors, broker non-votes, if any, will not be counted as votes cast and will have no effect on the result of the vote. However, ratification of the appointment of Ernst & Young LLP is considered a routine matter on which a broker or other nominee has discretionary authority to vote. Accordingly, no broker non-votes will likely result from this proposal.

Who is paying the costs of soliciting these proxies?

We will pay all of the costs of soliciting these proxies. Our directors, officers and other employees may solicit proxies in person or by mail, telephone, fax or email. We will pay our directors, officers and other employees no additional compensation for these services. We will ask banks, brokers and other institutions, nominees and fiduciaries to forward these proxy materials to their principals and to obtain authority to execute proxies. We will then reimburse them for their expenses. Our costs for forwarding proxy materials will not be significant.

Table of Contents

How do I obtain an Annual Report on Form 10-K?

If you would like a copy of our Annual Report on Form 10-K for the year ended December 31, 2015 that we filed with the SEC, we will send you one without charge. Please write to:

ChemoCentryx, Inc.
850 Maude Avenue
Mountain View, CA 94043
Attn: Corporate Secretary

All of our SEC filings are also available free of charge in the Investors SEC Filings section of our website at www.chemocentryx.com.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. Final voting results will be published in our current report on Form 8-K to be filed with the SEC within four business days after the annual meeting.

Table of Contents

PROPOSAL 1:

ELECTION OF DIRECTORS

Our board of directors is divided into three classes, with one class of our directors standing for election each year, generally for a three-year term. Directors for each class are elected at the annual meeting of stockholders held in the year in which the term for their class expires and hold office until their resignation or removal or their successors are duly elected and qualified. In accordance with our certificate of incorporation and bylaws, our board of directors may fill existing vacancies on the board of directors by appointment.

The term of office of our Class II directors, Geoffrey M. Parker and James L. Tyree, will expire at the 2016 annual meeting. Accordingly, the nominees for Class II directors for election at the 2016 annual meeting are Geoffrey M. Parker and James L. Tyree. If either of Mr. Parker or Mr. Tyree is elected at the 2016 annual meeting, such individual will be elected to serve for a three-year term that will expire at our 2019 annual meeting of stockholders and until such individual's successor is elected and qualified.

If no contrary indication is made, proxies in the accompanying form are to be voted for Mr. Parker and Mr. Tyree or in the event that Mr. Parker or Mr. Tyree is not a candidate or is unable to serve as a director at the time of the election (which is not currently expected), for any nominee who is designated by our board of directors to fill the vacancy.

All of our directors bring to the board of directors significant leadership experience derived from their professional experience and service as executives or board members of other corporations. The process undertaken by the nominating and corporate governance committee in recommending qualified director candidates is described below under Director Nomination Process. Certain individual qualifications and skills of our directors that contribute to the board of directors' effectiveness as a whole are described in the following paragraphs.

Information Regarding Directors

The information set forth below as to the directors and nominees for director has been furnished to us by the directors and nominees for directors:

Nominees for Election to the Board of Directors

Term Expiring at the

2016 Annual Meeting of Stockholders (Class II)

Name	Age	Present Position with ChemoCentryx, Inc.
Geoffrey M. Parker	51	Director
James L. Tyree	63	Director

Geoffrey M. Parker has served as a member of our board of directors since December 2009. From September 2010 to May 2015, Mr. Parker served as Chief Financial Officer of Anacor Pharmaceuticals, Inc. From 2009 to 2010, Mr. Parker served as a consultant as Chief Business Officer of InteKrin Therapeutics, Inc., a biotechnology company, and previously served as Managing Director and Partner in the Investment Banking Division of Goldman, Sachs & Co. From 1997 to 2009, Mr. Parker established and led Goldman Sachs' West Region Healthcare Investment Banking practice. From 1995 to 1997, Mr. Parker was Vice President at Feibusch & Co., a venture capital firm in Larkspur, California. Mr. Parker also serves as a director of Sunesis Pharmaceuticals, Inc., a biotechnology company. Mr. Parker received his A.B. in Engineering Sciences and Economics from Dartmouth College and his M.B.A. from Stanford University. We believe Mr. Parker is qualified to serve on our board of directors because of his financial sophistication, his experience as the Chief Financial Officer of a public biotechnology company and his management background as an executive in the financial services industry.

Table of Contents

James L. Tyree has served as a member of our board of directors since June 2012. Mr. Tyree is the co-founder and managing partner of Tyree & D'Angelo Partners, a private equity investment firm. During the last fifteen years, Mr. Tyree has held numerous executive positions at Abbott Laboratories, including Corporate Vice President Pharmaceutical and Nutritional Products Group Business Development, Senior Vice President Global Nutrition and Executive Vice President Global Pharmaceuticals. He retired as President of Abbott Biotechnology Ventures in March 2012. Prior to joining Abbott, Mr. Tyree was the President of SUGEN, Inc., a biotechnology company focused on oncology. Earlier in his career, Mr. Tyree held management positions in Bristol-Myers Squibb, Pfizer and Abbott. Over his entire career, he was a four-time expatriate living and working over six years in Latin America and seven years in Japan. Mr. Tyree is a member of the Advisory Board of the University of Chicago Booth Graduate School of Business, a member of the Chicago Council on Global Affairs and co-chairman of the Global Health Policy Roundtable. Mr. Tyree also serves as a director of Innoviva, Inc., a biotechnology company, and for a number of privately held companies. Mr. Tyree earned Bachelor's Degrees in Psychology and Forensic Studies and a Master's Degree in Business Administration from Indiana University. We believe Mr. Tyree is qualified to serve on our board of directors because of his international leadership and management experience in the healthcare industry and his service on the boards of directors of a range of private companies.

Members of the Board of Directors Continuing in Office**Term Expiring at the****2017 Annual Meeting of Stockholders (Class III)**

Name	Age	Present Position with ChemoCentryx, Inc.
Thomas A. Edwards	57	Director
Roger C. Lucas, Ph.D.	73	Director

Thomas A. Edwards has served as a member of our board of directors since July 2015. Until his retirement in March 2014, Mr. Edwards practiced law with Latham & Watkins LLP, an international law firm, since 1983, having become partner in January 1991. His practice focused on general corporate and securities law, including capital financings, acquisitions, divestitures and spin-offs of companies and partnerships. Mr. Edwards earned his bachelor's degree from Harvard College and his law degree from Harvard Law School. We believe Mr. Edwards is qualified to serve on our board of directors because of his experience in the healthcare industry, his understanding of our industry and his expertise in advising clients on corporate, securities, finance and technology law matters.

Roger C. Lucas, Ph.D. has served as a member of our board of directors since September 1997 and was appointed lead independent director in April 2012. Since 1995, Dr. Lucas has served as Vice Chairman and a member of the board of directors of Bio-Techne Corporation, formerly Techne Corporation, a biotechnology company. From 1985 to 1995, Dr. Lucas served as the Chief Scientific Officer, Senior Executive Vice President and Secretary of Bio-Techne, and the founder of its Biotechnology Division. Prior to this, Dr. Lucas was Vice President of Research at R&D Systems, now a subsidiary of Bio-Techne, where he worked for over 10 years. Dr. Lucas received his B.S. in biology and chemistry from St. Mary's College, Minnesota, and his Ph.D. in physiology and cell biology from the Illinois Institute of Technology. Dr. Lucas also presently serves on the board of directors of a number of privately held companies. We believe Dr. Lucas is qualified to serve on our board of directors because of his experience in the healthcare industry as an entrepreneur and a director of a range of public and private companies and his leadership and management experience from his service as an executive for a public life science company.

Table of Contents**Term Expiring at the****2018 Annual Meeting of Stockholders (Class I)**

Name	Age	Present Position with ChemoCentryx, Inc.
Thomas J. Schall, Ph.D.	56	President, Chief Executive Officer and Chairman
Joseph M. Feczko, M.D.	66	Director

Thomas J. Schall, Ph.D. is the founder of our company and has served as our President, Chief Executive Officer and Director since we commenced operations in 1997 and was appointed Chairman of the Board in April 2012. From 1993 to March 1997, Dr. Schall worked at the DNAX Research Institute, a division of Schering-Plough Corporation, a pharmaceutical company. Prior to his work at the DNAX Research Institute, he worked as a scientist with Genentech, Inc., a pharmaceutical company. Dr. Schall participated in some of the earliest discoveries of chemokine system function and activities. Dr. Schall cloned one of the first chemokines to be discovered, and provided some of the earliest data for the existence of the previously unknown family of molecules which later came to be called the chemokines. Dr. Schall's laboratories have been responsible for the discovery or co-discovery of almost one-third of all known chemokine receptors. Dr. Schall received his B.S. in biology from Northern Illinois University and his Ph.D. in cancer biology from Stanford University. We believe Dr. Schall is qualified to serve on our board of directors because of his extensive executive leadership experience, many years of service as one of our directors and our President and Chief Executive Officer and extensive scientific expertise and knowledge of the chemokine system.

Joseph M. Feczko, M.D. has served as a member of our board of directors since April 2012. Until his retirement in May 2009, Dr. Feczko was Senior Vice President and Chief Medical Officer of Pfizer Inc. and a member of its Executive Leadership Team with global responsibilities for all aspects of the company's medical, regulatory and safety activities. Dr. Feczko served Pfizer in both New York and the United Kingdom since 1982, where he held positions of increasing responsibility in clinical research and regulatory affairs and safety, culminating in the role of Chief Medical Officer. Dr. Feczko is board-certified in Internal Medicine and Infectious Diseases. He has a B.S. degree from Loyola University Chicago, and an M.D. from the University of Illinois College of Medicine. Dr. Feczko presently serves on the board of directors of Keryx Biopharmaceuticals, Inc. Dr. Feczko also served as chairman of the board of directors of Cardoz Pharmaceuticals AB (Stockholm, Sweden) until 2014, and is now a member of the board of RSPR Pharma AB, formerly Cardoz. Dr. Feczko also serves as a member of the Supervisory Board of uniQure N.V., based in The Netherlands. We believe Dr. Feczko is qualified to serve on our board of directors because of his international leadership and management experience from his service as the Chief Medical Officer of a public pharmaceutical company and as a director of several pharmaceutical and biotechnology companies.

Board Independence

Our board of directors has determined that all of our directors are independent directors within the meaning of the applicable Nasdaq Stock Market LLC, or Nasdaq, listing standards, except for Thomas J. Schall, Ph.D., our President, Chief Executive Officer and Chairman. In addition, our board of directors previously determined that our former director, Ira Klein, M.D., M.B.A., F.A.C.P., who resigned from our board of directors in July 2015, was an independent director within the meaning of the applicable Nasdaq listing standards.

Board Leadership Structure

Our board of directors currently has five independent directors and one employee director. Our board of directors is currently chaired by Dr. Schall, who is also our Chief Executive Officer. Our board of directors believes that Dr. Schall's service as both Chairman and Chief Executive Officer is in the best interests of our company and our stockholders. Dr. Schall possesses detailed and in-depth knowledge of the issues, opportunities and challenges we face, and we believe he is the person best positioned to develop agendas that ensure that our board of directors' time and attention is focused on the most critical matters. Our board of directors believes that

Table of Contents

his combined role enables decisive leadership, ensures clear accountability and enhances our ability to communicate our message and strategy clearly and consistently to stockholders, employees and strategic partners.

Our board of directors appointed Dr. Lucas as the lead independent director to help reinforce the independence of the board of directors as a whole. The position of lead independent director has been structured to serve as an effective balance to a combined Chief Executive Officer and Chairman role. As the lead independent director, Dr. Lucas is empowered to, among other duties and responsibilities, review and provide input on the agendas for meetings of the board of directors, chair executive sessions in the absence of the Chairman, serve as a liaison between the Chairman and the independent directors and serve as an independent point of contact for management and others wishing to communicate to the board of directors other than through the Chairman. As reinforcement of the importance of an independent board of directors, the independent directors routinely meet outside the presence of our management, including Dr. Schall. For all of these reasons, the board of directors believes that the lead independent director can help ensure the effective independent functioning of the board of directors in its oversight responsibilities.

The Board's Role in Risk Oversight

Our board of directors has responsibility for the oversight of the company's risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from board committees and members of senior management to enable our board to understand the company's risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, strategic and reputational risk.

The audit committee reviews information regarding liquidity and operations, and oversees our management of financial risks. Periodically, the audit committee reviews our policies with respect to risk assessment, risk management, loss prevention and regulatory compliance. Oversight by the audit committee includes direct communication with our external auditors, and discussions with management regarding significant risk exposures and the actions management has taken to limit, monitor or control such exposures. The compensation committee is responsible for assessing whether any of our compensation policies or programs has the potential to encourage excessive risk-taking. The nominating and corporate governance committee manages risks associated with the independence of the board, corporate disclosure practices, and potential conflicts of interest. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board is regularly informed through committee reports about such risks. Matters of significant strategic risk are considered by our board as a whole.

Board of Directors Meetings

During the fiscal year 2015, our board of directors met four times. In that year, each director attended at least 75% of the total number of meetings held by the board of directors and each committee of the board of directors on which such director served.

Committees of the Board of Directors

We have three standing committees: the audit committee, the compensation committee and the nominating and corporate governance committee. Each of these committees has a written charter approved by our board of directors. A copy of each charter can be found under the Investors Corporate Governance section of our website at www.chemocentryx.com.

Table of Contents

Audit Committee

The audit committee of our board of directors currently consists of Messrs. Parker (chairperson and audit committee financial expert), Edwards and Tyree. Dr. Klein served as a member of the audit committee during 2015 until his resignation from the board of directors in July 2015. The audit committee met four times during fiscal year 2015, including telephonic meetings. Our board of directors has determined that all members of the audit committee are independent directors, as defined in the Nasdaq qualification standards and by Section 10A of Exchange Act, and our board of directors previously determined that Dr. Klein was an independent director under such qualification standards during his term of service on the audit committee. In addition, our board of directors has determined that Mr. Parker qualifies as an audit committee financial expert as that phrase is defined under the regulations promulgated by the SEC. The audit committee is governed by a written charter adopted by our board of directors. Our audit committee is responsible for overseeing our accounting and financial reporting processes and audits of our consolidated financial statements on behalf of our board of directors. The specific powers and responsibilities of our audit committee include:

appointing, assessing the qualifications of, compensating, retaining, and overseeing the work of our independent auditor, for the purpose of preparing or issuing an auditor's report or performing other audit, review, and attest services;

reviewing our annual audited consolidated financial statements with management and our independent auditor;

reviewing the appointment of, replacement of, and meeting with our internal auditor to discuss significant reports to management;

overseeing and monitoring the integrity of our consolidated financial statements, our compliance with legal and regulatory requirements as they relate to consolidated financial statements or accounting matters, our independent auditor's qualifications, independence and the performance of our internal accounting and financial controls;

determining whether to recommend to our board of directors that the audited financial statements be included in our annual report for the fiscal year subject to the audit;

reviewing all related party transactions on an ongoing basis;

preparing the report that SEC rules require be included in our annual proxy statement;

providing our board of directors with the results of its monitoring and recommendations;

providing our board of directors with additional information and materials as it deems necessary to make our board of directors aware of significant financial matters that require the attention of our board of directors; and

evaluating its own performance on an annual basis.

Both our external auditor and internal financial personnel meet privately with the audit committee and have unrestricted access to this committee.

Compensation Committee

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The compensation committee of our board of directors currently consists of Mr. Tyree (chairman) and Drs. Feczko and Lucas. The compensation committee met twice during fiscal year 2015. Our board of directors has determined that all members of the compensation committee are independent directors, as defined in the Nasdaq qualification standards. The compensation committee is governed by a written charter approved by our board of directors. The compensation committee's purpose is to assist our board of directors in determining the compensation programs and compensation for our executive officers, including by designing, evaluating and approving our compensation plans, policies and programs. The compensation committee is responsible for, among other things:

reviewing and approving our corporate goals and objectives relating to the compensation of our Chief Executive Officer, evaluating the performance of our Chief Executive Officer in light of those goals

Table of Contents

and objectives, and determining and approving the compensation of our Chief Executive Officer based on such evaluation;

reviewing and approving the compensation of our officers and certain employees; reviewing and approving general compensation goals and guidelines for employees and the criteria by which bonuses, long-term incentive compensation, stock options, employee pension and welfare benefits plans are determined;

determining our policy with respect to change of control or parachute payments;

managing and reviewing executive officer and director indemnification and insurance matters;

preparing the compensation committee report to be included as part of our annual proxy statement; and

evaluating its own performance on an annual basis.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee of our board of directors currently consists of Drs. Feczko and Lucas, and Messrs. Edwards, Parker and Tyree. Dr. Klein served as a member of the nominating and corporate governance committee during 2015 until his resignation from the board of directors in July 2015. The nominating and corporate governance committee met four times during fiscal year 2015. Our board of directors has determined that all members of the nominating and corporate governance committee are independent directors, as defined in the Nasdaq qualification standards, and our board of directors previously determined that Dr. Klein was an independent director under such qualification standards during his term of service on the nominating and corporate governance committee. The nominating and corporate governance committee is governed by a written charter approved by our board of directors. The nominating and corporate governance committee's purpose is to assist our board of directors by identifying individuals qualified to become members of our board of directors, consistent with criteria set by our board, and to develop our corporate governance principles. The nominating and corporate governance committee is responsible for, among other things:

overseeing our board of director's annual review of its performance, composition, and organization, and making recommendations on these matters to our board of directors;

reviewing, soliciting and making recommendations to our board of directors and stockholders with respect to candidates for election to our board of directors;

reviewing the performance of each current director and determining whether to recommend the nomination of such director for an additional term; and

evaluating its own performance on an annual basis.

Report of the Audit Committee of the Board of Directors

The audit committee oversees the company's financial reporting process on behalf of our board of directors. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the audit committee reviewed the audited financial statements in the company's annual report with management, including a discussion of any significant changes in the selection or application of accounting principles, the reasonableness of significant judgments, the clarity of disclosures in the financial statements and the effect of any new accounting initiatives.

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The audit committee reviewed with Ernst & Young LLP, which is responsible for expressing an opinion on the conformity of the company's audited financial statements with generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of the company's accounting principles and such other matters as are required to be discussed with the audit committee under generally accepted auditing standards, and by Statement on Auditing Standards No.16 (Communications with Audit Committees), as amended, as adopted

Table of Contents

by the Public Company Accounting Oversight Board (United States) in Rule 3200T. In addition, the audit committee has discussed with Ernst & Young LLP, its independence from management and the company, has received from Ernst & Young LLP the written disclosures and the letter required by applicable requirements of the Public Company Oversight Board regarding Ernst & Young LLP's communications with the audit committee concerning independence, and has considered the compatibility of non-audit services with the auditors' independence.

The audit committee met with Ernst & Young LLP to discuss the overall scope of its services, the results of its audit and reviews, its evaluation of the company's internal controls and the overall quality of the company's financial reporting. Ernst & Young LLP, as the company's independent registered public accounting firm, also periodically updates the audit committee about new accounting developments and their potential impact on the company's reporting. The audit committee's meetings with Ernst & Young LLP were held with and without management present. The audit committee is not employed by the company, nor does it provide any expert assurance or professional certification regarding the company's financial statements. The audit committee relies, without independent verification, on the accuracy and integrity of the information provided, and representations made, by management and the company's independent registered public accounting firm.

In reliance on the reviews and discussions referred to above along with those held with management, the audit committee has recommended to the company's board of directors that the audited financial statements be included in our annual report for the year ended December 31, 2015. The audit committee and the company's board of directors also have recommended, subject to stockholder approval, the ratification of the appointment of Ernst & Young LLP as the company's independent registered public accounting firm for 2016.

This report of the audit committee is not soliciting material, shall not be deemed filed with the SEC and shall not be incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under such acts.

The foregoing report has been furnished by the audit committee.

Respectfully submitted,

The Audit Committee of the Board of Directors

Geoffrey M. Parker (chairperson)

Thomas A. Edwards

James L. Tyree

Compensation Committee Interlocks and Insider Participation

The compensation committee of our board of directors currently consists of Mr. Tyree (chairperson) and Drs. Feczko and Lucas. None of the members of our compensation committee during fiscal year 2015 has ever been one of our officers or employees. None of our executive officers currently serves, or has served, as a member of the board of directors or compensation committee of any entity that had one or more executive officers serving as a member of our board of directors or compensation committee during fiscal year 2015.

Director Nomination Process

Director Qualifications

In evaluating director nominees the nominating and corporate governance committee will consider among other things the following factors:

personal and professional integrity, ethics and values;

Table of Contents

experience in corporate management, such as serving as an officer or former officer of a publicly held company;

strong finance experience;

experience relevant to our industry;

experience as a board member of another publicly held company;

diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;

diversity of background and perspective, including with respect to age, gender, race, place of residence and specialized experience;
and

practical and mature business judgment, including the ability to make independent analytical inquiries.

The nominating and corporate governance committee's goal is to assemble a board of directors that brings to the company a variety of perspectives and skills derived from high quality business and professional experience. Moreover, the nominating and corporate governance committee believes that the background and qualifications of the board of directors, considered as a group, should provide a significant mix of experience, knowledge and abilities that will allow the board of directors to fulfill its responsibilities. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

Other than the foregoing criteria for director nominees, the nominating and corporate governance committee has not adopted a formal policy with respect to a fixed set of specific minimum qualifications for its candidates for membership on the board of directors. The nominating and corporate governance committee may consider such other facts, including, without limitation, diversity, as it may deem are in the best interests of the company and its stockholders. The nominating and corporate governance committee does, however, believe it is appropriate for at least one, and, preferably, several, members of our board of directors to meet the criteria for an audit committee financial expert as that phrase is defined under the regulations promulgated by the SEC, and that a majority of the members of our board of directors be independent as required under the Nasdaq qualification standards. The nominating and corporate governance committee also believes it is appropriate for our President and Chief Executive Officer to serve as a member of our board of directors. Our directors' performance and qualification criteria are reviewed annually by the nominating and corporate governance committee.

Identification and Evaluation of Nominees for Directors

The nominating and corporate governance committee identifies nominees for director by first evaluating the current members of our board of directors willing to continue in service. Current members with qualifications and skills that are consistent with the nominating and corporate governance committee's criteria for board of director service and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of our board of directors with that of obtaining a new perspective or expertise.

If any member of our board of directors does not wish to continue in service or if our board of directors decides not to re-nominate a member for re-election, the nominating and corporate governance committee identifies the desired skills and experience of a new nominee in light of the criteria above. The nominating and corporate governance committee generally polls our board of directors and members of management for their recommendations. The nominating and corporate governance committee may also review the composition and qualification of the boards of directors of our competitors, and may seek input from industry experts or analysts. The nominating and corporate governance committee reviews the qualifications, experience and background of the candidates. Final candidates are interviewed by the members of the nominating and corporate governance

Table of Contents

committee and by certain of our other independent directors and executive management. In making its determinations, the nominating and corporate governance committee evaluates each individual in the context of our board of directors as a whole, with the objective of assembling a group that can best contribute to the success of our company and represent stockholder interests through the exercise of sound judgment. After review and deliberation of all feedback and data, the nominating and corporate governance committee makes its recommendation to our board of directors. To date, the nominating and corporate governance committee has not utilized third-party search firms to identify board of director candidates. The nominating and corporate governance committee may in the future choose to do so in those situations where particular qualifications are required or where existing contacts are not sufficient to identify an appropriate candidate.

The nominating and corporate governance committee evaluates nominees recommended by stockholders in the same manner as it evaluates other nominees. We have not received director candidate recommendations from our stockholders and do not have a formal policy regarding consideration of such recommendations. However, any recommendations received from stockholders will be evaluated in the same manner that potential nominees suggested by board members, management or other parties are evaluated. We do not intend to treat stockholder recommendations in any manner different from other recommendations.

Under our amended and restated bylaws, stockholders wishing to suggest a candidate for director should write to our corporate secretary. In order to give the nominating and corporate governance committee sufficient time to evaluate a recommended candidate and/or include the candidate in our proxy statement for the 2017 annual meeting, the recommendation should be received by our corporate secretary at our principal executive offices in accordance with our procedures detailed in the section below entitled **Stockholder Proposals**.

Director Attendance at Annual Meetings

Although our company does not have a formal policy regarding attendance by members of our board of directors at our annual meeting, we encourage all of our directors to attend. No non-employee directors attended our annual meeting in 2015.

Communications with our Board of Directors

Stockholders seeking to communicate with our board of directors should submit their written comments to our corporate secretary, ChemoCentryx, Inc., 850 Maude Avenue, Mountain View, CA 94043. The corporate secretary will forward such communications to each member of our board of directors; provided that, if in the opinion of our corporate secretary it would be inappropriate to send a particular stockholder communication to a specific director, such communication will only be sent to the remaining directors (subject to the remaining directors concurring with such opinion).

Corporate Governance

Our company's Code of Business Conduct and Ethics, Audit Committee Charter, Compensation Committee Charter and Nominating and Corporate Governance Committee Charter are available, free of charge, on our website at www.chemocentryx.com. Please note, however, that the information contained on the website is not incorporated by reference in, or considered part of, this proxy statement. We will also provide copies of these documents as well as our company's other corporate governance documents, free of charge, to any stockholder upon written request to ChemoCentryx, Inc., 850 Maude Avenue, Mountain View, CA 94043.

Director Compensation

We compensate non-employee members of the board of directors for their service. Directors who are also employees do not receive cash or equity compensation for service on the board of directors in addition to compensation payable for their service as our employees. The non-employee members of our board of directors

Table of Contents

are also reimbursed for travel, lodging and other reasonable expenses incurred in attending board of directors or committee meetings.

Under our non-employee director compensation policy, we provide cash compensation in the form of an annual retainer of \$42,500 for each non-employee director. We also pay an additional annual retainer of \$25,000 to the non-employee director who serves as our lead independent director, \$20,000 to the chairman of our audit committee, \$10,000 to other non-employee directors who serve on our audit committee, \$15,000 to the chair of our compensation committee, \$10,000 to other non-employee directors who serve on our compensation committee, \$10,000 to the chair of our nominating and corporate governance committee and \$6,000 to other non-employee directors who serve on our nominating and corporate governance committee. We have reimbursed and will continue to reimburse our non-employee directors for their reasonable expenses incurred in attending meetings of our board of directors and committees of the board of directors.

Also, under our non-employee director compensation policy, any non-employee director who is first elected to the board of directors will be granted such number of restricted stock units on the date of his or her initial election to the board of directors as is determined by dividing (a) \$175,000 by (b) the fair market value (as defined under our 2012 Equity Incentive Award Plan) per share of our common stock on the date of grant. In addition, on the date of each annual meeting of our stockholders, each non-employee director will be granted such number of restricted stock units on the date of such annual meeting as is determined by dividing (x) \$90,000 by (y) the fair market value (as defined under our 2012 Equity Incentive Award Plan) per share of our common stock on the date of grant.

The initial awards granted to non-employee directors described above vest and become exercisable in three equal annual installments over the three-year period following the date of grant, subject to the director's continuing service on our board of directors on those dates. The annual awards granted to non-employee directors described above vest on the first anniversary of the date of grant, subject to the director's continuing service on our board of directors on such date. In addition, all of such awards will vest upon the occurrence of a change in control (as defined under our 2012 Equity Incentive Award Plan). The term of each option granted to a non-employee director is ten years. These options have been, and will continue to be, granted under our 2012 Equity Incentive Award Plan.

The following table provides information related to the compensation of each of our non-employee directors during the year ended December 31, 2015.

	Fees Earned or Paid in Cash	Stock Awards ⁽¹⁾⁽²⁾	Total
Thomas A. Edwards ⁽³⁾	\$ 24,958	\$ 175,000	\$ 199,658
Joseph M. Feczko, M.D.	58,500	90,000	148,500
Ira Klein, M.D., M.B.A., F.A.C.P. ⁽⁴⁾	33,702		33,702
Roger C. Lucas, Ph.D.	83,500	90,000	173,500
Geoffrey M. Parker	68,500	90,000	148,500
James L. Tyree	73,500	90,000	163,500

- (1) Amounts shown represent the aggregate grant date fair value of the restricted stock units granted in 2015 to our non-employee directors computed in accordance with FASB Topic ASC 718. These amounts do not correspond to the actual value that will be recognized by the non-employee director with respect to such awards. The assumptions used in the valuation of these awards are consistent with th