

AVEO PHARMACEUTICALS INC
Form 8-K
February 22, 2011

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 15, 2011

AVEO Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-34655
(Commission
File Number)

04-3581650
(IRS Employer
Identification No.)

75 Sidney Street
Cambridge, Massachusetts

02139

Edgar Filing: AVEO PHARMACEUTICALS INC - Form 8-K

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (617) 299-5000

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On February 15, 2011, the independent members of the Board of Directors (the Independent Board Members) of AVEO Pharmaceuticals Inc. (the Company), upon the recommendation of the Company's compensation committee (the Compensation Committee), took the following actions regarding the compensation of the Company's executive officers:

1. Approved 2010 annual cash incentive awards pursuant to the Company's Annual Cash Incentive Plan and a one-time recognition bonus to each executive officer as set forth below:

Name	2010 Annual Cash Incentive Plan Award	Total Cash Incentive Award as a Percentage of Target Cash Incentive Award	One-Time Recognition Bonus	Total 2010 Cash Incentive Plan Award and Bonus Payment
Tuan Ha-Ngoc, President and Chief Executive Officer	\$ 274,495	130% ⁽¹⁾	\$ 50,505	\$ 325,000
David Johnston, Chief Financial Officer	\$ 114,075	128% ⁽²⁾	\$ 22,250	\$ 136,325
Elan Ezickson, Chief Business Officer	\$ 165,516	126% ⁽³⁾	N/A	\$ 165,516
Jeno Gyuris, SVP, Head of Research	\$ 106,256	124% ⁽⁴⁾	N/A	\$ 106,256
William Slichenmyer, Chief Medical Officer	\$ 175,530	128% ⁽²⁾	\$ 21,000	\$ 196,530
Michael Bailey, Chief Commercial Officer	\$ 39,060 ⁽⁵⁾	124% ⁽⁴⁾	N/A	\$ 39,060 ⁽⁵⁾

- (1) Established based on determination that 2010 corporate goals had been achieved at a level of 130%. The cash incentive award payment to Tuan Ha-Ngoc is based solely on the achievement of the Company's corporate goals.
- (2) Established based on determination that 2010 corporate goals had been achieved at a level of 130% and individual goals had been achieved at a level of 120%.
- (3) Established based on determination that 2010 corporate goals had been achieved at a level of 130% and individual goals had been achieved at a level of 110%.
- (4) Established based on determination that 2010 corporate goals had been achieved at a level of 130% and individual goals had been achieved at a level of 100%.

- (5) The 2010 annual cash incentive award for Mr. Bailey has been pro-rated to reflect the date of commencement of his employment, which was September 13, 2010.

The Annual Cash Incentive Plan is designed to reward the Company's executive officers upon the achievement of specified annual corporate and individual goals previously approved by the Independent Board Members and Compensation Committee. For the fiscal year ended December 31, 2010, the Compensation Committee determined that the 2010 corporate goals had been achieved at a level of 130% of target. Upon recommendation by the Compensation Committee, the Independent Board Members used their discretion to approve the 2010 Annual Cash Incentive Plan awards at the recommended levels. In addition, in further recognition of corporate and individual performance, the Independent Board Members also approved the separate special one-time recognition bonuses described above.

2. Established 2011 annual base salaries and 2011 target annual cash incentive award levels (expressed as a percentage of each executive's 2011 annual base salary), as set forth below:

Name	2011 Annual Base Salary	Target Percentage of 2011 Annual Base Salary (%)
Tuan Ha-Ngoc, President and Chief Executive Officer	\$ 490,000	60%
David Johnston, Chief Financial Officer	\$ 326,777	40%
Elan Ezickson, Chief Business Officer	\$ 343,182	40%
Jeno Gyuris, SVP, Head of Research	\$ 298,488	30%
William Slichenmyer, Chief Medical Officer	\$ 363,060	40%
Michael Bailey, Chief Commercial Officer	\$ 319,253	30%

Although they have determined the target annual cash incentive award levels for each executive officer named above, the Compensation Committee and Independent Board Members have not yet determined the corporate and individual goals for the fiscal year ending December 31, 2011. The Company will report such goals in a future filing with the Securities and Exchange Commission once they are so determined. After the end of the 2011 fiscal year, the Compensation Committee and the Independent Board Members will evaluate the performance of the Company and each executive officer against such goals and will determine the annual cash incentive awards, if any, to be granted.

Additional information regarding the compensation of our executive officers will be included in our proxy statement to be filed in connection with our 2011 annual meeting of stockholders.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVEO Pharmaceuticals, Inc.

Date: February 22, 2011

By: /s/ David Johnston
David Johnston

Chief Financial Officer