

Cyclacel Pharmaceuticals, Inc.
Form DEF 14A
June 13, 2006
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

CYCLACEL 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:

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- 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:
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 - 4) Date Filed:
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Table of Contents

Cyclacel Pharmaceuticals, Inc.

150 John F. Kennedy Parkway, Suite 100
Short Hills, New Jersey 07078

June 13, 2006

Dear Fellow Investor,

I am pleased to invite you to attend our 2006 Annual Meeting of Stockholders, which will be held on Thursday, July 6, 2006, beginning at 10:00 a.m., Eastern Time, at the Woodfield Room, The Hilton Short Hills, 41 John F. Kennedy Parkway, Short Hills, New Jersey, 07078.

This year, you are being asked to elect two directors nominated by the Board of Directors upon the recommendation of our Corporate Governance and Nominations Committee, to amend our 2006 Equity Incentive Plan to increase the number of shares of common stock issuable under such plan by an additional 629,675 shares, to an aggregate of 1,615,795 shares, and to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm. Your Board of Directors urges you to read the accompanying proxy statement carefully and recommends that you vote "FOR" each of these proposals.

At the meeting, we also will report on Cyclacel's progress over the past few months since the closing of the acquisition of all of the issued and outstanding stock of Cyclacel Limited by Xcyte Therapies, Inc. in March 2006. We will provide you with an opportunity to meet members of our management team and Board of Directors and will respond to questions that you may have.

We hope that you will be able to join us at our Annual Meeting. Whether or not you expect to attend, please be sure to vote your shares by signing, dating, and returning the proxy card in the envelope provided or by attending the meeting in person.

You will be asked to register at the Annual Meeting prior to admission if you attend. If you wish to register in advance of the Annual Meeting, please contact our investor relations office by telephone at (914) 921-5900, by mail at Cyclacel Pharmaceuticals, Inc., 150 John F. Kennedy Parkway, Suite 100, Short Hills, New Jersey 07078, or by e-mail to investor@cyclacel.com.

I look forward to seeing you at this year's Annual Meeting.

Sincerely yours,

/s/ Spiro Rombotis

Spiro Rombotis

President and Chief Executive Officer

Table of Contents

CYCLACEL PHARMACEUTICALS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JULY 6, 2006

To the Stockholders
of Cyclacel Pharmaceuticals, Inc.:

NOTICE IS HEREBY GIVEN that the annual meeting of Cyclacel Pharmaceuticals, Inc. will be held on July 6, 2006 (the "Annual Meeting"), for the following purposes:

1. To elect two Class 3 directors to hold office until the 2009 Annual Meeting and until their successors are duly elected and qualified;
2. To approve the amendment of the 2006 Equity Incentive Plan to increase the number of shares of common stock issuable thereunder by an additional 629,675 shares, to an aggregate of 1,615,795 shares;
3. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2006; and
4. To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

Only those holders of our common stock of record as of the close of business on May 22, 2006, are entitled to notice of, and to vote at, the Annual Meeting and at any adjournments thereof. A total of 16,157,953 shares of our common

stock were issued and outstanding as of that date. Each share of common stock entitles its holder to one vote. Cumulative voting of shares of common stock is not permitted.

For the ten-day period immediately prior to the Annual Meeting, the list of stockholders entitled to vote will be available for inspection at our offices at 150 John F. Kennedy Parkway, Suite 100, Short Hills, New Jersey, 07078, for such purposes as are set forth in the General Corporation Law of the State of Delaware.

At least a majority of all issued and outstanding shares of common stock is required to constitute a quorum. Accordingly, whether you plan to attend the annual meeting or not, we ask that you complete, sign, date and return the enclosed proxy card as soon as possible in accordance with the instructions on the proxy card. A pre-addressed, postage prepaid return envelope is enclosed for your convenience. In the event you are able to attend the meeting, you may revoke your proxy and vote your shares in person.

BY ORDER OF THE BOARD OF DIRECTORS
/s/ Paul McBarron
Secretary

TABLE OF CONTENTS

	Page
<u>INFORMATION ABOUT THE MEETING AND VOTING</u>	<u>1</u>
<u>General</u>	<u>1</u>
<u>Summary of Proposals to be Voted Upon by Stockholders</u>	<u>1</u>
<u>Proxies</u>	<u>1</u>
<u>Stockholders Entitled to Vote</u>	<u>2</u>
<u>Establishing a Quorum</u>	<u>2</u>
<u>Votes Required, Broker Non-Votes and Abstentions</u>	<u>2</u>
<u>Costs of Solicitation of Proxies</u>	<u>3</u>
<u>Dissenters' Rights</u>	<u>3</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>4</u>
<u>MANAGEMENT</u>	<u>5</u>
<u>EXECUTIVE COMPENSATION</u>	<u>10</u>
<u>REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION</u>	<u>11</u>
<u>PERFORMANCE GRAPH</u>	<u>14</u>
<u>REPORT OF THE AUDIT COMMITTEE</u>	<u>15</u>
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>15</u>
<u>CORPORATE CODE OF CONDUCT AND ETHICS</u>	<u>15</u>
<u>CERTAIN RELATIONSHIP AND RELATED PARTY TRANSACTIONS</u>	<u>16</u>
<u>PROPOSALS TO BE VOTED UPON BY STOCKHOLDERS</u>	<u>17</u>
<u>Proposal 1: Election of Class 3 Directors</u>	<u>17</u>
<u>Proposal 2: Approval of Amendment of The 2006 Equity Incentive Plan</u>	<u>18</u>
<u>Proposal 3: Ratification of Selection of Independent Registered Public Accounting Firm</u>	<u>26</u>
<u>OTHER MATTERS</u>	<u>28</u>
<u>STOCKHOLDERS PROPOSALS AND NOMINATIONS FOR DIRECTORS</u>	<u>28</u>

Appendix A: Corporate Governance and Nominations Committee Charter

A-1

Appendix B: The 2006 Equity Incentive Plan

B-1

Table of Contents

CYCLACEL PHARMACEUTICALS, INC.
150 John F. Kennedy Parkway, Suite 100
Short Hills, New Jersey 07078
(973) 847-5955

PROXY STATEMENT
2006 ANNUAL MEETING OF STOCKHOLDERS

INFORMATION ABOUT THE MEETING AND VOTING

General

This proxy statement is furnished in connection with the solicitation of proxies, in the accompanying form, by the Board of Directors of Cyclacel Pharmaceuticals, Inc. to be used at our 2006 Annual Meeting of Stockholders (the “Annual Meeting”) to be held on Thursday, July 6, 2006 at 10:00 a.m., Eastern Time, at the Woodfield Room, The Hilton Short Hills, 41 John F. Kennedy Parkway, Short Hills, New Jersey, 07078, and at any adjournments or postponements thereof for the purposes set forth in the Notice of Annual Meeting. These proxy materials are being mailed to all stockholders entitled to notice of and to vote at the Annual Meeting on or about June 5, 2006.

Summary of Proposals to be Voted Upon By Stockholders

Proposal 1: Election of Two Class 3 Directors to Hold Office Until the 2009 Annual Meeting
Our Board of Directors is divided into three classes of directors. Each class is elected to serve for a staggered three-year term. This year, two current Class 3 directors have been nominated to serve until the 2009 Annual Meeting and until their successors have been duly elected and qualified. The nominated directors are as follows:

- Paul McBarron, our Chief Operating Officer and Executive Vice President, Finance, who has served on our Board of Directors since March 2006; and
- Dr Christopher Henney, who has served on our Board of Directors since March 2005.

The Board of Directors recommends that stockholders vote “FOR” Proposal 1.

Proposal 2: Approval of the Amendment of The 2006 Equity Incentive Plan

On June 9, 2006, the Board of Directors approved the amendment of the 2006 Equity Incentive Plan to increase the number of shares of common stock issuable under the 2006 Equity Incentive Plan by an additional 629,675 shares, to an aggregate of 1,615,795 shares.

The Board of Directors recommends that stockholders vote “FOR” Proposal 2.

Proposal 3: Ratification of Selection of Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has selected Ernst & Young LLP to be our independent registered public accounting firm for the year ending December 31, 2006. Ernst & Young LLP has served as our independent registered public accounting firm since 1996.

The Board of Directors recommends that stockholders vote “FOR” Proposal 3.

Proxies

Holders of our common stock who are entitled to vote are urged to sign the enclosed proxy card and return it promptly in the return envelope provided. Proxies will be voted in accordance with such

1

Table of Contents

holders’ directions. If no directions are given, proxies will be voted “FOR” the election as Class 3 directors of the nominees named herein, and “FOR” ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm, and, as to any other business that may come before the Annual Meeting, in accordance with the judgment of the person or persons named in the proxy. However, if no directions are given with respect to Proposal 2 on the approval of the amendment of the 2006 Equity Incentive Plan, then such proxies will be voted “AGAINST” the amendment of the 2006 Equity Incentive Plan to increase the number of shares of common stock issuable thereunder. The Board of Directors knows of no other business to be presented at the Annual Meeting. The proxy may be revoked at any time prior to the voting thereof by providing written notice of revocation to us at 150 John F. Kennedy Parkway, Suite 100, Short Hills, New Jersey, 07078, Attention: Paul McBarron, Chief Operating Officer and Executive Vice President, Finance, and Secretary. The proxy may also be revoked by submitting to us prior to the Annual Meeting a more recently dated proxy or by attending the Annual Meeting and voting in person.

Stockholders Entitled to Vote

Only stockholders of record at the close of business on May 22, 2006, are entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof. On that date, there were 16,157,953 shares of common stock outstanding. Each share of common stock is entitled to one vote.

Establishing a Quorum

The holders of a majority of the issued and outstanding shares of common stock entitled to vote, whether present in person or represented by proxy at the Annual Meeting, will constitute a quorum for the transaction of business at the Annual Meeting. Shares as to which a broker indicates that it has no discretion to vote and which are not voted, known as “broker non-votes,” will be considered present at the Annual Meeting for the purpose of determining the presence of a quorum. Proxies marked as abstaining on any matter to be acted upon by the stockholders will be treated as present at the Annual Meeting for purposes of determining a quorum.

Votes Required, Broker Non-Votes and Abstentions

For Proposal 1, the affirmative vote of a plurality of the shares of common stock cast by the stockholders present in person or represented by proxy at the Annual Meeting is required to elect the nominees for election as Class 3 directors. Thus, broker non-votes and withholding authority will have no effect on the outcome of the vote for the election of directors. Brokers do, however, have discretionary authority to vote shares held in their name on this

proposal, even if they do not receive instructions from the beneficial owner.

For Proposal 2, the affirmative vote of a majority of votes cast by the stockholders entitled to vote and who are present in person or represented by proxy at the Annual Meeting is required to approve the amendment of the 2006 Equity Incentive Plan to increase the number of shares of common stock issuable thereunder. Brokers do not have discretion to vote on this proposal without your instruction. If you do not instruct your broker how to vote on this proposal, your broker will deliver a non-vote on this proposal. Broker non-votes, if any, will have no effect on the outcome of the vote on this proposal. Abstentions will have the effect of a vote “against” the proposal.

For Proposal 3, the affirmative vote of a majority of votes cast by the stockholders entitled to vote and who are present in person or represented by proxy at the Annual Meeting is required to ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for 2006. Because broker non-votes and abstentions are not considered to be votes cast, they will have no effect on the vote for this proposal. Brokers do, however, have discretionary authority to vote shares held in their name on this proposal, even if they do not receive instructions from the beneficial owner. We are not required to obtain the approval of our stockholders to select our independent registered public accounting firm. However, if our stockholders do not ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for 2006, the Audit Committee of our Board of Directors will reconsider its selection.

2

Table of Contents

Costs of Solicitation of Proxies

The solicitation of proxies in the enclosed form is made on behalf of the Board of Directors. The entire cost of soliciting these proxies, including the costs of preparing, printing and mailing to stockholders this proxy statement and accompanying materials, will be borne by us. In addition to use of the mails, proxies may be solicited personally or by telephone or otherwise by our officers, directors and employees, who will receive no additional compensation for such activities. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of shares held of record by such institutions and persons. Such parties will be reimbursed for their reasonable expenses incurred in connection with these activities.

Dissenters' Rights

Under Delaware law, stockholders are not entitled to dissenters' rights of appraisal on any proposal referred to herein.

3

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS
AND MANAGEMENT

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The following table sets forth certain information as of the Record Date, concerning the ownership of voting securities of (i) each current member of the Board of Directors, (ii) certain highly compensated officers, (iii) all of our directors and executive officers as a group and (iv) each beneficial owner of more than 5% of the outstanding shares of any class of our voting securities relying solely upon the amounts and percentages disclosed in their public filings. The address for each of the directors and named executive officers is c/o Cyclacel Pharmaceuticals, Inc., 150 John F. Kennedy Parkway, Suite 100, Short Hills, New Jersey, 07078. Addresses of other beneficial owners are noted in the table.

As of the Record Date, we had 16,157,953 shares of common stock outstanding.

	Number of Shares Beneficially Owned ⁽¹⁾	Percentage Owned
Directors and Executive Officers		
Sir John Banham	33,347	*
Dr. Judy Chiao	48,168	*
Dr. Christopher Henney	7,167	*
Dr. Robert Jackson	64,841	*
Paul McBarron	74,104	*
Professor Gordon McVie	—	*
Spiro Rombotis	353,948	2.19%
Daniel Spiegelman		