



April 17, 2012

Public Company Accounting Oversight Board
Attention: Office of the Secretary
1666 K Street, NW
Washington, DC 20006-2803

Dear Mr. Secretary:

I would like to thank the PCAOB for requesting and considering public comments on this proposal, and I would also like to respectfully submit my comments on the PCAOB's proposal regarding the mandatory rotation of audit firms by public companies. I submit this letter in my role as Chairman of the Audit Committee for Alexion Pharmaceuticals, Inc., ("Alexion"), a public biopharmaceutical company focused on serving patients with severe and ultra-rare disorders through the innovation, development and commercialization of life-transforming therapeutic products. Alexion had \$783 million in revenue during 2011 and has approximately 1,000 employees in approximately 30 countries worldwide.

I realize that this is a complicated issue with pros and cons on both sides. Clearly, auditor independence is of paramount importance for the protection of investors in public companies. However, on balance, I am opposed to the proposal primarily for three reasons as outlined below.

1. Corporate Governance

Selection of auditors and ensuring their independence is a critical corporate governance issue. Audit Committees play a critical role in ensuring that the company's outside auditors maintain independence. Audit Committees monitor and evaluate independence. Audit Committees can also change auditors to the extent that they believe the firm is not acting in an independent manner. The independent accounting firms also have substantial restrictions in providing non-audit services which the Audit Committees also monitor closely and have the ability to restrict.

Companies, boards and committees are subject to state and federal laws and regulations, stock exchange rules, and agency oversight. Institutional stockholders and proxy advisory firms regularly evaluate a company's corporate governance practices. The PCAOB has the capability and responsibility to carry out inspections and enforcement regarding auditor independence and a company's obligation to ensure that independence. I believe that multiple tools and checks already exist that enable Audit Committees to evaluate and assure auditor independence. Mandatory rotation of audit firms is another tool, but this mandate will not itself guarantee

independence. Further, mandatory rotation of audit firms could be harmful to a company's governance.

The PCAOB can reinforce this Audit Committee responsibility through encouraging director education and publicizing the importance of this responsibility. I believe this approach can be effective and is far less drastic than mandatory rotations.

2. Cost/Benefit Ratio

The costs associated with mandatory rotation will outweigh the benefits, particularly for small and mid-size companies. The rotation would involve an expensive transition process for both the company and the auditing firm. The transition process would require extensive use of company personnel and resources that would otherwise be dedicated to other activities. The incremental benefit, in my opinion, would be marginal compared to the existing requirement for partner rotation.

Most concerning, the choices for each and every multinational public company are in fact quite limited. Amongst the primary four firms that most multinational companies can use, some would not qualify as rotation candidates because the company has specific geographic and industry experience or expertise requirements, and because some firms may perform non-audit services for the company that an independent auditor is restricted from providing.

3. Audit Effectiveness

Finally, I believe there is a real risk that mandatory audit firm rotation could reduce the effectiveness of the auditing process. There is considerable value in continuity and accumulated experience by the auditing firms with the company's business operations, its industry, its executives and board members, and its history. The quality of audit procedures is limited if a firm does not understand the business and issues of their audit clients, and mandatory rotation would require periodic reeducation of the accounting firm, particularly for multinational companies, resulting in wasted effort and reduced effectiveness.

I understand the PCAOB is seeking potential suggestions, and perhaps a compromise position would be to require not only partner rotation but also a mandatory rotation of some part of auditing staff assigned to the company's audit work. As noted above, enhanced Audit Committee education would also be extremely effective in ensuring that auditor independence is appropriately monitored.

Yours truly,



Doug Norby
Chairman of Audit Committee
Alexion Pharmaceuticals, Inc.