

SUPERNUS PHARMACEUTICALS INC
Form DEF 14A
April 19, 2016

[QuickLinks](#) -- Click here to rapidly navigate through this document

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

SUPERNUS 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:

Edgar Filing: SUPERNUS PHARMACEUTICALS INC - Form DEF 14A

- o Fee paid previously with preliminary materials.
 - o 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:
-

SUPERNUS PHARMACEUTICALS, INC.

1550 East Gude Drive
Rockville, MD 20850
(301) 838-2500

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD AT 10:00 A.M.,
MAY 19, 2016**

To the Stockholders of Supernus Pharmaceuticals, Inc.:

NOTICE IS HEREBY GIVEN THAT the 2016 Annual Meeting of the Stockholders of Supernus Pharmaceuticals, Inc., a Delaware corporation (Supernus), will be held at the executive offices of Supernus, located at 1550 East Gude Drive, Rockville, MD 20850 on May 19, 2016 at 10:00 A.M. for consideration of and action upon the following matters:

1. to elect three (3) directors to hold office for the ensuing three years and until their successors have been duly elected and qualified;
2. to consider and act upon a proposal to amend and restate the Supernus Pharmaceuticals, Inc. 2012 Equity Incentive Plan to increase the number of shares available and to update the performance criteria for making awards under the plan;
3. to consider and act upon a proposal to amend and restate the Supernus Pharmaceuticals, Inc. 2012 Employee Stock Purchase Plan to increase the number of shares available under the plan;
4. to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016; and
5. to transact such other business as may properly come before the Annual Meeting or any adjournment or adjournments thereof.

The Board of Directors has fixed the close of business on March 22, 2016 as the Record Date for the determination of holders of common stock of Supernus entitled to notice of, and to vote at, the Annual Meeting and any adjournments thereof. For at least 10 days prior to the Annual Meeting date, a complete list of stockholders entitled to vote at the Annual Meeting will be open to examination by stockholders for any purpose germane to the Annual Meeting during normal business hours at our corporate headquarters at 1550 East Gude Drive, Rockville, MD 20850. The list of stockholders and their stockholdings will also be available at and for the duration of the Annual Meeting on May 19, 2016.

THE ACCOMPANYING FORM OF PROXY IS SOLICITED BY THE BOARD OF DIRECTORS OF SUPERNUS.

STOCKHOLDERS (WHETHER THEY OWN ONE OR MANY SHARES AND WHETHER THEY EXPECT TO ATTEND THE ANNUAL MEETING OR NOT) ARE REQUESTED TO VOTE, SIGN, DATE AND RETURN PROMPTLY THE ACCOMPANYING PROXY IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES. A PROXY MAY BE REVOKED AT ANY TIME PRIOR TO ITS EXERCISE BY (a) NOTIFYING THE SECRETARY OF SUPERNUS IN WRITING, (b) DELIVERING A DULY EXECUTED PROXY BEARING A LATER DATE, OR (c) ATTENDING THE ANNUAL MEETING AND VOTING IN PERSON.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MAY 19, 2016. THE PROXY STATEMENT AND 2015 ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT: www.edocumentview.com/SUPN.

BY ORDER OF THE BOARD OF DIRECTORS:

Jack A. Khattar, *Secretary*

April 19, 2016

SUPERNUS PHARMACEUTICALS, INC.

1550 East Gude Drive
Rockville, MD 20850
(301) 838-2500

DATED April 19, 2016

PROXY STATEMENT

This Proxy Statement is furnished with the attached Notice of Annual Meeting and with the accompanying Proxy on or about April 19, 2016, to each stockholder of record of Supernus Pharmaceuticals, Inc. (Supernus or the Company) as of the close of business on March 22, 2016 (Record Date), in connection with the solicitation of proxies by the Board of Directors to be voted at the Annual Meeting of Stockholders of Supernus to be held on May 19, 2016 at 10:00A.M. at the executive offices of Supernus, located at 1550 East Gude Drive, Rockville, MD 20850, and at any adjournment or adjournments thereof for the purposes stated below. The form of Proxy is enclosed.

Only stockholders of record as of the close of business on the Record Date will be entitled to vote on all matters presented for vote at the Annual Meeting. At the close of business on March 22, 2016, the total number of shares of our common stock (the Common Stock) outstanding was 49,407,236 shares. Each share of Common Stock will be entitled to one vote per share on all business to come before the Annual Meeting.

QUORUM AND REQUIRED VOTE

The holders of a majority of the outstanding shares of each class entitled to vote at the meeting, present in person or represented by proxy shall constitute a quorum. If a broker that is a record holder of common stock does not return a signed Proxy, the shares of Common Stock represented by such Proxy will not be considered present at the meeting and will not be counted toward establishing a quorum. If a broker that is a record holder of Common Stock does return a signed Proxy, but is not authorized to vote on one or more matters, each such vote being a broker non-vote, the shares of Common Stock represented by such Proxy will be considered present at the meeting for purposes of determining the presence of a quorum.

A plurality of the votes cast is required for the election of directors. In the event that neither a "For" nor a "Withhold" is cast for a director, such non-votes will have no impact on the outcome of the election of directors. The rules that determine how your broker can vote your shares state that brokers may not vote your shares on the election of directors in the absence of your specific instructions as to how to vote. You must provide your broker with voting instructions so that your vote will be counted. Broker non-votes will have no effect on the outcome of the election of directors.

An affirmative vote of the majority of the votes cast, present in person or by proxy at the meeting, is required for the approval of Proposals 2, 3 and 4. Abstentions will have the effect of a "no" vote with respect to Proposals 2, 3 and 4 and broker non-votes will have no effect on the outcome of these proposals.

REVOCABILITY OF PROXY

Any Proxy given pursuant to this solicitation may be revoked at any time prior to its exercise by notifying the Secretary of Supernus in writing, delivering a duly executed Proxy bearing a later date or attending the Annual Meeting and voting in person.

DISSENTER'S RIGHT OF APPRAISAL

The matters submitted to the stockholders for their approval will not give rise to dissenter's appraisal rights under Delaware law.

PERSONS MAKING THE SOLICITATION

The accompanying Proxy is being solicited on behalf of the Board of Directors of Supernus. In addition to mailing the Proxy materials, solicitation may be made in person or by telephone or electronic transmission by directors, officers or other employees of Supernus, none of whom will receive any additional compensation in connection with such solicitation. The expense of the solicitation of the Proxies for the Annual Meeting will be borne by us. We will request banks, brokers and other nominees to forward Proxy materials to beneficial owners of stock held by them and will reimburse such banks, brokers and other nominees for their reasonable out-of-pocket expenses in doing so.

VOTING SECURITIES AND PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of our common stock as of April 11, 2016 by: (i) any person who, to our knowledge, owns 5% or more of the common stock on an as-converted basis, (ii) our named executive officers⁺ and our directors and director nominees individually, and (iii) all of our executive officers and directors, as a group. Unless otherwise indicated, the address for each of the stockholders listed in the table below is c/o Supernus Pharmaceuticals, Inc., 1550 East Gude Drive, Rockville, Maryland 20850.

Beneficial ownership is determined in accordance with the rules and regulations of the United States Securities and Exchange Commission (SEC). In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or exercisable within sixty (60) days of April 11, 2016 are deemed outstanding. These shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as indicated in the footnotes to this table and pursuant to applicable community property laws, we believe each

⁺ The named executive officers (NEOs) consist of our Chief Executive Officer, Chief Financial Officer and our three most highly compensated officers other than the Chief Executive Officer and Chief Financial Officer.

Edgar Filing: SUPERNUS PHARMACEUTICALS INC - Form DEF 14A

stockholder named in the table has sole voting and investment power with respect to the shares set forth opposite that stockholders' name.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percentage of Shares of Common Stock Beneficially Owned
5% Stockholders:		
Blackrock, Inc. and its affiliates(1) 55 East 52 nd Street New York, NY 10055	3,869,196	7.8
Executive Officers and Directors:		
Jack A. Khattar+(2)	1,969,624	4.0
Gregory S. Patrick+(3)	203,081	*
Padmanabh P. Bhatt, Ph.D.+(4)	139,806	*
Stefan K.F. Schwabe, M.D., Ph.D.+(5)	119,487	*
Victor L. Vaughn+(6)	94,524	*
M. James Barrett, Ph.D.(7)	232,710	*
Georges Gemayel, Ph.D.(8)	8,750	*
Frederick M. Hudson(9)	49,929	*
Charles W. Newhall, III(10)	128,477	*
William A. Nuerge(11)	59,929	*
John M. Siebert, Ph.D.(12)	55,742	*
All executive officers and directors as a group (11 persons)	3,062,059	6.1

*

Less than one percent.

(1)

The number of shares is based on information provided in a Schedule 13G/A filed by Blackrock, Inc. with the SEC on January 28, 2016. Blackrock, Inc. indirectly holds the shares on behalf of its affiliated investment adviser subsidiaries, consisting of Blackrock Advisors, LLC, Blackrock Asset Management Canada Limited, Blackrock Asset Management Ireland Limited, Blackrock Asset Management Schweiz AG, Blackrock Fund Advisors, which is the beneficial owner of more than five percent (5%) of the shares of common stock, Blackrock Institutional Trust Company, N.A. and Blackrock Investment Management, LLC. Blackrock, Inc. has sole voting and sole dispositive power with respect to all of the shares.

(2)

Includes 1,094,000 shares of common stock held by KBT Trust and 431,500 shares of common stock issuable to Mr. Khattar upon exercise of options that vest within 60 days of April 11, 2016.

(3)

Includes 195,000 shares of common stock issuable to Mr. Patrick upon the exercise of options that vest within 60 days of April 11, 2016.

(4)

Includes 82,500 shares of common stock issuable to Dr. Bhatt upon the exercise of options that vest within 60 days of April 11, 2016.

(5)

Includes 118,750 shares of common stock issuable to Dr. Schwabe upon the exercise of options that vest within 60 days of April 11, 2016.

(6)

Includes 87,500 shares of common stock issuable to Mr. Vaughn upon the exercise of options that vest within 60 days of April 11, 2016.

(7)

Includes 20,000 shares of common stock issuable to Dr. Barrett upon the exercise of options that vest within 60 days of April 11, 2016. Also includes 57,678 shares of common stock held by the

Edgar Filing: SUPERNUS PHARMACEUTICALS INC - Form DEF 14A

Barrett 2006 Family Trust, 33,360 shares of common stock held by the Radhika Barrett Trust and 24,317 shares of common stock held by the April P. Barrett Grandchildren's Trust.

- (8) Includes 8,750 shares of common stock issuable to Mr. Gemayel upon the exercise of options that vest within 60 days of April 11, 2016.
 - (9) Includes 44,929 shares of common stock issuable to Mr. Hudson upon the exercise of options within 60 days of April 11, 2016.
 - (10) Includes 36,179 shares of common stock issuable to Mr. Newhall upon the exercise of options within 60 days of April 11, 2016.
 - (11) Includes 36,179 shares of common stock issuable to Mr. Nuerge upon the exercise of options within 60 days of April 11, 2016.
 - (12) Includes 36,179 shares of common stock issuable to Dr. Siebert upon the exercise of options within 60 days of April 11, 2016.
-

PROPOSAL 1
ELECTION OF DIRECTORS

In April 2012, our stockholders approved the Company's Amended and Restated Certificate of Incorporation, which divided the Board of Directors into three classes, as nearly equal in number as possible, with one class standing for election each year for a three-year term. The term of the Class I directors will expire at the 2016 Annual Meeting of Stockholders, the term of the Class II directors will expire at the 2017 Annual Meeting of Stockholders and the term of the Class III directors will expire at the 2018 Annual Meeting of Stockholders. At each Annual Meeting of Stockholders, the successors of the class of directors whose term expires shall be elected to hold office for a term expiring at the Annual Meeting of Stockholders to be held in the third year following the year of their election, with each director in each such class to hold office until his or her successor is duly elected and qualified.

Our Board of Directors shall be not fewer than five and not more than 15 members. At our Annual Meeting, three directors are to be elected. The Board of Directors recommends that stockholders elect Jack A. Khattar, M. James Barrett, Ph.D. and William A. Nuerge to hold office until the 2019 Annual Meeting of Stockholders or until their respective successors have been elected and qualified. This slate of directors recommended and approved by the Board of Directors was determined following an assessment by the Board of Directors of the skill set and experience of such persons. Concerning the nominees named below, Mr. Khattar, Dr. Barrett and Mr. Nuerge were elected as a director at the Annual Meeting of Stockholders held on April 24, 2013. The person designated as proxies in the accompanying proxy card intend to vote "FOR" each such nominee, unless a contrary instruction is indicated on the proxy card. If for any reason the nominee should become unavailable for election, the persons designated as proxies in the proxy card may vote the proxy for the election of another person nominated as a substitute by the Board of Directors, if any person is so nominated. We have no reason to believe that the nominees will be unable or unwilling to serve if elected, and the nominees have expressed their intention to serve the entire term for which election is sought. The proxies cannot be voted for a greater number of persons than the number of nominees named which are two nominees.

We are not aware of any adverse proceedings between any director, officer, affiliate or beneficial owner of the company.

The following table sets forth below the name, age, service dates and respective position with the Company of each member of our Board of Directors:

Name	Age	Director Since	Position
<i>Class I Directors (Term maturing in 2016)</i>			
Jack A. Khattar	54	2005	President, Chief Executive Officer and Secretary, Director
M. James Barrett, Ph.D.(2)(3)	73	2005	Director and Chairman of the Board
William A. Nuerge(1)(2)	63	2006	Director
<i>Class II Directors (Term maturing in 2017):</i>			
Frederick M. Hudson(1)	70	2010	Director
Charles W. Newhall, III(3)	71	2005	Director
<i>Class III Directors (Term maturing in 2018):</i>			
Georges Gemayel, Ph.D.	55	2015	Director
John M. Siebert, Ph.D.(1)(2)	76	2011	Director

- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Governance and Nominating Committee

Biographical Information

The following is a brief biography of each nominee for election of director and a discussion of the specific experience, qualifications, attributes or skills that led the Board of Directors to select that director for nomination.

Class I Nominees for Term of Office to Expire in 2019:

Jack A. Khattar is the founder of our Company and has served as our President, Chief Executive Officer (CEO) and Secretary and a Director since 2005. From 1999 to 2005, Mr. Khattar served in various positions during that time as a Board member, President and CEO of Shire Laboratories Inc., the drug delivery subsidiary of Shire plc. From 1999 to 2004, he also served as a member of Shire plc's Executive Committee. Prior to that, Mr. Khattar served as an Executive Officer and the Chairman of the Management Committee at CIMA Labs Inc. (CIMA), a drug delivery company where he was also responsible for business development, corporate alliances and strategic planning. Prior to joining CIMA in 1995, Mr. Khattar held several marketing and business development positions at Merck & Co., Novartis, Playtex and Kodak in various locations, including the United States, Europe and the Middle East. Mr. Khattar served on the Board of Rockville Economic Development, Inc. from 2003 until 2013. He currently serves on the Board of Directors of Prevacus, Inc., a privately-held development stage biotechnology company. Mr. Khattar earned his degrees in Marketing with a BBA from American University of Beirut and an MBA from the Wharton School of the University of Pennsylvania. Mr. Khattar's leadership, executive, managerial, business and pharmaceutical company experience, along with his more than 20 years of industry experience in the development and commercialization of pharmaceutical products and drug delivery technologies, qualify him to be a director.

M. James Barrett, Ph.D., has served as the Chairman of our Board since 2005. Since September 2001, Dr. Barrett has been a general partner of New Enterprise Associates, Inc. (NEA), where he specializes in biotechnology and works with members of NEA's healthcare investment group on medical devices, healthcare information systems and healthcare services companies. He is currently a member of the Board of Directors of each of the publicly-traded companies Clovis Oncology, Inc., GlycoMimetics Inc., Loxo Oncology, Inc., Proteostasis Therapeutics, Inc., Roka Bioscience, Inc. and Zosano Pharma Corporation. Within the past five years, he has served on the Board of Directors of each of the publicly-traded companies Amicus Therapeutics, Inc., Targacept, Inc., CoGenesys, Inc. (acquired by Teva Pharmaceuticals Industries, Inc.), Iomai Corporation (acquired by Intercell AG), MedImmune, LLC (acquired by AstraZeneca), Pharmion Corporation (acquired by Celgene Corporation) and, Inhibitex (acquired by Bristol-Myers Squibb Co.). As a result of Dr. Barrett's tenure as a general partner of NEA, he has served on numerous Boards of Directors of both public and private companies in the healthcare sector and brings to our Board of Directors significant first-hand experience in shaping strategic direction as a pharmaceutical company matures from a private venture-backed company to a development-stage public company and then to a product revenue-generating company. Dr. Barrett received a Ph.D. in Biochemistry at the University of Tennessee, his MBA from the University of Santa Clara, and a B.S. in Chemistry from Boston College. Dr. Barrett's substantial experience with public and private companies in the healthcare sector and his venture capital, financial and business experience qualify him to serve as a director.

William A. Nuerge has served as a member of our Board since 2006. Since 2008, Mr. Nuerge has been a managing partner of Fortress Pharms, LLC. From 2004 to 2007, Mr. Nuerge served as a director and President and CEO of Xanodyne Pharmaceuticals, Inc. From 1997 to 2004, he served as President and CEO of Shire US, Inc. Prior to that, Mr. Nuerge served as Chief Operating Officer of Richwood Pharmaceuticals Company, Inc. from 1994 to 1997, which subsequently merged with Shire plc in 1997. Mr. Nuerge earned his B.S. degree from Purdue University and his MBA from Indiana Wesleyan University. Mr. Nuerge's significant operational and business experience with life science companies qualify him to serve as a director.

The Board of Directors recommends a vote "FOR" the election of the Class I nominees to the Board of Directors named above.

Class II Directors Continuing for Term of Office Expiring in 2017:

Frederick M. Hudson has served as a member of our Board since 2010. Mr. Hudson retired as a partner in the accounting firm of KPMG LLP in 2006 after a 37 year career with the firm. He was the partner in charge of the health care audit practice for the Washington Baltimore business unit. He currently chairs the audit committee of the Board of Directors of Aradigm Corporation. He chairs the finance committee of the Board of Directors of GBMC Healthcare, Inc. and its affiliate, Greater Baltimore Medical Center where he was the prior chair of the audit committee. He is also a director and compliance committee member of Maxim Health Care Services, Inc. He was previously on the Board of Directors and the audit committee chair of Educate, Inc, Woodhaven Holding Corp., Vicor Technologies, Inc. and Paradigm Management Services LLC, on the Board of Financial Administration of the Catholic Archdiocese of Baltimore and on the Board of Trustees of the Maryland Historical Society. Mr. Hudson received a B.S. in Accounting from Loyola University Maryland and is a Certified Public Accountant. Mr. Hudson's extensive accounting and health care audit experience qualify him to serve as a director.

Charles W. Newhall, III has served as a member of our Board since 2005. In 1977, Mr. Newhall co-founded NEA, a venture capital firm that focuses on the medical and life sciences and information technology industries, from which he retired effective December 31, 2012. To date, Mr. Newhall has served as a director of over 50 venture-backed companies. Some of his current Board memberships include NeuroPace, Inc. and Interfusio. In 1986, he founded the Mid-Atlantic Venture Capital Association (MAVA), which now has over 500 venture capital firms that are members, and is one of the most active regional venture associations in the country. He is Chairman Emeritus of MAVA. He has served as an advisor to Greenspring Associates since 2012. Before NEA, Mr. Newhall was a Vice President of T. Rowe Price. He served in Vietnam commanding an independent platoon including an initial reconnaissance of Hamburger Hill. His decorations include the Silver Star, Bronze Star V (1st OLC) and the Purple Heart. He earned an Honors Degree in English from the University of Pennsylvania and an MBA from Harvard Business School. Mr. Newhall's substantial experience with companies in the healthcare sector and his venture capital, financial and business experience qualify him to serve as a director.

Class III Directors Continuing for Term of Office Expiring in 2018:

Georges Gemayel, Ph.D., has served as a member of our Board since 2015. Since 2010, he has served as a consultant for several biotechnology companies and venture capital funds. From February 2011 to December 2012, Dr. Gemayel served as Executive Chairman of Syndexa Pharmaceuticals Corp., a privately held drug development company. Prior to that, in 2010 Dr. Gemayel served as Executive Chairman of FoldRx until its acquisition by Pfizer. From June 2008 until November 2009, Dr. Gemayel served as President and CEO of Altus Pharmaceuticals, a publicly traded pharmaceutical company. In November 2009, while Dr. Gemayel was President, CEO and a director, Altus Pharmaceuticals filed a voluntary petition for relief under Chapter 7 of the U.S. Bankruptcy Code and ceased operations at such time. From 2003 to 2008, he was Executive Vice President at Genzyme Corporation where he was responsible for Genzyme's global therapeutics, transplant, renal and biosurgery businesses. From 2000 to 2003, Dr. Gemayel was employed as Vice President National Specialty Care for Hoffmann-La-Roche, responsible for its U.S. business for dermatology, oncology, transplantation, hepatitis and HIV. Dr. Gemayel joined Hoffmann-La Roche in 1988 and served in various positions of increasing responsibility over his tenure there. Dr. Gemayel received his doctorate in pharmacy from St. Joseph University in Beirut, Lebanon and his Ph.D. in Pharmacology from Paris-Sud University in Paris, France. Dr. Gemayel currently serves as Chairman of the Board of Directors of Oxthera AB, Enterome

Bioscience SA and Orphazyme ApS, all privately held companies, as well as a Director of Raptor Pharmaceuticals, Dimension Therapeutics and Momenta Pharmaceuticals (all NASDAQ listed companies). He was previously a director of Adolor Corporation, a publicly traded company acquired by Cubist Pharmaceuticals, Inc., a director at Prosensa acquired by Biomarin, a director at NPS acquired by Shire, a director of Epitherapeutics acquired by Gilead and the Chairman of Vascular Magnetics, a privately owned company. Dr. Gemayel's substantial experience on the Boards of Directors of life science and healthcare companies and his over 25 years of experience in the pharmaceutical industry, including management and executive positions spanning the United States, Europe and the Middle East, qualify him to serve as a director.

John M. Siebert, Ph.D. has served as a member of our Board since 2011. Dr. Siebert has over 30 years experience in the pharmaceutical industry. Currently Dr. Siebert is Founder and CEO of Compan Pharmaceuticals, a companion animal pharmaceutical company. From May, 2014 to November, 2015, Dr. Siebert was CEO of Chase Pharmaceuticals, a company conducting clinical trials in Alzheimer's Disease based on a unique hypothesis. From 2010 to 2014, he was a Partner and Chief Operating Officer of New Rhein Healthcare Investors, LLC, a private equity group. From 2008 to 2010 he was CEO and Founder of Compan Pharmaceuticals. From May 2003 to October 2008, Dr. Siebert was the Chairman and CEO of CyDex, Inc., a privately held specialty pharmaceutical company. From September 1995 to April 2003, he was President and CEO of CIMA, a publicly traded drug delivery company, and from July 1995 to September 1995 he was President and Chief Operating Officer of CIMA. From 1992 to 1995, Dr. Siebert was Vice President, Technical Affairs at Dey Laboratories, Inc., a privately held pharmaceutical company. From 1988 to 1992, he was head of research and development and Quality Control at a division of Bayer Corporation. Prior to that, Dr. Siebert was employed by E.R. Squibb & Sons, Inc., G.D. Searle & Co., Gillette and The Procter & Gamble Company. Dr. Siebert holds a B.S. in Chemistry from Illinois Benedictine University, an M.S. in Organic Chemistry from Wichita State University and a Ph.D. in Organic Chemistry from the University of Missouri. Dr. Siebert also serves on two other boards, Accu-Break Pharmaceuticals and Aradigm Corporation, where he is the Chairman of the Compensation Committee and a member of the Audit Committee and the Nominating and Governance Committee. Dr. Siebert's substantial operational and business experience with companies in the healthcare sector, combined with his scientific experience, qualify him to serve as a director.

CORPORATE GOVERNANCE

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. A copy of the Code of Ethics is currently available at www.supernus.com. Supernus will publicly disclose any waivers or amendments to the Code of Ethics that apply to the CEO and senior financial officers pursuant to the requirements of the SEC.

Composition of Our Board of Directors

Our Board of Directors currently consists of seven members. Our Class I directors were elected by our stockholders at the 2013 Annual Meeting of Stockholders, our Class II directors were elected by our stockholders at the 2014 Annual Meeting of Stockholders, and our Class III directors were elected by our stockholders at the 2015 Annual Meeting of Stockholders. Our Governance and Nominating Committee and Board of Directors may consider a broad range of factors relating to the qualifications and background of nominees, which may include diversity, which is not limited to race, gender or national origin. We have no formal policy regarding Board diversity. Our Governance and Nominating Committee and Board of Directors' priority in selecting Board members is identification of persons who will further the interests of our stockholders through their established records of professional

accomplishment, the ability to contribute positively to the collaborative culture among Board members, and professional and personal experiences and expertise relevant to our growth strategy.

Description of Director Qualifications, Nominating Process and Stockholder Nominations

Members of our Board of Directors should meet certain minimum qualifications including being at least 21 years old and possessing (1) the ability to read and understand corporate financial statements, (2) relevant business experience and professional skills, (3) high moral character and personal and professional integrity, and (4) the willingness to commit sufficient time to attend to his or her duties and responsibilities as a director of a public corporation. In addition, the Board of Directors may consider a variety of other qualities and skills, including (i) expertise in the businesses in which Supernus may engage, (ii) the ability to exercise independent decision-making, (iii) the absence of conflicts of interest, (iv) diversity of gender, ethnic background, and experience, and (v) the ability to work effectively with other directors in collectively serving the long-term interests of all stockholders. Nominees must also meet any applicable requirements of SEC regulations, state law, and Supernus' charter and bylaws.

The Governance and Nominating Committee of the Board of Directors will annually assess the qualifications, expertise, performance and willingness to serve of our existing directors. If at this time, or at any other time during the year, the Governance and Nominating Committee determines a need to add a new director with specific qualifications or to fill a vacancy on the Board, the Governance and Nominating Committee will then initiate the search, working with staff support and seeking input from Board directors and senior management, considering nominees previously submitted by stockholders, and, if deemed necessary or appropriate, hiring a search firm. An initial slate of candidates satisfying the specific qualifications, if any, and otherwise qualifying for membership on the Board, will then be identified and presented to the Board of Directors which will then prioritize the candidates and determine if any of the members of the Board or senior management have relationships with the preferred candidates and can initiate contacts. If not, contact would be initiated by a search firm. The Governance and Nominating Committee will interview the prospective candidate(s). Evaluations and recommendations of the interviewers will be submitted to the Board of Directors for final evaluation. The Board of Directors will meet to consider such recommendations and to approve the final candidate, and will evaluate all nominees for director, including nominees recommended by a stockholder, on the same basis.

The Board of Directors will consider director candidates recommended by our stockholders in accordance with the following procedures. Stockholders may make recommendations with regard to nominees for election to the Board of Directors at future Annual Meetings of stockholders by submitting in writing a notice, received by the Secretary of Supernus, no earlier than 120 days and no later than 90 days prior to the anniversary date of the prior year's meeting, or, if we did not have an Annual Meeting of Stockholders in the prior year or if the date of the current year's Annual Meeting is more than 30 days before or after the anniversary date of the prior year's Annual Meeting, on or before 15 days after the date on which the date of the current year's Annual Meeting is first disclosed in a public statement. Such recommendations or notices of nomination must set forth (i) all information relating to each nominee that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Securities Exchange Act of 1934, as amended (Exchange Act) and the rules and regulations promulgated thereunder. With respect to nominations, notices of nominations must include the written consent of each nominee to be named in the proxy statement as a nominee and to serve as a director if elected. In addition, stockholders submitting nominations must provide certain information pertinent to them. In making recommendations or nominations, stockholders must adhere to all of the required procedures set forth in our Amended and Restated Bylaws, a copy of which has been filed with the SEC. Stockholders should also consider the minimum qualifications

determined by our Board of Directors for Board members as noted elsewhere in this Proxy Statement. All nominees for director, including nominees recommended by a stockholder, shall be evaluated on the same basis.

Director Independence

Our common stock is listed on The NASDAQ Global Market. Under Rules 5605 and 5615 of the Nasdaq Marketplace Rules (Marketplace Rules), a majority of a listed company's Board of Directors must be comprised of independent directors. In addition, the Marketplace Rules require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance 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) of the Marketplace Rules, a director will only qualify as an "independent director" if, in the opinion of that company's 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. The composition and functioning of our Board of Directors and each of our Board committees complies with all applicable rules and regulations of the SEC and The NASDAQ Global Market. Our Board of Directors has determined that each of the current directors meets the independence requirement of the Marketplace Rules, with the exception of Mr. Khattar, who serves as our CEO. There are no family relationships among any of our directors or executive officers.

Board Leadership Structure

Mr. Khattar serves as President and CEO of the Company and Dr. Barrett, a partner in NEA, serves as Chairman of our Board of Directors. While our bylaws and corporate governance guidelines do not require that the CEO and Chairman roles be held by separate individuals, our Board of Directors has elected to separate these roles. This separation was established when the Company was formed and was based on NEA's lead role in providing to the Company the original leverage buyout equity required when the Company acquired substantially all the assets of Shire Laboratories Inc. in late 2005. The CEO and Chairman of the Board work closely together to execute the strategic plan of the Company. Presently, the CEO is responsible for setting the Company's strategic direction and the day-to-day leadership and performance of the Company, while the Chairman of the Board provides guidance to the CEO and presides over meetings of the full Board. This current separation of duties has worked effectively for the Company and is the appropriate leadership structure for the Company at this time.

Board of Directors' Role in the Oversight of Risk Management

Management is responsible for the day-to-day management of risks that we face, while our Board of Directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board of Directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. Our Board of Directors is actively involved in oversight of risks that could affect us. This oversight is conducted primarily through the full Board of Directors, which has generally retained responsibility for general oversight of risks. Our Board of Directors satisfies this responsibility through reports directly from officers responsible for oversight of particular risks within our Company as our Board of Directors believes that full and open communication between management and the Board of Directors is essential for effective risk management and oversight. As a critical part of this risk management oversight role, the Board of Directors encourages full and open communication between management and the Board of Directors. Our Chairman meets periodically with the President and CEO to discuss strategy and risks facing the Company. Senior management attends Board meetings and is available to address any questions or concerns raised by the Board concerning risk

Edgar Filing: SUPERNUS PHARMACEUTICALS INC - Form DEF 14A

management-related and other matters. The Board of Directors periodically receives presentations from senior management concerning strategic matters involving the Company's operations to enable it to understand the Company's risk identification, risk management and risk mitigation strategies. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to risk management in areas of financial risk, internal controls, and compliance with legal and regulatory requirements. The oversight of risk management in the areas of compensation policies and programs, Board organization, membership and structure are the responsibilities of the full Board of Directors.

Committees of the Board of Directors

Our Board of Directors has established an Audit Committee, Compensation Committee and Governance and Nominating Committee. Our Board of Directors approved our Audit Committee, Compensation Committee and Governance and Nominating Committee charters, under which the respective committees operate.

Audit Committee

The current members of our Audit Committee are Mr. Hudson, who is the chair of the committee, Dr. Siebert and Mr. Nuerge. All members of our Audit Committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and The NASDAQ Global Market. Our Board has determined that Mr. Hudson is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of The NASDAQ Global Market as a result of his experience as a partner in the accounting firm of KPMG LLP and his service as chair of the audit committee of other companies. Mr. Hudson, Dr. Siebert and Mr. Nuerge are independent directors as defined under the applicable rules and regulations of the SEC and The NASDAQ Global Market. The Audit Committee held six meetings during the last fiscal year. The Audit Committee operates under a written charter that satisfies the applicable standards of the SEC and The NASDAQ Global Market and is currently available at www.supernus.com. Our audit committee's responsibilities include:

overseeing our corporate accounting and financial reporting process;

evaluating the independent auditors' qualifications, independence and performance;

determining the engagement of the independent auditors;

reviewing and approving the scope of the annual audit and the audit fee;

discussing with management and the independent auditors the results of the annual audit and the review of our quarterly financial statements;

approving the retention of the independent auditors to perform any proposed permissible non-audit services;

monitoring the rotation of partners of the independent auditors on our engagement team as required by law;

reviewing our critical accounting policies and estimates;

overseeing our internal audit function, if any; and

annually reviewing the audit committee charter and the Audit Committee's performance.

Compensation Committee

Edgar Filing: SUPERNUS PHARMACEUTICALS INC - Form DEF 14A

The current members of our Compensation Committee are Dr. Barrett, who is the chair of the committee, Dr. Siebert and Mr. Nuerge. Each of the members of our Compensation Committee are

Edgar Filing: SUPERNUS PHARMACEUTICALS INC - Form DEF 14A

independent under the applicable rules and regulations of the SEC, The NASDAQ Global Market and the Internal Revenue Service. Our compensation committee reviews and recommends policies relating to compensation and benefits of our officers and employees. The Compensation Committee held three meetings during the last fiscal year. The Compensation Committee operates under a written charter that satisfies the applicable standards of the SEC and The NASDAQ Global Market and is currently available at www.supernus.com. The Compensation Committee's responsibilities include:

reviewing and approving corporate goals and objectives relevant to the compensation of our CEO and other executive officers;

evaluating the performance of these officers in light of those goals and objectives;

setting the compensation of these officers based on such evaluations;

making recommendations to the Board of Directors regarding the compensation of directors;

reviewing and approving the terms of any employment agreements with our CEO and other executive officers;

making recommendations to the Board of Directors regarding the adoption of incentive compensation plans and equity based plans and administering these plans, including the issuance of stock options and other awards under our stock plans;

oversight of the succession planning function for succession of senior management positions including the position of CEO; and

reviewing and evaluating the performance of the Compensation Committee and its members, including compliance of the Compensation Committee with its charter.

Governance and Nominating Committee

The current members of our Governance and Nominating Committee are Mr. Newhall, who is the chair of the committee, and Dr. Barrett. Each of the members of our Governance and Nominating Committee are independent under the applicable rules and regulations of the SEC and The NASDAQ Global Market. The Governance and Nominating Committee held one meeting during the last fiscal year. The Governance and Nominating Committee operates under a written charter that satisfies the applicable standards of the SEC and The NASDAQ Global Market and is currently available at www.supernus.com. The Governance and Nominating Committee's responsibilities include:

making recommendations to our Board of Directors regarding candidates for directorships and the size and composition of our Board;

overseeing our corporate governance guidelines; and

reporting and making recommendations to our Board concerning governance matters.

Other Committees

Our Board of Directors may establish other committees as it deems necessary or appropriate from time to time.

Transactions with Related Persons

Procedures for Related Person Transactions

Our Audit Committee is responsible for reviewing and approving all material transactions with any related person on a continuing basis. Related persons can include any of our directors or officers, holders of 5% or more of our voting securities and their immediate family members. This obligation is

set forth in writing in our Audit Committee charter. We may not enter into a related person transaction unless our Audit Committee has reviewed and approved such transaction.

Transactions with Related Persons and Certain Control Persons

Other than the transactions set forth below, since January 1, 2015, there has not been any transaction or series of transactions to which we were or are a party in which the amount involved exceeded or exceeds \$120,000 and in which any director, executive officer, holder of more than 5% of any class of our voting securities or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest. We believe the transactions set forth below were executed on terms no less favorable to us than we could have obtained from unaffiliated third parties. The transactions described below were ratified by the Audit Committee under the Audit Committee Charter.

We employ the adult son of Victor Vaughn, our Senior Vice President of Sales and Marketing, in a non-executive position as a Regional Sales Director. We employed his adult son for two months prior to the date on which we employed Mr. Vaughn. This individual, who does not reside with and is not supported financially by Mr. Vaughn, earned total cash compensation for fiscal 2015 of \$181,743 and \$166,227 for fiscal 2014, which is commensurate with his peers. Mr. Vaughn's son is employed on an "at will" basis and compensated on the same basis as our other employees of similar function, seniority and responsibility without regard to his relationship with Mr. Vaughn. In addition, the criteria used to complete the hiring decision regarding Mr. Vaughn's son were the same criteria used to hire other Regional Sales Directors.

We employ another adult son of Mr. Vaughn in a non-executive, non-managerial capacity as a Senior Professional Sales Representative. Management has reviewed this relationship and affirmatively determined that it does not constitute a material relationship between Mr. Vaughn's son and us because the son is employed on an "at will" basis in a non-executive, non-managerial position and has not received during any twelve-month period within the last three years more than \$120,000 in direct compensation from us. Compensation paid to Mr. Vaughn's son in any twelve-month period was determined on the same basis as our other employees of similar function and the criteria that was used to complete the hiring decision regarding Mr. Vaughn's son were the same criteria used to hire other Senior Professional Sales Representatives. Mr. Vaughn and his son do not reside at the same residence.

We employ an adult daughter of Mr. Khattar in a non-executive, non-managerial capacity as a Professional Sales Representative. Management has reviewed this relationship and affirmatively determined that it does not constitute a material relationship between Mr. Khattar's daughter and us because the daughter is employed on an "at will" basis in a non-executive, non-managerial position and has not received during any twelve-month period within the last three years more than \$120,000 in direct compensation from us. Compensation paid to Mr. Khattar's daughter in any twelve-month period was determined on the same basis as our other employees of similar function and the criteria that was used to complete the hiring decision regarding Mr. Khattar's daughter were the same criteria used to hire other Professional Sales Representatives. Mr. Khattar and his daughter do not reside at the same residence.

Meetings

During the year ended December 31, 2015, the Board of Directors held a total of five meetings. Each of our directors attended at least 75% of the aggregate number of meetings of the Board of Directors and meetings of any committee of which he was a member, which were held during the time in which he was a director or a committee member, as applicable.

Each member of the Board of Directors who is up for election at an Annual Meeting of Stockholders or who has a term that continues after such meeting is expected to attend the Annual

Edgar Filing: SUPERNUS PHARMACEUTICALS INC - Form DEF 14A

Meeting of Stockholders. Mr. Khattar attended the 2015 Annual Meeting of Stockholders which was held on May 21, 2015.

Stockholder Communications with the Board of Directors

We have established procedures for stockholders to communicate directly with our Board of Directors on a confidential basis. Stockholders who wish to communicate with the Board of Directors or with a particular director may send a letter to the Secretary of Supernus Pharmaceuticals, Inc. at 1550 East Gude Drive, Rockville, MD 20850. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder Board Communication" or "Stockholder Director Communication." All such letters must identify the author as a stockholder and clearly state whether the intended recipients are all members of the Board of Directors or just certain specified individual directors. The Secretary will make copies of all such letters and circulate them to the directors addressed. To the extent that a stockholder wishes the communication to be confidential, such stockholder must clearly indicate on the envelope that the communication is "confidential." The Secretary will then forward such communication, unopened, to the Chairman of the Board of Directors.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee has at any time been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the Board of Directors or Compensation Committee of any entity that has one or more executive officers serving on our Board of Directors or Compensation Committee.

Limitation of Liability and Indemnification Arrangements

As permitted by the Delaware General Corporation Law, we adopted provisions in our amended and restated certificate of incorporation and amended and restated bylaws that limit or eliminate the personal liability of our directors. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

any breach of the director's duty of loyalty to us or our stockholders;

any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

any unlawful payments related to dividends or unlawful stock repurchases, redemptions or other distributions; or

any transaction from which the director derived an improper personal benefit.

These limitations of liability do not alter director liability under the federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

Edgar Filing: SUPERNUS PHARMACEUTICALS INC - Form DEF 14A

In addition, our amended and restated bylaws provide that:

we will indemnify our directors, officers and, at the discretion of our Board, certain employees to the fullest extent permitted by the Delaware General Corporation Law; and

advance expenses, including attorneys' fees, to our directors and, at the discretion of our Board, to our officers and certain employees, in connection with legal proceedings, subject to limited exceptions.

We have entered into indemnification agreements with each of our executive officers and directors. These agreements provide that we will indemnify each of our directors to the fullest extent permitted by the Delaware General Corporation Law and advance expenses to each indemnitee in connection with any proceeding in which indemnification is available.

We also maintain management liability insurance to provide insurance coverage to our directors and officers for losses arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act of 1933, as amended (the Securities Act). Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling the registrant pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

These provisions may discourage stockholders from bringing a lawsuit against our directors in the future for any breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors, officers and certain employees pursuant to these indemnification provisions. We believe that these provisions, the indemnification agreements and the insurance are necessary to attract and retain talented and experienced directors and officers.

At present, there is no pending litigation or proceeding involving any of our directors, officers or employees in which indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that might result in a claim for such indemnification.

EXECUTIVE OFFICERS OF SUPERNUS

The following table sets forth the names and ages of our executive officers and key employees as of the date of this proxy.

Name	Age	Position(s)
Jack A. Khattar	54	President, Chief Executive Officer & Secretary, Director
Gregory S. Patrick	64	Vice President, Chief Financial Officer
Padmanabh P. Bhatt, Ph.D.	58	Senior Vice President Intellectual Property, Chief Scientific Officer
Stefan K.F. Schwabe, M.D., Ph.D.	64	Executive Vice President of Research and Development, Chief Medical Officer
Victor Vaughn	58	Senior Vice President, Sales and Marketing

Jack A. Khattar. See "Election of Directors."

Gregory S. Patrick has served as our Chief Financial Officer since November 2011. Previously, he served as Chief Financial Officer for three privately held life sciences companies; R012 (2010-2011); Bionor Immuno (2008-2010); and Sopherion Therapeutics (2004-2008). From 2001 through 2004, he served as Chief Financial Officer for Medimmune, and from 1999 to 2001, as Chief Financial Officer of

Edgar Filing: SUPERNUS PHARMACEUTICALS INC - Form DEF 14A

Ventiv Health. Mr. Patrick served in a variety of positions at Merck & Co. from 1985 through 1999, including Vice President and Controller of Merck's Manufacturing Division, Executive Director of Corporate Planning and Reporting, and Executive Director of Financial Evaluation & Analysis. He started his career with Exxon Chemical Company as an engineer, subsequently joining Booz, Allen Hamilton as a management consultant and Avco Corporation as a financial manager. He holds B.S. and M.E. degrees from Rensselaer Polytechnic Institute in Environmental Engineering with a minor in Chemical Engineering, and an MBA in Finance from New York University.

Padmanabh P. Bhatt, Ph.D., has served as our Senior Vice President Intellectual Property and Chief Scientific Officer since March 2012. Prior to that, he served as our Vice President of Pharmaceutical Sciences since 2005. From 2003 to 2005, Dr. Bhatt was Vice President of Advanced Drug Delivery at Shire Laboratories Inc. From 2001 to 2003, Dr. Bhatt served as Vice President of Research and Development and Chief Technology Officer at Point Biomedical Corporation. From 1996 to 2001, he served at ALZA Corporation (now a Johnson & Johnson company) in various positions from Product Development Manager to Director of Technical Development. Prior to that time, Dr. Bhatt has held positions as Research Specialist and Group Leader of Novel Drug Delivery at Dow Corning Corporation (from 1992 to 1996) and Senior Scientist at Hercon Laboratories (from 1989 to 1992). Dr. Bhatt earned his B.Pharm. and M.Pharm. degrees from the University of Bombay, India. He also holds M.S. and Ph.D. degrees in Pharmaceutical Chemistry from the University of Kansas.

Stefan K. F. Schwabe, M.D., Ph.D., has served as our Executive Vice President of Research and Development and Chief Medical Officer since July 2012. Prior to that, Dr. Schwabe served as Chief Operating Officer at DemeRx, a privately-held biotech company, working in the area of addiction. From 2006 to 2010 Dr. Schwabe served as Vice-President for Project Direction for Neurology Projects at Sanofi-Aventis. From 2004 to 2006 he served as the Executive Director, US Clinical Development and Medical Affairs, Neuroscience for Novartis. From 1998 to 2004, Dr. Schwabe served as the Global Project Leader Topamax for Johnson & Johnson. Dr. Schwabe served as Medical Director at Gabitril & Seroxat in the Health Care Strategy Unit, International Operations for Novo Nordisk, and both International Project Team Leader and International Clinical Team Leader Trileptal and Scientific Investigator for Ciba-Geigy. Dr. Schwabe also served as Chief Resident, Department of Neurology for the Medical College of Wisconsin in Milwaukee, Wisconsin. Dr. Schwabe received his Bachelor of Science in Chemistry from Florida International University, his M.D. from the Ludwig-Maximilians University in Munich, Germany and his Ph.D./Doctorate from the Department of Toxicology at the Technical University of Munich, Germany.

Victor Vaughn has served as our Senior Vice President of Sales and Marketing since June 2014. From January 2013 to June 2014, he served as our Senior Vice President of Sales. Prior to that, Mr. Vaughn was a Pharmaceutical Consultant for Mt. Zion Consulting. From 1992 through 2005, Mr. Vaughn led the sales organization at Shire Pharmaceuticals, last serving as Senior Vice-President of Sales. Prior to that time, Mr. Vaughn was a Director, Hospital Sales for Fujisawa and held various positions at SmithKline Beecham, including Associate Director Management Development. Mr. Vaughn earned his B.S. in Business Administration from East Tennessee State University.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Compensation Philosophy

Our executive compensation program is