

CANADIAN IMPERIAL BANK OF COMMERCE /CAN/  
Form 424B2  
December 22, 2017

		<b>Filed Pursuant to Rule 424(b)(2) Registration Statement No. 333-216286 (To Prospectus dated March 28, 2017, Prospectus Supplement dated March 28, 2017 and Product Supplement EQUITY INDICES SUN-1 dated March 30, 2017)</b>
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742,749 Units		December 21, 2017
\$10 principal amount per unit	Pricing Date	December 29, 2017
CUSIP No. 13606M722	Settlement Date	
	Maturity Date	December 19, 2019

## Market-Linked Step Up Notes Linked to the EURO STOXX 50® Index

- § Maturity of approximately two years
- § If the Index is flat or increases up to the Step Up Value, a return of 28.3%
- § If the Index increases above the Step Up Value, a return equal to the percentage increase in the Index
- § 1-to-1 downside exposure to decreases in the Index, with up to 100% of your principal at risk
- § All payments occur at maturity and are subject to the credit risk of Canadian Imperial Bank of Commerce
- § No periodic interest payments
- § In addition to the underwriting discount set forth below, the notes include a hedging-related charge of \$0.075 per unit. See Structuring the Notes
- § Limited secondary market liquidity, with no exchange listing
- § The notes are unsecured debt securities and are not savings accounts or insured deposits of a bank. The notes are not insured or guaranteed by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other governmental agency of the United States, Canada, or any other jurisdiction

The notes are being issued by Canadian Imperial Bank of Commerce ( CIBC ). There are important differences between the notes and a conventional debt security, including different investment risks and certain additional costs. See Risk Factors beginning on page TS-6 of this term sheet and beginning on page PS-7 of product supplement EQUITY INDICES SUN-1.

The initial estimated value of the notes as of the pricing date is \$9.572 per unit, which is less than the public offering price listed below. See Summary on the following page, Risk Factors beginning on page TS-6 of this term sheet and Structuring the Notes on page TS-10 of this term sheet for additional information. The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

None of the Securities and Exchange Commission (the SEC ), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus (as defined below) is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per Unit</u>	<u>Total</u>
Public offering price	\$ 10.00	\$ 7,427,490.00
Underwriting discount	\$ 0.20	\$ 148,549.80
Proceeds, before expenses, to CIBC	\$ 9.80	\$ 7,278,940.20

The notes:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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**Merrill Lynch & Co.**

December 21, 2017

## Market-Linked Step Up Notes

Linked to the EURO STOXX 50® Index, due December 19, 2019

### Summary

The Market-Linked Step Up Notes Linked to the EURO STOXX 50® Index, due December 19, 2019 (the notes) are our senior unsecured debt securities. The notes are not guaranteed or insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other governmental agency in the United States, Canada or any other jurisdiction or secured by collateral. **The notes will rank equally with all of our other unsecured and unsubordinated debt. Any payments due on the notes, including any repayment of principal, will be subject to the credit risk of CIBC.** The notes provide you with a Step Up Payment if the Ending Value of the Market Measure, which is the EURO STOXX 50® Index (the Index), is equal to or greater than its Starting Value, but is not greater than the Step Up Value. If the Ending Value is greater than the Step Up Value, you will participate on a 1-for-1 basis in the increase in the level of the Index above the Starting Value. If the Ending Value is less than the Starting Value, you will lose all or a portion of the principal amount of your notes. Any payments on the notes will be calculated based on the \$10 principal amount per unit and will depend on the performance of the Index, subject to our credit risk. See Terms of the Notes below.

The economic terms of the notes (including the Step Up Payment) are based on our internal funding rate, which is the rate we would pay to borrow funds through the issuance of market-linked notes, and the economic terms of certain related hedging arrangements. Our internal funding rate is typically lower than the rate we would pay when we issue conventional fixed rate debt securities. This difference in funding rate, as well as the underwriting discount and the hedging-related charge described below, reduced the economic terms of the notes to you and the initial estimated value of the notes on the pricing date. Due to these factors, the public offering price you pay to purchase the notes is greater than the initial estimated value of the notes.

On the cover page of this term sheet, we have provided the initial estimated value for the notes. This initial estimated value was determined based on our pricing models and was based on our internal funding rate on the pricing date, market conditions and other relevant factors existing at that time, and our assumptions about market parameters. For more information about the initial estimated value and the structuring of the notes, see Structuring the Notes on page TS-10.

### Terms of the Notes

### Redemption Amount Determination

<b>Issuer:</b>	Canadian Imperial Bank of Commerce ( CIBC )	On the maturity date, you will receive a cash payment per unit determined as follows:
<b>Principal Amount:</b>	\$10.00 per unit	
<b>Term:</b>	Approximately two years	
<b>Market Measure:</b>	The EURO STOXX 50® Index (Bloomberg symbol: SX5E), a price return index	
<b>Starting Value:</b>	3,570.78	
<b>Ending Value:</b>	The closing level of the Market Measure on the scheduled calculation day. The calculation day is subject to postponement in the event of Market Disruption Events, as described beginning on page PS-20 of product	

	supplement EQUITY INDICES SUN-1.
<b>Step Up Value:</b>	4,581.31 (128.30% of the Starting Value, rounded to two decimal places).
<b>Step Up Payment:</b>	\$2.83 per unit, which represents a return of 28.3% over the principal amount.
<b>Threshold Value:</b>	3,570.78 (100% of the Starting Value).
<b>Calculation Day:</b>	December 12, 2019
<b>Fees and Charges:</b>	The underwriting discount of \$0.20 per unit listed on the cover page and the hedging-related charge of \$0.075 per unit described in Structuring the Notes on page TS-10.
<b>Calculation Agent:</b>	Merrill Lynch, Pierce, Fenner & Smith Incorporated ( MLPF&S ).

Market-Linked Step Up Notes

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## Market-Linked Step Up Notes

Linked to the EURO STOXX 50® Index, due December 19, 2019

The terms and risks of the notes are contained in this term sheet and in the following:

§ Product supplement EQUITY INDICES SUN-1 dated March 30, 2017:  
[https://www.sec.gov/Archives/edgar/data/1045520/000110465917020280/a17-7416\\_9424b5.htm](https://www.sec.gov/Archives/edgar/data/1045520/000110465917020280/a17-7416_9424b5.htm)

§ Prospectus dated March 28, 2017 and prospectus supplement dated March 28, 2017:  
[https://www.sec.gov/Archives/edgar/data/1045520/000110465917019619/a17-8647\\_1424b3.htm](https://www.sec.gov/Archives/edgar/data/1045520/000110465917019619/a17-8647_1424b3.htm)

These documents (together, the Note Prospectus ) have been filed as part of a registration statement with the SEC, which may, without cost, be accessed on the SEC website as indicated above or obtained from MLPF&S by calling 1-800-294-1322. Before you invest, you should read the Note Prospectus, including this term sheet, for information about us and this offering. Any prior or contemporaneous oral statements and any other written materials you may have received are superseded by the Note Prospectus. Capitalized terms used but not defined in this term sheet have the meanings set forth in product supplement EQUITY INDICES SUN-1. Unless otherwise indicated or unless the context requires otherwise, all references in this document to we, us, our, or similar references are to CIBC.

## Investor Considerations

### You may wish to consider an investment in the notes if:

§ You anticipate that the Index will not decrease from the Starting Value to the Ending Value.

§ You are willing to risk a loss of principal and return if the Index decreases from the Starting Value to the Ending Value.

§ You are willing to forgo the interest payments that are paid on conventional interest bearing debt securities.

§ You are willing to forgo dividends or other benefits of owning the stocks included in the Index.

### The notes may not be an appropriate investment for you if:

§ You believe that the Index will decrease from the Starting Value to the Ending Value.

§ You seek principal repayment or preservation of capital.

§ You seek interest payments or other current income on your investment.

§ You want to receive dividends or other distributions paid on the stocks included in the Index.

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§ You are willing to accept a limited or no market for sales prior to maturity, and understand that the market prices for the notes, if any, will be affected by various factors, including our actual and perceived creditworthiness, our internal funding rate and fees and charges on the notes.

§ You seek an investment for which there will be a liquid secondary market.

§ You are unwilling or are unable to take market risk on the notes or to take our credit risk as issuer of the notes.

§ You are willing to assume our credit risk, as issuer of the notes, for all payments under the notes, including the Redemption Amount.

We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

Market-Linked Step Up Notes

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## Market-Linked Step Up Notes

Linked to the EURO STOXX 50® Index, due December 19, 2019

## Hypothetical Payout Profile and Examples of Payments at Maturity

### Market-Linked Step Up Notes

This graph reflects the returns on the notes based on the Threshold Value of 100% of the Starting Value, the Step Up Payment of \$2.83 per unit and the Step Up Value of 128.30% of the Starting Value. The green line reflects the returns on the notes, while the dotted gray line reflects the returns of a direct investment in the stocks included in the Index, excluding dividends.

This graph has been prepared for purposes of illustration only.

The following table and examples are for purposes of illustration only. They are based on **hypothetical** values and show **hypothetical** returns on the notes. They illustrate the calculation of the Redemption Amount and total rate of return based on a hypothetical Starting Value of 100, a hypothetical Threshold Value of 100, a hypothetical Step Up Value of 128.30, the Step Up Payment of \$2.83 per unit and a range of hypothetical Ending Values. **The actual amount you receive and the resulting total rate of return will depend on the actual Starting Value, Threshold Value, Ending Value, Step Up Value and whether you hold the notes to maturity.** The following examples do not take into account any tax consequences from investing in the notes.

For recent actual levels of the Market Measure, see The Index section below. The Index is a price return index and as such the Ending Value will not include any income generated by dividends paid on the stocks included in the Index, which you would otherwise be entitled to receive if you invested in those stocks directly. In addition, all payments on the notes are subject to issuer credit risk.

Ending Value	Percentage Change from the Starting Value to the Ending Value	Redemption Amount per Unit	Total Rate of Return on the Notes
0.00	-100.00%	\$0.00	-100.00%
50.00	-50.00%	\$5.00	-50.00%
80.00	-20.00%	\$8.00	-20.00%
90.00	-10.00%	\$9.00	-10.00%
94.00	-6.00%	\$9.40	-6.00%
97.00	-3.00%	\$9.70	-3.00%
100.00(1)(2)	0.00%	\$12.83(3)	28.30%
102.00	2.00%	\$12.83	28.30%
105.00	5.00%	\$12.83	28.30%

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110.00	10.00%	\$12.83	28.30%
120.00	20.00%	\$12.83	28.30%
128.30(4)	28.30%	\$12.83	28.30%
130.00	30.00%	\$13.00	30.00%
140.00	40.00%	\$14.00	40.00%
143.00	43.00%	\$14.30	43.00%
150.00	50.00%	\$15.00	50.00%
160.00	60.00%	\$16.00	60.00%

(1) The **hypothetical** Starting Value of 100 used in these examples has been chosen for illustrative purposes only. The actual Starting Value is 3,570.78, which was the closing level of the Market Measure on the pricing date.

(2) This is the **hypothetical** Threshold Value.

(3) This amount represents the sum of the principal amount and the Step Up Payment of \$2.83.

(4) This is the **hypothetical** Step Up Value.



## Market-Linked Step Up Notes

Linked to the EURO STOXX 50® Index, due December 19, 2019

### Redemption Amount Calculation Examples

#### Example 1

The Ending Value is 90.00, or 90.00% of the Starting Value:

Starting Value: 100.00

Threshold Value: 100.00

Ending Value: 90.00

Redemption Amount per unit

#### Example 2

The Ending Value is 110.00, or 110.00% of the Starting Value:

Starting Value: 100.00

Step Up Value: 128.30

Ending Value: 110.00

*Redemption Amount per unit, the principal amount plus the Step Up Payment, since the Ending Value is equal to or greater than the Starting Value, but less than the Step Up Value.*

#### Example 3

The Ending Value is 143.00, or 143.00% of the Starting Value:

Starting Value: 100.00

Step Up Value: 128.30

Ending Value: 143.00

Redemption Amount per unit

Market-Linked Step Up Notes	
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## Market-Linked Step Up Notes

Linked to the EURO STOXX 50® Index, due December 19, 2019

### Risk Factors

*There are important differences between the notes and a conventional debt security. An investment in the notes involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the notes in the Risk Factors sections beginning on page PS-7 of product supplement EQUITY INDICES SUN-1, page S-1 of the prospectus supplement, and page 1 of the prospectus identified above. We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.*

§ Depending on the performance of the Index as measured shortly before the maturity date, your investment may result in a loss; there is no guaranteed return of principal.

§ Your return on the notes may be less than the yield you could earn by owning a conventional fixed or floating rate debt security of comparable maturity.

§ Your investment return may be less than a comparable investment directly in the stocks included in the Index.

§ Payments on the notes are subject to our credit risk, and actual or perceived changes in our creditworthiness are expected to affect the value of the notes. If we become insolvent or are unable to pay our obligations, you may lose your entire investment.

§ Our initial estimated value of the notes is lower than the public offering price of the notes. The public offering price of the notes exceeds our initial estimated value because costs associated with selling and structuring the notes, as well as hedging the notes, all as further described in Structuring the Notes on page TS-10, are included in the public offering price of the notes.

§ Our initial estimated value does not represent future values of the notes and may differ from others' estimates. Our initial estimated value is only an estimate, which was determined by reference to our internal pricing models when the terms of the notes were set. This estimated value was based on market conditions and other relevant factors existing at that time, our internal funding rate on the pricing date and our assumptions about market parameters, which can include volatility, dividend rates, interest rates and other factors. Different pricing models and assumptions could provide valuations for the notes that are greater or less than our initial estimated value. In addition, market conditions and other relevant factors in the future may change, and any assumptions may prove to be incorrect. On future dates, the market value of the notes could change significantly based on, among other things, changes in market conditions, including the value of the Market Measure, our creditworthiness, interest rate movements and other relevant factors, which may impact the price at which MLPF&S or any other party would be willing to buy notes from you in any secondary market transactions. Our estimated value does not represent a minimum price at which MLPF&S or any other party would be willing to buy your notes in any secondary market (if any exists) at any time.

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§ Our initial estimated value of the notes was not determined by reference to credit spreads for our conventional fixed-rate debt. The internal funding rate that was used in the determination of our initial estimated value of the notes generally represents a discount from the credit spreads for our conventional fixed-rate debt. The discount is based on, among other things, our view of the funding value of the notes as well as the higher issuance, operational and ongoing liability management costs of the notes in comparison to those costs for our conventional fixed-rate debt. If we were to have used the interest rate implied by our conventional fixed-rate debt, we would expect the economic terms of the notes to be more favorable to you. Consequently, our use of an internal funding rate for market-linked notes had an adverse effect on the economic terms of the notes and the initial estimated value of the notes on the pricing date, and could have an adverse effect on any secondary market prices of the notes.

§ A trading market is not expected to develop for the notes. Neither we nor MLPF&S is obligated to make a market for, or to repurchase, the notes. There is no assurance that any party will be willing to purchase your notes at any price in any secondary market.

§ Your return on the notes and the value of the notes may be affected by factors affecting the international securities markets, specifically changes within the Eurozone. The Eurozone is and has been undergoing severe financial stress and the political, legal and regulatory ramifications are impossible to predict. Changes within the Eurozone could adversely affect the performance of the Index and, consequently, the value of the notes. In addition, you will not obtain the benefit of any increase in the value of the euro against the U.S. dollar which you would have received if you had owned the securities in the Index during the term of your notes, although the level of the Index may be adversely affected by general exchange rate movements in the market.

§ Our business, hedging and trading activities, and those of MLPF&S and our respective affiliates (including trades in shares of companies included in the Index), and any hedging and trading activities we, MLPF&S or our respective affiliates engage in for our clients' accounts, may affect the market value and return of the notes and may create conflicts of interest with you.

§ The Index sponsor may adjust the Index in a way that affects its level, and has no obligation to consider your interests.

§ You will have no rights of a holder of the securities represented by the Index, and you will not be entitled to receive securities or dividends or other distributions by the issuers of those securities.

§ While we, MLPF&S or our respective affiliates may from time to time own securities of companies included in the Index, we, MLPF&S and our respective affiliates do not control any company included in the Index, and have not verified any disclosure made by any other company.

## Market-Linked Step Up Notes

Linked to the EURO STOXX 50® Index, due December 19, 2019

§ There may be potential conflicts of interest involving the calculation agent, which is MLPF&S. We have the right to appoint and remove the calculation agent.

§ The U.S. federal income tax consequences of the notes are uncertain, and may be adverse to a holder of the notes. See Summary of U.S. Federal Income Tax Consequences below and U.S. Federal Income Tax Summary beginning on page PS-31 of product supplement EQUITY INDICES SUN-1. For a discussion of the Canadian federal income tax consequences of investing in the notes, see Material Income Tax Consequences Canadian Taxation in the prospectus dated March 28, 2017, as supplemented by the discussion under Summary of Canadian Federal Income Tax Considerations herein.

## Other Terms of the Notes

The provisions of this section supersede and replace the definition of Market Measure Business Day set forth in product supplement EQUITY INDICES SUN-1.

### Market Measure Business Day

A Market Measure Business Day means a day on which:

(A) the Eurex (or any successor) is open for trading; and

(B) the Index or any successor thereto is calculated and published.

Market-Linked Step Up Notes

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This policy is intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors and to align our directors' interests with those of our stockholders.

Prior to our IPO in February 2014, we did not have a formal non-employee director compensation policy, however, we provided compensation for board service to Richard H. Aldrich, Ronald W. Barrett and Peter Barton Hutt in the form of an annual cash retainer and an equity stock option grant. Mr. Hutt received additional cash compensation for his service on a company product advisory committee. None of our other non-employee directors received any compensation prior to our IPO, though we reimbursed our non-employee directors for reasonable travel and

out-of-pocket expenses incurred in connection with attending board of director and committee meetings.

In accordance with our director compensation program, we granted options to purchase 25,000 shares of our common stock to each of Wendell Wierenga and Thomas G. Auchincloss, Jr., in March 2014 and December 2014, respectively, in connection with their appointments to our Board of Directors. We did not grant any other equity-based awards to our non-employee directors during 2014.

The compensation of our non-employee directors prior to our IPO was established through arm's length negotiation, taking into account the responsibilities of each director and the director's qualifications and prior experience and industry data for such positions. This compensation was approved by our compensation committee.

The following table sets forth information regarding compensation earned by our non-employee directors during 2014.

Name	Fees earned or paid in cash		Option awards (\$) <sup>(1)</sup>	Total (\$)
	(\$)			
Richard H. Aldrich	70,590			70,590
Thomas G. Auchincloss, Jr.	897		184,893	185,790
Ronald W. Barrett, Ph.D.	38,825			38,825
John G. Freund, M.D. <sup>(2)</sup>	33,094			33,094
Peter Barton Hutt	32,648			32,648
Wilfred E. Jaeger, M.D.	37,506			37,506
Helmut M. Schühlsler, Ph.D.	39,712			39,712
Wendell Wierenga, Ph.D.	26,400		217,428	243,828

- (1) The amounts included in the "Option awards" column reflect the aggregate grant date fair value of awards granted during 2014 calculated in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 7 to the consolidated financial statements included in our Annual Report on Form 10-K previously filed with the SEC. As of December 31, 2014:

Mr. Aldrich held stock options to purchase 21,236 shares of common stock in the aggregate, which were vested in full;

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Dr. Barrett held stock options to purchase 31,855 shares of common stock in the aggregate, which were vested in full;

Mr. Hutt held stock options to purchase 36,279 shares of common stock in the aggregate, which were vested in full;

Dr. Wierenga held a stock option to purchase 25,000 shares of common stock, which was vested as to 6,250 shares, with the remaining shares scheduled to vest in equal quarterly installments from March 13, 2015 to March 13, 2017; and

Mr. Auchincloss held a stock option to purchase 25,000 shares of common stock, which was scheduled to vest in equal quarterly installments over a three-year period through and including December 11, 2017.

- (2) Dr. Freund has provided notice of his resignation from our Board of Directors effective as of the close of business on June 11, 2015.

**Table of Contents****EXECUTIVE OFFICERS**

The following table sets forth information regarding our executive officers as of April 13, 2015:

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
Roger D. Tung, Ph. D.	55	President and Chief Executive Officer, Director
Nancy Stuart	57	Chief Operating Officer
James V. Cassella	60	Chief Development Officer
Ryan Daws	41	Chief Financial Officer
Ian Robert Silverman, J.D., Ph. D.	62	Senior Vice President and General Counsel
The biography of Dr. Tung can be found under	Proposal No. 1:	Election of Class I Directors.

*Nancy Stuart* has served as our Chief Operating Officer since October 2007 and was our Senior Vice President, Corporate Strategy and Operations from July 2006 to October 2007. Prior to joining Concert, Ms. Stuart held various business operations and business development positions at Amgen Inc., a biopharmaceutical company, Kinetix Pharmaceuticals, Inc., a pharmaceutical company subsequently acquired by Amgen, Scion Pharmaceuticals, Inc., a pharmaceutical company, Vertex and Genzyme Corporation, a biotechnology company subsequently acquired by Sanofi S.A. Ms. Stuart holds a B.S. from the University of Michigan, and an M.B.A. from the Simmons College Graduate School of Management.

*James V. Cassella* has served as our Senior Vice President and Chief Development Officer since February 2015. Prior to joining Concert, Dr. Cassella served as Executive Vice President, Research and Development and Chief Scientific Officer of Alexza Pharmaceuticals from July 2012 to January 2015 and served as its Senior Vice President, Research and Development from June 2004 to July 2012. From April 1989 to April 2004, Dr. Cassella held various management positions at Neurogen Corporation, a publicly traded biotechnology company. Prior to Neurogen, Dr. Cassella was Assistant Professor of Neuroscience at Oberlin College. Dr. Cassella received a Ph.D. in physiological psychology from Dartmouth College, completed a postdoctoral fellowship in the Department of Psychiatry at the Yale University School of Medicine and received a B.A. in psychology from the University of New Haven.

*Ryan Daws* has served as our Chief Financial Officer since January 2014. Prior to joining Concert, Mr. Daws served as an independent consultant from June 2013 to January 2014, including an engagement with Concert from September 2013 to January 2014. Mr. Daws served as a Director in the Healthcare Investment Banking Group at Stifel, Nicolaus & Company, Inc., a financial services company, from September 2010 to June 2013. From March 1999 to June 2010, he served in positions of increasing responsibility within the Healthcare Investment Banking Group of Cowen and Company, LLC, a financial services firm. Mr. Daws holds a B.S. in Finance and Organizational Management from the University of South Carolina and an International M.B.A. from the University of South Carolina's Moore School of Business.

*Ian Robert Silverman, J.D., Ph.D.* has served as our Senior Vice President and General Counsel since December 2010 and prior to that was our Vice President and General Counsel from January 2007 to December 2010. Prior to joining Concert, he served in various legal related roles at Millennium Pharmaceuticals, Inc., a pharmaceutical company, Vertex and FMC Corporation, a chemical manufacturing company. Dr. Silverman received his J.D. from Rutgers-Camden Law School, a Ph.D. in organic chemistry from the University of New Mexico and a B.A. from Lehigh University.





**Table of Contents****EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table sets forth information regarding compensation earned in 2014 and 2013 by our President and Chief Executive Officer and our next two highest paid executive officers. We refer to these individuals as our named executive officers.

Name	Year	Salary (\$)	Bonus (\$)	Option awards (\$) <sup>(1)</sup>	Non-equity	All other	Total (\$)
					incentive plan compensation (\$)	compensation (\$)	
Roger D. Tung, Ph.D. <i>President and Chief Executive Officer</i>	2014	409,565		1,210,956	189,095 <sup>(2)</sup>	9,606	1,819,222
	2013	373,171			212,211 <sup>(3)</sup>	8,178	593,560
Nancy Stuart <i>Chief Operating Officer</i>	2014	329,741		595,650	106,514 <sup>(2)</sup>	9,606	1,041,511
	2013	300,054			127,901 <sup>(3)</sup>	8,178	436,133
Ryan Daws <i>Chief Financial Officer</i>	2014	282,358	97,000 <sup>(4)</sup>	1,389,273	88,647 <sup>(2)</sup>	47,224 <sup>(5)</sup>	1,904,502

- (1) The amounts included in the Option awards column reflect the aggregate grant date fair value of awards during each year calculated in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 7 to the consolidated financial statements included in our Annual Report on Form 10-K previously filed with the SEC.
- (2) Consists of a cash bonus paid under our 2014 executive bonus program that was earned as of the end of 2014. See the Narrative disclosure to summary compensation table described below for a description of this program.
- (3) Consists of a cash bonus paid under our 2013 executive bonus program that was earned as of the end of 2013 and a cash bonus under our 2012 executive bonus program that became payable during 2013 as the result of the satisfaction of a contingency during 2013.
- (4) Amount shown represents a sign-on bonus paid in connection with Mr. Daws commencement of employment with us in January 2014.
- (5) Amount includes \$29,417 paid to Mr. Daws in 2014 in connection with relocation and temporary living expense reimbursements.

**Narrative to Summary Compensation Table**

We review compensation annually for all employees, including our executives. In setting executive base salaries and bonuses and granting equity incentive awards, we consider compensation for comparable positions in the market, the historical compensation levels of our executives, individual performance as compared to our expectations and objectives, our desire to motivate our employees to achieve short- and long-term results that are in the best interests of our stockholders, and a long-term commitment to our company. We do not target a specific competitive position or a specific mix of compensation among base salary, bonus or long-term incentives.

Our compensation committee determines our executives compensation. Our compensation committee typically reviews and discusses management s proposed compensation with the chief executive officer for all executives other

than the chief executive officer. The compensation committee, without the applicable members of management present, discusses management's recommendations and ultimately approves the compensation of our executive officers. During 2014, our compensation committee engaged Radford, as its independent compensation consultant, to review our executive compensation peer group and program design and assess our executives' compensation relative to comparable companies. Our compensation committee considered the relationship that Radford has with us, the members of our Board of Directors and our executive officers. Based on the committee's evaluation, the compensation committee has determined that Radford is serving as an independent and conflict-free advisor to the committee.

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*Base salary.* In 2014, we paid annual base salaries to Dr. Tung, Ms. Stuart and Mr. Daws in the amounts of \$409,565, \$329,741 and \$282,358, respectively. We use base salaries to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our named executive officers. None of our named executive officers is currently party to an employment agreement or other agreement or arrangement that provides for automatic or scheduled increases in base salary.

*Annual bonus.* The compensation committee of our Board of Directors may, in its discretion, award bonuses to our named executive officers from time to time. We typically establish annual bonus targets based around a set of specified corporate goals for our named executive officers and conduct an annual performance review to determine the attainment of such goals. Our management may propose bonus awards to the compensation committee of the board or the board primarily based on such review process. Our compensation committee makes the final determination of the eligibility requirements for and the amount of such bonus awards. With respect to 2014, we awarded and paid bonuses of \$189,095 to Dr. Tung, \$106,514 to Ms. Stuart and \$88,647 to Mr. Daws, in each case as determined by our compensation committee based on our achievement of company goals, with such amounts representing 87% of their respective bonus targets.

*Equity incentives.* Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers, or any formal equity ownership guidelines applicable to them, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incentivizes our executive officers to remain in our employment during the vesting period. Accordingly, we typically grant stock option awards at the start of employment to each executive officer and our other employees and our compensation committee and Board of Directors periodically review the equity incentive compensation of our named executive officers and other employees and from time to time may grant equity incentive awards to them in the form of stock options.

We award our stock options on the date our Board of Directors or compensation committee approves the grant. We set the option exercise price and grant date fair value based on our per-share estimated valuation on the date of grant. For grants in connection with initial employment, vesting begins on the initial date of employment. Time vested stock option grants to our executives and other employees typically vest 25% on the first anniversary of grant or, if earlier, the initial employment date and 6.25% per quarter thereafter, through the fourth anniversary of the vesting commencement date, and have a term of 10 years from the grant date. In June 2014, our compensation committee granted options to purchase 203,300, 100,000 and 50,000 shares of our common stock to Dr. Tung, Ms. Stuart and Mr. Daws, respectively, as part of a review of their overall compensation. In addition, upon the closing of our initial public offering, or IPO, in February 2014, Mr. Daws received an option to purchase 123,893 shares of our common stock that had been approved by our Board of Directors in connection with his initial hire in January 2014. In 2013, we did not grant equity awards to any of our named executive officers.

**Table of Contents****Outstanding Equity Awards at 2014 Fiscal Year End Table**

The following table sets forth information regarding outstanding stock options held by our named executive officers as of December 31, 2014.

Name	Option awards			
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price (\$)	Option expiration date
Roger D. Tung, Ph.D.	28,495		1.13	12/11/2017
	53,097		4.58	12/19/2018
	38,052		4.41	12/10/2019
	29,202		3.79	12/14/2020
	29,867 <sup>(1)</sup>	9,955 <sup>(1)</sup>	3.50	12/15/2021
		203,300 <sup>(2)</sup>	8.40	6/10/2024
Nancy Stuart	69,646		0.57	8/30/2016
	35,398		1.13	12/11/2017
	53,097		4.58	12/19/2018
	34,512		4.41	12/10/2019
	21,238		3.79	12/14/2020
	16,592 <sup>(1)</sup>	5,530 <sup>(1)</sup>	3.50	12/15/2021
		100,000 <sup>(2)</sup>	8.40	6/10/2024
Ryan Daws		123,893 <sup>(3)</sup>	14.09	2/19/2024
		50,000 <sup>(2)</sup>	8.40	6/10/2024

- (1) This option vested as to 6.25% of the shares on March 15, 2012 and vests as to an additional 6.25% of the shares at the end of each successive three-month period through and including December 15, 2015.
- (2) This option vests as to 25% of the shares on June 10, 2015 and vests as to an additional 6.25% of the shares at the end of each successive three-month period through and including June 10, 2018.
- (3) This option vested as to 25% of the shares on January 20, 2015 and vests as to an additional 6.25% of the shares at the end of each successive three-month period through and including January 20, 2018.

**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table provides information about the securities authorized for issuance under our equity compensation plans as of December 31, 2014.

Plan category	Number of securities to be issued upon exercise of outstanding	Weighted-average exercise price of outstanding options,	Number of securities remaining available for future issuance under equity
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	<b>options, warrants and rights (a)</b>	<b>warrants and rights (b)</b>	<b>compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders	2,688,937 <sup>(1)</sup>	\$ 6.04	1,135,954 <sup>(2)</sup>
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>2,688,937</b>	<b>\$ 6.04</b>	<b>1,135,954</b>

(1) Consists of stock options outstanding as of December 31, 2014 under our Amended and Restated 2006 Stock Option and Grant Plan and our 2014 Stock Incentive Plan, which we refer to as the 2006 Plan and the 2014 Plan, respectively.

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- (2) Consists of shares of common stock authorized under the 2014 Plan that remained available for grant under future awards as of December 31, 2014. This amount does not include an additional 729,363 shares that became available for issuance under the 2014 Plan on January 1, 2015 in accordance with the terms of the 2014 Plan. The number of shares available under the 2014 Plan is subject to further increase by (i) the number of shares of our common stock subject to outstanding awards under the 2006 Plan that expire, terminate or are otherwise surrendered, cancelled, forfeited or repurchased and (ii) further annual increases, to be added on January 1 of each year, through 2024, in each case equal to the lowest of (a) 2,000,000 shares of our common stock, (b) 4% of the number of our outstanding shares on January 1 of each such fiscal year and (c) an amount determined by our Board of Directors.

## ***Employment Agreements, Severance and Change in Control Arrangements***

### **Employment agreements**

We have entered into employment agreements with each of Dr. Tung, Ms. Stuart, Dr. Cassella, Mr. Daws and Dr. Silverman. The employment agreements confirm the executive officers' titles, compensation arrangements, eligibility for benefits made available to employees generally and also provide for certain benefits upon termination of employment under specified conditions. Each named executive officer's employment is at will.

### **Benefits provided upon termination without cause**

Under the terms of the employment agreements we have entered into with each of Dr. Tung, Ms. Stuart, Mr. Daws, Dr. Silverman and Dr. Cassella, if an executive's employment is terminated by us without cause and other than as a result of death or disability or by such executive officer for good reason, each as defined in such employment agreement, prior to a change of control, as defined in such employment agreement, and subject to the executive's execution of a general release of potential claims against us, we will be obligated to (1) pay an amount equal to his or her then-current monthly base salary for a period of 15 months for Dr. Tung and 12 months for the other executives, any bonus that has been awarded to and earned by him or her but that has not been paid before termination, any base salary earned but not paid through the date of termination and any vacation time accrued but unused on the date of termination and (2) continue to provide medical and dental benefits to the extent that he or she was receiving them at the time of termination for up to 15 months for Dr. Tung and 12 months for the other executives, subject to certain legal restrictions.

### **Benefits provided upon a change of control**

Under the terms of the employment agreements we have entered into with each of Dr. Tung, Ms. Stuart, Mr. Daws, Dr. Silverman and Dr. Cassella, if the executive's employment is terminated by us or our successor without cause or by such executive officer for good reason, as defined in such employment agreement, within one year following a change of control, as defined in such employment agreement, and subject to the executive's execution of a general release of potential claims against us, in addition to the severance benefits described above:

In the case of Dr. Tung, we will be obligated to pay an amount equal to his then-current monthly base salary for a period of 18 months rather than 15 months as described above.

We will be obligated to pay Dr. Tung an amount equal to 1.5 times his current target bonus and the other executives an amount equal to his or her target bonus, ratably in accordance with the severance payment.

If the change of control constitutes a change in our ownership or effective control, or a change in the ownership of a substantial portion of our assets, each within the meaning of Treasury Regulation Section 409A, or a 409A change of control event, we will be obligated to pay the severance payment and target bonus in a lump sum payment.



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In addition, if a change of control, as defined in such employment agreement, occurs and within one year following such change of control we or our successor terminate the executive's employment other than for cause, as defined in such employment agreement, or the executive's employment ends on death or disability, or the executive terminates his or her employment for good reason, as defined in such employment agreement, all stock options held by the executive will immediately vest in full.

The following table summarizes the schedule of severance payments our named executive officers would receive, assuming a qualifying termination occurred on December 31, 2014

<b>Name</b>	<b>Cash Severance (\$)<sup>(1)</sup></b>	<b>Bonus (\$)<sup>(2)</sup></b>	<b>COBRA Continuation (\$)<sup>(3)</sup></b>	<b>Value of Accelerated Vesting of Equity Awards (\$)<sup>(4)</sup></b>	<b>Total (\$)</b>
<i>Roger D. Tung</i>					
Termination without cause	543,375		30,017		573,392
Termination upon a change of control	652,050	326,025	36,020	1,097,994	2,112,089
<i>Nancy Stuart</i>					
Termination without cause	349,800		22,176		371,976
Termination upon a change of control	349,800	122,430	22,176	546,305	1,040,711
<i>Ryan Daws</i>					
Termination without cause	308,000		24,013		332,013
Termination upon a change of control	308,000	107,800	24,013	246,000	685,813

(1) For termination without cause, this amount represents, in the case of Dr. Tung, 15 months base salary, and in the case of Ms. Stuart and Mr. Daws, 12 months of the executive's base salary, each at the rate in effect immediately prior to the executive's termination of employment.

In the event of a termination upon a change of control, this amount represents, in the case of Dr. Tung, 18 months base salary, and in the case of Ms. Stuart and Mr. Daws, 12 months of the executive's base salary, each at the rate in effect immediately prior to the executive's termination of employment.

(2) The Company will pay any bonus that has been awarded to the individual and earned, but not yet paid on the date of termination of employment. In the event of a termination upon a change of control, amounts represent in the case of Dr. Tung, 150% of his target bonus for 2014, and in the case of Ms. Stuart and Mr. Daws, 100% of the executive's target bonus for 2014.

(3) This amount represents the Company-paid health coverage. In the case of Dr. Tung, the amounts represent 15 and 18 months payable following a termination without cause and a termination upon a change of control, respectively. With respect to Ms. Stuart and Mr. Daws, amounts represent 12 months of Company-paid health coverage.

(4) The values of accelerated vesting of equity awards included in the table above are based on the intrinsic values of such unvested awards on December 31, 2014 (i.e. the difference between the closing price of the Company's common stock on the NASDAQ Global Market on that date and the exercise price multiplied by the number of shares for which vesting would have been accelerated).

**Other agreements**

We have also entered into employee confidentiality, non-competition and proprietary information agreements with each of our named executive officers. Under the employee confidentiality, non-competition and proprietary information agreements, each named executive officer has agreed (1) not to compete with us during his or her employment and for a period of one year after the termination of his or her employment, (2) not to solicit our employees during his employment and for a period of one year after the termination of his or her employment, (3) to protect our confidential and proprietary information and (4) to assign to us related intellectual property developed during the course of his or her employment.

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**401(k) retirement plan**

We maintain a 401(k) retirement plan that is intended to be a tax-qualified defined contribution plan under Section 401(k) of the Internal Revenue Code. In general, all of our employees are eligible to participate, beginning on the first day of the month following commencement of their employment. The 401(k) plan includes a salary deferral arrangement pursuant to which participants may elect to reduce their current compensation by up to the statutorily prescribed limit, equal to \$18,000 in 2015, and have the amount of the reduction contributed to the 401(k) plan. Participants over the age of 50 are entitled to an additional catch-up contribution up to the statutorily prescribed limit, equal to \$6,000 in 2015. Currently, we match 50% of employee contributions up to 6% of the employee's salary, subject to the statutorily prescribed limit, equal to \$7,950 in 2015. The match immediately vests in full.

**Table of Contents****CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

The following is a description of transactions since January 1, 2014 to which we have been a party, and in which any of our directors, executive officers or beneficial owners of more than 5% of our voting securities, or affiliates or immediate family members of any of our directors, executive officers or beneficial owners of more than 5% of our voting securities, had or will have a direct or indirect material interest. We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable, from unrelated third parties.

**Severance and Change in Control Agreements**

See the EXECUTIVE COMPENSATION Employment Agreements, Severance and Change in Control Arrangements above for a discussion of these arrangements.

**Indemnification of Officers and Directors**

Our certificate of incorporation provides that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. In addition, we have entered into indemnification agreements with each of our directors and executive officers that may be broader in scope than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify each such director and executive officer for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by him or her in any action or proceeding arising out of his or her service as one of our directors or executive officers. In addition, we maintain standard policies of insurance under which coverage is provided to our directors and officers against losses arising from claims made by reason of breach of duty or other wrongful act, and to us with respect to payments which may be made by us to such directors and officers pursuant to the above indemnification provisions or otherwise as a matter of law.

**Purchases in Initial Public Offering**

In our IPO, beneficial owners of more than 5% of our voting securities and their affiliates purchased an aggregate of 831,000 shares of our common stock at the IPO price of \$14.00 per share. The following table sets forth the number of shares of our common stock purchased and the aggregate cash purchase price paid by each of these entities in our IPO.

<b>Purchaser</b>	<b>Shares of Common Stock</b>	<b>Purchase Price</b>
Brookside Capital Partners Fund, L.P.	350,000	\$ 4,900,000
S.R. One, Limited	35,000	\$ 490,000
Skyline Venture Partners Qualified Purchaser Fund IV, L.P. <sup>(1)</sup>	150,000	\$ 2,100,000
Entities affiliated with Three Arch Partners <sup>(2)</sup>	207,000	\$ 2,898,000
Entities affiliated with TVM Capital <sup>(3)</sup>	89,000	\$ 1,246,000

- (1) John G. Freund, a member of our Board of Directors, is a Managing Member of Skyline Venture Management IV, LLC, which is the sole general partner of Skyline Venture Partners Qualified Purchaser Fund IV, L.P. Dr. Freund has provided notice of his resignation from our Board of Directors effective as of the close of business

on June 11, 2015.

- (2) The purchase amounts disclosed on this line consist of the aggregate purchase amounts of Three Arch Associates III, L.P., Three Arch Partners III, L.P., Three Arch Associates IV, L.P. and Three Arch Partners IV, L.P. Wilfred E. Jaeger, a member of our board of directors, is a managing member of Three Arch Management III, L.L.C, the general partner of Three Arch Associates III, L.P. and Three Arch Partners III, L.P., and Three Arch Management IV, L.L.C, the general partner of Three Arch Partners IV, L.P. and Three Arch Associates IV, L.P.

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- (3) The purchase amounts disclosed on this line consist of the aggregate purchase amounts of TVM Life Science Ventures VI GMBH & Co. KG and TVM Life Science Ventures VI LP. Helmut M. Schühlsler, a member of our Board of Directors, is a member of the investment committee of TVM Life Science Ventures VI Management Limited Partnership, the general partner of TVM Life Science Ventures VI GMBH & Co. KG and TVM Life Science Ventures VI LP.

### **Policies and Procedures for Related Person Transactions**

Our Board of Directors has adopted a written related person transaction policy to set forth policies and procedures for the review and approval or ratification of related person transactions. This policy covers any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, the amount involved exceeds \$120,000, and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person.

Our related person transaction policy contains exceptions for any transaction or interest that is not considered a related person transaction under SEC rules as in effect from time to time. In addition, the policy provides that an interest arising solely from a related person's position as an executive officer of another entity that is a participant in a transaction with us will not be subject to the policy if each of the following conditions is met:

the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity;

the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction with us and do not receive any special benefits as a result of the transaction; and

the amount involved in the transaction equals less than the greater of \$200,000 or 5% of the annual gross revenue of the company receiving payment under the transaction.

The policy provides that any related person transaction proposed to be entered into by us must be reported to our General Counsel and will be reviewed and approved by our audit committee in accordance with the terms of the policy, prior to effectiveness or consummation of the transaction whenever practicable. The policy provides that if our chief financial officer determines that advance approval of a related person transaction is not practicable under the circumstances, our audit committee will review and, in its discretion, may ratify the related person transaction at the next meeting of the audit committee. The policy also provides that alternatively, our chief financial officer may present a related person transaction arising in the time period between meetings of the audit committee to the chair of and audit committee, who will review and may approve the related person transaction, subject to ratification by the audit committee at the next meeting of the audit committee.

In addition, the policy provides that any related person transaction previously approved by the audit committee or otherwise already existing that is ongoing in nature will be reviewed by the audit committee annually to ensure that such related person transaction has been conducted in accordance with the previous approval granted by the audit committee, if any, and that all required disclosures regarding the related person transaction are made.

The policy provides that transactions involving compensation of executive officers will be reviewed and approved by our compensation committee in the manner to be specified in the charter of the compensation committee.

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A related person transaction reviewed under this policy will be considered approved or ratified if it is authorized by the audit committee in accordance with the standards set forth in the policy after full disclosure of the related person's interests in the transaction. As appropriate for the circumstances, the policy provides that the audit committee will review and consider:

the related person's interest in the related person transaction;

the approximate dollar value of the amount involved in the related person transaction;

the approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;

whether the transaction was undertaken in the ordinary course of business of our company;

whether the transaction with the related person is proposed to be, or was, entered into on terms no less favorable to us than the terms that could have been reached with an unrelated third party;

the purpose of, and the potential benefits to us of, the transaction; and

any other information regarding the related person transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

The policy provides that the audit committee will review all relevant information available to it about the related person transaction. The policy provides that the audit committee may approve or ratify the related person transaction only if the audit committee determines that, under all of the circumstances, the transaction is in, or is not inconsistent with, our best interests. The policy provides that the audit committee may, in its sole discretion, impose such conditions as it deems appropriate on us or the related person in connection with approval of the related person transaction.



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**PROPOSAL NO. 2 RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP  
AS CONCERT S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE  
FISCAL YEAR ENDING DECEMBER 31, 2015**

Concert s stockholders are being asked to ratify the appointment by the audit committee of the Board of Directors of Ernst & Young LLP as our independent registered public accounting firm. Ernst & Young LLP has served as the company s independent registered public accounting firm since 2007.

The audit committee is solely responsible for selecting Concert s independent registered public accounting firm for the fiscal year ending December 31, 2015. Stockholder approval is not required to appoint Ernst & Young LLP as our independent registered public accounting firm. However, the Board of Directors believes that submitting the appointment of Ernst & Young LLP to the stockholders for ratification is good corporate governance. If the stockholders do not ratify this appointment, the audit committee will reconsider whether to retain Ernst & Young LLP. If the selection of Ernst & Young LLP is ratified, the audit committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time it decides that such a change would be in the best interest of Concert and its stockholders.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting and will have an opportunity to make a statement if he or she desires to do so and to respond to appropriate questions from our stockholders.

The following table summarizes the fees Ernst & Young LLP, our independent registered public accounting firm, billed to us for each of the last two fiscal years.

<b>Fee Category</b>	<b>2014</b>	<b>2013</b>
Audit Fees <sup>(1)</sup>	\$ 325,000	\$ 785,000
Audit-Related Fees		
Tax Fees <sup>(2)</sup>	13,500	12,000
All Other Fees <sup>(3)</sup>	2,000	
<b>Total Fees</b>	<b>\$ 340,500</b>	<b>\$ 797,000</b>

(1) Audit fees for 2014 and 2013 consist of fees for the audit of our consolidated financial statements and the review of our interim financial statements. Audit fees for 2013 also includes fees for services associated with our IPO.

(2) Tax fees consists of fees incurred for tax compliance and tax return preparation.

(3) All Other Fees represents payment for access to the Ernst & Young LLP online accounting research database.

All such accountant services and fees were pre-approved by our audit committee in accordance with the Pre-Approval Policies and Procedures described below.

**Pre-approval Policy and Procedures**

The audit committee of our Board of Directors has adopted policies and procedures for the pre-approval of audit and non-audit services for the purpose of maintaining the independence of our independent auditor. We may not engage

our independent auditor to render any audit or non-audit service unless either the service is approved in advance by the audit committee, or the engagement to render the service is entered into pursuant to the audit committee's pre-approval policies and procedures. Notwithstanding the foregoing, pre-approval is not required with respect to the provision of services, other than audit, review or attest services, by the independent auditor if the aggregate amount of all such services is no more than 5% of the total amount paid by us to the independent auditor during the fiscal year in which the services are provided, such services were not recognized by us at the time of the engagement to be non-audit services and such services are promptly brought to the attention of the audit committee and approved prior to completion of the audit by the audit committee.

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From time to time, our audit committee may pre-approve services that are expected to be provided to us by the independent auditor during the following 12 months. At the time such pre-approval is granted, the audit committee must identify the particular pre-approved services in a sufficient level of detail so that our management will not be called upon to make a judgment as to whether a proposed service fits within the pre-approved services and, at each regularly scheduled meeting of the audit committee following such approval, management or the independent auditor shall report to the audit committee regarding each service actually provided to us pursuant to such pre-approval.

During our 2014 and 2013 fiscal years, no services were provided to us by Ernst & Young LLP or any other accounting firm other than in accordance with the pre-approval policies and procedures described above.

**Recommendation of the Board of Directors**

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE RATIFICATION OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

**Table of Contents****PRINCIPAL STOCKHOLDERS**

The following table sets forth information, to the extent known by us or ascertainable from public filings, with respect to the beneficial ownership of our common stock as of March 31, 2015 by:

each of our directors and our director nominees;

each of our named executive officers;

all of our directors, our director nominees and executive officers as a group; and

each person, or group of affiliated persons, who is known by us to beneficially own more than 5% of our common stock.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities and include shares of common stock issuable upon the exercise of stock options that are immediately exercisable or exercisable within 60 days after March 31, 2015. Except as otherwise indicated, all of the shares reflected in the table are shares of common stock and all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to community property laws, where applicable. The information is not necessarily indicative of beneficial ownership for any other purpose.

The percentage ownership calculations for beneficial ownership are based on 21,701,480 shares of common stock outstanding as of March 31, 2015. Except as otherwise indicated in the table below, addresses of named beneficial owners are in care of Concert Pharmaceuticals, Inc., 99 Hayden Avenue, Suite 500, Lexington, Massachusetts 02421.

In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days after March 31, 2015. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

<b>Name of beneficial owner</b>	<b>Number of shares beneficially owned</b>	<b>Percentage of shares beneficially owned</b>
<i>5% Stockholders</i>		
Entities affiliated with TVM Capital <sup>(1)</sup>	1,483,672	6.8%
Entities affiliated with GlaxoSmithKline <sup>(2)</sup>	1,356,533	6.3%
Skyline Venture Partners Qualified Purchaser Fund IV, L.P. <sup>(3)</sup>	1,208,920	5.6%
Entities affiliated with BVF, Inc. <sup>(4)</sup>	1,206,459	5.6%
Entities affiliated with Three Arch Partners <sup>(5)</sup>	1,138,854	5.2%

<i>Executive Officers and Directors</i>		
Roger D. Tung, Ph.D. <sup>(6)</sup>	802,948	3.7%
Nancy Stuart <sup>(7)</sup>	195,436	*
Ryan Daws <sup>(8)</sup>	38,717	*
Richard H. Aldrich <sup>(9)</sup>	472,562	2.2%
Thomas G. Auchincloss <sup>(10)</sup>	2,083	*
Ronald W. Barrett, Ph.D. <sup>(11)</sup>	31,855	*
John G. Freund, M.D. <sup>(12)</sup>	1,208,920	5.6%
Peter Barton Hutt <sup>(13)</sup>	40,703	*
Wilfred E. Jaeger, M.D. <sup>(14)</sup>	1,138,854	5.2%
Helmut M. Schühsler, Ph.D. <sup>(15)</sup>	1,483,672	6.8%
Wendell Wierenga, Ph.D. <sup>(16)</sup>	24,260	*
All current executive officers and directors as a group (13 persons) <sup>(17)</sup>	5,591,921	25.1%

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- \* Represents beneficial ownership of less than 1% of our outstanding stock.
- (1) Consists of 1,104,969 shares of common stock held by TVM Life Science Ventures VI GMBH & Co. KG and 378,703 shares of common stock held by TVM Life Science Ventures VI LP. Alexandra Goll, Helmut Schühlsler, Hubert Birner, Stefan Fischer and Axel Polack are members of the investment committee of TVM Life Science Ventures VI Management Limited Partnership, a special limited partner of TVM Life Science Ventures VI GMBH & Co. KG and TVM Life Science Ventures VI LP with voting and dispositive power over the shares held by those entities. TVM Life Science Venture VI Management Limited Partnership and these individuals each disclaim beneficial ownership of such shares except to the extent of any pecuniary interest therein. The address for each of the individuals and entities listed above is c/o TVM Capital GmbH, Maximilianstrasse 35, Entrance C, 80539 Munich, Germany.
- (2) Based on information set forth in a Schedule 13G filed with the Securities and Exchange Commission on February 13, 2015 by GlaxoSmithKline plc. Consists of 1,179,941 shares of common stock held by Glaxo Group Limited and 176,592 shares of common stock held by S.R. One, Limited, each of which is a wholly owned subsidiary of GlaxoSmithKline plc. The address of these entities is 980 Great West Road, Brentford, Middlesex, United Kingdom TW8 9GS.
- (3) Based on information set forth in a Schedule 13D filed with the Securities and Exchange Commission on February 17, 2015 by the following entities and individuals. John G. Freund and Yasunori Kaneko are the Managing Members of Skyline Venture Management IV, LLC, which is the sole general partner of Skyline Venture Partners Qualified Purchaser Fund IV, L.P., and as such Drs. Freund and Kaneko may be deemed to share voting and dispositive power with respect to all shares held by Skyline Venture Partners Qualified Purchaser Fund IV, L.P. Each of Drs. Freund and Kaneko disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. The address for each of the individuals and entities listed above is 525 University Ave, Suite 610, Palo Alto, California 94301.
- (4) Based on information set forth in a Schedule 13G filed with the Securities and Exchange Commission on September 12, 2014 by the following entities and individual. Consists of (i) 559,400 shares of common stock beneficially owned by Biotechnology Value Fund, L.P. ( BVF ), (ii) 289,828 shares of common stock beneficially owned by Biotechnology Value Fund II, L.P ( BVF2 ), (iii) 155,990 shares of common stock beneficially owned by Investment 10, L.L.C. ( ILL10 ) and (iv) 201,241 shares of common stock beneficially owned by MSI BVF SPV, LLC ( MSI ). BVF Partners L.P. ( Partners ) as the general partner of BVF and BVF2, and the investment adviser of each of ILL10 and MSI, may be deemed to beneficially own the 1,206,459 shares of common stock beneficially owned in the aggregate by BVF, BVF2, ILL10 and MSI. BVF Inc., as the general partner of Partners, may be deemed to beneficially own the 1,206,459 shares of common stock beneficially owned by Partners. Mark N. Lampert, as a director and officer of BVF Inc., may be deemed to beneficially own the 1,206,459 shares of common stock beneficially owned by BVF Inc. Each of Partners, BVF Inc. and Mr. Lampert disclaims beneficial ownership of the shares of common stock beneficially owned by BVF, BVF2, ILL10 and MSI. The address for MSI is c/o Magnitude Capital, LLC, 601 Lexington Avenue, 59th Floor, New York, NY 10022 and the address for each of the other entities and for Mr. Lampert is 900 North Michigan Avenue, Suite 1100, Chicago, Illinois 60611.

- (5) Based on information set forth in a Schedule 13G filed with the Securities and Exchange Commission on February 17, 2015 by the following entities and individuals. Consists of 557,126 shares of common stock held by Three Arch Partners IV, L.P., 540,375 shares of common stock held by Three Arch Partners III, L.P., 29,052 shares of common stock held by Three Arch Associates III, L.P. and 12,301 shares of common stock held by Three Arch Associates IV, L.P. The voting and dispositive decisions with respect to the shares held by Three Arch Associates III, L.P. and Three Arch Partners III, L.P., are made by the following managing members of their general partner, Three Arch Management III, L.L.C.: Mark Wan and Wilfred Jaeger, each of whom disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. The voting and dispositive decisions with respect to the shares held by Three Arch Partners IV, L.P. and Three Arch Associates IV, L.P. are made by the following managing members of their general partner, Three Arch Management IV, L.L.C.: Mark Wan and Wilfred Jaeger, each of whom disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. The address for the funds affiliated with Three Arch Partners is 3200 Alpine Road, Portola Valley, CA 94028.

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- (6) In addition to shares of common stock held directly, includes 134,761 shares of common stock held by the Roger D. Tung 2011 GRAT, for which Dr. Tung is the sole trustee, 12,389 shares of common stock held by the RD Tung Irrevocable Trust, for which Dr. Tung's wife is a co-trustee, and 13,274 shares of common stock held by the Tung Family Investment Trust, for which Dr. Tung is a co-trustee. Includes 152,707 shares of common stock issuable upon the exercise of options exercisable within 60 days after March 31, 2015.
- (7) In addition to shares of common stock held directly, includes 185,436 shares of common stock issuable upon the exercise of options exercisable within 60 days after March 31, 2015.
- (8) Consists of 38,717 shares of common stock issuable upon exercise of options exercisable within 60 days after March 31, 2015.
- (9) In addition to shares of common stock held directly, includes 61,946 shares of common stock held by Little Bear Associates, Inc., formerly known as RA Capital Associates, Inc., of which Mr. Aldrich is the sole stockholder, and 82,405 shares of common stock held by the Richard H. Aldrich Irrevocable Trust of 2011, for which Mr. Aldrich is a trustee and Mr. Aldrich's minor children are beneficiaries. Mr. Aldrich disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Includes 21,236 shares of common stock issuable upon the exercise of options exercisable within 60 days after March 31, 2015.
- (10) Consists of 2,083 shares of common stock issuable upon the exercise of options exercisable within 60 days after March 31, 2015.
- (11) Consists of 31,855 shares of common stock issuable upon the exercise of options exercisable within 60 days after March 31, 2015.
- (12) Consists of the shares described in note (4) above. Dr. Freund is a Managing Member of Skyline Venture Management IV, LLC, which is the sole general partner of Skyline Venture Partners Qualified Purchaser Fund IV, L.P., and as such may be deemed to share voting and dispositive power with respect to all shares held by Skyline Venture Partners Qualified Purchaser Fund IV, L.P. Dr. Freund disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Dr. Freund has provided notice of his resignation from our Board of Directors effective upon the close of business on June 11, 2015. Dr. Freund's address is 525 University Ave, Suite 610, Palo Alto, California 94301.
- (13) Includes 36,279 shares of common stock issuable upon the exercise of options exercisable within 60 days after March 31, 2015.
- (14) Consists of the shares described in note (6) above. Dr. Jaeger is a managing member of Three Arch Management III, L.L.C, the general partner of Three Arch Associates III, L.P. and Three Arch Partners III, L.P., and Three Arch Management IV, L.L.C, the general partner of Three Arch Partners IV, L.P. and Three Arch Associates IV, L.P. Dr. Jaeger disclaims beneficial ownership of such shares except to the extent of any pecuniary interest



therein. Dr. Jaeger's address is 3200 Alpine Road, Portola Valley, CA 94028.

- (15) Consists of the shares described in note (2) above. Dr. Schühslers is a member of the investment committee of TVM Life Science Ventures VI Management Limited Partnership, the general partner of TVM Life Science Ventures VI GMBH & Co. KG and TVM Life Science Ventures VI LP, and as such Dr. Schühslers may be deemed to share voting and dispositive power with respect to all shares held by these entities Dr. Schühslers disclaims beneficial ownership of such shares except to the extent of any pecuniary interest therein. Dr. Schühslers address is c/o TVM Capital GmbH, Maximilianstrasse 35, Entrance C, 80539 Munich, Germany.
- (16) Includes 11,871 shares of common stock issuable upon the exercise of options exercisable within 60 days after March 31, 2015.
- (17) Includes 612,095 shares of common stock issuable upon the exercise of options exercisable within 60 days after March 31, 2015.

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**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our directors, executive officers, and persons holding more than 10% of Concert common stock to report their initial ownership of the common stock and other equity securities and any changes in that ownership in reports that must be filed with the SEC. The SEC has designated specific deadlines for these reports, and we must identify in this proxy statement those persons who did not file these reports when due.

Based solely on a review of reports furnished to us, or written representations from reporting persons, we believe all directors, executive officers, and 10% owners timely filed all reports regarding transactions in Concert's securities required to be filed for 2014 by Section 16(a) under the Exchange Act.

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**REPORT OF THE AUDIT COMMITTEE**

The audit committee is appointed by the Board of Directors to assist the Board of Directors in fulfilling its oversight responsibilities with respect to (1) the integrity of our financial statements and financial reporting process and systems of internal controls regarding finance, accounting, and compliance with legal and regulatory requirements, (2) the qualifications, independence, and performance of our independent registered public accounting firm, (3) the performance of our internal audit function, if any, and (4) other matters as set forth in the charter of the audit committee approved by the Board of Directors.

Management is responsible for the preparation of Concert's financial statements and the financial reporting process, including its system of internal control over financial reporting and its disclosure controls and procedures. The independent registered public accounting firm is responsible for performing an audit of Concert's financial statements in accordance with the standards of the Public Company Accounting Oversight Board, or PCAOB, and issuing a report thereon. The audit committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the audit committee reviewed and discussed with management and the independent registered public accounting firm the audited consolidated financial statements of Concert for the fiscal year ended December 31, 2014. The audit committee also discussed with the independent registered public accounting firm the matters required to be discussed by the PCAOB's Auditing Standard No. 16, *Communication with Audit Committees*. In addition, the audit committee received written communications from the independent registered public accounting firm confirming their independence as required by the applicable requirements of the PCAOB and has discussed with the independent registered public accounting firm their independence.

Based on the reviews and discussions referred to above, the audit committee recommended to the Board of Directors that the audited consolidated financial statements of Concert be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, that was filed with the SEC.

THE AUDIT COMMITTEE OF THE BOARD OF

DIRECTORS OF CONCERT

PHARMACEUTICALS, INC.

Thomas G. Auchincloss, Chairman

John G. Freund

Wilfred E. Jaeger

April 20, 2015

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**HOUSEHOLDING**

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. This means that only one copy of our documents, including the annual report to stockholders and proxy statement, may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you upon written or oral request to Concert Pharmaceuticals, Inc. 99 Hayden Avenue, Suite 500, Lexington, MA 02421 Attention: Investor Relations, telephone: 781-860-0045. If you want to receive separate copies of the proxy statement or annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and phone number.

**STOCKHOLDER PROPOSALS**

A stockholder who would like to have a proposal considered for inclusion in our 2016 proxy statement must submit the proposal in accordance with the procedures outlined in Rule 14a-8 of the Exchange Act so that it is received by us no later than December 29, 2015, which is 120 days prior to the first anniversary of the mailing date of this proxy statement. However, if the date of the 2016 Annual Meeting of Stockholders is changed by more than 30 days from the date of this year's meeting, then the deadline is a reasonable time before we begin to print and send our proxy statement for the 2016 Annual Meeting of Stockholders. SEC rules set standards for eligibility and specify the types of stockholder proposals that may be excluded from a proxy statement.

If a stockholder wishes to propose a nomination of persons for election to our Board of Directors or present a proposal at an annual meeting but does not wish to have the proposal considered for inclusion in our proxy statement and proxy card, our amended and restated bylaws establish an advance notice procedure for such nominations and proposals. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board of Directors or by a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered timely notice in proper form to our corporate secretary of the stockholder's intention to bring such business before the meeting.

The required notice must be in writing and received by our corporate secretary at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. However, in the event that the date of the annual meeting is advanced by more than 20 days, or delayed by more than 60 days, from the first anniversary of the preceding year's annual meeting, a stockholder's notice must be so received no earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (A) the 90th day prior to such annual meeting and (B) the tenth day following the day on which notice of the date of such annual meeting was mailed or public disclosure of the date of such annual meeting was made, whichever first occurs. For stockholder proposals to be brought before the 2016 Annual Meeting of Stockholders, the required notice must be received by our corporate secretary at our principal executive offices no earlier than February 12, 2016 and no later than March 13, 2016.

Stockholder proposals should be addressed to Concert Pharmaceuticals, Inc. 99 Hayden Avenue, Suite 500, Lexington, MA 02421 Attention: Corporate Secretary.

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**OTHER MATTERS**

Our Board of Directors does not know of any other matters to be brought before the Annual Meeting. If any other matters not mentioned in this proxy statement are properly brought before the meeting, the individuals named in the enclosed proxy intend to use their discretionary voting authority under the proxy to vote the proxy in accordance with their best judgment on those matters.

By Order of the Board of Directors

/s/ Roger D. Tung

Roger D. Tung

*President and Chief Executive Officer*

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***CONCERT PHARMACEUTICALS, INC.***

***99 HAYDEN AVENUE, SUITE 500***

***LEXINGTON, MA 02421***

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M89862-P59070 KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

<b>CONCERT PHARMACEUTICALS, INC.</b>	<b>For</b>	<b>Withhold</b>	<b>For All</b>	To withhold authority to vote for any individual nominee(s), mark For All
	<b>All</b>	<b>All</b>	<b>Except</b>	



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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement, Annual Report and Form 10-K are available at [www.proxyvote.com](http://www.proxyvote.com).

M89863-P59070

**THIS PROXY IS SOLICITED ON BEHALF OF  
THE BOARD OF DIRECTORS OF CONCERT PHARMACEUTICALS, INC.**

**June 11, 2015**

The stockholder(s) hereby appoint(s) Roger D. Tung, Ryan Daws and Robert Silverman, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of Concert Pharmaceuticals, Inc. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 8:30 a.m., Eastern Time, on June 11, 2015 at the Offices of the Company, 99 Hayden Avenue, Suite 500, Lexington, MA 02421, and any adjournment or postponement thereof.

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER(S). IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS, AND FOR PROPOSAL 2.**

**PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE.**

**Continued and to be signed on reverse side**