

Sarepta Therapeutics, Inc.
Form DEF 14A
May 31, 2016
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

Filed by the Registrant x

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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 Pursuant to §240.14a-12
- SAREPTA THERAPEUTICS, INC.

(Name of Registrant as Specified In Its Charter)

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4) Date Filed:

215 First Street
Suite 415
Cambridge, MA 02142
www.sarepta.com

May 31, 2016

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of Sarepta Therapeutics, Inc. (the “Company”), which will be held Monday, June 27, 2016, at 9:00 A.M., local time, at the Company’s headquarters, 215 First Street, Suite 110B, Cambridge, MA 02142, for the following purposes:

1. to elect, as a Group I director to hold office until the 2018 annual meeting of stockholders, or until his successor is earlier elected, the following nominee: Hans Wigzell, M.D., Ph.D.;
2. to hold an advisory vote to approve, on a non-binding basis, named executive officer compensation;
3. to approve an amendment and restatement of our Amended and Restated 2011 Equity Incentive Plan (the “Restated Plan”) to, among other changes, increase the number of shares underlying the awards that the Company may grant under the Restated Plan by 1,300,000 shares to 7,536,903 shares (plus the number of shares subject to outstanding awards under the 2002 Equity Incentive Plan that expire or otherwise terminate without having been exercised in full, or are forfeited to or repurchased by us, up to a maximum of 121,325 shares) (the “Restated Plan amendment and restatement”);
4. to approve an amendment and restatement to the 2013 Employee Stock Purchase Plan (the “2013 ESPP”) to increase the number of shares of our common stock authorized for issuance under the 2013 ESPP by 350,000 shares to 600,000 shares;
5. to ratify the selection of KPMG LLP as our independent registered public accounting firm for the current year ending December 31, 2016; and
6. to transact such other business as may properly come before the Annual Meeting, or any continuation, postponement or adjournment thereof.

The accompanying Notice of Meeting and proxy statement describe these matters. We urge you to read this information carefully.

The Company’s board of directors (the “Board”) unanimously believes that election of its director nominee, approval, on an advisory basis, of the compensation of our named executive officers, approval of the Restated Plan amendment and restatement, approval of the amendment and restatement to the 2013 ESPP, and ratification of its selection of KPMG LLP as our independent registered public accounting firm are in our best interests and that of our stockholders, and, accordingly, recommends a vote FOR election of the director nominee, FOR the approval, on an advisory basis, of the compensation of our named executive officers, FOR the approval of the Restated Plan amendment and restatement, FOR the approval of the amendment and restatement to the 2013 ESPP and FOR the ratification of the selection of KPMG LLP as our independent registered public accountants.

In addition to the business to be transacted as described above, management will speak on our developments over the past year and respond to comments and questions of general interest to stockholders.

It is very important that your shares be represented and voted whether or not you plan to attend the Annual Meeting in person. The Company may be significantly negatively impacted if it does not receive the required votes FOR proposals 3 and 4, as it will limit the Company's ability to (i) use equity as an incentive for its employees and other service providers and (ii) provide employees with an opportunity to purchase shares of our common stock under a qualified employee stock purchase plan, given that the Company's share reserve under the Restated Plan and the 2013 ESPP are very low. In addition, under the majority voting standard adopted by the Board in 2014, in uncontested elections, an incumbent director nominee who does not receive the majority of the votes cast by the shares of our common stock ("shares") represented and entitled to vote at the annual meeting, is expected to tender his or her resignation. You may vote on the Internet, by telephone, or by completing and mailing a proxy card, or the form forwarded by your bank, broker or other holder of record. Voting over the Internet, by telephone, or by written proxy will ensure your shares are represented at the Annual Meeting. Please review the instructions on the proxy card, or the information forwarded by your bank, broker or other holder of record regarding each of these voting options. On behalf of the Board, I would like to express our appreciation for your support of the Company.

Sincerely,

Edward M. Kaye, M.D.

Interim Chief Executive Officer, Senior Vice President and Chief Medical Officer

215 First Street

Suite 415

Cambridge, MA 02142

www.sarepta.com

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Monday, June 27, 2016

To the Stockholders of Sarepta Therapeutics, Inc.:

NOTICE IS HEREBY GIVEN that the 2016 annual meeting of stockholders (the “Annual Meeting”) of Sarepta Therapeutics, Inc., a Delaware corporation, will be held on Monday, June 27, 2016 at 9:00 A.M., local time, at the Company’s headquarters, 215 First Street, Suite 110B, Cambridge, MA 02142, for the following purposes:

1. to elect, as Group I director to hold office until the 2018 annual meeting of stockholders, or until his successor is earlier elected, the following nominee: Hans Wigzell, M.D., Ph.D.;
2. to hold an advisory vote to approve, on a non-binding basis, named executive officer compensation;
3. to approve an amendment and restatement of our Amended and Restated 2011 Equity Incentive Plan (the “Restated Plan”) to, among other changes, increase the number of shares underlying the awards that the Company may grant under the Restated Plan by 1,300,000 shares to 7,536,903 shares (plus the number of shares subject to outstanding awards under the 2002 Equity Incentive Plan that expire or otherwise terminate without having been exercised in full, or are forfeited to or repurchased by us, up to a maximum of 121,325 shares)(the “Restated Plan amendment and restatement”);
4. to approve an amendment and restatement to the 2013 Employee Stock Purchase Plan (the “2013 ESPP”) to increase the number of shares of our common stock authorized for issuance under the 2013 ESPP by 350,000 shares to 600,000 shares;
5. to ratify the selection of KPMG LLP as our independent registered public accounting firm for the current year ending December 31, 2016; and
6. to transact such other business as may properly come before the Annual Meeting, or any continuation, postponement or adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this notice. We are not aware of any other business to come before the meeting.

The Board has fixed the close of business on May 6, 2016 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting and at any continuation, postponement or adjournment thereof. A list of stockholders will be available for inspection by our stockholders at our principal executive offices at 215 First Street, Suite 415, Cambridge, MA 02142, beginning on, or before, June 17, 2016 and continuing through the meeting.

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Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on Monday, June 27, 2016: the Proxy Statement for the Annual Meeting and the Annual Report to Stockholders for the year ended December 31, 2015 are available at <http://www.edocumentview.com/SRPT>.

By Order of the Board of Directors,

David Tyrone Howton, Jr.

Senior Vice President, General Counsel and Corporate Secretary

Cambridge, MA

May 31, 2016

ALL STOCKHOLDERS ARE CORDIALLY INVITED TO ATTEND THE ANNUAL MEETING IN PERSON. IF YOU PLAN TO ATTEND, PLEASE NOTIFY US BY CONTACTING INVESTOR RELATIONS AT (617) 274-4050 OR INVESTORS@SAREPTA.COM.

WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING. A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR THAT PURPOSE. YOU ALSO MAY VOTE YOUR SHARES ON THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS ON YOUR PROXY CARD.

EVEN IF YOU HAVE PROVIDED US WITH YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE ANNUAL MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE ANNUAL MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY ISSUED IN YOUR NAME.

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215 First Street

Suite 415 Cambridge, MA 02142

www.sarepta.com

PROXY STATEMENT FOR

THE SAREPTA THERAPEUTICS, INC. 2016 ANNUAL MEETING OF STOCKHOLDERS

INFORMATION CONCERNING VOTING AND SOLICITATION

General

The board of directors (the “Board”) of Sarepta Therapeutics, Inc. (the “Company”) is soliciting your proxy to vote at the 2016 annual meeting of stockholders (the “Annual Meeting”) to be held on Monday, June 27, 2016, at 9:00 A.M., local time, or at any continuation, postponement or adjournment thereof, for the purposes discussed in this proxy statement and in the accompanying Notice of Annual Meeting and any business properly brought before the Annual Meeting. The Annual Meeting will be held at the Company’s Headquarters at 215 First Street, Suite 110B, Cambridge, MA 02142. We intend to mail this proxy statement, together with the accompanying proxy card, to those stockholders entitled to vote at the Annual Meeting for the first time on May 31, 2016. In the mailing, we will include copies of our Annual Report to stockholders for the year ended December 31, 2015. Proxies are solicited to give all stockholders of record an opportunity to vote on matters properly presented at the Annual Meeting.

Who Can Vote

You are entitled to vote at the Annual Meeting if you were a stockholder of record of our common stock, \$0.0001 par value per share, as of the close of business on May 6, 2016. Your shares may be voted at the Annual Meeting only if you are present in person or represented by a valid proxy.

Shares of Our Common Stock Outstanding and Quorum

At the close of business on May 6, 2016, 45,771,906 shares of our common stock were outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter presented. There is no cumulative voting. A majority of the outstanding shares of our common stock entitled to vote, present in person or represented by proxy, will constitute a quorum at the Annual Meeting. If less than a majority of the outstanding shares entitled to vote are represented at the Annual Meeting, a majority of the shares present at the Annual Meeting may adjourn the Annual Meeting to another date, time or place, and notice need not be given of the new date, time or place if the new date, time or place is announced at the Annual Meeting before an adjournment is taken.

Proxy Card and Revocation of Proxy

You may vote by completing and mailing the enclosed proxy card. If you sign the proxy card but do not specify how you want your shares to be voted, your shares will be voted by the proxy holders named in the enclosed proxy (i) in favor of the election of the director nominee named in this proxy statement, (ii) in favor of the approval of the compensation of our named executive officers, (iii) in favor of the Restated Plan amendment and restatement, (iv) in favor of the amendment and restatement to the 2013 ESPP, and (v) in favor of ratification of the selection of KPMG LLP as our independent registered public accountants for the year ending December 31, 2016. In their discretion, the proxy holders named in the enclosed proxy are authorized to vote on any other matters that

may properly come before the Annual Meeting and at any continuation, postponement, or adjournment thereof. The Board knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this proxy statement. In addition, no other stockholder proposal or nomination was received on a timely basis, so no such matters may be brought to a vote at the Annual Meeting.

If you vote by proxy, you may revoke that proxy at any time before it is voted at the Annual Meeting. Stockholders of record may revoke a proxy by (i) sending to our corporate secretary at our principal executive office at 215 First Street, Suite 415, Cambridge, MA 02142, a written notice of revocation or duly executed proxy card, in either case bearing a later date, (ii) by submitting another properly completed proxy over the Internet, (iii) by telephone using the number provided on the proxy card, or (iv) by attending the Annual Meeting in person and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy. In order to be effective, all revocations or later-filed proxies delivered by mail must be delivered to us at our Cambridge, Massachusetts address not later than 5:00 P.M., local time, on the business day prior to the day of the Annual Meeting.

If you are a beneficial owner of shares of our common stock (“shares”) registered in the name of a broker, bank or other nominee, you should have received a voting instruction card and voting instructions with these proxy materials from that organization rather than from us. Simply complete and mail the voting instruction card to ensure that your vote is counted. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a proxy form. You may also change your vote by submitting new voting instructions to your bank, broker or other nominee. Please note that if your shares are held of record by a broker, bank or other nominee, and you decide to attend and vote at the Annual Meeting, your vote in person at the Annual Meeting will not be effective unless you present a legal proxy, issued in your name from the record holder, your broker, bank or other nominee.

Voting of Shares of Our Common Stock

Stockholders of record as of the close of business on May 6, 2016 are entitled to one vote for each share of our common stock held on all matters to be voted upon at the Annual Meeting. You may vote by attending the Annual Meeting and voting in person. You also may vote by proxy via the Internet or by completing and mailing the enclosed proxy card, or the form forwarded by your bank, broker or other holder of record. You may also vote by telephone by calling the toll-free number found on the proxy card. The Internet and telephone voting facilities will close at 11:59 P.M., Eastern Time, on June 26, 2016. Stockholders who vote through the Internet or by telephone should be aware that they may incur costs such as access or usage charges from telephone companies or Internet service providers, and that these costs must be borne by the stockholder. Stockholders who vote by Internet or telephone need not return a proxy card, or the form forwarded by your bank, broker or other holder of record by mail. All shares entitled to vote and represented by properly-executed proxies received before the polls are closed at the Annual Meeting, and not revoked or superseded, will be voted at the Annual Meeting in accordance with the instructions indicated on those proxies.

YOUR VOTE IS IMPORTANT. The Company may be significantly negatively impacted if it does not receive the required votes FOR proposal 3, as it will limit the Company’s ability to use equity as an incentive for its employees and other service providers, given that the Company’s share reserve under the Restated Plan is very low. In addition, under the majority voting standard adopted by the Board in 2014, in uncontested elections, an incumbent director nominee who does not receive the majority of the votes cast by the shares represented and entitled to vote at the annual meeting is expected to tender his or her resignation.

Required Vote

Proposal 1: Election of Sarepta Therapeutics, Inc. Directors. In an uncontested election of directors where a quorum is present, each director nominee must receive the affirmative vote of a majority of the votes cast (whether in person or by proxy) by the shares represented and entitled to vote at the Annual Meeting to be elected as director, except as

otherwise required by statute, the Company's Certificate of Incorporation or Bylaws. This means that each director nominee who receives an affirmative "FOR" by the majority of votes properly cast at the Annual Meeting will be elected to the Board. Under the Company's Policy Statement on Majority Voting, a director who fails to obtain an affirmative vote "FOR" by the majority of votes will be required to tender his resignation and the Board or an authorized committee of the Board will determine whether to accept such resignation.

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Proposal 2: Advisory Vote To Approve Named Executive Officer Compensation. Because this proposal asks for a non-binding, advisory vote, there is no “required vote” that would constitute approval. We value the opinions expressed by our stockholders in this advisory vote, and our compensation committee, which is responsible for overseeing and administering our executive compensation programs, will consider the outcome of the vote when designing our compensation programs and making future compensation decisions for our named executive officers. Abstentions and broker non-votes, if any, will not have any effect on the results of those deliberations.

Proposal 3: Restated Plan Amendment and Restatement, Proposal 4: Amendment and restatement to the 2013 ESPP and Proposal 5: Ratification of Appointment of Independent Registered Public Accounting Firm. The votes cast in favor of Proposals 3, 4 and 5 must exceed the votes cast against for such Proposals to be approved. Abstentions and broker non-votes, if any, will not have any effect on the results of these Proposals.

Counting of Votes

Proposals 1, 2, 3, 4 and 5: You may either vote “FOR,” “AGAINST” or “ABSTAIN” on these proposals.

A representative of Computershare Trust Company, N.A., our transfer agent, will tabulate votes and act as the independent inspector of election. All votes will be tabulated by the inspector of election, who will separately tabulate affirmative and negative votes, abstentions and broker “non-votes.” Shares held by persons attending the Annual Meeting but not voted, shares represented by proxies that reflect abstentions as to a particular proposal, and broker “non-votes” will be counted as present for purposes of determining a quorum.

Effect of Not Casting Your Vote

If you are a stockholder of record and you sign the proxy card but do not specify how you want your shares to be voted, your shares will be voted by the proxy holders in the manner recommended by the Board on all matters presented in this proxy statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting. The Board knows of no other items of business that will be presented for consideration at the Annual Meeting other than those described in this proxy statement. In addition, no stockholder proposal or nomination was received on a timely basis; therefore, no such matters may be brought to a vote at the Annual Meeting.

If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, under the rules of various national and regional securities exchanges, the organization that holds your shares may generally vote on routine matters but cannot vote on non-routine matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a broker “non-vote.”

The ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for 2016 (Proposal 5) is a matter considered routine under applicable rules. A broker or other nominee may generally vote on routine matters, and therefore no broker “non-votes” are expected for Proposal 5.

The election of directors (Proposal 1), the advisory vote to approve executive compensation (Proposal 2), approval of the Restated Plan amendment and restatement (Proposal 3) and approval of the amendment and restatement to the 2013 ESPP (Proposal 4) are matters considered non-routine under applicable rules.

If you do not provide voting instructions to your broker or other nominee on these non-routine items (Proposals 1, 2, 3 and 4), such shares cannot be voted and will be considered broker “non-votes.”

Solicitation of Proxies

We will bear the entire cost of solicitation of proxies, including preparation, assembly and mailing of this proxy statement, the proxy and any additional information furnished to stockholders. If properly requested, copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding shares of our common stock in their names that are beneficially owned by others to forward to those beneficial owners. We may reimburse persons representing beneficial owners for their costs of forwarding the solicitation materials to the

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beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, facsimile, electronic mail, or personal solicitation by our directors, officers or employees. No additional compensation will be paid to our directors, officers or employees for such services. We also have retained Georgeson Inc. for a fee of \$10,000 to assist us in the solicitation of proxies. A list of stockholders will be available for inspection by our stockholders at our principal executive offices at 215 First Street, Suite 415, Cambridge, MA 02142, beginning on, or before, June 17, 2016 and continuing through the meeting.

Stockholder Proposals for the 2017 Annual Meeting

Stockholder proposals submitted for inclusion in our proxy materials for our 2017 annual meeting of stockholders pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), must be received at our principal executive offices no later than the close of business on January 31, 2017, provided that if the date of the annual meeting is earlier than May 28, 2017, or later than July 27, 2017, the deadline is a reasonable time before we begin to print and send our proxy materials for next year’s annual meeting. Stockholders who do not wish to use the mechanism provided by the rules of the Securities and Exchange Commission (the “SEC”) in proposing a matter for action at the next annual meeting must notify us in writing of the proposal and the information required by the provisions of our Bylaws dealing with advance notice of stockholder proposals and director nominations. To be timely, under our Certificate of Incorporation, a stockholder’s written notice must be delivered to, or mailed and received at, our principal executive offices no later than the close of business on March 29, 2017, and no earlier than February 27, 2017; provided that, if the date of that annual meeting is more than 30 days before, or more than 60 days after, June 27, 2017, you must give notice not later than the 90th day prior to the annual meeting date or, if later, the 10th day following the day on which public disclosure of the annual meeting date is first made. You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

Attending the Annual Meeting

Our Annual Meeting will begin promptly at 9:00 A.M., local time, on Monday, June 27, 2016, at our corporate headquarters at 215 First Street, Suite 110B, Cambridge, MA 02142.

All stockholders should be prepared to present photo identification for admission to the Annual Meeting. Admission will be on a first-come, first-served basis. If you are a beneficial stockholder and hold your shares in “street name,” you will be asked to present proof of ownership of your shares as of the record date. Examples of acceptable evidence of ownership include your most recent brokerage statement showing ownership of shares on the record date, or a photocopy of your voting instruction form. Persons acting as proxies must bring a valid proxy from a stockholder of record as of the record date. Your late arrival or failure to comply with these procedures could affect your ability to participate in the Annual Meeting.

Householding of Proxy Materials

We have adopted a procedure approved by the SEC called “householding.” Under this procedure, stockholders of record who have the same address and last name, and do not participate in electronic delivery of proxy materials, will receive only one set of our proxy materials, unless one or more of these stockholders notifies us that they wish to continue receiving individual copies. We believe that this will provide greater convenience for our stockholders, as well as cost savings for us, by reducing the number of duplicate documents that are sent to your home.

Stockholders who participate in householding will continue to receive separate proxy cards. Householding will not in any way affect your rights as a stockholder.

If you are eligible for householding and currently receive multiple copies of our proxy materials with other stockholders of record with whom you share an address, or if you hold stock in more than one account, and in either

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case you wish to receive only a single copy of these documents for your household, please contact our Corporate Secretary at 215 First Street, Suite 415, Cambridge, MA 02142, or at (617) 274-4000.

If you participate in householding and wish to receive a separate copy of our Annual Report on Form 10-K or this proxy statement, or if you do not wish to participate in householding and prefer to receive separate copies of these documents in the future, please contact our Corporate Secretary at the address or telephone number indicated above and we will promptly deliver to you separate copies of these documents.

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Beneficial stockholders can request information about householding from their banks, brokers, or other holders of record.

SAREPTA THERAPEUTICS, INC. DIRECTORS AND EXECUTIVE OFFICERS

Directors, Director Nominee and Executive Officers

The following table sets forth certain information with respect to the directors, director nominees and executive officers of our Company as of the date of this Amendment:

Name	Age	Position(s) ⁽⁵⁾
Executive Officers		
Edward M. Kaye, M.D.	67	Interim Chief Executive Officer, and Senior Vice President, Chief Medical Officer
Sandesh Mahatme	51	Senior Vice President, Chief Financial Officer
David Tyrone Howton, Jr.	44	Senior Vice President, General Counsel and Corporate Secretary
Jayant Aphale, Ph.D.	55	Senior Vice President, Technical Operations
Non-Employee Directors		
William Goolsbee ⁽¹⁾⁽⁴⁾⁽⁶⁾	62	Group I Director
Gil Price, M.D. ⁽¹⁾⁽²⁾⁽⁶⁾	60	Group I Director
Hans Wigzell, M.D., Ph.D. ⁽³⁾⁽⁴⁾	77	Group I Director
Richard J. Barry ⁽²⁾⁽³⁾	57	Group II Director
M. Kathleen Behrens, Ph.D. ⁽²⁾⁽³⁾	63	Group II Director, Chairwoman of the Board of Directors
Jean-Paul Kress, M.D. ⁽²⁾⁽³⁾	50	Group II Director
Claude Nicaise, M.D. ⁽¹⁾⁽⁴⁾	63	Group II Director

(1) Member of the compensation committee. Mr. Goolsbee is the current chair of the compensation committee.

(2) Member of the audit committee. Dr. Behrens is the current chair of the audit committee.

(3) Member of the nominating and corporate governance committee. Mr. Barry is the current chair of the nominating and corporate governance committee.

(4) Research and development committee. Dr. Wigzell is the current chair of the research and development committee.

(5) The term of Group I Directors expires as of the date of the 2016 Annual Meeting, and the term of Group II Directors expires as of the date of the 2017 Annual Meeting.

(6) Dr. Price and Mr. Goolsbee are not candidates for reelection at the 2016 Annual Meeting and their terms as directors will conclude at the Annual Meeting.

Edward M. Kaye, M.D., has served as our Interim Chief Executive Officer since March 31, 2015 and as our Senior Vice President, Chief Medical Officer since June 2011. Dr. Kaye was Group Vice President of Clinical Development at Genzyme Corporation, a biotechnology company, from April 2007 to June 2011, where he supervised the clinical research in the lysosomal storage disease programs and in the genetic neurological disorders. From 2001 to 2007, Dr. Kaye held various roles at Genzyme Corporation, including Vice President of Medical Affairs for Lysosomal Storage Diseases, Vice President of Clinical Research and Interim Head of PGH Global Medical Affairs. Dr. Kaye holds a

Bachelor of Science (B.S.) in Biology from Loyola University and holds a Doctor of Medicine (M.D.) from Loyola University Stritch School of Medicine. He received his Pediatric training at Loyola University Hospital, Child Neurology training at Boston City Hospital, Boston University, and completed his training as a Neurochemical Research Fellow (Geriatric Fellow) at Bedford VA Hospital, Boston University. Dr. Kaye was head of the section of Neurometabolism, Pediatric Neurology at The Floating Hospital for Children (Tufts University) and research fellow in gene therapy at Massachusetts General Hospital until 1996, when he moved to Philadelphia to become Chief of Pediatric Neurology and Director of the Barnett Mitochondrial Laboratory at St. Christopher's Hospital for Children. In 1998, Dr. Kaye accepted the appointment as Chief of Biochemical Genetics at Children's Hospital of Philadelphia and Associate Professor of Neurology and Pediatrics at the Perelman School of Medicine at the University of Pennsylvania until moving to Genzyme Corporation at the end of 2001. Dr. Kaye continues to serve as a Neurological Consultant at Children's Hospital of Boston, and is on the editorial boards of a number of journals, including the Journal of Child Neurology. Dr. Kaye also previously served on the board of Annals of Neurology, and

is currently on the Medical/Scientific Advisory Boards of the United Leukodystrophy Foundation, Spinal Muscular Atrophy Foundation, CureCMD, CureDuchenne and the Prize4Life.

Sandesh Mahatme has served as our Senior Vice President, Chief Financial Officer since November 2012. From January 2006 to November 2012, Mr. Mahatme worked at Celgene Corporation, a biopharmaceutical company, where he served in various roles, including Senior Vice President of Corporate Development, Senior Vice President of Finance, Corporate Treasurer and Head of Tax. While at Celgene, Mr. Mahatme built the treasury and tax functions before establishing the Corporate Development Department, which focuses on strategic, targeted initiatives, including commercial development in emerging markets, acquisitions and licensing and global manufacturing expansion. Prior to working at Celgene, Mr. Mahatme worked for Pfizer Inc., a pharmaceutical company, for over years in senior roles in Business Development and Corporate Tax. Mr. Mahatme started his career at Ernst & Young LLP where he advised multinational corporations on a broad range of transactions. Mr. Mahatme holds a Master of Laws (LL.M.) and a Juris Doctor (J.D.) from NYU School of Law, an LL.M. from Cornell Law School and is a member of the New York State Bar Association. Mr. Mahatme is also a board member of Flexion Therapeutics, Inc. and Aeglea Biotherapeutics.

David Tyronne Howton, Jr. has served as our Senior Vice President, General Counsel and Corporate Secretary since November 2012. From September 2011 to June 2012, Mr. Howton served as the Senior Vice President, Chief Legal Officer and as a member of the executive team at Vertex Pharmaceuticals Incorporated, a publicly-traded biotechnology company. In this capacity he participated in the general management of the company and oversaw all aspects of the Vertex global legal and compliance departments. Mr. Howton served as Senior Vice President Legal from July 2012 to November 2012 at Vertex. Prior to his appointment as Chief Legal Officer at Vertex, Mr. Howton served as the Chief Compliance Officer from September 2009 to August 2011 and, in this capacity, he was responsible for designing and implementing the Vertex corporate compliance program as well as chairing the company's Corporate Compliance Committee. From 2003 to September 2009, Mr. Howton worked at Genentech, Inc., a biotechnology company, where he served in a number of legal roles before becoming the company's Chief Healthcare Compliance Officer in 2006. Prior to joining Genentech in 2003, Mr. Howton was a member of the Sidley Austin LLP corporate healthcare practice, where he advised clients on corporate transactions involving life science companies and provided regulatory counsel. Mr. Howton holds a Bachelor of Arts (B.A.) from Yale University and a J.D. from Northwestern University School of Law.

Jayant Aphale, Ph.D., has served as our Senior Vice President, Technical Operations since December 2011. From January 2011 to December 2011, Dr. Aphale served as the President of Apex CMC Advisors, LLC, a biotechnology consulting company. From January 2010 to November 2010, Dr. Aphale served as a Vice President at GlaxoSmithKline plc, a publicly traded pharmaceutical company, in Belgium leading new product introductions, cGMP scale-up of clinical material manufacturing, U.S. government interactions and global technology transfer of marketed vaccines. From June 2008 to January 2010, Dr. Aphale was the Vice President of Manufacturing and Process Sciences at Enobia Pharma Corp., a biopharmaceutical company, where he structured the company's CMO network and led technology transfer and scale-up of their lead product in the rare disease space. From 2006 to May 2008, Dr. Aphale served as Vice President, Manufacturing Operations and Project Management at Acambis plc, a biotechnology company, where, besides managing cGMP manufacturing across multiple sites, he established and implemented business processes in project and portfolio management and in transitioning clinical manufacturing to commercial scale. Dr. Aphale holds a Doctor of Philosophy (Ph.D.) in Microbiology from Ohio State University and a Master of Business Administration (M.B.A.) in Finance and Strategy from the University of North Carolina. He is a certified project manager (PMP) and holds the U.S. Regulatory Affairs Certification (RAC).

William Goolsbee has served as a member of our Board since October 2007. He was Chairman of our Board from June 2010 through July 2014. He currently serves as a member of and chairperson of our compensation committee and as a member of our research and development committee. Mr. Goolsbee is not standing for re-election and is not a director nominee at the 2016 Annual Meeting. Mr. Goolsbee plans to complete his term as a member of our Board, and the committees he serves on, which ends on the Annual Meeting date. Mr. Goolsbee was founder, Chairman and

Chief Executive Officer of Horizon Medical Inc. from 1987 until its acquisition by a unit of UBS Private Equity in 2002. Mr. Goolsbee was a founding director of ImmunoTherapy Corporation in 1993, and became Chairman of the board of directors in 1995, a position he held until overseeing the successful acquisition of ImmunoTherapy by us in 1998. His experience prior to 1987 includes a series of increasingly responsible executive positions with CooperVision Inc. and Cooper Laboratories Inc. Mr. Goolsbee holds a B.A. from the University of California at Santa Barbara. Mr. Goolsbee served as Chairman of privately held BMG Pharma LLC, a pharmaceutical company, from 2006 through 2011 and served as Chairman and Chief Executive Officer of BMG

Hematology LLC, a product development and licensing company, through March 1, 2016. Our nominating and corporate governance committee believes that Mr. Goolsbee's 30-year career in the medical device and biopharmaceutical industries qualifies him for service as a member of our Board.

Gil Price, M.D., has served as a member of our Board since October 2007 when he was added to the Board to, among other things, advise on the early regulatory process for potential biopharmaceutical product candidates. With the NDA for eteplirsen having been completed and filed, Dr. Price plans to complete his term as Director and after the Annual Meeting will focus on and pursue other interests and opportunities. Therefore, Dr. Price is not standing for reelection and will not be a member of the Board or its committees after the Annual Meeting. He currently serves on the Compensation Committee and the Audit Committee. Dr. Price is a clinical physician trained in internal medicine with a long-standing interest in drug development, adverse drug reactions, drug utilization and regulation. Since 2008, he has been the Chief Executive Officer and Chief Medical Officer of Drug Safety Solutions, a provider of solutions for clinical and drug safety operations. From 1997 to 2002, Dr. Price was the director of clinical development for oncology at MedImmune, Inc., the biologics subsidiary of AstraZeneca. Prior to joining MedImmune, Dr. Price worked in the contract research organization sector. Dr. Price began his pharmaceutical career at GlaxoSmithKline Inc., where he worked for nearly nine years on both the commercial and research sides of that company. Dr. Price is a member of the American Medical Association, the Academy of Pharmaceutical Physicians and a past member of the American Society for Microbiology. Dr. Price received a B.A. from the University of Rio Grande and an M.D. from the University of Santiago. Our nominating and corporate governance committee believes that Dr. Price's experience in the clinical, research and commercial sectors in the fields of medicine and pharmaceuticals qualifies him for service as a member of our Board.

Hans Wigzell, M.D., Ph.D., has served as a member of our Board since June 2010. He also serves as a member of our nominating and corporate governance committee and a member of and chairperson of our research and development committee. In the past five years, Dr. Wigzell has served as a director of Probi AB and currently serves as a director of RaySearch Laboratories AB, Swedish Orphan Biovitrum AB, and Valneva SE (a successor to Intercell AG). Since 2006, Dr. Wigzell has served as Chairman of Karolinska Development AB, a company listed on the NASDAQ OMX Stockholm market that selects, develops and seeks ways to commercialize promising new Nordic lifescience innovations. From 1995 to 2003 he was the President of the Karolinska Institute, a medical university and was General Director of the National Bacteriological Laboratory in Stockholm from 1987 to 1993. Dr. Wigzell is Chairman of the board of the Stockholm School of Entrepreneurship. He is an elected member of several national academies, including the Swedish Royal Engineering Academy, Sweden; the Royal Academy of Science, Sweden; the Danish Academy of Arts and Letters; the American Academy of Arts and Sciences; the Finnish Science Society; and the European Molecular Biology Organization. In addition to serving as President of the Karolinska Institute, his academic career includes being Chairman of the Nobel Prize Committee, and the Karolinska Institute and Distinguished External Advisory Professor of Ehime University, Japan. Additionally, Dr. Wigzell was appointed Chairman of the Nobel Assembly in 2000. Dr. Wigzell holds an M.D. and Ph.D. from the Karolinska Institute in Stockholm and he has received honorary doctorate degrees at University "Tor Vergata" in Rome, Italy, Turku University in Finland and The Feinstein Institute in New York. Our nominating and corporate governance committee believes that Dr. Wigzell's experience serving in leadership roles in various scientific and biotechnology institutions and companies in countries around the world qualifies him to serve as a member of our Board.

Richard J. Barry, has served as a member of our Board since June 2015. He also serves as a member of our audit committee and as a member and chairperson of our nominating and corporate governance committee. Mr. Barry is a long time stockholder of the Company. He has served as a director for Elcelyx Therapeutics, a pharmaceutical company, since February 2013, and is a Managing Member of GSM Fund, LLC, a fund established for the sole purpose of investing in Elcelyx. Mr. Barry has also been a Partner and Advisory Board member of the San Diego Padres since 2009 and an Advisory Board member for the Schreyer Honors College at Pennsylvania State University since 2014. He previously served as a director of Cluster Wireless, a San Diego-based software company, and Blacklight Power, an energy research company. Mr. Barry has extensive experience in the investment management business. He was a founding member of Eastbourne Capital Management LLC, a large equity hedge fund investing in

a variety of industries, including health care, and served as a Managing General Partner and Portfolio Manager from 1999 to its close in 2010. Prior to Eastbourne, Mr. Barry was a Portfolio Manager and Managing Director of Robertson Stephens Investment Management. Mr. Barry also spent over 13 years in various roles in institutional equity and investment management firms, including Lazard Freres, Legg Mason and Merrill Lynch. Mr. Barry holds a B.A. from Pennsylvania State University. Our nominating and

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corporate governance committee believes that Mr. Barry's significant experience in the financial sector and extensive knowledge of the pharmaceutical industry qualifies him for service as a member of our Board.

M. Kathleen Behrens, Ph.D., has served as a member of our Board since December 2009 and as Chairwoman of the Board since April 2015. She also serves as member of our nominating and corporate governance committee and as a member of and Chairwoman of our audit committee. Dr. Behrens served as a member of the President's Council of Advisors on Science and Technology (PCAST) from 2001 to early 2009 and as Chairwoman of PCAST's Subcommittee on Personalized Medicine. She has served as a public-market biotechnology securities analyst as well as a venture capitalist focusing on healthcare, technology and related investments. Dr. Behrens was instrumental in the founding of several biotechnology companies, including Protein Design Labs, Inc. and COR Therapeutics, Inc. She worked for Robertson Stephens & Co. from 1983 through 1996, serving as a General Partner and Managing Director. Dr. Behrens continued in her capacity as a General Partner for selected venture funds for RS Investments, an investment management and research firm, from 1996 through December 2009, after management led a buyout of that firm from Bank of America. While Dr. Behrens worked at RS Investments, from 1996 to 2002, she served as a Managing Director at the firm and, from 2003 to December 2009, she served as a consultant to the firm. From 1997 to 2005, she was a director of the Board on Science, Technology and Economic Policy for the National Research Council, and from 1993 to 2000 she was a Director, President and Chairwoman of the National Venture Capital Association. Since December 2009, Dr. Behrens has worked as an independent life sciences consultant and investor. Dr. Behrens was a director of Amylin Pharmaceuticals, Inc. from June 2009 until Amylin's sale in August 2012 to Bristol-Myers Squibb Company. Dr. Behrens also served as the President and Chief Executive Officer of KEW Group Inc., a private oncology services company, based in Cambridge, Massachusetts from January 2012 to July 2014. Dr. Behrens holds a B.S. in Biology and a Ph.D. in Microbiology from the University of California, Davis. Our nominating and corporate governance committee believes that Dr. Behrens' significant experience in the financial services and biotechnology sectors, as well as in healthcare policy, qualifies her for service as a member of our Board.

Jean-Paul Kress, M.D., has served as a member of our Board since September 2015. He also serves as a member of the nominating and corporate governance committee and the audit committee. He is the head of North America for Sanofi Genzyme Specialty Care Business Unit (Multiple Sclerosis, Oncology & Immunology). Prior to this appointment, Dr. Kress served as the President and CEO of Sanofi Pasteur MSD, a European vaccine company. During his tenure with Sanofi Pasteur MSD, a joint venture between Sanofi Pasteur and Merck & Co. (known as MSD outside the United States and Canada), Dr. Kress was responsible for reshaping the organization to better meet the challenges of the rapidly changing vaccine industry, launching a number of new products, mobilizing the organization to focus on the most critical priorities, and working to provide a firm foundation for sustainable growth. A strong advocate for the socio-economic value of vaccination, Dr. Kress was actively involved in the development of health policy across the European Union with a focus on disease prevention. Prior to his work at Sanofi Pasteur MSD, Dr. Kress was Vice President and General Manager in France for Gilead, a major U.S.-based biopharmaceutical company specializing in therapeutics for life-threatening diseases, such as HIV. Dr. Kress holds an M.D. from Faculté Necker-Enfants Malades, and is an alumnus of the prestigious Ecole Normale Supérieure, both of which are located in Paris, France. He also sits on the board of directors of CNE (the ENS Alumni association). Our nominating and corporate governance committee believes that Dr. Kress's extensive commercial and organizational expertise, as well as his global experience and insights, qualifies him for service as a member of our Board.

Claude Nicaise, M.D., has served as a member of our Board since June 2015. He also serves as a member of our compensation committee and research and development committee. Dr. Nicaise is the owner of Clinical Regulatory Services, a company providing advice on clinical and regulatory matters to biotechnology companies. From 2008 to 2014, Dr. Nicaise was a Senior Vice President of Strategic Development and Global Regulatory Affairs at Alexion Pharmaceuticals. From 1983 to 2008, Dr. Nicaise served in various positions of increasing responsibility at Bristol-Myers Squibb, including the following senior management positions: Vice-President of Global Development, Vice-President Worldwide Regulatory Science and Strategy and leadership positions in Oncology, Infectious Disease and NeuroScience Development. Dr. Nicaise holds an M.D. from the Université libre de Bruxelles in Belgium. Our nominating and corporate governance committee believes that Dr. Nicaise's significant experience in the

pharmaceuticals sector, including in clinical and regulatory affairs, qualifies him for service as a member of our Board.

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ELECTION OF SAREPTA THERAPEUTICS, INC. DIRECTORS

(Proposal 1)

General

As of the date of this proxy statement, our Board is composed of seven directors. Our Bylaws currently permit a maximum of seven directors and a minimum of one director. The Board may change from time to time the number of directors or, as permitted by the Bylaws, by resolution of our Board, but no decrease in the number of authorized directors will have the effect of shortening the term of any incumbent director. In September 2015, the Board increased the maximum size of the Board from six to seven members.

Pursuant to our Restated Certificate, when there are six or more positions on the Board, the positions are divided into two equal, or nearly equal, groups, denoted as Group I and Group II. In even years, stockholders elect directors to fill all Group I positions, and in odd years, stockholders elect directors to fill all Group II positions. There is no cumulative voting for election of directors.

The following table sets forth the name of, and other information about, the nominee for election as a Group I director and those directors who will continue to serve after the Annual Meeting.

Name	Age	Director Expiration		Position(s) Held With Sarepta
		Since	of Term	
Group I Director Nominee:				
Hans Wigzell, M.D., Ph.D.	77	2010	2016	Director
Group II Directors				
M. Kathleen Behrens, Ph.D.	63	2009	2017	Director and Chairwoman of the Board of Directors
Richard J. Barry	57	2015	2017	Director
Claude Nicaise, M.D.	63	2015	2017	Director
Jean-Paul Kress, M.D.	50	2015	2017	Director

Directors for a group whose terms expire at a given annual meeting may be up for reelection for another two-year term at that meeting. Each director's term will continue until the election and qualification of such director's successor, or such director's earlier death, resignation or removal. Any increase or decrease in the number of directors will be distributed among the two groups so that, as nearly as possible, each group will consist of one-half of the directors. This classification of our Board may have the effect of delaying or preventing changes in control of management. Unless the Board determines that vacancies (including vacancies created by increases in the number of directors) shall be filled by the stockholders, and except as otherwise provided by law, vacancies on the Board may be filled only by the affirmative vote of a majority of the remaining directors. A director elected by the Board to fill a vacancy (including a vacancy created by an increase in the number of directors) shall serve for the remainder of the full term of the class of directors in which the vacancy occurred and until such director's successor is elected and qualified. There are no family relationships among any of our directors or executive officers.

Nominee for Group I Director Election at the 2016 Annual Meeting of Stockholders

There is one nominee standing for election as a Group I director at the Annual Meeting. Based on the report of the nominating and corporate governance committee, our Board has approved the nomination, as a Group I Director, of

Hans Wigzell, M.D., Ph.D., for re-election as a continuing director. The Board's nominating and corporate governance committee annually evaluates the composition of the Board to assess the skills and experiences that are currently represented on the Board and those that will be valuable given the Company's current and future needs. In appointing Dr. Wigzell as a director nominee, the nominating and corporate governance committee and the Board took into consideration, among other things, the Company's strategic and regulatory plans, and the interests of the Company's stockholders. For additional considerations related to the process followed by the nominating and corporate governance committee and the Board in making Board composition decisions this year, please read "Corporate Governance and Board Matters — Nominating and Corporate Governance Committee." If elected, Dr. Wigzell will hold office as a Group I director until our 2018 annual meeting of stockholders or until his successor is earlier elected.

If you sign your proxy or voting instruction card, but do not give instructions with respect to the voting of directors, your shares will be voted for the nominees recommended by our Board. If you wish to give specific instructions with respect to the voting of directors, you may do so by indicating your instructions on your proxy or voting instruction card. The Board expects that the nominee will be available to serve as director. If Dr. Wigzell becomes unavailable, however, the proxy holders intend to vote for any nominee designated by the Board, unless the Board chooses to reduce the number of directors serving on the Board.

Vote Required and Board Recommendation

The nominee receiving the majority of votes cast and entitled to vote at the Annual Meeting will be elected as a director.

The Board recommends that stockholders vote “FOR” the election of Dr. Wigzell, as a Group I Director, to the Board.

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ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

(Proposal 2)

In accordance with Section 14A of the Exchange Act, we are asking our stockholders to approve, on a non-binding, advisory basis, the 2015 compensation of our named executive officers as disclosed in this proxy statement. This proposal, commonly known as a “say-on-pay” proposal, gives our stockholders the opportunity to express their views on the design and effectiveness of our executive compensation program.

As described in detail under the section below captioned “Compensation Discussion and Analysis,” our executive compensation program is designed to attract and retain senior executive management, to motivate their performance toward clearly defined goals and to align their long term interests with those of our stockholders. We urge our stockholders to read the “Compensation Discussion and Analysis” and the tables and narrative that follow for additional details about our executive compensation program, including information about the 2015 compensation paid to our named executive officers.

Our compensation committee includes a significant pay-for-performance component that supports our business strategy and aligns the interests of our executives with that of our stockholders. In 2015, our compensation program rewarded financial, strategic and operational performance, and the achievement of the pre-determined 2015 corporate goals and functional objectives for each named executive officer selected by the committee to support our long-range plans and stockholder value creation. In light of the achievement of personal goals by our named executive officers, as applicable, and our corporate goals for 2015, we believe that the compensation paid to our named executive officers was appropriate.

2015 Compensation Program Highlights

Challenging Factors and Commitment to Pay for Performance

As discussed in more detail under the section below captioned “Compensation Discussion and Analysis,” our compensation committee has designed a named executive officer compensation program that takes into account and reflects the pre-commercial and development stage of the Company. Our stock price is very volatile and, in the past several years, stock price movement has been largely driven by regulatory developments with respect to our most advanced product candidate, eteplirsen. In recognition of stockholder focus on regulatory milestones, in 2015, the compensation committee set corporate goals and performance measures designed to recognize the Company’s regulatory progress, the preparations necessary for the potential commercialization of eteplirsen and the advancement of other potential product candidates in its research and development pipeline.

In order to balance the challenges, uncertainty, timing and potential impact of regulatory events, the compensation committee has granted our named executive officers a mix of performance-based and time-based equity awards with vesting across multiple years, both of which require named executive officer performance that drives our stock price up for them to be able to maximize the value of these awards. The annual time-based equity awards granted to our named executive officers provide more certainty in our compensation structure given that factors that may not be entirely within our named executive officers’ control could terminate any possibility of performance-based awards from vesting in any given year, even if their high levels of performance builds long-term value for the Company. The compensation committee works closely with its independent compensation consultants to obtain benchmarking information to ensure that its compensation practices are in line with those of the Company’s peers, which may change throughout the year based on, among other things, the regulatory milestones that may be delayed, achieved or missed throughout the year.

Despite the challenges our compensation committee faces as described above, we believe that the components and pay mix of our 2015 named executive program, described in detail in the section below captioned “Compensation

Discussion and Analysis,” strike the right balance to manage the Company’s compensation challenges while paying for performance that increases stockholder value.

Working Through Challenging Factors with Stockholder Feedback

Through incorporation of stockholder feedback and applying our compensation philosophy and practices, we believe that our 2015 named executive compensation program takes into account the views of our stockholders. We recognize that the significant uncertainty of regulatory decisions and the timing of those decisions relative to compensation decisions have in past years resulted in misalignment between stockholder return and compensation

practices. Accordingly, we have reached out to our stockholders to discuss our executive compensation program. In particular, management discussed our compensation practices with stockholders, including stockholders that voted against the Company's say-on-pay proposals during the proxy process in 2014 and 2015. Additionally, in the first quarter of 2016, members of the Board also approached stockholders comprising approximately 32% of outstanding shares of our common stock to discuss our compensation practices. While many of these stockholders were comfortable with our compensation practices in light of the uncertain nature and timing of the regulatory process, others provided feedback on areas of focus moving forward.

Based on stockholder feedback, the Company has made a series of changes to its compensation practices and policies over the past several years. We believe that these changes should address many of the concerns that resulted in approval of our executive compensation programs for 2014 and 2015 by only approximately 70% and 74%, respectively, of stockholders entitled to vote at our last two annual meetings. These changes are listed below.

- Notably, the Company has reduced CEO compensation in each of the last three years to better accommodate the volatility in stockholder return resulting from an uncertain regulatory process, and for 2015, modified its peer group to closely align with the Company's current value and size.
- Further, unlike in 2014 when the Company only granted time-based awards due to the outstanding 2013 performance awards, in 2015, the compensation committee, in addition to granting time-based awards, granted performance-based awards to more closely align the interests of our named executive officers with near-term stockholder returns resulting from binary regulatory decisions. Similar performance-based grants were also granted in 2016, in each case reflecting significant value drivers for stockholders such as regulatory achievements, preparedness for a potential commercial launch, and diversifying the Company's pipeline. While the use of performance-based awards aligns compensation with near-term stockholder returns, stockholders have also recognized that the uncertain nature of the regulatory process requires the Company to balance the achievement or expected achievement of near term value drivers, such as key milestones in the regulatory process, with longer term incentives that must be flexible enough to accommodate either future unknown regulatory developments or more traditional post-commercial goals aligned with company financial performance and execution. It is for this reason, and as a retention mechanism, that the Company continues to use time-based options as part of its compensation program for named executive officers.
- In addition, the Company has sought to establish goals that balance achievements that confer value to stockholders over the course of the year (e.g., the achievement of regulatory milestones) with other efforts that are designed to provide the basis for longer term positive return to stockholders (e.g., enhancing the pipeline and building necessary corporate infrastructure).
- Lastly, the Company has put in place other components it believes reflect responsible pay practices such as a clawback policy, stock ownership requirements for directors and officers and a prohibition against certain tax gross ups for company named executive officers. The tables below provide a high level summary of our 2015 compensation program as well as our compensation policies and practices.

Other 2015 compensation program highlights as well as our current compensation policies and practices are set forth in the table below.

2015 NEO Compensation Program Components		2015 NEO Compensation Highlights
Fixed	Base Salary	3-4% merit increases provided to all named executive officers
	CEO Restricted Stock Award	One time grant provided to Dr. Kaye under his April 2015 employment agreement.
Variable/ Performance-Based	Bonus	Paid to in cash (75%) and Restricted Stock Awards (RSAs) with 6-month vesting period (25%) based on achievement of the 2015 corporate goals and functional objectives set by the compensation committee for 2015. CEO bonus was based entirely on achievement on 2015 corporate goals.
	Annual Equity Grant	Granted in February 2015 in the form of time-based options with four-year vesting periods.
	Performance-based Awards	September 2015 RSAs granted with 2-year vesting period triggered if commercialization of eteplirsen was achieved in first quarter of 2016. Because eteplirsen did not receive marketing approval by the required dates, these awards will never vest and have been cancelled. No additional percentages of the 2013 performance-based equity awards were triggered for vesting in 2015 because the Company did not achieve the required performance milestones for 2015.

Snapshot of Current Key Executive Compensation Practices and Policies

	Yes	No
Performance-based equity grants	ü	
Stock Ownership Guidelines	ü	
Annual Stockholder Say-on-Pay vote	ü	
Annual Compensation Risk Assessment	ü	
Robust Clawback Policy	ü	
Independent Compensation Consultant	ü	
Company and Board Communications with Stockholders regarding Company compensation practices	ü	
Change in control accelerated vesting rights for our named executive officers are subject to a double trigger (a change in control must occur and the executive must be terminated without cause or resign for good reason).	ü	
Prohibition on Hedging or Pledging of Company Stock	ü	
Prohibition on Tax Gross-Ups for Relocation and Temporary Housing Expenses	ü	
Employment Contract for CEO position only	ü	
Practice of Not Paying Excess Perquisites	ü	
<p>Our compensation committee regularly reviews the compensation program for our named executive officers to ensure it achieves the desired goals of aligning their compensation structure with our stockholders' interests and current market practices. We believe that our named executive officers' compensation programs have been effective at encouraging the achievement of positive results, appropriately aligning pay and performance, and enabling us to attract and retain talented executives.</p>		

Advisory Vote and Board Recommendation

We request stockholder approval, on an advisory basis, of the 2015 compensation of our named executive officers as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules (which disclosure includes the "Compensation Discussion and Analysis," the compensation tables and the narrative disclosures that accompany the compensation tables within this proxy statement). This vote is not intended to address any specific element of compensation, but rather the overall compensation of our named executive officers and the compensation philosophy, policies and practices described in this proxy statement.

Accordingly, we ask that you vote "FOR" the following resolution at this meeting:

"RESOLVED, that the stockholders of Sarepta Therapeutics, Inc. approve, on an advisory basis, the compensation of the named executive officers for 2015, as disclosed in Sarepta Therapeutics, Inc.'s proxy statement for the Annual Meeting of Stockholders held in 2016 pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2015 Summary Compensation Table and the other related tables and disclosures within the proxy statement."

You may vote "FOR," "AGAINST," or "ABSTAIN" from the proposal to approve the compensation of our named executive officers. As an advisory vote, the outcome of the vote on this proposal is not binding upon us.

Vote Required and Board Recommendation

Because this proposal asks for a non-binding, advisory vote, there is no “required vote” that would constitute approval. We value the opinions expressed by our stockholders in this advisory vote, and our compensation committee, which is responsible for overseeing and administering our executive compensation programs, will consider the outcome of the vote when designing our compensation programs and making future compensation decisions for our named executive officers. Abstentions and broker non-votes, if any, will not have any effect on the results of those deliberations. Unless the Board modifies its determination on the frequency of future “say-on-pay” advisory votes, the next “say-on-pay” advisory vote will be held at the annual meeting of stockholders in 2017.

The Board recommends that stockholders vote “FOR” the compensation of our named executive officers.

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VOTE TO APPROVE RESTATED PLAN AMENDMENT AND RESTATEMENT

(Proposal 3)

Proposal

The Company and the Board have proposed to amend and restate our Amended and Restated 2011 Equity Incentive Plan (the “Restated Plan”) to, among other changes, increase the number of shares underlying the awards that the Company may grant under the Restated Plan by 1,300,000 shares to 7,536,903 shares (plus the number of shares subject to outstanding awards under the 2002 Equity Incentive Plan that expire or otherwise terminate without having been exercised in full, or are forfeited to or repurchased by us, up to a maximum of 121,325 shares).

Purpose and Effect of the Proposal

Our Board believes it is important to obtain the additional 1,300,000 shares requested for the share reserve under the Restated Plan given that the current number of shares available for awards under the Restated Plan is not sufficient for the Company to provide equity incentives to eligible employees, consultants and advisors over the next year which could inhibit the quality of service providers that the Company is able to attract and retain. In this proxy statement, we refer to any grant from the Restated Plan as an “Award.” As of March 31, 2016, we had issued 9,720,037 shares of common stock under the Restated Plan that are no longer subject to outstanding awards, 9,550,037 shares of common stock that are subject to unexercised options or unvested restricted stock awards (“RSAs”) and zero shares that may be issued pursuant to outstanding performance share awards, leaving 591,241 shares of common stock available for Awards. The weighted average exercise price and remaining contractual life of the 6,647,972 stock options outstanding was \$22.18 and 8.08 years, respectively. The weighted average grant date fair value and remaining contractual life of the 112,863 shares of unvested RSAs was \$10.69 and 1.49 years, respectively. The weighted average grant date fair value and remaining contractual life of the 170,000 shares of stock appreciation rights was \$18.18 and 4.16 years, respectively. As of March 31, 2016, approximately 278 of our employees, officers, consultants and directors were eligible to participate in the Restated Plan, of which four were named executive officers, 265 were non-executive employees, seven were non-employee directors and two were consultants. We do not believe that the remaining share reserve under the Restated Plan is sufficient to meet the Company’s anticipated grants of Awards over the next one to two years.

If our stockholders do not approve the Restated Plan amendment and restatement, which increases the share reserve under the Restated Plan, the Restated Plan will remain in effect; however, we believe that the shares available for equity-based compensation will be quickly depleted, and we will lose our ability to use equity as a compensation and incentive tool and instead will have to increase the use of cash-based awards to incentivize, motivate and retain our employees. Based on our historical burn rates, disclosed below, our Board anticipates that the additional 1,300,000 shares requested will enable the Company to fund its current equity compensation program for one to two years, subject to changes in our growth strategy, accommodating anticipated grants related to the hiring, retention and promotion of employees in a successful commercialization scenario. The Board took into consideration the compensation committee’s recommendations, the burn rate, dilution and overhang metrics disclosed below with reference to peer and broader industry practices in approving the 1,300,000 share increase for the Restated Plan award pool reserve. Additionally, the Board considered the decrease in overhang that is expected from the reduction in workforce from employee separations in connection with closing our Corvallis, Oregon facilities, the expiration of our agreement with Mr. Garabedian and the exercises/ forfeiture of options after our Prescription Drug User Fee Act (PDUFA) date.

Introduction and Background for Current Request to Increase the Share Reserve

On May 1, 2011, our Board adopted, and on June 13, 2011 our stockholders approved, the Sarepta Therapeutics, Inc. 2011 Equity Incentive Plan (“Incentive Plan”). In addition, on June 4, 2013, our stockholders approved an amendment

and restatement of the Incentive Plan (“Restated Plan”). On April 13, 2015, our Board approved the adoption of an amendment to the Restated Plan, subject to stockholder approval, which was obtained in June 2015, to increase the number of authorized shares that can be awarded to our employees, consultants and advisors under the Restated Plan by 1,700,000 shares to 6,236,903 shares, in each case, plus the number of shares subject to outstanding awards under the 2002 Equity Incentive Plan that expire or otherwise terminate without having been exercised in full, or are forfeited to or repurchased by us, up to a maximum of 514,161 shares. On May 6, 2016, our Board approved the adoption of the Restated Plan amendment and restatement, subject to stockholder approval, to, among other changes, increase the number of authorized shares that can be awarded to our employees,

consultants and advisors under the Restated Plan by 1,300,000 shares to 7,536,903 shares, in each case, plus the number of shares subject to outstanding awards under the 2002 Equity Incentive Plan that expire or otherwise terminate without having been exercised in full, or are forfeited to or repurchased by us, up to a maximum of 121,325 shares. The Restated Plan currently has 6,236,903 authorized shares plus (i) any shares reserved but not issued pursuant to the Company's 2002 Equity Incentive Plan (the "2002 Plan") as of June 13, 2011 (up to a maximum of 121,325 shares) and (ii) any shares subject to options or similar awards under the 2002 Plan that expire or otherwise terminated without having been exercised in full and shares issued pursuant to awards granted under the 2002 Plan that are forfeited to or repurchased by the Company at the original issuance price (up to a maximum of 121,325 shares).

Additional Material Changes in the Restated Plan Amendment and Restatement

Pursuant to the proposed Restated Plan amendment and restatement, other than the increase in the share reserve described above, our proposed material amendments include:

- provisions in the Restated Plan to subject Awards to our newly adopted compensation clawback policy and stock ownership guidelines (as described below under "Other Factors that Impact or Influence Sarepta's Named Executive Officer Compensation Program — New Policies Adopted in 2016");
- enabling the Company's annual bonuses to be eligible to qualify for the qualified performance-based compensation exemption under Section 162(m) of the Internal Revenue Code of 1986, as amended ("Code"), subject to a \$10,000,000 annual Award limit;
- providing for payment of Awards based on strategic and/or operational goals prior to the expiration of the applicable performance period;
- provisions expressly addressing compensation committee independence requirements under NASDAQ listing rules and describing specific non-employee director/outside director requirements; and
- other "best practice" compliance amendments.

Awards under our Restated Plan are a major part of our long-term incentive program for our employees, consultants and members of our Board. As noted in the "Compensation Discussion and Analysis," we have long recognized that having an ownership interest in the Company is critical to aligning the financial interests of our employees, directors and other parties eligible for awards under the Restated Plan, with the interests of our stockholders.

The Importance of Equity Compensation

Our Board believes that long-term equity awards are an extremely important way to attract and retain key employees, including a talented executive team, and align the employees' and executives' interests with the Company's stockholders. Our Board also believes that long-term equity compensation is essential to link executive compensation with long-term stockholder value creation. Equity compensation represents a significant portion of the compensation package for our key employees. Since our equity awards generally vest over several years, the value ultimately realized from these awards depends on the long-term value of our common stock. We believe that granting equity awards motivates employees to think and act like owners, rewarding them when value is created for stockholders.

Key Historical Equity Metrics

Approval of the Restated Plan amendment and restatement to, among other changes, increase the share reserve under the Restated Plan, will enable us to compete effectively in the competitive market for employee talent over the next one to two years, subject to changes in our growth strategy while maintaining reasonable burn rates and overhang.

- Our net burn rate has ranged from 2.9% to 5.6% over the prior three years and is appropriate and reasonable for the current stage of the Company. In particular, the burn rate in 2015 was higher than in 2014 because we hired a commercial team and other personnel to be ready for a potential approval of eteplirsen in 2016.

- Our three-year average gross burn rate of 6.0% is below the estimated ISS global industry classification standard (“GICS”) burn rate limit for our industry and for Russell 3000 Pharmaceuticals and Biotechnology companies of 6.77%.
- The following table shows how the key equity metrics have changed over the past three fiscal years under the equity incentive plans:

Key Equity Metrics				3-Year
	2015	2014	2013	Average
	3.0	1.7	2.3	(2013-2015)
Shares subject to awards granted ⁽¹⁾	million	million	million	1.8 million
Gross burn rate ⁽²⁾	7.1 %	4.2 %	6.7 %	6.0 %
Net burn rate ⁽³⁾	5.4 %	2.9 %	5.6 %	4.6 %
Dilution at Fiscal Year End ⁽⁴⁾	21.0 %	18.9 %	19.2 %	19.7 %
Overhang at Fiscal Year End ⁽⁵⁾	15.0 %	13.1 %	11.6 %	13.2 %

- (1) Reflects total number of shares subject to equity awards granted during the fiscal year and excludes any cancelled or forfeited equity awards.
- (2) Gross burn rate is calculated by dividing the total number of shares subject to equity awards granted during the fiscal year by the total weighted-average number of shares outstanding during the period, and excludes any cancelled or forfeited equity awards.
- (3) Net burn rate is calculated by dividing the total number of shares subject to equity awards granted during the fiscal year by the total weighted-average number of shares outstanding during the period, and takes into account any cancelled or forfeited equity awards.
- (4) Dilution is calculated by dividing the sum of (x) the number of shares subject to equity awards outstanding at the end of the fiscal year and (y) the number of shares available for future grants, by the number of shares outstanding at the end of the fiscal year.
- (5) Overhang is calculated by dividing the number of shares subject to equity awards outstanding at the end of the fiscal year by the number of shares outstanding at the end of the fiscal year.

Summary of the Restated Plan

The following paragraphs provide a brief summary of the principal features of the Restated Plan, as amended in 2015 (the “current Restated Plan”), which is incorporated herein by reference, and its operation. Because the following is a summary, it may not contain all of the information that is important to you. The description that follows is qualified in its entirety by reference to the full text of the Restated Plan.

Background and Purpose of the Restated Plan

The Restated Plan permits the grant of the following types of Awards (i) non-statutory stock options that are not intended to qualify for favorable tax treatment under Section 422 of the Code, incentive stock options that are intended to qualify for favorable tax treatment under Section 422 of the Code and stock appreciation rights (“SARs”) granted at the fair market value of our common stock on the date of grant and (ii) RSAs, restricted stock units (“RSUs”) and performance units and performance shares, (collectively “Full Value Awards”). In addition, the Restated Plan provides that for each share of common stock subject to a Full Value Award granted under the Restated Plan, the share reserve under the Restated Plan will be decreased by 1.41 shares. Correspondingly, for each share of common stock subject to a Full Value Award that is forfeited or expires, the shares available under the Restated Plan shall be increased by 1.41 shares.

Under the current Restated Plan, the maximum number of shares underlying Awards that may be issued under the Restated Plan is 6,807,972, plus the number of shares subject to outstanding awards under the 2002 Equity Incentive Plan that expire or otherwise terminate without having been exercised in full, or are forfeited to or repurchased by us, up to a maximum of 121,325 shares. As of March 31, 2016, approximately 591,241 shares were available for Awards under the Restated Plan.

The Restated Plan is intended to attract, motivate and retain employees, consultants, and non-employee directors who provide significant services to us. The Restated Plan also is intended to further our growth and profitability.

Administration of the Restated Plan

Our Board, or a committee appointed by our Board (the “Administrator”), administers the Restated Plan. Currently, the compensation committee of our Board is acting as the Administrator.

Subject to the terms of the current Restated Plan, the Administrator has the discretion to select the directors, employees and consultants who will receive Awards, determine the terms and conditions of Awards (for example, the exercise price and vesting schedule), and interpret the provisions of the Restated Plan and outstanding Awards. To make grants to certain officers and key employees of our Company, the members of the Administrator must qualify as “non-employee directors” under Rule 16b-3 of the Securities Exchange Act of 1934. In addition, Awards that are intended to be qualified performance-based compensation as described under Section 162(m) of the Code may only be granted by an Administrator of two or more “outside directors” within the meaning of Section 162(m) of the Code.

If an Award, or an award currently outstanding under any of our prior equity compensation plans that have been approved by our stockholders, expires or is cancelled without having been fully exercised or vested, the unvested or cancelled shares generally will be returned to the available pool of shares reserved for issuance under the Restated Plan. Pursuant to the Restated Plan, for each share of common stock subject to a Full Value Award that is forfeited or expires, the shares available under the Restated Plan shall be increased by 1.41 shares. As of March 31, 2016, there were 177,863 awards outstanding under our prior equity compensation plans. If we experience a stock dividend, reorganization or other change in our capital structure, the Administrator has the discretion to adjust the number of shares available for issuance under the Restated Plan, the outstanding Awards, and the per-person limits on Awards, as appropriate to reflect the stock dividend or other change.

Eligibility to Receive Awards; Performance Criteria

The Administrator selects the employees, directors and consultants who will be granted Awards under the Restated Plan. Non-statutory stock options, SARs and Full Value Awards may be granted to employees, directors and consultants, however, incentive stock options can only be granted to employees. Awards made to our non-employee directors are generally made under the Restated Plan pursuant to the Non-Employee Director Compensation Policy (as described below under “Compensation of Board”). The actual number of individuals who will receive an Award under the Restated Plan cannot be determined in advance, because the Administrator has the discretion to select the participants.

In determining whether an Award should be made, and what the vesting schedule for any such Award should be, the Administrator may impose whichever conditions to vesting that it determines to be appropriate. For example, the Administrator may decide to grant an Award only if the participant satisfies performance goals established by the Administrator. The Administrator may set performance periods and performance goals that differ from participant to participant. The Administrator may choose performance goals based on either company-wide or business unit results, as deemed appropriate in light of the participant’s specific responsibilities. The current Restated Plan provides that performance goals may be based on business criteria including: attainment of research and development milestones, bookings, business divestitures and acquisitions, cash flow, cash position, contract awards or backlog, customer renewals, customer retention rates from an acquired company/business unit/division, earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings), earnings per share, expenses, gross margin, growth in stockholder value relative to the moving average of the S&P 500 Index or another index, internal rate of return, market share, net income, net profit, net sales, new product development, new product invention or innovation, number of customers, operating cash flow, operating expenses, operating income, operating margin, overhead or other expense reduction, product defect measures, product release timelines, productivity, profit, return on assets, return on capital, return on equity, return on investment, return on sales, revenue, revenue growth, sales results, sales growth, stock price, time to market, total shareholder return (“TSR”) or working capital.

Any performance goals may be used to measure the performance of the Company as a whole or a business unit or other segment of the Company, or one or more product lines or specific markets, and may be measured relative to a peer group or index. The performance goals may also differ from participant to participant and from award to award. Performance goals will be calculated in accordance with the Company's financial statements, generally accepted accounting principles, or under a methodology established by the Administrator prior to the issuance of an Award and which is consistently applied with respect to a performance goal in the relevant performance period. The Administrator will appropriately adjust any evaluation of performance under a

performance goal to exclude (i) any extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 and/or in management's discussion and analysis of financial conditions and results of operations appearing in the Company's Annual Report to stockholders for the applicable year, or (ii) the effect of any changes in accounting principles affecting the Company's or a business unit's reported results.

To the extent that the Administrator determines it to be desirable to qualify awards granted under the Restated Plan as "performance-based compensation" within the meaning of Section 162(m) of the Code, the performance goals will be set by the Administrator within the time period prescribed by, and will otherwise comply with the requirements of, Section 162(m) of the Code, and the regulations thereunder. Following the completion of each performance period, the Administrator will certify in writing whether the applicable performance goals have been achieved for the performance period. In determining the amounts earned by a participant, the Administrator will have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Administrator may deem relevant to the assessment of individual performance or corporate performance for the performance period. A participant will be eligible to receive payment pursuant to an Award intended to qualify as "performance-based compensation" under Section 162(m) of the Code for a performance period only if the performance goals for such period are achieved.

Appreciation Awards

Stock Options. A stock option is the right to purchase shares of the Company's common stock at a fixed exercise price for a fixed period of time. Under the Restated Plan, the Administrator may grant non-statutory and incentive stock options. The Administrator will determine the number of shares covered by each option provided that during any fiscal year no participant is granted options covering more than 500,000 shares, provided that in connection with his or her initial service as an employee, an employee may be granted options covering up to an additional 500,000 shares.

The exercise price of the shares subject to each non-statutory stock option and incentive stock option cannot be less than one hundred percent (100%) of the fair market value of our common stock on the date of the grant. In the case of an incentive stock option granted to a participant who at the time of grant owns stock representing more than ten percent (10%) of the total combined voting power of all classes of the stock of the Company, the exercise price of the shares subject to each incentive stock option cannot be less than one-hundred ten percent (110%) of the fair market value of our common stock on the date of the grant. The Restated Plan prohibits any re-pricing of options after their grant, other than with stockholder approval.

Any option granted under the Restated Plan cannot be exercised until it becomes vested. The Administrator establishes the vesting schedule of each option at the time of the grant. Options become exercisable at the times and on the terms established by the Administrator. Options granted under the Restated Plan expire at the times established by the Administrator, but not later than 10 years after the grant date. In the case of an incentive stock option granted to a participant who at the time of grant owns stock representing more than ten percent (10%) of the total combined voting power of all classes of the stock of the Company, the maximum term of the incentive stock option will be five (5) years after the grant date.

The exercise price of each option granted under the Restated Plan must be paid in full at the time of the exercise. The Administrator may permit payment by various means, including: cash, check, the forfeiture of shares subject to the Award, the tender of shares that are already owned by the participant, a broker-assisted cashless exercise, or by any other means that the Administrator determines to be consistent with the purpose of the Restated Plan.

Stock Appreciation Rights. Stock Appreciation Rights ("SARs") are awards that provide the right to receive an amount equal to the increase in value of the Company's common stock over a period of time. Awards of SARs may be granted pursuant to the Restated Plan. The Administrator determines the terms and conditions of SARs. However, no participant will be granted SARs covering more than 500,000 shares during any fiscal year, provided that in

connection with his or her initial service as an employee, an employee may be granted SARs covering up to an additional 500,000 shares. In addition, no SAR may be granted at less than fair market value of our common stock on the grant date, or have a term of over ten (10) years from the date of grant. Upon exercising a SAR, the holder of such right shall be entitled to receive payment from the Company in an amount determined by multiplying (i) the difference between the fair market value of a share of our common stock on the date of exercise and the exercise price by (ii) the number of shares with respect to which the SAR is exercised. The Company's

obligation arising upon the exercise of a SAR may be paid in shares or in cash, or any combination thereof, as the Administrator may determine.

Full Value Awards

Under the Restated Plan, the Administrator can make the following Full Value Awards:

Restricted Stock. Awards of restricted stock are shares that vest in accordance with the terms and conditions established by the Administrator. The Administrator will determine the number of shares of restricted stock granted to any participant, provided that for restricted stock intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code, no participant will receive more than an aggregate of 100,000 shares of restricted stock during any fiscal year. However, in connection with his or her initial service as an employee, for restricted stock intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code, an employee may be granted an aggregate of up to an additional 100,000 shares of restricted stock. Unless the Administrator determines otherwise, once the restricted stock is issued, voting, certain dividend rights and other rights as a shareholder will exist with respect to the restricted stock. However, the restricted stock will not be transferable until the restricted stock vests.

Restricted Stock Units. RSUs are awards that obligate the Company to pay the recipient of the award a value equal to the fair market value of a specific number of shares of the Company common stock in the future if the vesting terms and conditions scheduled by the Administrator are satisfied. The Administrator will determine the number of shares that are subject to such RSUs, provided that for RSUs intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code, no participant will receive more than an aggregate of 100,000 RSUs during any fiscal year. However, for RSUs intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code, in connection with his or her initial service as an employee, an employee may be granted an aggregate of up to an additional 100,000 RSUs. Payment under an RSU may be made in cash, in shares of our common stock, or a combination thereof, and will be made as soon as practicable after the date in the award agreement, as otherwise provided by the award agreement, or as required by law.

Performance Shares and Performance Units. Performance shares are shares granted to participants with restrictions that lapse only upon the attainment of specified performance goals or other vesting criteria as the Administrator may determine. Performance units are awards that may be earned in whole or in part upon the attainment of performance goals or other vesting criteria as the Administrator may determine. Each performance unit will have an initial value that is established by the Administrator on or before the date of grant, and each performance share will have an initial value equal to the fair market value of a share on the date of grant. The Administrator will determine the number of shares of performance shares or performance units granted to any participant, provided that during any fiscal year, for performance units or performance shares intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code, (i) no participant will receive performance units having an initial value greater than \$3,250,000, and (ii) no participant will receive more than 250,000 performance shares. Notwithstanding this limitation, for performance shares intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code, in connection with his or her initial service, an employee may be granted up to an additional 250,000 performance shares and additional performance units having an initial value of up to an additional \$3,250,000. Payment of earned performance shares or performance units may be made in cash, shares of our common stock, or a combination thereof, and will be made as soon as practicable after the date in the award agreement, as otherwise provided in the award agreement, or as required by law.

Change in Control

In the event of a merger or “change in control” (as defined in the Restated Plan), each outstanding Award will be treated as the Administrator determines without a participant’s consent, including, without limitation, that the Awards may be assumed or substituted by the successor corporation, the Awards may terminate upon, or immediately prior to, the

merger or change in control, the Awards may vest and become exercisable upon the merger or change in control, the Awards may be exchanged for cash or property, or any combination of the foregoing.

If the successor corporation does not assume or substitute outstanding Awards, the options and stock appreciation rights will become fully vested and exercisable, all restrictions on restricted stock, RSUs, performance

shares and performance units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met. In addition, if an option or stock appreciation right is not assumed or substituted for in the event of a change in control, the Administrator will notify the participant that the option or stock appreciation right will be fully vested and exercisable for a period of time determined by the Administrator in its sole discretion, and the option or stock appreciation right will terminate upon the expiration of such period.

Acceleration of Awards

If a participant in the Restated Plan dies prior to terminating service with us, the vesting of all Awards held by him or her will fully accelerate and any restrictions on transferability will fully lapse.

Non-Transferability of Awards

Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised only by the participant, during his or her lifetime.

Federal Tax Aspects

The following is a general summary under current law of the material U.S. federal income tax consequences of the grant, vesting and exercise of Awards under the Restated Plan. This summary deals with general tax principles that apply only to employees who are citizens or residents of the United States, and is provided only for general information purposes. The following discussion does not address the tax consequences of Awards that may be subject to, and do not comply with, the rules and guidance issued pursuant to Section 409A of the Code. Section 409A has implications that affect traditional deferred compensation plans, as well as certain equity awards. Accordingly, although Awards under the Restated Plan are generally intended to comply with, or be exempt from, Section 409A of the Code, additional adverse tax consequences could apply to certain equity awards as a result of Section 409A based on the terms of the equity awards or modifications that may have been, or that may from time to time be, made to the provisions of the equity awards.

The following discussion does not purport to be complete, and does not cover, among other things, foreign, state and local tax treatment of participants in the Restated Plan. Tax laws are complex and subject to change and may vary depending on individual circumstances and from locality to locality. This summary does not discuss all aspects of income taxation that may be relevant in light of personal investment circumstances. This summarized tax information is not tax advice.

Incentive Stock Options. No taxable income is reportable when an incentive stock option is granted to a participant, when that option vests, or when that option is exercised. However, the amount by which the fair market value of the shares at the time of exercise exceeds the option price will be an "item of adjustment" for a participant for purposes of the alternative minimum tax. Gain realized on the sale of shares issued under an incentive stock option is taxable at capital gains rates, unless the participant disposes of the shares within (i) two years after the date of grant of the option, or (ii) within one year of the date the shares were transferred to the participant. If the shares of common stock are sold, or otherwise disposed of, before the end of the one-year or two-year periods specified above, the difference between the option exercise price and the fair market value of the shares on the date of the options' exercise will be taxed at ordinary income rates.

If such a sale or disposition takes place in the year in which the participant exercises the option, the income recognized upon the sale or disposition of the shares will not be considered income for alternative minimum tax purposes. If the participant sells or otherwise disposes the shares before the end of the one-year or two-year periods specified above, the maximum amount that will be included as alternative minimum tax income is the gain, if any, the

participant recognizes on the disposition of the shares.

Non-statutory Stock Options. No taxable income is reportable when a non-statutory stock option is granted to a participant, or when the option vests. Upon exercise, the participant will recognize ordinary income in an amount equal to the excess of the fair market value (on the exercise date) of the shares purchased over the exercise price of the option.

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Stock Appreciation Rights. No taxable income is reportable when a stock appreciation right is granted to a participant or when the stock appreciation right vests. Upon exercise, the participant will recognize ordinary income in an amount equal to the amount of cash received and/or the fair market value of any shares received. Any additional gain or loss recognized upon any later disposition of any shares issued would be capital gain or loss.

Restricted Stock Awards. Generally, a participant will not have taxable income upon grant of restricted stock. Instead, he or she will recognize ordinary income, if any, at the time of vesting equal to the fair market value of the shares received (determined as of the date of vesting) minus any amount paid for the shares.

Restricted Stock Units. A participant will generally not recognize taxable income at the time of the grant of a RSU. When an award is settled or paid (whether it is at or after the time that the award vests), the participant will recognize ordinary income. In the event of an award that is paid or settled at a time following the vesting date, income tax (but not employment taxes) may be deferred beyond vesting and until shares are actually delivered, or payment is made to the participant if deferred in compliance with the timing of distributions and other requirements under Section 409A of the Code.

Performance Shares and Performance Unit Awards. A participant generally will recognize no income upon the grant of a performance share or a performance unit award. Upon the settlement of such awards, participants normally will recognize ordinary income in the year of receipt in an amount equal to the cash received and the fair market value of any cash or non-restricted shares received. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. In the event of an award that is settled at a time following the vesting date, income tax (but not employment tax) may be deferred beyond vesting and until actual settlement of the awards. Upon the sale of any shares received, any gain or loss, based on the difference between the sale price and the fair market value on the date the ordinary income tax event occurs, will be taxed as capital gain or loss.

Gain or Loss on Sale or Disposition of Shares. In general, gain or loss from the sale or disposition of shares granted or awarded under the Restated Plan will be treated as capital gain or loss, provided that the shares are held as capital assets at the time of the sale or exchange.

Withholding. Where an award results in income subject to withholding, the Company may require the participant to remit the withholding amount to the Company, or cause shares of common stock to be withheld or sold in order to satisfy the tax withholding obligations.

Tax Effect for the Company. Generally we may be entitled to a tax deduction in connection with an Award under the Restated Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income (for example, the exercise of a non-statutory stock option), provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an “excess parachute payment” within the meaning of Section 280G of the Code and is not disallowed by the \$1,000,000 limitation on certain executive compensation under Section 162(m) of the Code.

Special rules under Section 162(m) of the Code limit the deductibility of compensation paid by a public company during a tax year to its chief executive officer and its other three most highly compensated executive officers for that tax year. Under Section 162(m) of the Code, the annual compensation paid to any of these specified executives will be deductible only to the extent that it does not exceed \$1,000,000. However, under Section 162(m) of the Code qualifying performance-based compensation, including income from stock options and other performance-based awards, may be deductible if the conditions of Section 162(m) are met. These conditions include, among other things, stockholder approval of the material terms of the Restated Plan as discussed above, setting limits on the number of Awards that any individual may receive, and establishing performance criteria that must be met before the Award (other than certain stock options) will actually vest or be paid. The Restated Plan has been designed to permit the Administrator to have the flexibility in its discretion to grant Awards, which may qualify as performance-based for purposes of satisfying the conditions of Section 162(m) which may permit the Company to receive a federal income

tax deduction in connection with such Awards.

Additionally, under the so-called “golden parachute” provisions of Section 280G of the Code, the accelerated vesting of options and benefits paid under other Awards in connection with a change of control of a corporation may be required to be valued and taken into account in determining whether participants have received compensatory payments contingent on the change of control, in excess of certain limits. If these limits are

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exceeded, a portion of the amounts payable to the participant may be subject to an additional 20% federal tax and may be nondeductible by the Company.

Amendment and Termination of the Restated Plan and Prohibition on Re-pricing or Exchange of Awards without Stockholder Approval

The Restated Plan will automatically terminate ten years from the date of its adoption, unless terminated at an earlier time by the Administrator. The Board generally may amend or terminate the Restated Plan at any time and for any reason; provided, however, that the Board cannot re-price or otherwise exchange Awards under the Restated Plan without stockholder approval. Further, the Board may not amend the Restated Plan without stockholder approval to the extent that stockholder approval is required under applicable laws.

Grants of Equity Compensation under the Restated Plan

The amount, if any, of equity compensation to be awarded to officers, directors, employees and consultants is determined from time to time by the compensation committee or the Board, as applicable, and the awards to be made under the Restated Plan if the Restated Plan amendment and restatement is approved, are not presently determinable. The table below sets forth grants of stock options and RSAs made during fiscal year 2015 under the Restated Plan that remain outstanding.

Restated Plan Awards

Name and Position	Number of Shares Subject to Stock Options	Number of Shares Subject to Stock Appreciation Rights	Number of Shares Subject to Awards of Restricted
Edward M. Kaye, M.D., Interim Chief Executive Officer, and Senior Vice President, Chief Medical Officer	163,000	—	123,783
Sandesh Mahatme, Senior Vice President, Chief Financial Officer	126,000	—	11,000
David Tyrone Howton, Jr. Senior Vice President, General Counsel and Corporate Secretary	86,000	—	10,000
Jayant Aphale, Senior Vice President, Technical Operations	83,000	—	—
Christopher Garabedian,	373,000	—	—

Former President and Chief Executive Officer		
All current executive officers as a group	831,000	— 144,783
All current directors who are not executive officers as a group		
(7 persons)	117,184	— 6,000
All employees, including current officers who are not executive		
officers, as a group	528,155	— 31,000

Summary

We believe that the approval of the Restated Plan amendment and restatement to, among other changes, increase the share reserve under the Restated Plan is essential to our success. Awards such as those provided under the Restated Plan constitute an important incentive for key employees and other service providers of the Company and help us to attract, retain and motivate people whose skills and performance are critical to our success. Our employees are our most valuable asset. We believe that the Restated Plan is essential for our ability to attract talented professionals in our industry's very competitive labor markets. Failure to obtain stockholder approval to approve the Restated Plan amendment and restatement and increase the share reserve under the Restated Plan, which currently is insufficient to cover projected needs for the next one to two years, could have a negative impact on the Company and its ability to attract and retain key employees, consultants and advisors and, therefore, negatively impact the Company's ability to effectively execute its business plans.

Vote Required and Board Recommendation

The affirmative vote of the majority of the votes cast by holders of our common stock present in person or represented by proxy at the Annual Meeting will be required to approve the Restated Plan amendment and restatement.

The Board recommends that stockholders vote “FOR” the approval of the Restated Plan amendment and restatement.

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VOTE TO APPROVE AMENDED AND RESTATEMENT OF 2013 ESPP

(Proposal 4)

At the Annual Meeting, stockholders will be asked to approve an amendment and restatement of the 2013 Employee Stock Purchase Plan (the “Amended ESPP”). The Amended ESPP was adopted by our Board of Directors on May 6, 2016 and will become effective upon receiving stockholder approval at our Annual Meeting. The 2013 Employee Stock Purchase Plan, prior to its amendment and restatement (the “ESPP”) was originally adopted by our Board on April 16, 2013 and approved by our stockholders on June 4, 2013.

The purpose of the Amended ESPP is to encourage eligible employees of the Company and certain of its subsidiaries to acquire a stock ownership interest in the Company pursuant to a plan that is intended to qualify as an “employee stock purchase plan” within the meaning of Section 423(b) of the Internal Revenue Code of 1986, as amended (the “Code”), to help eligible employees provide for their future financial security, and to encourage such employees to remain in the employment of the Company and its subsidiaries. The Amended ESPP is intended to qualify as an “employee stock purchase plan” meeting the requirements of Section 423 of the Code.

We do not believe that the shares of the Company’s common stock currently available for purchase under the ESPP are sufficient to continue offering shares for purchase under the ESPP until its expiration in 2023. The number of shares originally authorized for purchase under the ESPP was 250,000. As of March 31, 2016, 58,592 shares of the Company’s common stock were available for purchase under the ESPP. Accordingly, on May 6, 2016, our Board adopted the Amended ESPP, subject to stockholder approval, which will increase the number of shares of the Company’s common stock reserved for issuance under the ESPP by 350,000 shares (the “Share Increase”). For information about equity awards outstanding under our existing equity plans and the number of shares available for issuance under such plans, each as of December 31, 2015, please see “Equity Compensation Plan Information” elsewhere in this Proxy Statement.

The full text of the Amended ESPP is set forth in Appendix B to this Proxy Statement. The following description of certain features of the Amended ESPP is qualified in its entirety by reference to the full text of the Amended ESPP.

Summary of the Amended ESPP

Administration. The Amended ESPP will be administered by the Board or, to the extent administration of the Amended ESPP is delegated by the Board to the compensation committee, by the compensation committee. References in this summary to the “Administrator” mean the Board or, in the event of such delegation, the compensation committee. The Administrator may delegate to such employees or other persons as it determines such ministerial tasks as it deems appropriate. The Administrator has the power to interpret the Amended ESPP and the terms of the options granted under the Amended ESPP and to adopt such rules for the administration, interpretation, and application of the Amended ESPP as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon all participants, the Company and all other interested persons.

Shares subject to Amended ESPP. Subject to adjustment upon changes in capitalization of the Company as described below, the maximum number of shares of the Company’s common stock available for issuance under the Amended ESPP is 600,000 shares, which includes the Share Increase described above. If any option granted under the Amended ESPP for any reason terminates without having been exercised, the shares of the Company’s common stock not purchased under such option will again become available for issuance under the Amended ESPP. The shares of the Company’s common stock available for issuance under the Amended ESPP may be unissued shares or reacquired shares, bought on the market or otherwise.

Eligibility. Participation in the Amended ESPP will be limited to employees of the Company and its designated subsidiaries whose customary employment is for at least 20 hours per week and for more than five months in any calendar year. In addition, no employee may be eligible to participate if, immediately after an option is granted under the Amended ESPP, such employee would own (or, under applicable statutory attribution rules, would be deemed to own) stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or a parent or a subsidiary of the Company. Under the Amended ESPP, a designated subsidiary is any subsidiary of the Company that has been designated by the Administrator as eligible to

participate in the Amended ESPP. As of March 31, 2016, approximately 269 employees would be eligible to participate in the Amended ESPP, including all of our executive officers.

General Terms of Participation.

· **Offering Periods.** The Amended ESPP allows eligible employees to purchase shares of the Company's common stock on specified purchase dates within specified offering periods through the exercise of options granted at the beginning of an offering period. Except as described below under "—Early Termination of an Offering Period," offering periods generally will consist of consecutive, overlapping periods of 24 months that include four consecutive, non-overlapping six-month purchase periods. An option granted under the Amended ESPP with respect to an offering period will be automatically exercised, and shares of the Company's common stock will be purchased, on the last trading day of each purchase period within the offering period (each, a purchase date). A new offering period will begin every six months, generally on the first trading day in March or the first trading day in September, of each year and such offering period will terminate approximately 24 months later on the last trading day in February or August, as applicable. Purchase periods within an offering period commence on the first trading day in March or September, as applicable, and end approximately six months later (on the last trading day in August or February, as applicable) each year during the offering period.

The Administrator may change the duration of the offering periods and purchase periods and the commencement dates of such periods with respect to future offerings if such change is announced at least five days prior to the scheduled beginning of the first offering period to be affected by such change. No offering period may exceed 27 months in duration.

If the Amended ESPP is approved at the Annual Meeting, the first offering period under the Amended ESPP will commence on September 1, 2016 and end on August 31, 2018.

· **Method of Participation.** An employee who is an eligible employee on the first day of an offering period is eligible to participate in such offering period, subject to the requirements of the Amended ESPP. In order to participate in the Amended ESPP, an eligible employee must complete and submit to the Administrator a subscription agreement authorizing payroll deductions under the Amended ESPP no later than 15 days prior to the first day of an offering period, or such other time as provided by the Administrator in accordance with the Amended ESPP. The subscription agreement will specify the percentage of the participant's compensation, in a whole percentage from 1% to 15%, that the participant authorizes the Company to deduct from his or her compensation during the offering period. A participant may not enroll in an offering period with a payroll deduction rate of 0%. Compensation under the Amended ESPP means all base regular earnings and overtime pay, exclusive of commissions, incentive compensation, incentive payments, bonuses, expense reimbursements, fringe benefits and other compensation. A participant's payroll deductions will be credited to a book-entry account in the name of the participant maintained by the Company under the Amended ESPP. An eligible employee's proper completion and timely submission of a subscription agreement will enroll such eligible employee in the Amended ESPP for the applicable offering period, each successive purchase period within such offering period, and subsequent offering periods (and corresponding purchase periods) on the terms contained in the subscription agreement and in the Amended ESPP until such eligible employee either submits a new subscription agreement or withdraws from participation in the Plan or otherwise becomes ineligible to participate. A participant may participate in only one offering period at any given time. A participant may increase or decrease (including to 0%) the rate of his or her payroll deductions only once during a purchase period by completing and submitting to the Company's payroll department a new subscription agreement authorizing a change in the participant's payroll deduction rate. Any subsequent change to a participant's payroll deduction rate will be effective only for the next purchase period within the applicable offering period. The Administrator may, in its discretion, limit the number of payroll deduction rate changes during any offering period. Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and the limitations in the Amended ESPP, the Administrator may decrease a participant's payroll deduction rate to 0% at any time during a purchase period.

·Grant and Exercise of Option. On the first day of each offering period, each participant in the offering period will be granted an option to purchase shares of the Company's common stock on each purchase date within such offering period, subject to the limitations set forth in the Amended ESPP. On each purchase date, the option granted on the first day of the applicable offering period will be automatically

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exercised and the payroll deductions previously credited to a participant's account during the applicable purchase period will be applied to purchase the maximum number of whole shares of the Company's common stock that may be purchased with such accumulated payroll deductions at the applicable purchase price, subject to the limitations described below.

A participant may purchase no more than 800 shares of the Company's common stock on any purchase date and no more than 1,600 shares of the Company's common stock during any offering period. In addition, no eligible employee will be granted an option under the Amended ESPP that would permit the eligible employee's right to purchase stock under the Amended ESPP and under all other employee stock purchase plans of the Company, any parent or any subsidiary, to accrue at a rate that exceeds \$25,000 in fair market value of such stock (determined at the time the option is granted) for each calendar year in which any option granted to such eligible employee is outstanding at any time, determined in accordance with Section 423 of the Code and the regulations thereunder.

·Purchase Price. The purchase price of the shares on any purchase date will be equal to 85% of the fair market value of a share of the Company's common stock (a) on the first day of the offering period or (b) on the purchase date, whichever is lower, subject to adjustment as described below.

·Withdrawal and Termination of Participation. A participant may withdraw all, but not less than all, of the payroll deductions credited to his or her account and not yet used to purchase shares of the Company's common stock under his or her option under the Amended ESPP at any time by giving written notice of such withdrawal to the Company in a form acceptable to the Administrator. Upon a participant's withdrawal all payroll deductions previously credited to such participant's account during the applicable purchase period will be returned to such participant (without interest) as soon as reasonably practicable and such participant's option for the offering period will be automatically terminated.

Upon a participant's ceasing to be an eligible employee for any reason during an offering period, his or her participation in the Amended ESPP will terminate and payroll deductions previously credited to such participant's account during the applicable purchase period as of such date will be returned to such participant (or his or her designated beneficiary or legal representative, as applicable), without interest, as soon as reasonably practicable, and the participant will have no further rights under the Amended ESPP.

·Stockholder Rights. With respect to shares of the Company's common stock subject to an option granted under the Amended ESPP, a participant will not be deemed to be a stockholder of the Company, and the participant will not have any of the rights or privileges of a stockholder, until such shares have been issued to the participant following the exercise of the participant's option. No adjustments shall be made for dividends (ordinary or extraordinary, whether in cash securities, or other property) or distribution or other rights for which the record date occurs prior to the date of such issuance, except as otherwise expressly provided in the Amended ESPP.

·Transferability. Any option to purchase shares of the Company's common stock under the Amended ESPP will be exercisable during the participant's lifetime only by him or her and may not be sold, pledged, assigned or transferred in any manner.

Early Termination of an Offering Period. With respect to any offering period, if the fair market value of a share of the Company's common stock on any purchase date during the offering period is lower than the fair market value of a share of the Company's common stock on the first day of such offering period, then, following the exercise of the option by all participants in such offering period on such purchase date, the offering period will automatically terminate and all participants in such terminated offering period will be automatically enrolled in the offering period that begins on the first trading day that follows such purchase date in the terminated offering period.

Adjustments, Dissolution or Liquidation, Merger or Sale of the Company. In general, no issuance of shares of any class or securities convertible into shares of stock of any class by the Company will result in any adjustments under the Amended ESPP, except that the number of shares of the Company's common stock remaining available for issuance under the Amended ESPP, the maximum number of shares each participant may purchase during a purchase period and during an offering period, and the purchase price per share with respect to future purchase dates will be proportionately adjusted by the Administrator for any increase or decrease in the number of issued shares of the

Company's common stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the common stock, or any other increase or decrease in the number of shares of the Company's common stock effected without receipt of consideration by the Company. The conversion

of any convertible securities of the Company will not be deemed to have been “effected without receipt of consideration” for these purposes.

In the event of the proposed dissolution or liquidation of the Company, the offering periods and related purchase periods then in progress will be shortened by setting a new purchase date and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator.

In general, in the event of a proposed sale of all or substantially all of the assets of the Company, the acquisition by any person of more than 50% of the total voting power of the stock of the Company or the merger of the Company with or into another corporation, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a parent or subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, any purchase periods then in progress will be shortened and any offering periods then in progress will end on a new purchase date designated by the Administrator.

Amendment and Termination of Amended ESPP. In general, the Board may at any time and for any reason terminate or amend the Amended ESPP, except that no such termination may affect options previously granted, provided that an offering period may be terminated by the Board if the Board determines that the termination of the offering period or the Amended ESPP is in the best interests of the Company and its stockholders. Except as otherwise provided in the Amended ESPP, no amendment to the Amended ESPP may make any change in any option previously granted that adversely affects the rights of any participant without the consent of such participant. To the extent necessary to comply with Section 423 of the Code, the Company will obtain stockholder approval of any amendment in such a manner and to such a degree as required. In the event the Board determines that the ongoing operation of the Amended ESPP may result in unfavorable financial accounting consequences, subject to the limitations of Section 423 of the Code, the Board may, in its discretion and to the extent necessary or desirable, modify or amend the Amended ESPP to reduce or eliminate such accounting consequence by taking such actions as it deems necessary or advisable, including, but not limited to altering the purchase price for any offering period, shortening any offering period and allocating shares on a pro rata basis in as uniform a manner as is practicable and as it determines in its sole discretion to be equitable among all participants exercising options on the effected purchase date. Such modifications or amendments will not require stockholder approval or the consent of any Amended ESPP participants.

Effective Date and Term. If the Amended ESPP is approved by the stockholders at the Annual Meeting, the Amended ESPP will become effective on the date of the Annual Meeting. The Amended ESPP will be in effect until June 4, 2023, which is the 10th anniversary of the date of the initial adoption of the Amended ESPP (prior to its amendment and restatement) by the Board and stockholders, unless sooner terminated by the Board.

New Plan Benefits. The amounts of future stock purchases under the Amended ESPP are not determinable because, under the terms of the Amended ESPP, purchases are based upon elections made by participants. Future purchase prices are not determinable because they are based upon the fair market value of shares of the Company’s common stock.

U.S. Federal Income Tax Consequences Relating to the Amended ESPP

The following is a summary of certain material federal income tax consequences associated with the grant and exercise of options under the Amended ESPP under current federal tax laws and certain other tax considerations associated with purchase rights under the Amended ESPP. The summary does not address tax rates or non-U.S., state or local tax consequences, nor does it address employment tax or other federal tax consequences except as noted.

The Amended ESPP is intended to qualify as an “employee stock purchase plan” under Section 423 of the Code. In general, an employee will not recognize U.S. taxable income until the sale or other disposition of the shares of the Company’s common stock purchased under the Amended ESPP (ESPP Shares). Upon such sale or disposition, the employee will generally be subject to tax in an amount that depends on the employee’s holding period with respect to

the ESPP Shares.

·If the ESPP Shares are sold or disposed of more than one year from the date of purchase and more than two years after the first day of the offering period in which they were purchased, or upon the employee's

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death while owning the ESPP Shares, the employee will recognize ordinary income in an amount generally equal to the lesser of: (i) an amount equal to 15% of the fair market value of the ESPP Shares on the first day of the offering period (or such other percentage equal to the applicable purchase price discount), and (ii) the excess of the sale price of the ESPP Shares over the purchase price. Any additional gain will be treated as long-term capital gain. If the ESPP Shares held for the periods described above are sold and the sale price is less than the purchase price, then the employee will recognize a long-term capital loss in an amount equal to the excess of the purchase price over the sale price of the ESPP Shares.

- If the ESPP Shares are sold or otherwise disposed of before the expiration of the holding periods described above, other than following the employee's death while owning the ESPP Shares, the employee generally will recognize as ordinary income an amount equal to the excess of the fair market value of the ESPP Shares on the date the ESPP Shares were purchased over the purchase price. Any additional gain or loss on such sale or disposition will be long or short-term capital gain or loss, depending on the employee's holding period with respect to the ESPP Shares.

We are not entitled to a deduction for amounts taxed as ordinary income or capital gain to an employee except to the extent of ordinary income recognized upon a sale or disposition of ESPP Shares prior to the expiration of the holding periods described above.

New Plan Benefits

The benefits to be received by the Company's executive officers and employees under the Amended ESPP are not determinable because, under the terms of the Amended ESPP, the amounts of future stock purchases are based on elections made by participants. Future purchase prices are not determinable because they are based on the fair market value of the Company's common stock. No purchase rights have been granted, and no shares have been issued, under the Amended ESPP.

2013 ESPP Benefits

The following table sets forth, for each of the individuals and the various groups indicated, the total number of shares of our common stock that have been purchased under the 2013 ESPP since its approval by our stockholders in April 2013 through March 31, 2016.

2013 ESPP	
Name and position	Number of Shares
Edward M. Kaye, M.D., Interim Chief Executive Office, and Senior Vice President, Chief Medical Officer	2,911
Sandesh Mahatme Senior Vice President, Chief Financial Officer	—
David Tyrone Howton, Jr. Senior Vice President, General Counsel and Corporate Secretary	—
Jayant Aphale Senior Vice President, Technical Operations	2,203
Christopher Garabedian Former President and Chief Executive Officer	2,274
All current executive officers as a group	7,388

All employees, including all current officers who are not executive officers, as a group	184,020
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Vote Required and Board Recommendation

To be approved, this proposal must receive a “FOR” vote from the holders of a majority in voting power of the shares of common stock which are present or represented by proxy and entitled to vote on the proposal.

The board of directors recommends that stockholders vote “FOR” approval of the 2013 ESPP amendment and restatement.

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM

(Proposal 5)

Our audit committee has selected the firm of KPMG LLP to be the Company's independent registered public accounting firm to conduct an audit of the Company's consolidated financial statements for the year ending December 31, 2016 and the Company's system of internal control over financial reporting. A representative of that firm is expected to be present at the Annual Meeting to respond to appropriate questions and will be given an opportunity to make a statement if he or she so desires. The audit committee has reviewed KPMG LLP's independence from us and our management, and considered matters in the written disclosures KPMG LLP provided to the audit committee required by the Public Company Accounting Oversight Board and the potential impact that non-audit services provided to us by KPMG LLP could have on its independence. This appointment is being submitted for ratification at the meeting. If not ratified, the audit committee will reconsider this appointment, although the audit committee will not be required to appoint different independent auditors. KPMG LLP has served as our independent auditors since 2002.

Audit and Other Fees

The following table shows fees for professional audit services billed to us by KPMG LLP for the audit of our annual consolidated financial statements for the years ended December 31, 2015 and December 31, 2014, and fees billed to us by KPMG LLP for other services provided during 2015 and 2014:

Fees	2015	2014
Audit fees	\$655,500	\$492,800
Audit-related fees	23,500	15,200
Tax fees	35,000	35,000
Total	\$714,000	\$543,000

Audit fees are fees for the audit of our 2015 and 2014 consolidated financial statements included in our Annual Reports on Form 10-K, reviews of our condensed consolidated financial statements included in our Quarterly Reports on Form 10-Q, assurance and related services that are related to the issuance of comfort letters for equity offerings and other services that are provided in connection with statutory and regulatory filings.

Audit-related fees are fees related to the audit of our 401(k) plan.

Tax fees are fees for state and local tax consultation services.

Policy on Audit Committee Pre-Approval of Fees

The audit committee must pre-approve all services to be performed for us by KPMG LLP. Pre-approval is granted usually at regularly scheduled meetings of the audit committee. If unanticipated items arise between regularly scheduled meetings of the audit committee, the audit committee has delegated authority to the chairwoman of the audit committee to pre-approve services, in which case the chairwoman communicates such pre-approval to the full audit committee at its next meeting. The audit committee also may approve the additional unanticipated services by either convening a special meeting or acting by unanimous written consent. During 2015 and 2014, all services billed by KPMG LLP were pre-approved by the audit committee in accordance with this policy.

Vote Required and Board Recommendation

The proposal will be approved if the votes cast in favor of this proposal exceed the votes cast against this proposal.

The audit committee has approved the appointment of KPMG LLP as our independent registered public accounting firm for the year ending December 31, 2016.

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The Board recommends that stockholders vote “FOR” ratification of this appointment.

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STOCK OWNED BY SAREPTA THERAPEUTICS, INC. MANAGEMENT AND PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the ownership of our common stock as of April 22, 2016, with respect to: (i) each person known by us to beneficially own more than 5% of the outstanding shares of our common stock, (ii) each of our directors, (iii) each of our named executive officers and (iv) all directors and executive officers as a group. Mr. Garabedian resigned his positions as Director, President and Chief Executive Officer on March 31, 2015. Mr. Garabedian's information is provided below for reference.

Name and Address of Beneficial Owner ⁽¹⁾	Amount and Nature of Beneficial Ownership	Percent of	
		(# of Shares) ⁽²⁾	Class ⁽²⁾
Officers and Directors			
Richard Barry ⁽³⁾	3,243,451	7.1	%
M. Kathleen Behrens, Ph.D. ⁽⁵⁾	163,416	*	
William Goolsbee ⁽⁶⁾	61,582	*	
Jean-Paul Kress, M.D. ⁽⁹⁾	2,923	*	
Claude Nicaise ⁽⁷⁾	3,437	*	
Gil Price, M.D. ⁽⁴⁾	96,246	*	
Hans Wigzell, M.D., Ph.D. ⁽⁸⁾	65,250	*	
Edward M. Kaye, M.D. ⁽¹⁰⁾	507,483	1.1	%
Sandesh Mahatme ⁽¹¹⁾	333,269	*	
David Tyrone Howton ⁽¹²⁾	271,251	*	
Jayant Aphale ⁽¹³⁾	254,588	*	
All directors and executive officers as a group (11 persons) ⁽¹⁴⁾	5,002,896	10.9	%
5% Stockholder			
BlackRock, Inc., 40 East 52nd Street, New York, NY 10022 ⁽¹⁶⁾	2,891,861	6.3	%
FMR LLC, 245 Summer Street, Boston, MA 02210 ⁽¹⁷⁾	2,372,287	5.2	%
Perceptive Advisors LLC, 499 Park Avenue, 25th Floor, New York, NY 10022 ⁽¹⁸⁾	2,240,928	4.9	%
Point72 Asset Management, L.P., 330 Madison Avenue, New York, NY 10173 ⁽¹⁹⁾	2,755,900	6.0	%
The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355 ⁽²⁰⁾	2,840,129	6.2	%
Christopher Garabedian ⁽¹⁵⁾	473,954	1.0	%
Shares Issued and Outstanding 04/22/2016	45,771,906		

*Indicates beneficial ownership of one percent or less.

- (1) Except as otherwise indicated, the address of each stockholder identified is c/o Sarepta Therapeutics, Inc., 215 First Street, Suite 415, Cambridge, MA 02142. Except as indicated in the other footnotes to this table, each person named in this table has sole voting and investment power with respect to all shares of stock beneficially owned by that person.

- (2) Beneficial ownership is determined in accordance with rules of the SEC and generally includes voting or investment power with respect to securities. Shares of common stock subject to options currently exercisable or convertible, or exercisable or convertible within sixty (60) days as of April 22, 2016, and shares of common stock subject to RSAs that vest within sixty (60) days of April 22, 2016 are deemed beneficially owned and outstanding for computing the percentage of the person holding such securities, but are not considered outstanding for computing the percentage of any other person. Beneficial ownership as reported in the table above excludes shares of our common stock that may be issued upon the exercise of stock appreciation rights, or SARs that are exercisable within sixty (60) days of April 22, 2016. The number of shares of common stock that will be received upon exercise of such SARs is not currently determinable and therefore is not included in the table above because each SAR gives the holder the right to receive the excess of the market price of one share of stock at the exercise date over the exercise price, which is not determinable until the date of exercise. There were 45,771,906 shares of common stock issued and outstanding as of April 22, 2016.
- (3) Includes (i) 2,437 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 1,000 shares of RSAs subject to repurchase by the Company. Mr. Barry has voting power

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with respect to the shares subject to repurchase but does not have investment power with respect to such shares until such time as the Company's repurchase option lapses. Mr. Barry has sole voting power and sole dispositive power over 3,240,014 shares.

- (4) Includes (i) 53,416 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 2,000 shares of RSAs subject to repurchase by the Company. Dr. Price has voting power with respect to the shares subject to repurchase but does not have investment power with respect to such shares until such time as the Company's repurchase option lapses.
- (5) Includes (i) 51,250 shares subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 2,000 shares of RSAs subject to repurchase by the Company. Dr. Behrens has voting power with respect to the shares of our common stock subject to repurchase but does not have investment power with respect to such shares until such time as the Company's repurchase option lapses.
- (6) Includes (i) 53,416 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 2,000 shares of RSAs subject to repurchase by the Company. Mr. Goolsbee has voting power with respect to the shares of our common stock subject to repurchase but does not have investment power with respect to such shares until such time as the Company's repurchase option lapses.
- (7) Includes (i) 2,437 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 1,000 shares of RSAs subject to repurchase by the Company. Dr. Nicaise has voting power with respect to the shares of our common stock subject to repurchase but does not have investment power with respect to such shares until such time as the Company's repurchase option lapses.
- (8) Includes (i) 59,584 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 2,000 shares of RSAs subject to repurchase by the Company. Dr. Wigzell has voting power with respect to the shares of our common stock subject to repurchase but does not have investment power with respect to such shares until such time as the Company's repurchase option lapses.
- (9) Includes (i) 1,923 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 1,000 shares of RSAs subject to repurchase by the Company. Dr. Kress has voting power with respect to the shares of our common stock subject to repurchase but does not have investment power with respect to such shares until such time as the Company's repurchase option lapses.
- (10) Includes (i) 401,455 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 78,560 shares of RSAs subject to repurchase by the Company.
- (11) Includes (i) 325,154 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016. Excludes 89,583 SARs at an exercise price of \$23.85 exercisable within sixty (60) days of April 22, 2016 and (ii) 3,115 shares of RSAs subject to repurchase by the Company.
- (12) Includes (i) 267,185 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 2,762 shares of RSAs subject to repurchase by the Company.
- (13) Includes (i) 241,833 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016 and (ii) 2,352 shares of RSAs subject to repurchase by the Company.
- (14) Includes (i) 1,460,090 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016. Of the shares of common stock reported, 97,789 shares of RSAs are subject to repurchase by the Company; such directors and officers have voting power with respect to the shares of common stock subject to repurchase but do not have investment power with respect to such shares until the Company's repurchase option lapses. Excludes 89,583 SARs exercisable within sixty (60) days of April 22, 2016.
- (15) Includes (i) 458,069 shares of our common stock subject to options exercisable within sixty (60) days of April 22, 2016. Excludes 67,812 SARs at an exercise price of \$10.08 exercisable within sixty (60) days of April 22, 2016. These figures include the 24,167 options granted to Mr. Garabedian in 2012 that may be rescinded in connection with a derivative suit settlement due to an unintentional plan overage.
- (16) Based solely on information contained in the Schedule 13G filed with the SEC on January 22, 2016, reporting beneficial ownership of BlackRock, Inc. BlackRock, Inc. has sole voting power over 2,797,216 shares of our common stock and sole dispositive power over 2,891,861 shares of our common stock.
- (17) Based solely on information contained in the jointly filed Schedule 13G filed with the SEC on February 12, 2016, reporting beneficial ownership of FMR LLC. FMR LLC has sole voting power over 3,890 shares of our common stock and sole dispositive power over 2,372,287 shares of our common stock.

(18) Based solely on information contained on the jointly filed Schedule 13G filed with the SEC on February 16, 2016, reporting beneficial ownership of Perceptive Advisors LLC and Joseph Edelman. Perceptive Advisors LLC and Joseph Edelman have shared voting power and dispositive power over 2,240,928 shares of common stock. Mr. Edelman is the managing member of Perceptive Advisors LLC. Perceptive Advisors LLC and Joseph Edelman disclaim beneficial ownership over the shares of our common stock listed herein.

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