

Sarepta Therapeutics, Inc.  
Form PRE 14A  
April 20, 2015

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(a)  
OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant  x  
Filed by a Party other than the Registrant  o  
Check the appropriate box:

x Preliminary Proxy Statement  
 o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**  
 o Definitive Proxy Statement  
 o Definitive Additional Materials  
 o Soliciting Material Pursuant to §240.14a-12

**SAREPTA THERAPEUTICS, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.  
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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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215 First Street  
Suite 415  
Cambridge, MA 02142  
[www.sarepta.com](http://www.sarepta.com)

April 30, 2015

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 on Tuesday, June 2, 2015, 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 II directors to hold office until the 2017 annual meeting of stockholders, or until their successors are earlier elected, the following three nominees: M. Kathleen Behrens, Ph.D., Richard J. Barry and Claude Nicaise, M.D.;
2. to hold an advisory vote to approve, on a non-binding basis, named executive officer compensation; to approve an amendment to our Amended and Restated 2011 Equity Incentive Plan (the Restated Plan ) to increase the number of shares underlying the awards that the Company may grant under the Restated Plan
3. by 1,700,000 shares to 6,236,903 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 514,161 shares);
4. to approve an amendment to our Amended and Restated Certificate of Incorporation (the Restated Certificate ) to increase the number of authorized shares of common stock from 50,000,000 to 99,000,000 shares, and authorized Preferred Stock from 3,333,333 shares to 6,500,000 shares, each with a par value of \$0.0001 per share;
5. to ratify the selection of KPMG LLP as our independent registered public accounting firm for the current year ending December 31, 2015; 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 nominees, approval, on an advisory basis, of the compensation of our named executive officers, approval of the amendment to our Restated Plan, approval of the amendment to our Restated Certificate, 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 three director nominees, FOR the approval, on an advisory basis, of the compensation of our named executive officers, FOR the amendment to our Restated Plan, FOR the amendment to our Restated Certificate 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.

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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) execute corporate and other business plans, given that the Company's share reserve under the Restated Plan and available authorized shares of common stock are very low, respectively. 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. 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 Kaye, M.D.

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

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215 First Street  
Suite 415  
Cambridge, MA 02142  
[www.sarepta.com](http://www.sarepta.com)

## **NOTICE OF ANNUAL MEETING OF STOCKHOLDERS To Be Held on Tuesday, June 2, 2015**

To the Stockholders of Sarepta Therapeutics, Inc.:

NOTICE IS HEREBY GIVEN that the 2015 annual meeting of stockholders (the Annual Meeting ) of Sarepta Therapeutics, Inc., a Delaware corporation, will be held on Tuesday, June 2, 2015 at 9:00 A.M., local time, at the Company's headquarters, 215 First Street, Suite 110B, Cambridge, MA 02142, for the following purposes:

to elect, as Group II directors to hold office until the 2017 annual meeting of stockholders, or until their successors are earlier elected, the following three nominees: M. Kathleen Behrens, Ph.D., Richard J. Barry and Claude Nicaise, M.D.;

2. to hold an advisory vote to approve, on a non-binding basis, named executive officer compensation;
3. to approve an amendment to our Amended and Restated 2011 Equity Incentive Plan (the Restated Plan ) to increase the number of shares underlying the awards that the Company may grant under the Restated Plan by 1,700,000 shares to 6,236,903 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 514,161 shares);
4. to approve an amendment to our Amended and Restated Certificate of Incorporation (the Restated Certificate ) to increase the number of authorized shares of common stock from 50,000,000 to 99,000,000 shares, and authorized Preferred Stock from 3,333,333 shares to 6,500,000 shares, each with a par value \$0.0001 per share;
5. to ratify the selection of KPMG LLP as our independent registered public accounting firm for the current year ending December 31, 2015; 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 April 8, 2015 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, May 22, 2015 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 Tuesday, June 2, 2015: the Proxy Statement for the Annual Meeting and the Annual Report to Stockholders for the year ended December 31, 2014 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

April 30, 2015

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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](http://www.sarepta.com)

**PROXY STATEMENT FOR  
THE SAREPTA THERAPEUTICS, INC. 2015 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 2015 annual meeting of stockholders (the **Annual Meeting**) to be held on Tuesday, June 2, 2015, at 9:00A.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, or about, April 30, 2015. In the mailing, we will include copies of our Annual Report to stockholders for the year ended December 31, 2014. 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 April 8, 2015. Your shares may be voted at the Annual Meeting only if you are present in person, or represented by a valid proxy.

**Shares Outstanding and Quorum**

At the close of business on April 8, 2015, 41,354,142 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 three director nominees 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, (iv) in favor of an amendment to our Amended and Restated Certificate of Incorporation (the Restated Certificate ), and (v) in favor of ratification of the selection of KPMG LLP as our independent registered public accountants for the year ending December 31, 2015. 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.

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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 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**

Stockholders of record as of the close of business on April 8, 2015 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 1, 2015. 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 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) execute corporate and other business plans, given that the Company's share reserve under the Restated Plan and available authorized shares of common stock are very low, respectively. 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 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 Proposal 5: *Ratification of Appointment of Independent Registered Public Accounting Firm*. The votes cast in favor must exceed the votes cast against for these proposals to be approved. Abstentions and broker non-votes, if any, will not have any effect on the results of these proposals.

Proposal 4: *Certificate of Incorporation Amendment*. The affirmative vote of the holders of at least a majority of the shares of common stock entitled to vote at the Annual Meeting will be required to approve this proposal. As a result, abstentions, broker non-votes, or the failure to submit a proxy or vote in person at the annual meeting of shareholders will have the same effect as a vote against the proposal.

## **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 2015 (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.

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The election of directors (Proposal 1), the advisory vote to approve executive compensation (Proposal 2), the Restated Plan amendment (Proposal 3), and the Restated Certificate amendment (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.*

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## **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 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. to assist us in the solicitation of proxies for a fee of \$10,000. 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, May 22, 2015 and continuing through the meeting.

## **Stockholder Proposals for the 2016 Annual Meeting**

Stockholder proposals submitted for inclusion in our proxy materials for our 2016 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 1, 2016, provided that if the date of the annual meeting is earlier than May 3, 2016, or later than July 2, 2016, 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 4, 2016, and no earlier than February 3, 2016; provided that, if the date of that annual meeting is more than 30 days before, or more than 60 days after, June 2, 2016, you must give notice not later than the 90<sup>th</sup> day prior to the annual meeting date or, if later, the 10<sup>th</sup> 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 Tuesday, June 2, 2015, 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 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.

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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 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.

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

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# SAREPTA THERAPEUTICS, INC. DIRECTORS AND EXECUTIVE OFFICERS

## Directors, Director Nominees 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 April 30, 2015:

Name	Age	Position(s) <sup>(4)</sup>
Executive Officers		
Edward M. Kaye, M.D.	66	Interim Chief Executive Officer, Senior Vice President, Chief Medical Officer
Sandesh Mahatme	50	Senior Vice President, Chief Financial Officer
David Tyrone Howton, Jr.	43	Senior Vice President, General Counsel and Corporate Secretary
Jayant Aphale, Ph.D.	54	Senior Vice President, Technical Operations
Non-Employee Directors		
William Goolsbee <sup>(1)(2)</sup>	61	Group I Director
Gil Price, M.D. <sup>(1)(3)</sup>	59	Group I Director
Hans Wigzell, M.D., Ph.D. <sup>(3)</sup>	76	Group I Director
M. Kathleen Behrens, Ph.D. <sup>(1)(2)(3)</sup>	62	Group II Director, Chairwoman of the Board of Directors
Anthony Chase <sup>(2)(3)(6)</sup>	60	Group II Director
John Hodgman <sup>(1)(2)(5)</sup>	60	Group II Director
Director Nominees		
Claude Nicaise, M.D.	62	Group II Director Nominee
Richard J. Barry	56	Group II Director Nominee

(1) Member of the compensation committee.

(2) Member of the audit committee.

(3) Member of the nominating and corporate governance committee.

(4) 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 2015 Annual Meeting.

(5) We announced on January 12, 2015 that Mr. Hodgman notified the Company that he will be participating in an extended religious mission and, as a result, has decided to resign from his positions as Director, chairman of the audit committee and member of the compensation committee effective on the date of the Annual Meeting.

(6) Mr. Chase is not a candidate for reelection at the 2015 Annual Meeting. Because Mr. Chase is not a candidate for reelection, he will no longer be a member of the audit and nominating and corporate governance committees following 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. Prior to this, Dr. Kaye held various roles at Genzyme Corporation since 2001, 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

earned his B.S. in Biology from Loyola University and earned his M.D. at 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 University Of Pennsylvania School Of Medicine until

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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 Journal of Child Neurology. He also previously served on the board of Annals of Neurology. Dr. Kaye is also 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, focused 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 eight and a half 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 Master of Laws (LL.M.) degrees from Cornell Law School and NYU School of Law and is a member of the New York State Bar Association. Mr. Mahatme is also a board member of Flexion Therapeutics, Inc.

**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, and 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 on corporate transactions involving life science companies and provided regulatory counsel. Mr. Howton holds a 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 their CMO network and led technology transfer and scale-up of their lead product in the rare disease space. Before Enobia, 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 received his Ph.D. in Microbiology from Ohio State University in 1992 and a Master of Business Administration in Finance and Strategy from the University of North Carolina in 2002. He is a certified project manager (PMP) and holds the U.S. Regulatory Affairs Certification (RAC).

**Christopher Garabedian** served as a member of our Board from June 2010 and our President and Chief Executive Officer ( CEO ) from January 2011 until he resigned from both positions with the Company on March 31, 2015. Mr. Garabedian served as Vice President of Corporate Strategy for Celgene Corporation, a publicly-traded integrated global biopharmaceutical company, from July 2007 to December 2010, where he was responsible for assessing all potential business development transactions. From November 2005 to June 2007, Mr. Garabedian served as an independent consultant to early-stage biopharmaceutical companies. From

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June 1997 to October 1998, and from November 1999 to November 2005, Mr. Garabedian worked at Gilead Sciences, Inc., a publicly-traded biopharmaceutical company, where he served in a number of global leadership roles, including Vice President of Corporate Development, Vice President of Marketing, and Vice President of Medical Affairs. While at Gilead Sciences, Mr. Garabedian's responsibilities included managing corporate development initiatives, including portfolio review and planning, mergers and acquisitions and in-licensing activities, and leading four global product launches. Mr. Garabedian also held various commercial roles at COR Therapeutics, Inc. from 1998 to 1999 and at Abbott Laboratories from 1994 to 1997. He started his biopharmaceutical career as a consultant with Migliara/Kaplan Associates from 1991 to 1994. Mr. Garabedian received his B.S. in marketing from the University of Maryland.

**Arthur M. Krieg, M.D.**, served as our Senior Vice President, Chief Scientific Officer from January 2014 through July 2014, when his employment by the Company ended. Prior to his time at Sarepta, Dr. Krieg served as Chief Executive Officer of RaNA Therapeutics since he co-founded the company in 2011. Prior to RaNA, he was Chief Scientific Officer of Pfizer's Oligonucleotide Therapeutics Unit from 2008 to 2011. Previously, he was the Chief Scientific Officer, Executive Vice President of Research and Development, and co-founder of Coley Pharmaceutical Group, prior to its acquisition by Pfizer in 2008. Dr. Krieg discovered the immune stimulatory CpG DNA motif in 1994, which led to a new approach to immunotherapy and vaccine adjuvants. Based on this technology, he co-founded Coley Pharmaceutical Group in 1997, discovering and taking four novel oligonucleotides into clinical development. He was a co-founder of the first antisense journal, Nucleic Acid Therapeutics, which he edited for 16 years, and he co-founded the Oligonucleotide Therapeutic Society. He is a director of Cytos Biotechnology and a member of the scientific advisory boards of RaNA and Mirna Therapeutics. Dr. Krieg received his doctor of medicine degree from Washington University, completed a residency in internal medicine at the University of Minnesota and a rheumatology fellowship at the National Institutes of Health. Upon completing his medical training, he joined the University of Iowa, becoming professor of internal medicine in the Division of Rheumatology. He has published more than 240 scientific papers and is co-inventor on 47 issued U.S. patents covering oligonucleotide technologies.

**William Goolsbee** has served as a member of our Board since October 2007. He was Chairman of the Board from June 2010 through July 2014. He also serves as a member of the audit committee and the compensation committee. 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 Sarepta Therapeutics, Inc. 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. degree 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 presently serves as Chairman and Chief Executive Officer of BMG Hematology LLC, a product development and licensing company. 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 the Board.

**Gil Price, M.D.**, has served as a member of our Board since October 2007. He also serves as the chairman of the nominating and corporate governance committee and as a member of the compensation 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, 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. 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 the Board.

Dr. Price received a B.A. from the University of Rio Grande and a M.D. from the University of Santiago.

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**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. 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. Previously, he was the president of the Karolinska Institute, a medical university, from 1995 to 2003, 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. 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 the Board. He 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, Ital, Turku University in Finland and The Feinstein Institute in New York.

**M. Kathleen Behrens, Ph.D.**, has served as a member of our Board since March 2009 and Chairwoman of the Board since April 2015. She also serves as member of the nominating and corporate governance committee and audit committee, as well as chairwoman of the compensation 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. She 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 a private oncology services company, KEW Group Inc., based in Cambridge, Massachusetts from January 2012 to July 2014. 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 the Board.

Dr. Behrens holds a B.S. in Biology and a Ph.D. in Microbiology from the University of California, Davis.

**Anthony Chase** has served as a member of our Board since April 2010. He also serves as a member of the audit committee and the nominating and corporate governance committee. Mr. Chase is not a candidate for reelection at the 2015 Annual Meeting and therefore will not be a member of the Board or its committees after the Annual Meeting. Mr. Chase serves as Chairman and Chief Executive Officer of ChaseSource, L.P., a Houston-based staffing and real estate development firm, a position he has held since October 2006, and ChaseSource Real Estate Services, L.P., a position he has held since January 2008. He also serves on the board of directors of Paragon Offshore PLC (traded on the New York Stock Exchange under the symbol PGN) since June 2014. Previously, he was Chairman and Chief Executive

Officer of ChaseCom, L.P., a global customer relationship management and staffing services company, from January 1997 to December 2007, when ChaseCom, L.P. was acquired by AT&T. Mr. Chase is a tenured Professor at the University of Houston

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Law Center where he began teaching in 1990. Mr. Chase is a member of the American Bar Association and State Bar of Texas. Since February 2014, Mr. Chase has served as a director of Anadarko Petroleum Corporation and, in the past five years, has served as a director of Western Gas Holdings, LLC and the Cornell Companies, Inc. He is a member of the Council on Foreign Relations. Our nominating and corporate governance committee believes that Mr. Chase's experience in leadership positions in public companies qualifies him for service as a member of the Board. Mr. Chase received an A.B., with honors, from Harvard College, a J.D. from Harvard Law School, and an M.B.A. from Harvard Business School.

**John Hodgman** has served as a member of our Board since March 2004 and served as Interim Chairman of the Board from July 2014 to April 2015. In January 2015, we announced that Mr. Hodgman would resign from his currently held positions with the Board and its committees, effective as of the date of our 2015 Annual Meeting, to participate on an extended religious mission. He also serves as the chairman and financial expert of the audit committee and as a member of the compensation committee. He has served as the Executive Vice President of Finance and Chief Financial Officer of InterMune, Inc., a biotechnology company, since March 2013, after serving as Senior Vice President and Chief Financial Officer since joining InterMune in 2006. He served as the Chairman of Cygnus, Inc., a biopharmaceutical company, from 1999 to 2008, and as President and Chief Executive Officer of that company between 1998 and 2006. Mr. Hodgman joined Cygnus in 1994 as Vice President of Finance and Chief Financial Officer, and between 1995 and 1998, he also served as president of Cygnus Diagnostics. He was President and Chief Executive Officer of Aerogen, Inc., a biopharmaceutical company, from June 2005 to October 2005 when that company was sold to Nektar, Inc. Mr. Hodgman served as a member of the board of directors of Immersion Corporation from 2002 to 2012. Mr. Hodgman holds a B.S. from Brigham Young University and an M.B.A. from the University of Utah.

**Richard J. Barry**, a long time stockholder of the Company, 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 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 the Board.

**Claude Nicaise, M.D.**, is the owner of Clinical Regulatory Services, a company providing advice on clinical and regulatory matters to biotechnology companies. Prior to that, Dr. Nicaise was a Senior Vice President of Strategic Development and Global Regulatory Affairs at Alexion Pharmaceuticals from 2008 to 2014. 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 received his medical degree from the Universite 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 the 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 six 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 April 2015, the Board reduced the maximum size of the Board from seven to six 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 names of, and other information about, each of the nominees for election as a Group II director and those directors who will continue to serve after the Annual Meeting.

Name	Age	Director Since	Expiration of Term	Position(s) Held With Sarepta
Group I Continuing Directors:				
William Goolsbee	61	2007	2016	Director
Gil Price, M.D.	59	2007	2016	Director
Hans Wigzell, M.D., Ph.D.	76	2010	2016	Director
Group II Director Nominees: <sup>(1)</sup>				
M. Kathleen Behrens, Ph.D.	62	2009	2017	Director and Chairwoman of the Board of Directors
Richard J. Barry	56		2017	
Claude Nicaise, M.D.	62		2017	

As we announced on January 12, 2015, Mr. Hodgman notified the Company that he has decided to resign from his positions as Director, chairman of the audit committee and member of the compensation committee, effective on the date of the Annual Meeting, in order to participate in an extended religious mission. Mr. Chase is not a candidate for reelection at the 2015 Annual Meeting.

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.

## **Nominees for Group II Directors Election at the 2015 Annual Meeting of Stockholders**

There are three nominees standing for election as Group II directors this year. Based on the report of the nominating and corporate governance committee, our Board has approved the nomination, as Group II Directors, of M. Kathleen Behrens, Ph.D., for re-election as continuing director, and Richard J. Barry and Claude Nicaise, M.D., who would serve on the Board for the first time if elected. 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

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current and future needs. In appointing Dr. Behrens as Chairwoman of the Board and selecting Dr. Behrens, Mr. Barry and Dr. Nicaise as director nominees, the nominating and corporate governance committee and the Board took into consideration, among other things, the recent changes in management, the planned resignation of Mr. Hodgman, the Company's strategic and regulatory plans, and the interest 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. Mr. Barry and Dr. Nicaise were brought to the attention of the Board as potential nominees by persons who then were members of the Board. If elected, each of Dr. Behrens, Mr. Barry and Dr. Nicaise will hold office as a Group II director until our 2017 annual meeting of stockholders or until their successors are 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 nominees will be available to serve as directors. If any of Dr. Behrens, Mr. Barry or Dr. Nicaise 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 of Recommendation**

The nominees receiving the majority of votes cast and entitled to vote at the Annual Meeting will be elected as directors.

**The Board recommends that stockholders vote FOR the election of each of Dr. Behrens, Mr. Barry and Dr. Nicaise, as Group II Directors, 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 2014 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.

At our 2014 annual meeting, holders of approximately 70% of shares eligible to vote approved our 2013 named executive compensation. In addition, during 2014, we reached out to our largest shareholders and solicited their feedback on our compensation practices. In setting the 2014 compensation for our named executive officers, the compensation committee continued to apply the principles and philosophy it has used in previous years and considered the feedback received from our shareholders on our compensation practices. Given the decline in the Company's one year total shareholder returns (TSRs), as detailed in the highlights section below, the overall compensation for our named executive officers was reduced in 2014, compared to compensation levels in 2013. We believe the reduction in the overall compensation of our named executive officers in 2014 is consistent with our executive compensation philosophy and in line with the performance of the Company in 2014.

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 2014 compensation paid to our named executive officers.

As we describe in our Compensation Discussion and Analysis, our executive compensation program 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 particular, our compensation program rewards financial, strategic and operational performance, and the goals set for each performance category 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 2014, we believe that the compensation paid to our named executive officers was appropriate.

In addition, to discourage excessive risk taking, our compensation committee maintains discretion to increase or decrease any incentive plan compensation, allowing the committee to consider the circumstances surrounding individual performance and adjust payments accordingly. Additionally, the multi-year vesting of the long-term equity incentives awarded to our named executive officers in 2014 discourages an inappropriate focus on short-term results at the risk of long-term, sustained performance.

## 2014 Compensation Program Highlights

The compensation committee continued to work to ensure that management's interests are aligned with our stockholders' interests in setting the compensation for executives in 2014.

As discussed in more detail under the section below captioned Compensation Discussion and Analysis, we believe that our executive compensation program is reasonable, competitive and strongly focused on pay-for-performance principles. In 2014, the compensation committee set goals and objectives, and measured performance, on the basis of personal and corporate achievements that it believes will position us for sustainable success. We believe that the 2014 compensation of our named executive officers was appropriate and aligned with our 2014 results. Our 2014 compensation program highlights are set forth below.

The compensation committee balanced the negative TSRs in the short-term with the strong long-term performance of the Company in making compensation decisions in 2014. In particular, in 2014, the compensation committee made several changes to our executive compensation including (i) reducing the total number of options granted to our Chief Executive Officer in 2014 to approximately half of the options granted to him in 2013, (ii) reducing the overall compensation to each of our named executive officers from what they were provided in 2013, (iii) reducing the total

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value of equity awards granted to our named executive officers in 2014, based on a 30-day average price of our common stock and Black-Scholes valuation model, on average by approximately 50% of the total value of the 2013 equity awards granted to each named executive officer, and (iv) paying bonuses for 2014 corporate performance below target at 80% (down from the 125% that was paid for 2013 corporate performance).

The compensation committee undertook a competitive landscape analysis, with the input of an independent compensation consultant, to determine the appropriate compensation levels for our named executive officers in 2014. Peer compensation levels were a large driver in the compensation committee's executive compensation decisions. For example, the 2014 compensation for our Chief Executive Officer vis-a-vis the Chief Executive Officers in the Company's 2014 peer group, as recommended by the independent compensation consultant and approved by the compensation committee, was as follows: base salary was at the 40<sup>th</sup> percentile, target total cash was at the 25<sup>th</sup> percentile, and total equity ownership in the Company was at the 75<sup>th</sup> percentile.

A majority of the total compensation paid to our named executive officers was in the form of variable, or at risk, compensation. Variable compensation is tied to the achievement of performance goals (annual cash incentive bonus), stock price appreciation, or longer-term strategic goals tied to specified corporate achievements (long-term equity incentives).

We continue to emphasize stock options as a key element of our compensation program, so that our named executive officers are rewarded only when the Company makes progress toward achieving its goals and, in return, our stock price increases. At the time option grants were approved by the compensation committee in 2014, our stock was trading at \$29.03 per share, which became the exercise price of the annual grant options granted to our named executive officers in 2014.

In 2014, the equity grants awarded to each of our named executive officers were in the form of time-based options only (and not performance-based options) given that the milestones for the performance-awards granted in 2013 (getting eteplirsen approved and filing investigational new drug applications (INDs)) span a three year performance period ending in 2016. Our compensation committee did not deem it appropriate to grant additional performance shares to our named executive officers in 2014 given that the milestones that would have been chosen would be duplicative of or dependent on the achievement of the milestones underlying the 2013 performance-based awards. The time-based and performance-based options granted to our executives in 2013 and 2014 are all subject to a four-year vesting period. The performance-based awards granted in 2013 become eligible for time-based vesting in varying percentages only upon the achievement of the applicable milestones within the three-year performance period. Given that the Company filed two INDs in 2014, 30% of the 2013 performance-based award for each named executive officer became eligible for vesting over a four-year period beginning with the grant date and will complete vesting in 2017. We believe the mix of performance-based and time-based options in 2013 and 2014 strikes an appropriate balance by providing our named executive officers with appropriate long-term incentives while taking into account the Company's short and long-term performance.

Incentive cash bonus awards are a smaller component of the overall compensation provided to our named executive officers as we emphasize equity awards to better align the interests of our named executive officers with those of our stockholders. Consistent with our compensation philosophy, we based incentive cash bonus awards made to our named executive officers on Company achievements of operational and strategic objectives. The corporate goals set by the compensation committee for 2014 included (i) advancing eteplirsen and our Duchenne muscular dystrophy (DMD) product candidates towards potential approval, (ii) growing our pipeline of product candidates outside of DMD, (iii) enhancing our supply chain to support expanded clinical and potential commercial needs, and (iv) maintaining corporate integrity all of which we believe are drivers for creating long-term

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stockholder value. Based on 2014 corporate and individual goal achievement, our named executive officers received a range of 80% – 85% of their total target incentive cash bonus awards with the bonus incentive opportunity for our 2014 Chief Executive Officer being below the 25<sup>th</sup> percentile of our 2014 peer group. Our named executive officers were not provided with any excessive – executive perquisites, such as home loss buyouts. 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). 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.

## **Advisory Vote and Board Recommendation**

We request stockholder approval, on an advisory basis, of the 2014 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 2014, as disclosed in Sarepta Therapeutics, Inc.'s proxy statement for the Annual Meeting of Stockholders held in 2015 pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2014 Summary Compensation Table, and the other related tables and disclosure 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 2016.

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

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## **RESTATED PLAN AMENDMENT**

### **(Proposal 3)**

#### **Proposal**

The Company and the Board have proposed an amendment to our Amended and Restated 2011 Equity Incentive Plan (the Restated Plan ) to increase the number of shares underlying the awards that the Company may grant under the Restated Plan by 1,700,000 shares to 6,236,903 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 514,161 shares).

#### **Purpose and Effect of the Proposal**

Our Board believes it is important to obtain the additional 1,700,000 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, 2015, we had issued 366,655 shares of common stock under the Restated Plan that are no longer subject to outstanding awards, 6,290,598 shares of common stock that are subject to unexercised options or unvested restricted stock awards ( RSAs ) and up to 441,500 shares that may be issued pursuant to outstanding performance share awards, leaving 215,599 shares of common stock available for Awards. The weighted average exercise price and remaining contractual life of the 6,278,598 stock options outstanding was \$22.81 and 8.5 years, respectively. The weighted average grant date fair value and remaining contractual life of the 12,000 shares of unvested RSAs was \$21.47 and 0.7 year, respectively. As of March 31, 2015, approximately 211 of our employees, officers, consultants and directors were eligible to participate in the Restated Plan, of which four were named executive officers, 199 were non-executive employees, six 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 in certain success scenarios if the Company were to commercialize over the next one to two years.

If our stockholders do not approve the amendment to increase 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 1,700,000 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. In its determination to recommend that our Board approve the amendment to the Restated Plan to increase the share reserve, the compensation committee reviewed the burn rate, dilution and overhang metrics disclosed below with reference to peer and broader industry practices. In connection with an ongoing derivative shareholder suit in 2014, we may make some additional changes to our named executive officers and director compensation program. See Compensation Discussion and Analysis Potential Change to Director and Executive Compensation.

## **Introduction and Background for Current Request to Increase the Share Reserve**

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

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shares. The Restated Plan currently has 4,536,903 authorized shares plus (i) any shares reserve 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 2,072,457 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 11,086,073). Pursuant to the proposed Restated Plan amendment, we have updated the Restated Plan share reserve formula to reflect the appropriate number of 2002 Plan shares that can become available in the Restated Plan and we have reduced the Restated Plan's maximum number of Incentive Stock Options that may be issued under the Restated Plan from 25 million shares to 5 million shares in order to provide a reasonable limit based on the revised share reserve and to reflect the current capitalization of the Company. Our named executive officers and members of our Board are eligible to receive awards under the Restated Plan, and therefore, have an interest in this proposal. 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 shareholders.

## **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 shareholders. Our Board also believes that long-term equity compensation is essential to link executive compensation with long-term shareholder 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 shareholders.

## **Key Historical Equity Metrics**

Approval of the amendment that increases 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.

Our three-year average gross burn rate of 5.7% 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 5.99%. The following table shows how the key equity metrics have changed over the past three fiscal years under the equity incentive plans:

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Key Equity Metrics	2014	2013	2012	3-Year Average	
				(2012	2014)
Shares subject to awards granted <sup>(1)</sup>	1.7 million	2.3 million	1.5 million	1.8 million	
Gross burn rate <sup>(2)</sup>	4.2	% 6.7	% 6.3	% 5.7	%
Net burn rate <sup>(3)</sup>	2.9	% 5.6	% 4.6	% 4.4	%
Dilution at Fiscal Year End <sup>(4)</sup>	18.9	% 19.2	% 12.3	% 16.8	%
Overhang at Fiscal Year End <sup>(5)</sup>	13.1	% 11.6	% 8.7	% 11.1	%

(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, 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. The closing price of the Company's common stock on April 8, 2015 was \$14.23.

## Background and Purpose of the 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 Internal Revenue Code ( 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 ). The amendment to the Restated Plan would, if approved, increase the total number of shares remaining available for grant under the Restated Plan to 1,915,199 (based on 215,199 shares remaining available for grant as of March 31, 2015). 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 Restated Plan, the maximum number of shares underlying Awards that may be issued under the Restated Plan is 4,536,903, 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. As of March 31, 2015, approximately 215,599 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.

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## **Administration of the 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 Restated Plan, the Administrator has the discretion to select the 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 shareholders, 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, 2015, there were 12,000 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.

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 whatever 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. Currently, 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 or division, earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings), earnings per share, expenses, gross margin, growth in shareholder 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, 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

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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 shareholders 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 shareholder 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 ten (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 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 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.* 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

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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, dividend 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 \$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.





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### **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 holder'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, outstanding 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, during the lifetime of the participant, only by the participant.

### **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.

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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.

*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

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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, shareholder 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 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 Shareholder 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 shareholder approval. Further, the Board may not amend the Restated Plan without shareholder approval to the extent that shareholder approval is required under applicable laws.

## **New Plan Benefits**

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 amendment to the Restated Plan is approved, are not presently determinable. The table below sets forth grants of stock options and RSAs made during fiscal year 2014 under the Restated Plan.

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TABLE OF CONTENTS**Restated Plan**

Name and Position	Number of Shares Subject to Stock Options	Number of Shares Subject to Stock Appreciation Rights	Number of Shares Subject to Restricted Stock Awards
Edward M. Kaye, M.D., Interim Chief Executive Officer, Senior Vice President, Chief Medical Officer	55,000		
Sandesh Mahatme, Senior Vice President, Chief Financial Officer	72,500		
David Tyronne Howton, Jr. Senior Vice President, General Counsel and Corporate Secretary	55,000		
Jayant Aphale, Senior Vice President, Technical Operations	35,000		
Christopher Garabedian, Former President and Chief Executive Officer <sup>(1)</sup>	190,000		
Art Krieg, M.D. Former Senior Vice President, Chief Scientific Officer <sup>(2)</sup>			
All current executive officers as a group	407,500		
All current directors who are not executive officers as a group (6 persons)	90,000		6,000
All employees, including current officers who are not executive officers, as a group	922,060		

On April 24, 2012, Mr. Garabedian received an option to purchase 245,000 shares of common stock under our Restated Plan and an award of 81,667 RSUs under the Plan. These grants were made at the Board's request, to which Mr. Garabedian agreed, in lieu of Mr. Garabedian's entire target cash bonus for the 2011 fiscal year which he otherwise would have received. As a result of the 1:6 reverse stock split affected in June 2012, the number of option shares granted to Mr. Garabedian as a part of the April 24, 2012 award was adjusted to 40,834 shares. Also in conjunction with the June 2012 stock split, the Restated Plan's then-applicable annual option limit per individual employee was adjusted from 1,000,000 to 166,667 shares. Subsequently, on August 23, 2012, the Board granted

- (1) Mr. Garabedian as his annual grant an option to purchase 150,000 shares of common stock under the Restated Plan, which determination was made based on a review of comparable market data. The August 2012 award resulted in a total option grant of 190,834 shares to Mr. Garabedian in calendar year 2012, which inadvertently exceeded the post-stock split annual Restated Plan limit by 24,167 shares. The terms of the agreement in principle to settle a derivative suit, as negotiated between the Company and Plaintiff's counsel, include rescission of this unintentional overage and related disclosure in this proxy statement, see Compensation and Discussion and Analysis Potential Change to Director and Executive Compensation. Subsequently, Mr. Garabedian resigned from his positions as Director, President and Chief Executive Officer of the Company effective March 31, 2015.
- (2) Dr. Krieg's employment with the Company ended in July 2014. He was not granted any equity awards under the Restated Plan during his employment with the Company in 2014, however, Dr. Krieg was granted an inducement grant under NASDAQ listing Rule 5635(c)(4) of an option to purchase 275,000 shares of our common stock. This

option was forfeited in connection with the termination of his employment with the Company. See Sarepta Therapeutics, Inc. Directors and Executive Officers.

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The following table sets forth summary information concerning the number of shares of our common stock subject to option RSU and RSA grants made under the Restated Plan to our named executive officers and directors from the inception of the Incentive Plan and Restated Plan through March 31, 2015:

**Restated Plan**

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 Stock
Edward M. Kaye, M.D., Interim Chief Executive Officer, Senior Vice President, Chief Medical Officer	398,352		
Sandesh Mahatme, Senior Vice President, Chief Financial Officer	483,500	100,000	
David Tyrone Howton, Jr., Senior Vice President, General Counsel and Corporate Secretary	381,000		
Jayant Aphale, Senior Vice President, Technical Operations	334,625		
Christopher Garabedian, Former President and Chief Executive Officer <sup>(1)</sup>	1,157,167	70,000	13,611
Arthur M. Krieg, M.D. Former Vice President, Chief Scientific Officer <sup>(2)</sup>			
All current executive officers as a group	2,754,644	170,000	13,611
All current directors who are not executive officers as a group	360,000		27,996
Each nominee for director <sup>(3)</sup>	60,000		4,666
Each associate of any director, executive officer or nominee			
Each other 5% holder or future 5% recipient			
All employees, including current officers who are not executive officers, as a group	4,311,633		26,266

Due to an unintentional plan overage in 2012, 24,167 options granted to Mr. Garabedian in 2012 may be subject to rescission in connection with the settlement of a derivative suit. See Compensation Discussion and Analysis Potential Changes to Executive Compensation. Mr. Garabedian resigned from his positions as Director, President and Chief Executive Officer of the Company effective March 31, 2015.

Dr. Krieg's employment with the Company ended in July 2014. He was never granted any equity awards under the Incentive Plan or the Restated Plan. Dr. Krieg was granted an inducement grant under Nasdaq listing Rule 5635(c)(4) of an option to purchase 275,000 shares of our common stock. This option was forfeited in connection with the termination of his employment with the Company.

(3) Dr. Behrens is the only nominee who has received an Award under the Restated Plan.



## Summary

We believe that the approval of the amendment to 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 shareholder approval to increase the share reserve under the Restated Plan, which currently is insufficient to cover projected needs for the next

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twelve-month period, 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 amendment to the Restated Plan.

**The Board recommends that shareholders vote FOR the approval of the amendment to the Restated Plan.**

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# CERTIFICATE OF INCORPORATION AMENDMENT

## (Proposal 4)

### Proposal

The Company and the Board have proposed an amendment to Article IV of the Restated Certificate to increase the number of authorized shares of common stock from 50,000,000 to 99,000,000 shares, and authorized Preferred Stock from 3,333,333 shares to 6,500,000 shares, each with a par value \$0.0001 per share.

### Purpose and Effect of the Proposal

The Board believes it is in the best interest of the Company to increase the number of authorized shares of common and preferred stock in order to give the Company greater flexibility in considering and planning for future potential business needs. Having the additional authorized shares available is important to our continued efforts to pursue our strategic goals. The additional shares of common and preferred stock will be available for issuance by the Board for various corporate purposes, including but not limited to, grants under employee stock plans, financings, potential strategic transactions, including mergers, acquisitions, strategic partnerships, joint ventures, divestitures, business combinations, stock splits, stock dividends, as well as other general corporate transactions. If the authorization of an increase in the available common stock is postponed until the foregoing specific needs arise, the delay and expense incident to obtaining approval of the stockholders at that time could impair our ability to meet the objectives set forth above.

As of March 31, 2015, we had (i) 6,946,426 shares of common stock subject to outstanding stock options and RSAs, (ii) 215,599 shares available for awards and the 1,700,000 shares to be reserved under our Restated Plan amendment if such plan is approved pursuant to Proposal No. 3, (iii) 203,710 shares reserved under the Company's 2013 Employee Stock Purchase Plan ( ESPP ), and (iv) 640,000 shares of common stock reserved for issuance under the Company's 2014 Employment Commencement Incentive Plan. Other than those listed above, we currently have no plan, commitment, arrangement, understanding or agreement, either oral or written, regarding the issuance of our common stock subsequent to the proposed increase in the number of authorized shares. Only 1,699,432 shares of our common stock, or 3.4%, are currently available for issuance out of the 50,000,000 shares of common stock currently authorized.

If this proposal is approved, the additional authorized shares may be issued at the discretion of the Board without further stockholder action, except as may be required by law or the rules of NASDAQ. The adoption of the amendment would not have any immediate dilutive effect on the proportionate voting power or other rights of existing stockholders. However, the issuance of shares of common stock, other than on a pro-rata basis to all stockholders, would reduce each stockholder's proportionate interest in the Company. The holders of any of the additional shares of common stock issued in the future would have the same rights and privileges as the holders of the shares of common stock currently authorized and outstanding. Those rights do not include preemptive rights with respect to the future issuance of any additional shares.

Increasing the availability of authorized but unissued shares of common stock and/or preferred stock could have an anti-takeover effect because the potential issuance of such shares could dilute certain rights of a person seeking to

obtain control of the Company or to change the Company's management. The Board has no present intention of using such shares in this manner.

If the Restated Certificate amendment is approved, as soon as practicable after the 2015 Annual Meeting, we will file an amendment to the Restated Certificate with the office of the Secretary of State of Delaware to reflect the increase in the authorized number of shares of our common and preferred stock. Upon approval and following such filing with the Secretary of State of Delaware, the Restated Certificate amendment will become effective on the date it is filed. A copy of the proposed amendment to the Restated Certificate is set forth in Appendix B to this proxy statement.

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## **Background for the Proposal**

On April 13, 2015, the Board approved the adoption of and declared advisable to the Company and its stockholders, subject to stockholder approval, an amendment to our Restated Certificate to increase the number of authorized shares of common stock, from 50,000,000 to 99,000,000 shares and authorized Preferred Stock from 3,333,333 shares to 6,500,000 shares, each with a par value of \$0.0001 per share.

Following our initial public offering in 1997, we had 50,000,000 authorized shares of common stock and 2,000,000 of preferred stock. The number of authorized shares of common stock and preferred stock was increased to 200,000,000 and 20,000,000 shares, respectively, at our 2002 annual meeting of stockholders, the number of authorized shares of common stock was increased to 300,000,000 at our 2011 annual meeting of stockholders, and a reverse stock split with a 1-to-6 ratio was effectuated in July 2012, resulting in 50,000,000 authorized shares of common stock and 3,333,333 shares of preferred stock, in each case, following Board and stockholder approval. The increases requested in the proposed amendment constitute less than a 100% increase for each of our common stock and preferred stock.

As of March 31, 2015, the number of shares of our common stock issued and outstanding was 41,354,142. As of March 31, 2015, the Company had 6,946,426 shares of common stock subject to outstanding stock options and RSAs, 215,599 shares of common stock reserved for issuance under the Company's stock Restated Plan, 640,000 shares of common stock reserved for issuance under the Company's 2014 Employment Commencement Incentive Plan, and 203,710 shares of common stock reserved for issuance under our ESPP. Although we have not issued any preferred stock, only 1,699,432 shares of our common stock, or 3.4%, are currently available for issuance out of the 50,000,000 shares of common stock currently authorized.

## **Vote Required and Board Recommendation**

The affirmative vote of the holders of at least a majority of the shares of common stock entitled to vote at the Annual Meeting will be required to approve this proposal. Abstentions and broker non-votes will have the practical effect of a vote against the amendment to our Restated Certificate. We urge investors to vote for this proposal as failure to obtain the vote of a majority of outstanding shares will limit the Company's abilities to operate and execute on current and future business plans.

**The Board recommends that shareholders vote FOR the approval of the amendment to the Restated Certificate.**

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# 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, 2015 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, 2014 and December 31, 2013, and fees billed to us by KPMG LLP for other services provided during 2014 and 2013:

Fees	2014	2013
Audit fees	\$ 404,000	\$ 369,000
Audit-related fees	104,000	134,000
Tax fees	35,000	14,000
Total	\$ 543,000	\$ 517,000

*Audit fees* are fees for the audit of our 2014 and 2013 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, and other services that are provided in connection with statutory and regulatory filings.

*Audit-related fees* are fees that principally relate to assurance and related services that are related to the issuance of comfort letters for equity offerings and 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 chairman of the audit committee to pre-approve services, in which case the chairman 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 2014 and 2013, all services billed by KPMG LLP were pre-approved by the audit committee in accordance with this policy.

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**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, 2015.

**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 8, 2015, 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 <sup>(1)</sup>	Amount and Nature of Beneficial Ownership (# of Shares) <sup>(2)</sup>	Percent of Class <sup>(2)</sup>
<b>Officers and Directors</b>		
Anthony Chase <sup>(3)</sup>	100,944	*
Gil Price, M.D. <sup>(4)</sup>	78,246	*
M. Kathleen Behrens, Ph.D. <sup>(5)</sup>	84,916	*
William Goolsbee <sup>(6)</sup>	48,082	*
John Hodgman <sup>(7)</sup>	46,750	*
Hans Wigzell, M.D., Ph.D. <sup>(8)</sup>	51,750	*
Edward M. Kaye, M.D. <sup>(9)</sup>	246,089	*
Sandesh Mahatme <sup>(10)</sup>	163,874	*
David Tyrone Howton, Jr. <sup>(11)</sup>	141,179	*
Jayant Aphale, Ph.D. <sup>(12)</sup>	150,822	*
All directors and executive officers as a group (10 persons) <sup>(13)</sup>	1,112,652	2.7
Christopher Garabedian <sup>(14)</sup>	689,818	1.7
<b>Director Nominees</b>		
Arthur M. Krieg, M.D.		
Claude Nicaise, M.D.		
Richard J. Barry	3,165,014	7.7
<b>5% Stockholders</b>		
BlackRock, Inc., 40 East 52 <sup>nd</sup> Street, New York, NY 10022 <sup>(15)</sup>	3,202,261	7.7
Columbia Wanger Asset Management, LLC, 227 West Monroe Street, Suite 3000, Chicago, IL 60606 <sup>(16)</sup>	3,272,400	7.9
Perceptive Advisors LLC, 499 Park Avenue, 25 <sup>th</sup> Floor, New York, NY 10022 <sup>(17)</sup>	2,812,352	6.8
The Vanguard Group, 100 Vanguard Blvd., Malvern, PA 19355 <sup>(18)</sup>	2,290,714	5.5

\*

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.

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 8, 2015, and shares of common stock subject to RSAs that vest within sixty (60) days of April 8, 2015 are deemed beneficially owned and outstanding (2) 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 SARs that are exercisable within sixty (60) days of April 8, 2015. The number of shares that will be received upon exercise of such SARs is not currently determinable and therefore is not

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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 41,354,142 shares of common stock issued and outstanding as of April 8, 2015.

(3) Includes (i) 33,750 shares subject to options exercisable within sixty (60) days of April 8, 2015 and (ii) 2,000 shares of RSAs subject to repurchase by the Company. Mr. Chase 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.

(4) Includes (i) 40,916 shares subject to options exercisable within sixty (60) days of April 8, 2015 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) 38,750 shares subject to options exercisable within sixty (60) days of April 8, 2015 and (ii) 2,000 shares of RSAs subject to repurchase by the Company. Dr. Behrens 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.

(6) Includes (i) 40,916 shares subject to options exercisable within sixty (60) days of April 8, 2015 and (ii) 2,000 shares of RSAs subject to repurchase by the Company. Mr. Goolsbee 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.

(7) Includes (i) 40,417 shares subject to options exercisable within sixty (60) days of April 8, 2015 and (ii) 2,000 shares of RSAs subject to repurchase by the Company. Mr. Hodgman 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.

(8) Includes (i) 47,084 shares subject to options exercisable within sixty (60) days of April 8, 2015 and (ii) 2,000 shares of RSAs subject to repurchase by the Company. Dr. Wigzell 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.

(9) Includes 244,778 shares subject to options exercisable within sixty (60) days of April 8, 2015.

(10) Includes 158,874 shares subject to options exercisable within sixty (60) days of April 8, 2015. Excludes 64,583 SARs at an exercise price of \$23.85 exercisable within sixty (60) days of April 8, 2015.

(11) Includes 139,875 shares subject to options exercisable within sixty (60) days of April 8, 2015.

(12) Includes 141,719 shares subject to options exercisable within sixty (60) days of April 8, 2015.

(13) Includes (i) 927,079 shares subject to options exercisable within sixty (60) days of April 8, 2015. Of the shares of common stock reported, 12,000 shares of RSAs are subject to repurchase by the Company; such directors have voting power with respect to the shares subject to repurchase but do not have investment power with respect to such shares until the Company's repurchase option lapses. Excludes 64,583 SARs exercisable within sixty (60) days of April 8, 2015.

(14) Includes (i) 660,266 shares subject to options exercisable within sixty (60) days of April 8, 2015. Excludes 48,125 SARs at an exercise price of \$10.08 exercisable within sixty (60) days of April 8, 2015. 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.

(15) Based solely on information contained in the Schedule 13G filed with the SEC on January 26, 2015, reporting beneficial ownership of BlackRock, Inc. BlackRock, Inc. has sole voting power over 3,110,909 shares and sole dispositive power over 3,202,261 shares.

(16) Based solely on information contained in the jointly filed Schedule 13G filed with the SEC on February 11, 2015, reporting beneficial ownership of Columbia Wanger Asset Management, LLC ( CWAM ) and Columbia Acorn Fund. CWAM is the investment adviser of Columbia Acorn Fund. CWAM does not directly own any shares of our common stock. As an investment adviser of Columbia Acorn Fund and various other investment companies

and managed accounts, CWAM may be deemed to beneficially own the shares listed herein as owned by Columbia Acorn Fund. CWAM has sole voting power over 3,144,400 shares and sole dispositive power over 3,272,400 shares and disclaims beneficial ownership of these shares. Columbia Acorn Fund has sole voting and dispositive power over 2,523,900 shares.

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Based solely on information contained on the jointly filed Schedule 13G filed with the SEC on February 17, 2015, reporting beneficial ownership of Perceptive Advisors LLC and Joseph Edelman. Perceptive Advisors LLC and (17) Joseph Edelman have shared voting power and dispositive power over 2,812,352 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 listed herein.

Based solely on information contained in the Schedule 13G filed with the SEC on February 10, 2015, reporting (18) beneficial ownership of The Vanguard Group. The Vanguard Group has sole voting power over 51,542 shares, sole dispositive power over 2,242,672 shares and shared dispositive power over 48,042 shares.

## Equity Compensation Plan Information

The table below summarizes information, as of December 31, 2014 with respect to shares of our common stock that may be issued under our equity plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights (a)	Weighted-average price of outstanding options and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)
Equity compensation plans approved by security holders	5,244,536 <sup>(1)</sup>	\$ 24.69	1,966,469 <sup>(2)</sup>
Equity compensation plans not approved by security holders <sup>(3)</sup>	141,667	8.28	
Equity compensation plan not approved by security holders <sup>(4)</sup>			640,000
Total	5,386,203	24.25	2,606,469

Of the number of securities to be issued upon exercise, 4,730,375 shares are subject to outstanding options under our Restated Plan, and 514,161 shares are subject to outstanding options under the 2002 Plan as of December 31, 2014. Following the adoption of our 2011 Equity Incentive Plan in June 2011, which was amended and restated in (1) June 2013, no further grants will be, or have been, made under the 2002 Plan, but awards previously granted pursuant to the 2002 Plan will continue to be governed by the terms of the 2002 Plan and the applicable award agreements.

Represents 1,762,759 shares that were available for future issuance under the Restated Plan and 203,710 shares reserved for issuance under the ESPP as of December 31, 2014. The foregoing amounts do not reflect the (2) 1,700,000 additional shares under the Amended and Restated 2011 Equity Incentive Plan that our shareholders are being asked to approve pursuant to Proposal 4.

(3)

In June 2011, as a material inducement for Edward Kaye, M.D., to commence employment with us, we granted Dr. Kaye an option to purchase 141,667 shares of our common stock for an exercise price per share of \$8.28, as adjusted for our July 2012 one-for-six reverse stock split, outside of any stockholder approved equity incentive plan.

(4) In February 2014, to facilitate inducement awards to new hires under NASDAQ listing Rule 5635(c)(4), the Company adopted the 2014 Employment Commencement Incentive Plan.

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