

Esperion Therapeutics, Inc.  
Form DEF 14A  
April 28, 2016

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.       )

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

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

**ESPERION 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):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

# Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

## Table of Contents

April 28, 2016

To Our Stockholders:

You are cordially invited to attend the 2016 Annual Meeting of Stockholders of Esperion Therapeutics, Inc. on Thursday, June 9, 2016, at 8:00 a.m. Eastern Time (the "Annual Meeting") to be held as a virtual meeting, at which you will be able to attend, vote and submit your questions, at [www.virtualshareholdermeeting.com/ESPR2016](http://www.virtualshareholdermeeting.com/ESPR2016).

The Notice of 2016 Annual Meeting of Stockholders and the Proxy Statement contain details of the business to be conducted at the Annual Meeting and information you should consider when you vote your shares.

At the Annual Meeting, the agenda includes (1) the election of three directors, (2) the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016, (3) the approval, by non-binding advisory vote, of the compensation of the named executive officers and (4) the recommendation, by non-binding vote, of the frequency of future, non-binding advisory votes on the compensation of the named executive officers. The Board of Directors unanimously recommends that you vote *FOR* the election of each director nominee, *FOR* the ratification of the appointment of Ernst & Young LLP, *FOR* the advisory resolutions approving the compensation of our named executive officers, and for the proposed recommendation on the frequency of future advisory votes on the compensation of our named executive officers *EVERY ONE YEAR*.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote by submitting your proxy via the Internet at the address listed on the proxy card or by signing, dating, and returning the enclosed proxy card in the enclosed envelope. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

On behalf of our Board of Directors, I would like to express our appreciation for your continued interest in the affairs of Esperion Therapeutics, Inc. I look forward to greeting as many of our stockholders as possible at the Annual Meeting.

Sincerely,

Tim M. Mayleben  
*President and Chief Executive Officer*

---

Table of Contents

**Esperion Therapeutics, Inc.**

**3891 Ranchero Drive, Suite 150  
Ann Arbor, MI 48108**

**NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS**

**TIME:** 8:00 a.m., Eastern Time, on Thursday, June 9, 2016

**PLACE:** Virtually at [www.virtualshareholdermeeting.com/ESPR2016](http://www.virtualshareholdermeeting.com/ESPR2016), where you can attend the meeting and submit your questions during the meeting.

**PURPOSES:**

To elect three Class III directors, Scott Braunstein, M.D., Dov A. Goldstein, M.D. and Roger S. Newton, Ph.D., FAHA, to hold office until the 2019 Annual Meeting of stockholders and until their successors are duly elected and qualified, subject to their earlier resignation or removal;

To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016;

To hold a stockholder advisory vote on the compensation paid to our named executive officers;

To hold a stockholder advisory vote to determine the frequency of future stockholder advisory votes on the compensation paid to our named executive officers; and

To transact any other business that properly comes before the Annual Meeting (including adjournments and postponements thereof).

**RECORD DATE:** Stockholders of record at the close of business on April 11, 2016 are entitled to vote at the Annual Meeting of Stockholders.

**VOTING BY PROXY:** If you cannot attend the Annual Meeting of Stockholders, you may vote your shares via the Internet or by telephone by following the instructions on your proxy card and on [www.proxyvote.com](http://www.proxyvote.com), or by signing, voting and returning the proxy card to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. For specific instructions on how to vote your shares, please review the instructions for each of these voting options as detailed in your Notice and in this Proxy Statement. If you attend the Annual Meeting, you may vote directly even if you have previously voted via the Internet, by telephone or by returning your proxy card.

By Order of the Board of Directors,

Richard B. Bartram

*Corporate Secretary*  
Ann Arbor, Michigan  
April 28, 2016

---

Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<u>GENERAL INFORMATION</u>	<u>1</u>
<u>PROPOSAL ONE: ELECTION OF CLASS III DIRECTORS</u>	<u>5</u>
<u>EXECUTIVE OFFICERS</u>	<u>9</u>
<u>CORPORATE GOVERNANCE</u>	<u>10</u>
<u>PROPOSAL TWO: RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC</u>	
<u>ACCOUNTING FIRM</u>	<u>16</u>
<u>PROPOSAL THREE: ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION</u>	<u>19</u>
<u>PROPOSAL FOUR: ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON NAMED EXECUTIVE</u>	
<u>OFFICER COMPENSATION</u>	<u>20</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>21</u>
<u>EXECUTIVE OFFICER AND DIRECTOR COMPENSATION</u>	<u>25</u>
<u>RELATED PARTY TRANSACTIONS</u>	<u>46</u>
<u>TRANSACTION OF OTHER BUSINESS</u>	<u>47</u>
<u>ADDITIONAL INFORMATION</u>	<u>47</u>

---

Table of Contents

**IMPORTANT NOTICE REGARDING INTERNET AVAILABILITY OF PROXY MATERIALS**

We are furnishing proxy materials to our stockholders primarily via the Internet. On April 28, 2016, we mailed to our stockholders a Notice of Internet Availability containing instructions on how to access our proxy materials, including our Proxy Statement and our 2015 Annual Report. The Notice of Internet Availability also instructs you on how to submit your proxy or voting instructions through the Internet or to request a paper copy of our proxy materials, including a proxy card or voting instruction form that includes instructions on how to submit your proxy or voting instructions by mail or telephone. Other stockholders, in accordance with their prior requests, have received e-mail access to our proxy materials and instructions to submit their vote via the Internet, or have been mailed paper copies of our proxy materials and a proxy card or voting instruction form.

A copy of our Proxy Statement and our 2015 Annual Report are also available on the Internet at <http://investor.esperion.com/annuals.cfm>.

Internet distribution of our proxy materials is designed to expedite receipt by stockholders, lower the cost of the Annual Meeting, and conserve natural resources. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Internet Availability. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

**ATTENDING THE ANNUAL MEETING**

**Attending and participating via the Internet:**

any stockholder as of the record date can attend the 2016 Annual Meeting live via the Internet at [www.virtualshareholdermeeting.com/ESPR2016](http://www.virtualshareholdermeeting.com/ESPR2016)

webcast starts at 8:00 a.m. Eastern Time on June 9, 2016.

stockholders may vote and submit questions while attending the Annual Meeting on the Internet

instructions on how to attend and participate in the Annual Meeting via the Internet, including how to demonstrate proof of stock ownership, are posted at [www.virtualshareholdermeeting.com/ESPR2016](http://www.virtualshareholdermeeting.com/ESPR2016)

Anyone can view the Annual Meeting live via the Internet at [www.virtualshareholdermeeting.com/ESPR2016](http://www.virtualshareholdermeeting.com/ESPR2016).

Webcast replay of the Annual Meeting will be available until June 8, 2017.

**QUESTIONS**

**For questions regarding**

**Contact**

Annual Meeting  
stock ownership  
voting

Esperion Investor Relations:  
734-887-3903

---

Table of Contents

**PROXY STATEMENT**  
**FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD JUNE 9, 2016**

**GENERAL INFORMATION**

Our Board of Directors (the "Board") solicits your proxy on our behalf for the 2016 Annual Meeting of Stockholders (the "Annual Meeting") and at any postponement or adjournment of the Annual Meeting for the purposes set forth in this Proxy Statement and the accompanying Notice of 2016 Annual Meeting of Stockholders (the "Notice"). The Annual Meeting will be held at 8:00 a.m. Eastern Time on June 9, 2016, virtually at [www.virtualshareholdermeeting.com/ESPR2016](http://www.virtualshareholdermeeting.com/ESPR2016). This Proxy Statement is first being sent or made available to stockholders on or about April 28, 2016.

In this Proxy Statement the terms "Esperion," "the company," "we," "us," and "our" refer to Esperion Therapeutics, Inc. The mailing address of our principal executive offices is Esperion Therapeutics, Inc., 3891 Ranchero Drive, Suite 150, Ann Arbor, MI 48108.

<b>Record Date</b>	April 11, 2016.
<b>Quorum</b>	A majority of the shares of all issued and outstanding stock entitled to vote on the record date must be present in person or represented by proxy to constitute a quorum.
<b>Shares Outstanding</b>	22,540,466 shares of common stock outstanding as of April 11, 2016.
<b>Voting</b>	<p>There are four ways a stockholder of record can vote:</p> <ol style="list-style-type: none"><li>(1) By Internet: You may vote over the Internet by following the instructions provided in the Notice or, if you receive your proxy materials by U.S. mail, by following the instructions on the proxy card.</li><li>(2) By Telephone: If you receive your proxy materials by U.S. mail, you may vote by telephone by following the instructions on the proxy card.</li><li>(3) By Mail: If you receive your proxy materials by U.S. mail, you may complete, sign and return the accompanying proxy card in the postage-paid envelope provided.</li></ol>



Table of Contents

- (4) Directly at the Annual Meeting: If you are a stockholder as of the record date, you may vote directly at the meeting by going to [www.virtualshareholdermeeting.com/ESPR2016](http://www.virtualshareholdermeeting.com/ESPR2016) and using your unique control number that was included in the Notice of Availability of Proxy Materials you received in the mail. Submitting a proxy will not prevent a stockholder from attending the Annual Meeting, revoking their earlier-submitted proxy, and voting directly at the meeting. Voting directly at the Annual Meeting will revoke and replace any previous proxies or voting instructions submitted.

In order to be counted, proxies submitted by telephone or Internet must be received by 11:59 p.m. Eastern Time on June 8, 2016. Proxies submitted by U.S. mail must be received before the start of the Annual Meeting.

If you hold your shares through a bank or broker, please follow their instructions.

**Revoking Your Proxy**

Stockholders of record may revoke their proxies by attending the Annual Meeting and voting directly at the meeting, by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with our Secretary before the vote is counted or by voting again using the telephone or Internet before the cutoff time (your latest telephone or Internet proxy is the one that will be counted). If you hold shares through a bank or broker, you may revoke any prior voting instructions by contacting that firm.

**Votes Required to Adopt Proposals**

Each share of our common stock outstanding on the record date is entitled to one vote on any proposal presented at the Annual Meeting:

For Proposal One, the election of directors, the three nominees receiving the plurality of votes entitled to vote and cast will be elected as directors.

For Proposal Two, an affirmative vote of a majority of the shares properly cast for and against such matter, directly or represented by proxy, and voting on such matter is required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.

For Proposal Three, a majority of the shares properly cast for and against such matter is necessary for the approval of the advisory resolution on the compensation of our named executive officers.

Table of Contents

For Proposal Four, a plurality of votes cast is necessary for the approval of the advisory vote on the frequency of advisory votes on the compensation of our named executive officers. This means that the option that receives the most votes will be recommended by the stockholders to the Board.

**Effect of Abstentions and Broker Non-Votes**

Abstentions with respect to and votes withheld from any nominee, and "broker nonvotes" (*i.e.*, where a broker has not received voting instructions from the beneficial owner and for which the broker does not have discretionary power to vote on a particular matter) are counted as present for purposes of determining the presence of a quorum. With respect to the election of directors, you may vote "for" or "withhold" authority to vote for each of the nominees. Shares voting "withheld" have no effect on the election of directors. With respect to the ratification of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016, and the advisory note on the compensation of our named executive officers, you may vote "for", "against" or "abstain" from such proposal. Abstentions are not counted as votes cast and thus will have no effect on such proposals. With respect to the frequency of advisory votes on the compensation of the Company's named executive officers, you may vote for whether such frequency should be every one, two or three years, or abstain from voting. Abstentions are not counted as votes cast and thus will have no effect on this proposal.

Under the rules that govern brokers holding shares for their customers, brokers who do not receive voting instructions from their customers have the discretion to vote uninstructed shares on routine matters, but do not have discretion to vote such uninstructed shares on non-routine matters. Only Proposal Two, the ratification of the appointment of Ernst & Young LLP, is considered a routine matter where brokers are permitted to vote shares held by them without instruction. If your shares are held through a broker, those shares will not be voted in the election of directors, the advisory vote on the compensation of our named executive officers or the advisory vote to approve the proposed frequency of future stockholder advisory votes on the compensation of our named executive officers, unless you affirmatively provide the broker instructions on how to vote.

Table of Contents

**Voting Instructions**

If you complete and submit your proxy voting instructions, the persons named as proxies will follow your instructions. If you submit proxy voting instructions but do not direct how your shares should be voted on each item, the persons named as proxies will vote **FOR** the election of the nominees for director, **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016, **FOR** the approval of the advisory resolution on the compensation of our named executive officers and for the proposed recommendation of the frequency of advisory votes on the compensation of our named executive officers **EVERY ONE YEAR**. The persons named as proxies will vote on any other matters properly presented at the Annual Meeting in accordance with their best judgment, although we have not received timely notice of any other matters that may be properly presented for voting at the Annual Meeting.

**Voting Results**

We will announce preliminary results at the Annual Meeting. We will report final results by filing a Form 8-K within four business days after the Annual Meeting. If final results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.

**Additional Solicitation/Costs**

We are paying for the distribution of the proxy materials and solicitation of the proxies. As part of this process, we reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy

and solicitation materials to our stockholders. Proxy solicitation expenses that we will pay include those for preparation, mailing, returning and tabulating the proxies. Our directors, officers, and employees may also solicit proxies on our behalf in person, by telephone, email or facsimile, but they do not receive additional compensation for providing those services.

Table of Contents

**PROPOSAL ONE  
ELECTION OF CLASS III DIRECTORS**

**Number of Directors; Board Structure**

Our Board is divided into three staggered classes of directors as nearly equal in number as possible. One class is elected each year at the Annual Meeting of stockholders for a term of three years. The term of the Class III directors expires at the Annual Meeting. The term of the Class I directors expires at the 2017 Annual Meeting and the term of the Class II directors expires at the 2018 Annual Meeting. After the initial terms expire, directors are expected to be elected to hold office for a three-year term or until the election and qualification of their successors in office.

**Nominees**

Based on the recommendation of the nominating and corporate governance committee of our Board, our Board has nominated Scott Braunstein, M.D., Dov A. Goldstein, M.D. and Roger S. Newton, Ph.D., FAHA for election as Class III directors to serve for three-year terms ending at the 2019 Annual Meeting or until their successors are elected and qualified. Each of the nominees is a current member of our Board and has consented to serve if elected.

Unless you direct otherwise through your proxy voting instructions, the persons named as proxies will vote all proxies received "for" the election of each nominee. If any nominee is unable or unwilling to serve at the time of the Annual Meeting, the persons named as proxies may vote for a substitute nominee chosen by the present Board. In the alternative, the proxies may vote only for the remaining nominees, leaving a vacancy on the Board. The Board may fill such vacancy at a later date or reduce the size of the Board. We have no reason to believe that any of the nominees will be unwilling or unable to serve if elected as a director.

**Recommendation of the Board**

**THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE FOLLOWING NOMINEES.**

The biographies of each of the nominees and continuing directors below contain information regarding each such person's service as a director, business experience, director positions held currently or at any time during the last five years and the experiences, qualifications, attributes or skills that caused the nominating and corporate governance committee to determine that the person should serve as a director of the company. In addition to the information presented below regarding each such person's specific experience, qualifications, attributes and skills that led the Board and its nominating and corporate governance committee to the conclusion that he or she should serve as a director, we also believe that each of our directors has a reputation for integrity, honesty and adherence to high ethical standards. Each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to our company and our Board. Finally, we value our directors' experience in relevant areas of business management and on other boards of directors and board committees.

Our corporate governance guidelines also dictate that a majority of the Board be comprised of independent directors whom the Board has determined have no material relationship with the company and who are otherwise "independent" directors under the published listing requirements of the NASDAQ Stock Market.

**Nominees for Election for a Three-Year Term Ending at the 2019 Annual Meeting**

*Scott Braunstein, M.D.*, 52, became a member of our Board in June 2015. Dr. Braunstein is an Operating Partner at Aisling Capital, a private investment firm, and currently serves as Senior Vice

## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

### Table of Contents

President of Strategy and Corporate Development at Pacira Pharmaceuticals, Inc. (NASDAQ: PCRX). Dr. Braunstein served as a healthcare portfolio manager at Everpoint Asset Management from 2014 through 2015. Previously, from 2002 to 2014, he worked in various positions at JP Morgan Asset Management, a division of JPMorgan Chase & Co. (NYSE: JPM), most recently as a managing director, senior portfolio manager for the JPM Global Healthcare Fund, and the JPM asset global equity analyst for the U.S. pharmaceutical and biotechnology industry. Prior to that, he worked at Deutsche Bank from 2000 to 2002 as a health care equity sales specialist and as vice president of operations at Defined Healthcare from 1999 to 2000. He is board certified in Internal Medicine, having completed his residency at the New York Hospital-Cornell Medical Center, and achieved the title of assistant clinical professor of medicine at Columbia University Medical Center. Dr. Braunstein earned his bachelor degree from Cornell University and his medical degree from the Albert Einstein College of Medicine at Yeshiva University. We believe that Dr. Braunstein is qualified to serve as a director based on his broad experience in the industry in which we operate.

*Dov A. Goldstein, M.D.*, 48, has served as a member of our Board since April 2008. Dr. Goldstein is a Managing Partner at Aisling Capital, a private investment firm. From October 2014 to May 2015, he served as acting Chief Financial Officer of Loxo Oncology, Inc. (NASDAQ: LOXO). He previously served as a Partner of Aisling Capital from 2008 to 2014, and from 2006 to 2008, he was a Principal at Aisling Capital. From 2000 to 2005, Dr. Goldstein was Chief Financial Officer of Vicuron Pharmaceuticals, Inc. before its acquisition by Pfizer Inc. From 1998 to 2000, Dr. Goldstein was Director of Venture Analysis at HealthCare Ventures, a privately held investment fund. Dr. Goldstein is a director of a number of companies including ADMA Biologics, Inc. (NASDAQ: ADMA) and Cempra Pharmaceuticals, Inc. (NASDAQ: CEMP). He previously served as a member of the board of directors of Durata Therapeutics (NASDAQ: DRTX) from December 2009 until May 2013, and of Loxo Oncology (NASDAQ: LOXO) from July 2013 to October 2014. He holds a B.S. in biology from Stanford University, an M.D. from the Yale School of Medicine and an M.B.A. from the Columbia Business School. We believe Dr. Goldstein's experience with financial accounting matters for complex organizations, his prior oversight of the financial reporting process of public companies and his experience working with life sciences companies qualifies him to serve as a member of our Board.

*Roger S. Newton, Ph.D., FAHA*, 65, has served as our Executive Chairman and Chief Scientific Officer since December 2012 and is a fellow of the American Heart Association and the American College of Nutrition. Dr. Newton was previously our President and Chief Executive Officer from our founding in 2008 to December 2012. Prior to joining our company, he was Senior Vice President, Pfizer Global R&D from 2004 to 2008. He was a Co-founder, President & CEO of the original Esperion from July 1998 until its acquisition by Pfizer in 2004. Prior to founding the original Esperion, Dr. Newton was Chairman of the Atherosclerosis Drug Discovery Team at Warner Lambert from 1981 to 1998. Dr. Newton is a director of a number of companies including Celsee Diagnostics (previously DeNovo Biosciences, Inc.), Juventas Therapeutics, Inc. and Rubicon Genomics, Inc. He is also a member of the Technology Advisory Boards of Arboretum Ventures and FirstSense Medical, LLC. Dr. Newton has a Ph.D. in nutrition from the University of California, Davis, a Master of Science degree in nutritional biochemistry from the University of Connecticut, and a Bachelor of Science degree in biology from Lafayette College. Dr. Newton's qualifications to serve as a member of our Board include his more than 30 years of industry experience in the development and commercialization of pharmaceutical products.

### **Directors Continuing in Office Until the 2017 Annual Meeting**

*Daniel Janney*, 50, has served as a member of our Board since November 2012. Mr. Janney is a Managing Director at Alta Partners, a life sciences venture capital firm, which he joined in 1996. Prior to joining Alta, from 1993 to 1996, he was a Vice President in Montgomery Securities' healthcare and biotechnology investment banking group, focusing on life sciences companies. Mr. Janney is a director

## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

### Table of Contents

of a number of companies including Alba Therapeutics Corporation, Prolacta Bioscience, Inc., ViroBay, Inc., and Sutro Biopharma. He holds a Bachelor of Arts in History from Georgetown University and an M.B.A. from the Anderson School at the University of California, Los Angeles. We believe Mr. Janney's experience working with and serving on the boards of directors of life sciences companies and his experience working in the venture capital industry qualifies him to serve as a member of our Board.

*Tim M. Mayleben, 55*, has served as our President and Chief Executive Officer since December 2012 and as a member of our Board since February 2010. Prior to joining Esperion, Mr. Mayleben was President, CEO and a director of Vericel Corporation (NASDAQ: VCEL) (formerly Aastrom Biosciences). Previously, Mr. Mayleben was President, Chief Operating Officer and a director of NightHawk Radiology Holdings, Inc. Prior to joining NightHawk, he was the COO of the original Esperion, until its acquisition by Pfizer in 2004. Mr. Mayleben is an advisor to, investor in, and member of the board of directors of several life science companies, including Kaléo Pharma, Lycera Corporation, Loxo Oncology, Inc. (NASDAQ: LOXO) and Marinus Pharmaceuticals (NASDAQ: MRNS). Mr. Mayleben earned an M.B.A., with distinction, from the J.L. Kellogg Graduate School of Management at Northwestern University, and a B.B.A. from the University of Michigan, Ross School of Business. We believe that Mr. Mayleben's experience working in the life sciences industry, including over a decade of experience as an executive officer of several life sciences companies, qualifies him to serve as a member of our Board.

*Mark E. McGovern, M.D., 63*, became a member of our Board in February 2014. Dr. McGovern is a board-certified cardiologist with over 20 years of experience developing lipid regulating therapies, and since 2007, has served as a consultant to the pharmaceutical industry in cardiovascular and lipid regulation. Dr. McGovern spent 10 years, from 1997 to 2007, at Kos Pharmaceuticals, where he last served as Executive Vice President, Medical Affairs, and Chief Medical Officer, prior to its acquisition by Abbott Laboratories. Prior to joining Kos Pharmaceuticals, Dr. McGovern spent 11 years at Bristol-Myers Squibb (NYSE: BMY), from 1986 to 1997, in various capacities, including Executive Director, Heart Failure and Atherosclerosis Clinical Research. Dr. McGovern earned his Bachelor's degree summa cum laude from Princeton University and his medical degree from the University of Vermont. Dr. McGovern is a Fellow of the American College of Cardiology and the American College of Physicians, and has published extensively on lipid management and its role in the treatment of coronary heart disease. We believe that Dr. McGovern is qualified to serve as a member of our Board based on his broad experience in the industry in which we operate and his expertise in lipid regulating therapies.

### **Directors Continuing in Office Until the 2018 Annual Meeting**

*Antonio M. Gotto Jr., M.D., D.Phil., 81*, has served as a member of our Board since January 2014. Dr. Gotto currently serves as Dean Emeritus of the Joan and Sanford I. Weill Medical College of Cornell University and Provost for Medical Affairs Emeritus of Cornell University. From January 2012 to December 2014, Dr. Gotto was the Co-Chairman of the Board of Overseers of Weill Cornell Medical College, and from January 1997 to December 2011, he served as the Stephen and Suzanne Weiss Dean of the Joan and Sanford I. Weill Medical College of Cornell University and Provost for Medical Affairs of Cornell University. Previously, Dr. Gotto served as J.S. Abercrombie Chair of Atherosclerosis and Lipoprotein Research and Chairman and Professor of the Department of Medicine at Baylor College of Medicine and Methodist Hospital. Dr. Gotto currently serves as a member of the Institute of Medicine of the National Academy of Sciences and as a Fellow of the American Academy of Arts and Sciences. Dr. Gotto is also a past president of the International Atherosclerosis Society and a past president of the American Heart Association. Dr. Gotto holds a B.A. degree from Vanderbilt University, a D.Phil. degree in Biochemistry from Oxford University in England, where he was a Rhodes Scholar, and an M.D. degree from Vanderbilt University School of Medicine. He completed his residency training at Massachusetts General Hospital in Boston, Massachusetts. Dr. Gotto is also a



## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

### Table of Contents

member of the board of directors of Aegerion Pharmaceuticals, Inc. (NASDAQ: AEGR). We believe that Dr. Gotto is qualified to serve as a member of our Board based on his broad industry experience and expertise in lipid disorders.

*Gilbert S. Omenn, M.D., Ph.D.*, 74, was appointed to our Board in June 2014. Dr. Omenn is Professor of Computational Medicine & Bioinformatics, Internal Medicine, Human Genetics and Public Health at the University of Michigan. He leads the global Human Proteome Project. He serves on the Council of the National Academy of Medicine and the Community Preventive Services Task Force of the Centers for Disease Control and Prevention (CDC). Previously, Dr. Omenn was Chief Executive Officer of the University of Michigan Health System and Executive Vice President of the University of Michigan for Medical Affairs; Professor of Medicine and of Environmental Health, and Dean of the School of Public Health and Community Medicine, at the University of Washington; Associate Director of the White House Office of Science & Technology Policy and of the Office of Management and Budget; and a Howard Hughes Medical Investigator. He has served on the National Cancer Advisory Board, National Heart, Lung and Blood Institute Advisory Council, Scientific Management Review Board of the NIH, and the Director's Advisory Committee for the CDC. Dr. Omenn earned his Bachelor's degree summa cum laude from Princeton University, his M.D. magna cum laude from Harvard Medical School, and his Ph.D. in genetics from the University of Washington. Dr. Omenn serves on the boards of Galectin Therapeutics, Inc. (NASDAQ: GALT) and Oncofusion Therapeutics, Inc. Previously, Dr. Omenn was a director of Amgen, Inc. (NASDAQ: AMGN) and Rohm & Haas Company. We believe that Dr. Omenn is qualified to serve as a member of our Board based on his broad industry, academic, and healthcare experience.

*Nicole Vitullo*, 58, has served as a member of our Board since April 2008 and as our lead independent director since December 2015. Ms. Vitullo joined Domain Associates, LLC, a venture capital firm with an exclusive focus on life sciences, in 1999 and became a Partner in 2004. From 1992 to 1999, Ms. Vitullo was Senior Vice President at Rothschild Asset Management, Inc. Ms. Vitullo is a director of a number of companies including Celator Pharmaceuticals, Inc. (NASDAQ: CPXX), Achillion Pharmaceuticals, Inc. (NASDAQ: ACHN), Marinus Pharmaceuticals, Inc. (NASDAQ: MRNS), Celtaxsys Inc. and VentiRx Pharmaceuticals, Inc. Ms. Vitullo received a B.A. and an M.B.A. from the University of Rochester. We believe Ms. Vitullo's experience working with and serving on the boards of directors of life sciences companies and her experience working in the venture capital industry qualifies her to serve as a member of our Board.

### **Directors Departing Office Following the Annual Meeting**

Mr. Enright's term as director will conclude at the Annual Meeting, and he has not been nominated by the Board for election to a new three-year term at the Annual Meeting.

*Patrick G. Enright*, 54, became a member of our Board in April 2013. Mr. Enright is a founder of Longitude Capital Management Co., LLC, a venture capital firm focused on investments in biotechnology, and has served as its Managing Director since 2007. From 2002 through 2006, Mr. Enright was a Managing Director of Pequot Ventures where he co-led the life sciences investment practice. Prior to Pequot, he was a Managing Member responsible for the Delta Opportunity Fund, where he invested in privately-held and publicly-traded biotechnology companies. He was previously Chief Financial Officer and Senior Vice President of Business Development at Valentis, Inc. (now Urogen Pharmaceuticals, Inc.) and Senior Vice President of Finance and Business Development at Boehringer Mannheim Pharmaceuticals (now F. Hoffmann-La Roche, Ltd.). Mr. Enright is a director of a number of privately-held companies, as well as Aimmune Therapeutics, Inc. (NASDAQ: AIMT) Corcept Therapeutics, Inc. (NASDAQ: CORT) and Jazz Pharmaceuticals plc (NASDAQ: JAZZ). Previously, Mr. Enright served on the boards of Threshold Pharmaceuticals, Inc. (NASDAQ: THLD), Sequenom, Inc. (NASDAQ: SQNM), Valentis, Inc. (NASDAQ: VLTS), Codexis, Inc. (NASDAQ: CDXS), Horizon Pharma plc (NASDAQ: HZNP), and MAP Pharmaceuticals, Inc. (NASDAQ: MAPP). Mr. Enright received his M.B.A. from the Wharton School of Business at the University of Pennsylvania and his B.S. in Biological Sciences from Stanford University.

Table of Contents**EXECUTIVE OFFICERS**

The following table presents our current executive officers and their respective ages and positions as of March 31, 2016. Biographical information pertaining to Mr. Mayleben and Dr. Newton, who each serve as both a director and an executive officer, can be found in the section entitled "Proposal One, Election Of Class III Directors."

<b>Name</b>	<b>Age</b>	<b>Position</b>
Tim M. Mayleben	55	President and Chief Executive Officer
Roger S. Newton, Ph.D., FAHA	65	Executive Chairman and Chief Scientific Officer
Narendra D. Lalwani, Ph.D., FAHA, DABT	63	Executive Vice President, Research & Development, and Chief Operating Officer
Mary P. McGowan, M.D.	56	Chief Medical Officer

*Narendra D. Lalwani, Ph.D., FAHA, DABT*, has served as our Executive Vice President, Research & Development, and Chief Operating Officer since August 2014. Prior to joining Esperion Dr. Lalwani was Chief Scientific Officer at Cerenis Therapeutics from 2007 to 2014 where he led R&D activities for the company. Previously, Dr. Lalwani was Vice President of Drug Safety at the original Esperion until its acquisition by Pfizer. Prior to Esperion, Dr. Lalwani held various positions of increasing responsibility in the Department of Pathology and Experimental Toxicology at Warner-Lambert/Parke-Davis. Dr. Lalwani is a Fellow of the American Heart Association (FAHA) and a diplomat of the American Board of Toxicology (DABT). Dr. Lalwani earned a Ph.D. in Biophysics from the University of Bombay (India) and an M.B.A from the University of Michigan Ross School of Business.

*Mary P. McGowan, M.D.*, has served as our Chief Medical Officer since June 2015. Prior to joining Esperion, Dr. McGowan served as senior medical director of clinical development (cardiovascular) at Genzyme Corporation, a Sanofi S.A. (NYSE: SAN) company, from 2012 to 2015. Dr. McGowan has also served as a part-time physician and co-director of the Dartmouth-Hitchcock Lipid Clinic since 2013. In 2011 she served as executive director of MedPace Clinics, and from 2004 to 2011 she served as director of the Cholesterol Treatment Center at Concord Hospital. Dr. McGowan also served as director of the Cholesterol Management Center at Catholic Medical Center from 1992 to 2004. Dr. McGowan served as a board member of the National Lipid Association from 2006 to 2011. She also previously served as the Chief Medical Officer of the Familial Hypercholesterolemia Foundation and was a member of the National Lipid Association's Expert Panel on Familial Hypercholesterolemia, the New Hampshire Childhood Obesity Expert Panel and New Hampshire board of the American Heart Association. Dr. McGowan has also served as a reviewer for the Journal of Clinical Lipidology since 2007. She earned her bachelor's degree from St. Michaels College and completed medical school and residency training at the University of Massachusetts Medical Center and a fellowship at Johns Hopkins School of Medicine.

Table of Contents

**CORPORATE GOVERNANCE**

**Board Independence**

Our Board has determined that all members of the Board, except Mr. Mayleben and Dr. Newton, are independent, as determined in accordance with the rules of the NASDAQ Stock Market. In making such independence determination, the Board considered the relationships that each such non-employee director has with us and all other facts and circumstances that the Board deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. In considering the independence of the directors listed above, our Board considered the association of our directors with the holders of more than 5% of our common stock. The composition and functioning of our Board and each of our committees complies with all applicable requirements of the NASDAQ Stock Market and the rules and regulations of the SEC. There are no family relationships among any of our directors or executive officers.

At least annually, the Board will evaluate all relationships between us and each director in light of relevant facts and circumstances for the purposes of determining whether a material relationship exists that might signal a potential conflict of interest or otherwise interfere with such director's ability to satisfy his or her responsibilities as an independent director. Based on this evaluation, the Board will make an annual determination of whether each director is independent within the meaning of NASDAQ's, the SEC's, and our applicable committees' independence standards.

**Code of Business Conduct and Ethics**

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The current version of the Code of Business Conduct and Ethics is available on our website at <http://investor.esperion.com/governance.cfm>. A copy of the Code of Business Conduct and Ethics may also be obtained, free of charge, upon a request directed to: Esperion Therapeutics, Inc., 3891 Ranchero Drive, Suite 150, Ann Arbor, MI 48108, Attention: Vice President, Finance. We intend to disclose any amendment or waiver of a provision of the Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or Vice President, Finance, or persons performing similar functions, by posting such information on our website (available at <http://www.esperion.com>) and/or in our public filings with the SEC.

**Corporate Governance Guidelines**

The Board has adopted corporate governance guidelines to assist and guide its members in the exercise of its responsibilities. These guidelines should be interpreted in accordance with any requirements imposed by applicable federal or state law or regulation, NASDAQ and our certificate of incorporation and bylaws. Our corporate governance guidelines are available in the corporate governance section of our website at <http://investor.esperion.com/governance.cfm>. Although these corporate governance guidelines have been approved by the Board, it is expected that these guidelines will evolve over time as customary practice and legal requirements change. In particular, guidelines that encompass legal, regulatory or exchange requirements as they currently exist will be deemed to be modified as and to the extent that such legal, regulatory or exchange requirements are modified. In addition, the guidelines may also be amended by the Board at any time as it deems appropriate.

**Board and Committee Meetings**

The Board meets on a regularly scheduled basis during the year to review significant developments affecting us and to act on matters requiring their approval. It also holds special meetings when important matters require action between scheduled meetings. Members of senior management regularly attend meetings to report on and discuss their areas of responsibility. During 2015, the Board

## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

### Table of Contents

held 9 meetings and acted by unanimous written consent once. The Board has three standing committees:

the audit committee, which held five meetings in 2015;

the compensation committee, which held ten meetings in 2015; and

the nominating and corporate governance committee, which held five meetings in 2015.

Each of the incumbent directors of the Board attended at least 75% of the aggregate of all meetings of the Board and all meetings of committees of our Board upon which they served (during the periods that they served) during 2015. The Board of Directors regularly holds executive sessions of the independent directors. Executive sessions do not include employee directors or directors who do not qualify as independent under NASDAQ and SEC rules.

### **Annual Meeting Attendance**

It is our policy that members of our Board are encouraged to attend annual meetings of our stockholders. All of our directors at the time of our 2015 Annual Meeting of stockholders attended that meeting.

### **Committees**

Our bylaws provide that the Board may delegate responsibility to committees. The Board has three standing committees: an audit committee, a compensation committee, and a nominating and corporate governance committee. The Board has also adopted a written charter for each of the three standing committees. Each committee charter is available in the corporate governance section of our website at <http://investor.esperion.com/governance.cfm>.

### ***Audit Committee***

Mr. Enright, Mr. Janney and Drs. Braunstein, Goldstein and Omenn currently serve on the audit committee, which is chaired by Mr. Enright. Effective as of the date of our Annual Meeting, Mr. Janney and Drs. Braunstein (subject to his reelection at the Annual Meeting), Goldstein and Omenn will serve on the Audit Committee, which will be chaired by Dr. Braunstein. Our board of directors has determined that each member of the audit committee is "independent" for audit committee purposes as that term is defined in the applicable rules of the Securities and Exchange Commission and the NASDAQ Stock Market. Our board of directors has designated Dr. Braunstein as the "audit committee financial expert," as defined under the applicable rules of the Securities and Exchange Commission. The audit committee's responsibilities include:

appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;

approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;

reviewing the internal audit plan with our independent registered public accounting firm and members of management responsible for preparing our financial statements;

reviewing and discussing with management and our independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;

reviewing the adequacy of our internal control over financial reporting;



Table of Contents

establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;

recommending, based upon the audit committee's review and discussions with management and our independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;

monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;

preparing the audit committee report required by SEC rules to be included in our annual proxy statement;

reviewing all related party transactions for potential conflict of interest situations and approving all such transactions; and

reviewing quarterly earnings releases.

***Compensation Committee***

Mr. Janney, Ms. Vitullo and Drs. Gotto and Omenn currently serve on the compensation committee, which is chaired by Ms. Vitullo. Our Board has determined that each member of the compensation committee is "independent" as that term is defined in the applicable NASDAQ Stock Market rules, is an "outside director" for purposes of Section 162(m) and is "non-employee director" for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The compensation committee's responsibilities include:

annually reviewing and approving corporate goals relevant to the compensation of our Chief Executive Officer;

evaluating the performance of our Chief Executive Officer in light of such corporate goals and determining the compensation of our Chief Executive Officer;

reviewing and approving the compensation of our other executive officers;

reviewing and establishing our overall management compensation, philosophy and policy;

overseeing and administering our compensation and similar plans;

evaluating and assessing potential and current compensation advisers in accordance with the independence standards identified in the applicable NASDAQ Stock Market rules;

retaining and approving the compensation of any compensation advisers;

reviewing and approving our policies and procedures for the grant of equity based awards;

reviewing and making recommendations to our Board with respect to the compensation of our non-employee directors;

## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

preparing the compensation committee report to accompany our Compensation Discussion and Analysis; and

reviewing and discussing with management the compensation disclosure required to be included in our annual proxy statement and Annual Report on Form 10-K.

### *Nominating and Corporate Governance Committee*

Drs. Goldstein, Gotto and McGovern currently serve on the nominating and corporate governance committee, which is chaired by Dr. Goldstein. Our board of directors has determined that each member of the nominating and corporate governance committee is "independent" as that term is

Table of Contents

defined in the applicable NASDAQ Stock Market rules. The nominating and corporate governance committee's responsibilities include:

developing and recommending to the board of directors criteria for board and committee membership;

establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by stockholders;

identifying individuals qualified to become members of the board of directors;

recommending to the board of directors the persons to be nominated for election as directors and to each of the board's committees;

developing and recommending to the board of directors a set of corporate governance guidelines; and

overseeing the evaluation of the board of directors and management.

Our board of directors may establish other committees from time to time.

***Identifying and Evaluating Director Nominees***

The Board is responsible for selecting its own members. The Board delegates the selection and nomination process to the nominating and corporate governance committee, with the expectation that other members of the Board, and of management, will be requested to take part in the process as appropriate.

Generally, the nominating and corporate governance committee identifies candidates for director nominees in consultation with management, through the use of search firms or other advisors, through the recommendations submitted by stockholders or through such other methods as the nominating and corporate governance committee deems to be helpful to identify candidates. Once candidates have been identified, the nominating and corporate governance committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the nominating and corporate governance committee. The nominating and corporate governance committee may gather information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means that the nominating and corporate governance committee deems to be appropriate in the evaluation process. The nominating and corporate governance committee then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the Board. Based on the results of the evaluation process, the nominating and corporate governance committee recommends candidates for the Board's approval as director nominees for election to the Board.

***Minimum Qualifications***

The nominating and corporate governance committee will consider, among other things, the following qualifications, skills and attributes when recommending candidates for the Board's selection as nominees for the Board and as candidates for appointment to the Board's committees. The nominee shall have the highest personal and professional integrity, shall have demonstrated exceptional ability and judgment, and shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the stockholders.

In evaluating proposed director candidates, the nominating and corporate governance committee may consider, in addition to the minimum qualifications and other criteria for Board membership approved by the Board from time to time, all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the proposed director candidate, his or her depth



Table of Contents

and breadth of professional experience or other background characteristics, his or her independence and the needs of the Board.

***Stockholder Recommendations***

Stockholders may submit recommendations for director candidates to the nominating and corporate governance committee by sending the individual's name and qualifications to our Secretary at Esperion Therapeutics, Inc., 3891 Ranchero Drive, Suite 150, Ann Arbor, MI 48108, who will forward all recommendations to the nominating and corporate governance committee. The nominating and corporate governance committee will evaluate any candidates recommended by stockholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors or management.

**Stockholder Communications**

The Board provides to every securityholder the ability to communicate with the Board, as a whole, and with individual directors on the Board through an established process for securityholder communication. For a securityholder communication directed to the Board of Directors as a whole, securityholders may send such communication to the attention of the Chairman of the Board via U.S. Mail or Expedited Delivery Service to: Esperion Therapeutics, Inc., 3891 Ranchero Drive, Suite 150, Ann Arbor, MI 48108, Attn: Chairman of the Board.

For a securityholder communication directed to an individual director in his or her capacity as a member of the Board, securityholders may send such communication to the attention of the individual director via U.S. Mail or Expedited Delivery Service to: Esperion Therapeutics, Inc., 3891 Ranchero Drive, Suite 150, Ann Arbor, MI 48108, Attn: [Name of Individual Director].

We will forward by U.S. Mail any such securityholder communication to each director, and the Chairman of the Board in his or her capacity as a representative of the Board, to whom such securityholder communication is addressed to the address specified by each such director and the Chairman of the Board, unless there are safety or security concerns that mitigate against further transmission.

**Board Leadership Structure**

The positions of our Executive Chairman of the Board and Chief Executive Officer are presently separated at Esperion. Our board of directors believes that this structure allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Executive Chairman of the Board to lead the board in its role of providing strategic and long-term direction. Our board of directors believes its administration of its risk oversight function has not affected its leadership structure. Although our amended and restated bylaws do not require our Executive Chairman and Chief Executive Officer positions to be separate, our board of directors believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Since July 2015, Nicole Vitullo has served as our lead independent director. As the lead independent director, Ms. Vitullo is responsible for coordinating the activities of the independent directors. Among other things, the lead independent director has the following specific responsibilities:

presiding at all meetings of the board at which the Chairperson of the board is not present, including executive sessions of independent directors;

serving as liaison between the Chairperson of the board and the independent directors;

approving information sent to the board;

Table of Contents

approving board meeting agendas;

approving board meeting schedules to assure that there is sufficient time for discussion of all agenda items;

having the authority to call meetings of the independent directors of the board; and

if requested by major stockholders, ensuring that he or she is available for consultation and direct communication.

**Board's Role in Risk Oversight**

Our board of directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. Our board of directors performs this oversight role by using several different levels of review. In connection with its reviews of the operations and corporate functions of our company, our board of directors addresses the primary risks associated with those operations and corporate functions. In addition, our board of directors reviews the risks associated with our company's business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies.

Each of our board committees also oversees the management of our company's risk that falls within the committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. Our Vice President, Finance reports to the audit committee and is responsible for identifying, evaluating and implementing risk management controls and methodologies to address any identified risks. In connection with its risk management role, our audit committee meets privately with representatives from our independent registered public accounting firm and our Vice President, Finance. The audit committee oversees the operation of our risk management program, including the identification of the primary risks associated with our business and periodic updates to such risks, and reports to our board of directors regarding these activities. The compensation committee also plays a role in that it is charged, in overseeing our overall compensation structure, with assessing whether that compensation structure creates risks that are reasonably likely to have a material adverse effect on us.

**Risks Related to Compensation Policies and Practices**

In establishing and reviewing our compensation philosophy and programs, our Board considers whether such programs encourage unnecessary or excessive risk taking. We believe that our executive compensation programs do not encourage excessive or unnecessary risk taking. This is primarily due to the fact that our compensation programs are designed to encourage our executive officers and other employees to remain focused on both short-term and long-term strategic goals. As a result, we do not believe that our compensation programs are reasonably likely to have a material adverse effect on us.

Table of Contents

**PROPOSAL TWO**  
**RATIFICATION OF THE APPOINTMENT OF**  
**OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We have appointed Ernst & Young LLP as our independent registered public accounting firm to perform the audit of our financial statements for the fiscal year ending December 31, 2016, and we are asking you and other stockholders to ratify this appointment. Ernst & Young LLP has served as our independent registered public accounting firm since 2008.

The audit committee annually reviews the independent registered public accounting firm's independence, including reviewing all relationships between the independent registered public accounting firm and us and any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm, and the independent registered public accounting firm's performance. As a matter of good corporate governance, the Board determined to submit to stockholders for ratification the appointment of Ernst & Young LLP. A majority of the votes properly cast is required in order to ratify the appointment of Ernst & Young LLP. In the event that a majority of the votes properly cast do not ratify this appointment of Ernst & Young LLP, we will review our future appointment of Ernst & Young LLP.

We expect that a representative of Ernst & Young LLP will attend the Annual Meeting and the representative will have an opportunity to make a statement if he or she so chooses. The representative will also be available to respond to appropriate questions from stockholders.

**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

We have adopted a policy on under which the audit committee must pre-approve all audit and permissible non-audit services to be provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval would generally be requested annually, with any pre-approval detailed as to the particular service, which must be classified in one of the four categories of services listed below. The audit committee may also, on a case-by-case basis, pre-approve particular services that are not contained in the annual pre-approval request. In connection with this pre-approval policy, the audit committee also considers whether the categories of pre-approved services are consistent with the rules on accountant independence of the SEC and the Public Company Accounting Oversight Board.

In addition, in the event time constraints require pre-approval prior to the audit committee's next scheduled meeting, the audit committee has authorized its Chairperson to pre-approve services. Engagements so pre-approved are to be reported to the audit committee at its next scheduled meeting.

**Audit Fees**

The following table sets forth the fees billed by Ernst & Young LLP for audit, audit-related, tax and all other services rendered for 2015 and 2014:

<b>Fee Category</b>	<b>2015</b>	<b>2014</b>
Audit Fees	\$ 391,225	\$ 308,710
Audit-Related Fees		
Tax Fees	46,200	9,400
All Other Fees		
<b>Total</b>	<b>\$ 437,425</b>	<b>\$ 318,110</b>

Table of Contents

*Audit Fees.* Consist of aggregate fees for professional services provided in connection with the annual audit of our financial statements, the review of our quarterly condensed financial statements, consultations on accounting matters directly related to the audit, and comfort letters, consents and assistance with and review of documents filed with the SEC.

*Audit-Related Fees.* Consist of aggregate fees for accounting consultations and other services that were reasonably related to the performance of audits or reviews of our financial statements and were not reported above under "Audit Fees".

*Tax Fees.* Consist of aggregate fees for tax compliance, tax advice and tax planning services including the review and preparation of our federal and state income tax returns.

*All Other Fees.* Consist of aggregate fees billed for products and services provided by the independent registered public accounting firm other than those disclosed above. These fees consisted of an amount paid for the use of an online accounting research tool.

The audit committee pre-approved all services performed since the pre-approval policy was adopted.

**Recommendation of the Board**

**THE BOARD RECOMMENDS THAT YOU VOTE "FOR" RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016.**

Table of Contents

**Report of the Audit Committee of the Board of Directors**

The information contained in this audit committee report shall not be deemed to be (1) "soliciting material," (2) "filed" with the SEC, (3) subject to Regulations 14A or 14C of the Exchange Act, or (4) subject to the liabilities of Section 18 of the Exchange Act. No portion of this audit committee report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that Esperion specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

This report is submitted by the audit committee of the Board. The audit committee consists of the five directors whose names appear below. None of the members of the audit committee is an officer or employee of Esperion, and the Board has determined that each member of the audit committee is "independent" for audit committee purposes as that term is defined under Rule 10A-3 of the Exchange Act, and the applicable NASDAQ Stock Market rules. Each member of the audit committee meets the requirements for financial literacy under the applicable rules and regulations of the SEC and NASDAQ Stock Market. The Board has designated Dr. Braunstein as an "audit committee financial expert," as defined under the applicable rules of the SEC. The audit committee operates under a written charter adopted by the Board.

The audit committee's general role is to assist the Board in monitoring our financial reporting process and related matters. Its specific responsibilities are set forth in its charter.

The audit committee has reviewed the company's financial statements for 2015 and met with management, as well as with representatives of Ernst & Young LLP, the company's independent registered public accounting firm, to discuss the financial statements. The audit committee also discussed with members of Ernst & Young LLP the matters required to be discussed by the Auditing Standard No. 16, as amended (AICPA *Performance Standards* Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

In addition, the audit committee received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and discussed with members of Ernst & Young LLP its independence.

Based on these discussions, the financial statement review and other matters it deemed relevant, the audit committee recommended to the Board that the company's audited financial statements for 2015 be included in its Annual Report on Form 10-K for 2015.

**Audit Committee**

*Patrick Enright (Chairperson)*

*Scott Braunstein, M.D.*

*Dov A. Goldstein, M.D.*

*Daniel Janney*

*Gilbert S. Omenn, M.D., Ph.D.*

Table of Contents

**PROPOSAL THREE**  
**ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION**

Our Board is committed to excellence in governance. As part of this commitment, and as required by Section 14A(a)(1) of the Exchange Act, our Board is providing our stockholders with an opportunity to cast a non-binding, advisory vote on the compensation of our named executive officers.

As described below under "Executive Officer and Director Compensation Compensation Discussion and Analysis," we have developed a compensation program that is designed to attract and retain key executives responsible for our success and motivate management to enhance long-term stockholder value. The executive compensation program is designed to reward short-term and long-term performance and to align the financial interests of executive officers with the interests of the Company's stockholders. We believe our executive compensation program strikes an appropriate balance between the implementation of responsible, measured compensation practices and the effective provision of incentives for our named executive officers to exert their best efforts for our success.

We are asking for stockholder approval, on an advisory basis, of the compensation of our named executive officers as disclosed in this Proxy Statement, which include the disclosures in the "Executive Compensation" and "Compensation Discussion and Analysis" sections, the compensation tables and the narrative discussion following the compensation tables in this Proxy Statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and practices described in this Proxy Statement. For the reasons discussed above, our Board unanimously recommends that our stockholders vote in favor of the following resolution:

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

As this vote is advisory, it will not be binding upon our Board or the Compensation Committee and neither our Board nor the Compensation Committee will be required to take any action as a result of the outcome of this vote. However, the Compensation Committee will carefully consider the outcome of this vote when considering future executive compensation policies and decisions.

**Recommendation of the Board**

**THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE ADVISORY RESOLUTIONS APPROVING OUR NAMED EXECUTIVE OFFICER COMPENSATION.**

Table of Contents

**PROPOSAL FOUR**  
**ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON NAMED**  
**EXECUTIVE OFFICER COMPENSATION**

As part of our Board's commitment to excellence in corporate governance, and as required by the Section 14A(a)(2) of the Exchange Act, our Board is providing our stockholders with an opportunity to cast a non-binding advisory vote on how frequently they would like to vote on future advisory resolutions to approve the compensation of our named executive officers.

Consistent with our compensation philosophy, our executive compensation program promotes both short-term and long-term incentives, especially given the long timelines and risks inherent in our business of pharmaceutical research and development.

After careful consideration, our Board has determined that holding a vote on an advisory resolution to approve the compensation of our named executive officers every one (1) year is in the best interest of our stockholders. For the reasons below, the Board believes that, of the three choices, submitting a non-binding, advisory say-on-pay resolution to stockholders every year is the most appropriate choice. We believe that say-on-pay votes should be conducted every year so that stockholders may annually express their views on our executive compensation program and accordingly the Board recommends that this vote be held every year. It should be noted, however, that stockholders are not voting to approve or disapprove the Board's recommendation on this matter. The compensation committee, which administers our executive compensation program, values the opinions expressed by stockholders in these votes and will continue to consider the outcome of these votes in making its decisions on executive compensation.

For the reasons discussed above, our Board recommends that stockholders vote to hold the advisory vote on named executive officer compensation every one (1) year. Stockholders are not voting, however, to approve or disapprove of this particular recommendation. The proxy card provides for four choices and stockholders are entitled to vote on whether the advisory vote on named executive officer compensation should be held every one, two, or three years, or to abstain from voting.

As this vote is advisory, it will not be binding upon our Board and our Board may decide that it is in the best interest of our stockholders to hold an advisory vote on named executive officer compensation more or less frequently than the frequency receiving the most votes cast by our stockholders. However, our Board will carefully consider the outcome of this vote when considering the frequency of future advisory votes on named executive officer compensation.

**Recommendation of the Board**

**THE BOARD RECOMMENDS THAT YOU VOTE FOR HOLDING THE ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION "EVERY ONE YEAR."**

Table of Contents

# **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information known to us regarding the beneficial ownership of our common stock as of April 1, 2016, for:

each person known by us to be the beneficial owner of more than 5% of our common stock;

our named executive officers;

each of our directors; and

all executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as noted by footnote, and subject to community property laws where applicable, we believe, based on the information provided to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

The table lists applicable percentage ownership based on 22,540,466 shares of common stock outstanding as of April 1, 2016. Options to purchase shares of common stock and warrants that are exercisable for common stock, in each case, that are exercisable within 60 days of April 1, 2016, are deemed to be beneficially owned by the persons holding these options or warrants for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person's ownership percentage.

Name and address of beneficial owner <sup>(1)</sup>	Shares beneficially owned	
	Number	Percent
<b>5% Stockholders</b>		
Alta Partners VIII, L.P. <sup>(2)</sup>	1,781,204	7.9%
Aisling Capital II, L.P. <sup>(3)</sup>	1,708,362	7.6%
Entities affiliated with Domain Partners VII, L.P. <sup>(4)</sup>	2,344,894	10.4%
Pentwater Capital Management LP <sup>(5)</sup>	1,439,000	6.4%
Entities affiliated with FMR LLC <sup>(6)</sup>	1,882,050	8.3%
<b>Named Executive Officers</b>		
Tim M. Mayleben <sup>(7)</sup>	454,460	2.0%
Roger S. Newton, Ph.D., FAHA <sup>(8)</sup>	807,573	3.6%
Narendra D. Lalwani, Ph.D., FAHA, DABT <sup>(9)</sup>	155,937	*
Mary P. McGowan, M.D.		*
<b>Other Directors</b>		
Scott Braunstein, M.D. <sup>(10)</sup>	6,163	*
Patrick G. Enright <sup>(11)</sup>	968,867	4.3%
Dov A. Goldstein, M.D. <sup>(12)</sup>	1,742,833	7.7%
Antonio M. Gotto, Jr. M.D., D.Phil. <sup>(13)</sup>	28,555	*
Daniel Janney <sup>(14)</sup>	1,815,675	8.0%
Gilbert S. Omenn, M.D., Ph.D. <sup>(15)</sup>	30,777	*
Mark E. McGovern, M.D. <sup>(16)</sup>	28,000	*
Nicole Vitullo <sup>(17)</sup>	2,357,894	10.4%
<b>All directors and executive officers as a group (12 persons)</b>	<b>8,396,734</b>	<b>35.4%</b>

\*

Represents beneficial ownership of less than one percent.





## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

### Table of Contents

- (1) Unless otherwise indicated, the address for each beneficial owner is c/o Esperion Therapeutics, Inc., 3891 Ranchero Drive, Suite 150, Ann Arbor, MI 48108.
- (2) The address for Alta Partners VIII, L.P. is One Embarcadero Center, 37th Floor, San Francisco, CA 94111. Consists of (a) 1,709,967 shares of common stock and (b) 71,237 shares of common stock issuable upon exercise of warrants. These shares are held of record by Alta Partners VIII, L.P. Alta Partners Management VIII, LLC is the general partner of Alta Partners VIII, L.P. Guy Nohra, Daniel Janney and Farah Champsy are managing directors of Alta Partners Management VIII, LLC and exercise shared voting and investment powers with respect to the shares owned by Alta Partners VIII, L.P. Each of the reporting persons disclaims beneficial ownership of such shares, except to the extent of their proportionate pecuniary interest therein, if any. Mr. Janney is a member of our board of directors.
- (3) The address for Aisling Capital II, L.P. is 888 7th Avenue, 30th Floor, New York, New York 10106. Consists of (a) 1,637,125 shares of common stock and (b) 71,237 shares of common stock issuable upon exercise of warrants. These shares are directly held by Aisling Capital II, LP, or Aisling, and are deemed to be beneficially owned by Aisling Capital Partners, LP, or Aisling GP, as general partner of Aisling, Aisling Capital Partners, LLC, or Aisling Partners, as general partner of Aisling GP, and each of the individual managing members of Aisling Partners. In addition, Dov A. Goldstein, M.D. and five other persons on the investment committee of Aisling share the power to vote or dispose of these shares and therefore each member may be deemed to have voting and investment power with respect to such shares. Each of the members disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein, if any. Dr. Goldstein is a member of our board of directors.
- (4) The address for Domain Partners VII, L.P. is One Palmer Square, Suite 515, Princeton, New Jersey 08542. Consists of (a) 21,471 shares of restricted stock issued under the 2008 Plan upon exercise of an early exercise stock option originally issued to Nicole Vitullo and subsequently transferred to Domain Associates, L.L.C., all of which are fully vested within 60 days of April 1, 2016, (b) 2,216,935 shares of common stock held by Domain Partners VII, L.P., (c) 35,253 shares of common stock held by DP VII Associates, L.P., (d) 70,042 shares of common stock issuable upon exercise of warrants held by Domain Partners VII, L.P. and (e) 1,193 shares of common stock issuable upon exercise of warrants held by DP VII Associates, L.P. James C. Blair, Brian H. Dovey, Jesse I. Treu, Brian K. Halak and Nicole Vitullo are the managing members of One Palmer Square Associates VII, L.L.C., the general partner of Domain Partners VII, L.P. and DP VII Associates, L.P., and are managing members of Domain Associates, L.L.C., and share the power to vote or dispose of these shares and therefore each of the foregoing managing members may be deemed to have voting and investment power with respect to such shares. Each of the foregoing managing members disclaims beneficial ownership of such shares except to the extent of their pecuniary interest therein, if any. Ms. Vitullo is a member of our board of directors.
- (5) Based upon information set forth on Schedule 13G filed by Pentwater Capital Management LP with the SEC on or about February 16, 2016.
- (6) Based upon information set forth on Schedule 13G filed by FMR LLC with the SEC on or about February 12, 2016. Consists of securities beneficially owned, or that may be deemed to be beneficially owned, by FMR LLC, certain of its subsidiaries and affiliates, and other companies. Members of the family of Edward C. Johnson 3d, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution

## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

### Table of Contents

of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act ("Fidelity Funds") advised by Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees.

- (7) Consists of (a) 34,614 shares of common stock held and (b) 419,846 shares of common stock which Mr. Mayleben has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.
- (8) Consists of (a) 629,683 shares of common stock, (b) 34,651 shares of common stock issuable upon exercise of warrants and (c) 143,239 shares of common stock which Dr. Newton has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.
- (9) Consists of 155,937 shares of common stock that Dr. Lalwani has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.
- (10) Consists of (a) 52 shares of common stock held and (b) 6,111 shares of common stock which Dr. Braunstein has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.
- (11) Mr. Enright is a managing member of Longitude Capital which holds an aggregate of 934,396 shares of our common stock. The address for Longitude Capital Partners, LLC ("Longitude Capital") is 800 El Camino Real, Suite 220, Menlo Park, CA 94025. Consists of (a) 916,035 shares of common stock held by Longitude Venture Partners, L.P. ("LVP") and (b) 18,361 shares of common stock held by Longitude Capital Associates, L.P. ("LCA"). Longitude Capital, as general partner of each of LVP and LCA, has the power to vote and dispose of securities held by each of them and may be deemed to have beneficial ownership of the shares owned by LVP and LCA. Patrick G. Enright ("Enright") and Juliet Tammenoms Bakker ("Bakker") are each managing members of Longitude Capital, and share the decision making power of Longitude Capital and may be deemed to have beneficial ownership of such shares owned by LVP and LCA. Each of Longitude Capital, Enright and Bakker disclaims beneficial ownership of all shares, except to the extent of their pecuniary interest therein. Includes 34,471 shares of common stock which Mr. Enright has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.
- (12) Dr. Goldstein is on the investment committee of Aisling, which holds an aggregate of 1,708,362 shares of our common stock as disclosed in footnote 3 to this table, including common stock issuable upon the exercise of warrants exercisable within 60 days of April 1, 2016. Dr. Goldstein disclaims beneficial ownership of the shares held by Aisling, except to the extent of his pecuniary interest therein. Includes 34,471 shares of common stock which Dr. Goldstein has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.
- (13) Consists of 28,555 shares of common stock which Dr. Gotto has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.
- (14) Mr. Janney is a managing director of Alta Partners Management VIII, LLC, which is the general partner of Alta Partners VIII, L.P., which holds an aggregate of 1,781,204 shares of our common stock as disclosed in footnote 2 to this table, including common stock issuable upon the exercise of warrants exercisable within 60 days of April 1, 2016. Mr. Janney has a passive economic interest in

Table of Contents

the general partner of Alta Partners VIII, L.P. Mr. Janney disclaims beneficial ownership of the shares held by Alta Partners VIII, L.P., except to the extent of his pecuniary interest therein. Includes 34,471 shares of common stock which Mr. Janney has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.

- (15) Consists of (a) 10,000 shares of common stock held and (b) 20,777 shares of common stock which Dr. Omenn has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.
- (16) Consists of 28,000 shares of common stock which Dr. McGovern has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.
- (17) Ms. Vitullo is a managing member of One Palmer Square Associates VII, L.L.C., the general partner of Domain Partners VII, L.P. and DP VII Associates, L.P., and is a managing member of Domain Associates, L.L.C., which hold an aggregate of 2,344,894 shares of our common stock as disclosed in footnote 4 to this table, including common stock issuable upon the exercise of warrants exercisable within 60 days of April 1, 2016. Ms. Vitullo disclaims beneficial ownership of the shares held by Domain Partners VII, L.P., DP VII Associates, L.P. and Domain Associates, L.L.C., except to the extent of her pecuniary interest therein. Includes 13,000 shares of common stock which Ms. Vitullo has the right to acquire upon the exercise of outstanding options, exercisable currently or within 60 days of April 1, 2016.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than 10% of our common stock, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership. Officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all such reports.

Based solely on a review of reports furnished to us, all directors, executive officers, and 10% owners timely filed all reports regarding transactions in Esperion's securities required to be filed for 2015 by Section 16(a) under the Exchange Act. Based solely on a review of reports furnished to us, Tim M. Mayleben filed a Form 5 on February 17, 2015, to disclose, among other things, a disposition of shares by gift on September 3, 2013.

Table of Contents

**EXECUTIVE OFFICER AND DIRECTOR COMPENSATION**

**Compensation Discussion and Analysis**

Our primary objective with respect to executive compensation is to attract and retain individuals who possess knowledge, experience and skills that we believe are important to our business of developing and commercializing novel therapeutics for patients with elevated levels of low-density lipoprotein cholesterol ("LDL-C"). Specifically, our executive compensation program is designed to:

attract and retain individuals with superior ability and managerial experience;

align our executive officers' incentives with our corporate strategies, business goals and the long-term interests of our stockholders; and

increase the incentive to achieve key strategic performance goals by linking incentive award opportunities to the achievement of performance goals and by providing a portion of the target total direct compensation opportunity for our executive officers in the form of ownership in the Company.

This section discusses the principles underlying our policies and decisions with respect to the compensation of our executive officers who are named in the Summary Compensation Table below, or our "named executive officers," and all material factors relevant to an analysis of these policies and decisions. Our named executive officers for 2015 are:

Tim M. Mayleben, our President and Chief Executive Officer

Roger S. Newton, Ph.D., FAHA, our Executive Chairman and Chief Scientific Officer

Narendra D. Lalwani, Ph.D., FAHA, DABT, our Executive Vice President, Research and Development, and Chief Operating Officer

Mary P. McGowan, M.D., our Chief Medical Officer

***Executive Summary and Corporate Background***

We are a pharmaceutical company focused on developing and commercializing first-in-class, oral, LDL-C lowering therapies for the treatment of patients with elevated LDL-C. ETC-1002, or bempedoic acid, our lead product candidate, is an inhibitor of ATP Citrate Lyase, a well-characterized enzyme on the cholesterol biosynthesis pathway. Bempedoic acid inhibits cholesterol synthesis in the liver, decreases intracellular cholesterol and up-regulates LDL-receptors, resulting in increased LDL-C clearance and reduced plasma levels of LDL-C.

The goal of our compensation committee is to ensure that our executive compensation program is aligned with the interests of our stockholders and our business goals and that the total compensation paid to each of our named executive officers is fair, reasonable and competitive. The key elements of our executive compensation program include:

base salary, to enable us to attract and retain the talent needed to continue to drive our business;

an annual cash incentive plan, tied to the achievement of pre-determined quantitative and qualitative corporate performance goals; and

equity incentive compensation, which is typically subject to multi-year vesting based on continued service and is primarily in the form of stock options, the value of which depends on the market price of our common stock.

Table of Contents

Our executive compensation program incorporates the following best practices:

a significant portion of our executives' total compensation opportunity is based on performance;

no executive officer is entitled to receive any tax gross-up payments;

we do not allow repricing of stock options without stockholder approval;

our compensation committee retains independent compensation consultants to advise on executive compensation; and

our compensation committee regularly reviews our incentive compensation programs to ensure they are designed to create and maintain stockholder value and do not encourage excessive risk taking.

We target the total cash compensation for our named executive officers with reference to the median of the competitive market. However, in accordance with our pay-for-performance philosophy, a significant portion of executive compensation is performance-based, subject to increase when results exceed corporate goals and reduction when results fall below our target. We consider stock options to be performance-based compensation because they only have intrinsic value if the Company's share price increases over time.

During 2015, we made significant progress on our development and business goals and achieved several important milestones, including the following:

in February 2015, the Food and Drug Administration (the "FDA") removed the PPAR partial clinical hold on bempedoic acid;

in March 2015, we completed and reported positive top-line results from our Phase 2b 1002-009 clinical study;

in March 2015, we closed an underwritten public offering of 2,012,500 shares of common stock, at a public offering price of \$100.00 per share, with net proceeds to us of approximately \$190.0 million;

in July 2015, the FDA removed the 240 mg partial clinical hold on bempedoic acid; and

in July 2015, we completed and reported positive top-line results from our Phase 2 1002-014 clinical safety and tolerability study.

***Determining and Setting Executive Compensation***

Our executive compensation program is designed to attract, motivate and retain qualified and talented executives, incent them to achieve our business goals and reward them for superior short-term and long-term performance. In particular, our executive compensation program is intended to reward the achievement of specified pre-determined quantitative and qualitative corporate performance goals and individual performance goals and to align the interests of our named executive officers with those of our stockholders.

Our compensation committee, which is comprised entirely of independent directors, is primarily responsible for developing and implementing our compensation policies and establishing and approving the compensation for all of our executive officers. The compensation committee oversees our compensation and benefit plans and policies, administers our equity incentive plans and reviews and approves annually all compensation decisions relating to all of our executive officers, including our





## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

### Table of Contents

Chief Executive Officer. Our compensation committee operates under a written charter adopted by our Board, which provides that the compensation committee has overall responsibility for:

periodically reviewing and assessing our processes and procedures for the consideration and determination of executive compensation;

reviewing and approving grants and awards under incentive-based compensation plans and equity-based plans; and

determining the type and level of compensation of our Chief Executive Officer and our other executive officers.

In reviewing and approving these matters, our compensation committee considers such matters as it deems appropriate, including our financial and operating performance, the alignment of the interests of our executive officers and our stockholders and our ability to attract and retain qualified and committed individuals. In determining the appropriate compensation levels for our Chief Executive Officer, the compensation committee meets outside the presence of all our executive officers. With respect to the compensation levels of all other executive officers, the compensation committee meets outside the presence of all executive officers except our Chief Executive Officer. Our Chief Executive Officer annually reviews the performance of each of the other named executive officers with the compensation committee.

Our compensation committee has the authority under its charter to engage the services of a consulting firm or other outside advisor to assist it in designing our compensation programs and in making compensation decisions and, in 2015, engaged Compensia, Inc. ("Compensia") as its compensation consultant. Our compensation committee has assessed the independence of Compensia consistent with NASDAQ listing standards and has concluded that the engagement of Compensia does not raise any conflict of interest. In addition, the Company provides data for and subscribes to off-the-shelf surveys produced by Radford, an Aon Hewitt Company, which our management team uses for non-executive compensation and benefits planning purposes.

### *Competitive Market Data*

In evaluating the total compensation of our named executive officers, our compensation committee, using information gathered by Compensia, establishes a peer group of publicly traded, national and regional companies in the biopharmaceutical and biotechnology industries that is selected based on a balance of the following criteria:

industry;

size (market capitalization);

development stage of lead product candidate; and

similarity/relevance (small molecule, therapeutic area, etc.).

We annually evaluate the composition of our peer group and adjust the composition of our peer group for factors such as recent acquisitions of peer companies, new markets that we have entered or changes in the technology market landscape. Based on these criteria, our peer group for 2015, referred to as our 2015 peer group, was approved by our compensation committee and was comprised of the companies listed below. We believe that our 2015 peer group continues to be aligned with our strategic vision and positions us to attract, retain and engage high performing leaders:

Achillion Pharmaceuticals Inc.

Alder BioPharmaceuticals, Inc.

Array BioPharma, Inc.

Table of Contents

bluebird bio, Inc.

Chimerix, Inc.

Clovis Oncology, Inc.

Intra-Cellular Therapies, Inc.

Karyopharm Therapeutics, Inc.

Kite Pharma, Inc.

Lexicon Pharmaceuticals, Inc.

NewLink Genetics Corporation

Portola Pharmaceuticals, Inc.

Puma Biotechnology, Inc.

Radius Health, Inc.

Sage Therapeutics, Inc.

Synergy Pharmaceuticals, Inc.

Zafgen, Inc.

ZS Pharma, Inc.

We believe that the compensation practices of our 2015 peer group provided the compensation committee with an appropriate understanding of the competitive market when evaluating and determining the compensation of our named executive officers during 2015. However, due to the nature of our business, we compete for executive talent with many public companies, including pharmaceutical companies, that are larger and more established than we are or that possess greater resources than we do, or with smaller private companies that may be able to offer greater equity compensation potential, as well as with prestigious academic and non-profit institutions. In addition, the peer group data is just one of several factors that inform our compensation committee's judgment in setting executive compensation. Our executive compensation decisions are made on a case-by-case basis and specific benchmark results do not, in and of themselves, determine individual target compensation opportunities. Accordingly, in 2015, our compensation committee generally targeted compensation for our executive officers as follows:

## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

base salaries at approximately the 50<sup>th</sup> to 75<sup>th</sup> percentile of the base salaries of the companies in our 2015 peer group;

annual cash incentive award opportunities at approximately the 50<sup>th</sup> to 75<sup>th</sup> percentile of the companies in our 2015 peer group;

total annual equity incentive awards, provided in the form of stock options and restricted stock unit awards, at the 50<sup>th</sup> percentile of the companies in our 2015 peer group; and

target total direct compensation at the 50<sup>th</sup> percentile of compensation paid to similarly situated executives at the companies in our 2015 peer group.

Our compensation committee also considers other factors, including market conditions, the recommendation of our Chief Executive Officer with respect to named executive officers other than himself, the experience level of the named executive officer and his or her performance against established corporate goals, in determining variations to this general target range.

Table of Contents

*Other Key Performance Factors in Determining Executive Compensation*

As the biopharmaceutical industry is characterized by very long product development cycles, including lengthy research and development periods and rigorous approval phases involving human testing and governmental regulatory approval, many of the traditional measures for evaluating performance, such as product sales, revenues and profits are inappropriate for a development-stage biopharmaceutical company, such as Esperion. Instead, the specific performance factors our compensation committee considers when determining the compensation of our named executive officers include:

research and development achievements which advance the development of bempedoic acid;

successful initiation, progression and completion of clinical studies for bempedoic acid;

successful completion of non-clinical activities for bempedoic acid;

the achievement of regulatory goals; and

the establishment and maintenance of key business activities and strategic relationships, which include financings.

These performance factors are considered by our compensation committee in connection with our annual performance reviews described below and are a critical component in the determination of annual cash and equity incentive awards for our named executive officers.

*Annual Performance Reviews*

Our compensation committee conducts an annual performance review of each of our named executive officers and approves the target compensation of each named executive officer based, in part, on this review. During the first quarter of each year, annual corporate goals are determined and set forth in writing. Before the end of each year, our compensation committee determines the compensation levels for each named executive officer after carefully reviewing overall corporate performance and completing an evaluation of each named executive officer's annual performance against established corporate goals, as well as his or her contributions to achievement of the corporate goals and, in the case of executive officers other than our Chief Executive Officer, the achievement of individual performance goals. In addition, our compensation committee may apply its discretion, as it deems appropriate, in determining the compensation of our named executive officers.

Any merit-based increases in base salary, annual stock option grants, and cash awards made under our 2015 annual cash incentive compensation program were based on the achievement of these corporate performance goals and individual performance goals, a review of competitive market data (based on our compensation peer group), and consideration of the other factors described above.

During the last quarter of each year, our Chief Executive Officer evaluates our corporate performance and each named executive officer's individual performance (other than his own), as compared to the corporate goals and, as applicable, the individual goals for that year. Based on this evaluation, our Chief Executive Officer recommends to our compensation committee any increases in base salary, annual stock option grants and/or cash awards under our annual cash incentive compensation program. Our compensation committee, with input from our Board, evaluates our Chief Executive Officer's individual performance and determines whether to adjust his base salary, grant him an annual stock option and/or make a cash award under our annual cash incentive compensation program.

Typically, our compensation committee grants annual stock options, and determines adjustments to base salary and the amount of any annual cash incentive compensation award, at its last regularly scheduled meeting of the year. Our compensation committee may also review the compensation of our

Table of Contents

named executive officers throughout the course of the year. With respect to year-end reviews, any adjustments to base salary are effective at the beginning of the following year.

**Executive Compensation Components**

The primary elements of our executive compensation program are base salary, annual cash incentive compensation opportunities, annual equity incentive awards and broad-based health and welfare benefits programs. We have not adopted any formal guidelines for allocating total compensation between long-term and short-term compensation, cash compensation and non-cash compensation, or among different forms of non-cash compensation. With the exception of our 2015 annual cash incentive program, we do not have any pre-established targets for allocations or apportionment by type of compensation. Each of the elements of executive compensation is discussed in more detail below.

**Annual Cash Compensation**

*Base Salary*

We provide base salaries to our named executive officers to compensate them with a fair and competitive base level of compensation for services rendered during the year. Our compensation committee typically determines the base salary for each executive based on the executive's responsibilities, experience and, if applicable, the base salary level of the executive prior to joining the Company, as well as the recommendation of our Chief Executive Officer for executive officers other than himself. In addition, our compensation committee reviews and considers the level of base salary paid by companies in our peer group for similar positions. Generally, our compensation committee believes our named executive officers' base salaries should be set with reference to the 50<sup>th</sup> and 75<sup>th</sup> percentiles of the base salaries in our compensation peer group.

At the end of 2014, our compensation committee reviewed Mr. Mayleben's overall compensation and, based on his accomplishments during the year and his base salary relative to the base salaries of chief executive officers in our peer group, determined to increase his annual base salary for 2015.

At the end of 2014, our compensation committee approved merit-based increases in base salary for certain of our other named executive officers serving at that time for 2015, based upon an assessment of our performance against the 2014 corporate goals, the recommendation of our Chief Executive Officer and each named executive officer's achievement of his or her individual performance goals.

The table below sets forth the adjustments to base salary, in dollars and as a percentage, for each of our named executive officers serving at the beginning of 2015:

Name	2014 Base Salary	2015 Base Salary	Increase (%)
Tim M. Mayleben	\$ 450,000	\$ 480,000	7%
Roger S. Newton, Ph.D., FAHA	\$ 375,000	\$ 375,000	%
Narendra D. Lalwani, Ph.D., FAHA, DABT	\$ 360,000	\$ 370,000	3%

Dr. McGowan joined the Company as our Chief Medical Officer on June 15, 2015 and her annualized base salary for 2015 was \$375,000.

*Annual Cash Incentive Compensation*

In 2015, eligible employees, including our named executive officers, had the opportunity to earn cash bonuses under our 2015 cash incentive compensation program, based on our achievement of the 2015 corporate goals approved by our compensation committee and, for named executive officers other than the Chief Executive Officer, against their individual performance goals, each as determined by the

## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

### Table of Contents

compensation committee. Each of our named executive officers has a target annual cash incentive opportunity, expressed as a percentage of his or her annual base salary as set forth in their respective employment agreements. The 2015 corporate base goals approved by our compensation committee were as follows:

removal of FDA's PPAR and 240 mg partial clinical holds on bempedoic acid;

completion and reporting of positive top-line results from our 1002-009 clinical study;

completion and reporting of positive top-line results from our 1002-014 clinical safety and tolerability study;

completion of our End-of-Phase 2 meeting with FDA;

initiation of a certain additional clinical study of bempedoic acid; and

completion of a specified business development transaction, approved by the Board.

Additionally, our 2015 corporate stretch goals approved by our compensation committee were as follows:

development of a fixed-dose combination strategy of bempedoic acid with ezetimibe;

initiation of a long-term clinical safety study for bempedoic acid;

completion of an underwritten public equity offering with net proceeds to us of greater than \$100.0 million; and

manage the budget and the financial position of the Company.

Individual goals for 2015 for our named executive officers (other than our Chief Executive Officer) focused on individual contributions that were intended to drive achievement of our corporate goals.

In December 2015, our Chief Executive Officer evaluated our corporate performance against the 2015 corporate goals approved by our compensation committee and each other named executive officer's individual performance against the named executive officer's individual goals for that year. Based on this evaluation, our Chief Executive Officer recommended cash bonus payments under the annual cash incentive compensation program for 2015 for each named executive officer other than himself. Also in December 2015, the compensation committee assessed our performance against the pre-established 2015 corporate base and stretch goals described above, and assessed our corporate performance on an overall basis. In making its determination of the cash bonus awards under the 2015 compensation program, our compensation committee accounted for the relative importance of each of our corporate goals and the degree of achievement thereof in assessing our overall performance for 2015 and determined that we had achieved our corporate goals at 95% of target.

Certain of our 2015 goals were very aggressive and set at challenging levels, and particularly our stretch goals, such that the attainment of all of our corporate goals would require a high level of effort and execution on the part of the executive officers in order to achieve them. In making its determination of our overall achievement of our corporate performance goals, the compensation committee considered the fact that we met the majority of our development and business goals during 2015, which were comprised of both base and stretch goals. They also took into account that the goals relating to the completion of a specified business development transaction, the development of a fixed-dose combination strategy with ezetimibe and the additional clinical study initiation goal were not achieved. While we did not achieve all of our goals established for 2015, we achieved and exceeded several stretch goals, including those related to raising capital through an equity financing, the Company's financial position at year-end and the initiation of the long-term safety study for bempedoic acid, which the compensation committee determined should be considered in the total analysis of determining overall performance against the stated goals.





## Edgar Filing: Esperion Therapeutics, Inc. - Form DEF 14A

### Table of Contents

The compensation committee also determined that each of Drs. Lalwani and McGowan had achieved strong performance in 2015.

Based on our overall performance in 2015 and the individual performance of our named executive officers other than our Chief Executive Officer, in December 2015, the compensation committee approved cash bonuses for 2015 performance to our named executive officers as follows:

Name	2015 Target Award (% of Base Salary)	2015 Target Award Opportunity (\$)	2015 Actual Bonus Payment (\$)	2015 Actual Bonus Payment (% of Target Award Opportunity)
Tim M. Mayleben	50%	240,000	228,000	95%
Roger S. Newton, Ph.D., FAHA	%			%
Narendra D. Lalwani, Ph.D., FAHA, DABT	40%	148,000	127,000	86%
Mary P. McGowan, M.D.	35%	71,000 <sup>(1)</sup>	61,000	86%

(1)

Dr. McGowan's target bonus was pro-rated based on her hire date of June 15, 2015.

### *Equity Incentive Compensation*

Equity incentive awards are granted to our named executive officers in the discretion of our compensation committee under the terms of the Amended and Restated Esperion Therapeutics, Inc. 2013 Stock Option and Incentive Plan (the "Plan"). Our compensation committee believes that equity incentives subject to vesting over time can be an effective vehicle for aligning team and individual performance with the achievement of our longer-term strategic and financial goals, and with stockholders' interests. Our equity incentive awards are designed to:

reward demonstrated leadership and performance;

align our named executive officers' interests with those of our stockholders;

retain our named executive officers through the term of the awards;

maintain competitive levels of executive equity incentive compensation; and

motivate our named executive officers for outstanding future performance.

The market for qualified and talented executives in the biopharmaceutical industry is highly competitive and we compete for talent with many companies, including major pharmaceutical companies, that have greater resources than we do. Accordingly, we believe equity compensation is a crucial component of any competitive executive compensation package we offer.

Historically, our equity incentive awards have generally been in the form of stock options. We typically grant stock options to each of our named executive officers upon commencement of employment, annually in conjunction with our review of individual performance or in connection with a promotion or as a special incentive.

All stock options granted to our named executive officers are approved by our compensation committee and, other than stock options granted to new hires, or those made in connection with a promotion, are typically granted as of the beginning of the year. The size of these stock option grants vary among our named executive officers based on their positions and annual performance assessments. All stock options granted to our named executive officers have exercise prices equal to the fair market value of our common stock on the date of grant, so that the recipient will not realize any value from his or her options unless our share price increases above the exercise price. Accordingly, this portion of



Table of Contents

our named executive officers' compensation is "at risk" and is directly aligned with stockholder value creation.

In addition, the stock options granted to our named executive officers typically vest over four years, which we believe provides an incentive to our named executive officers to create value over the long-term and to rema