

Raptor Pharmaceutical Corp
Form DEF 14A
March 26, 2015
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**

Filed by the Registrant

Filed by a Party other than the Registrant o

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule14a-6(e)(2))**
 - Definitive Proxy Statement
 - Definitive Additional Materials
 - Soliciting Material under § 240.14a-12

RAPTOR PHARMACEUTICAL CORP.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

TABLE OF CONTENTS

7 Hamilton Landing

Suite 100

Novato, California 94949

(415) 408-6200

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 5, 2015

Dear Stockholders of Raptor Pharmaceutical Corp.:

On behalf of the Board of Directors of Raptor Pharmaceutical Corp., a Delaware corporation, we are pleased to deliver the accompanying proxy statement for our annual meeting of stockholders to be held at 8:00 a.m., local time, on May 5, 2015 at our corporate offices at 7 Hamilton Landing, Suite 100, Novato, California 94949, for the following purposes:

1. To elect eight directors named in the accompanying proxy statement to our Board of Directors to serve until our next annual meeting of stockholders or until their respective successors are duly elected and qualified.
2. To approve, on a non-binding, advisory basis, the compensation of our named executive officers, as disclosed in the proxy statement accompanying this notice of annual meeting of stockholders.
3. To ratify the appointment by the Audit Committee of our Board of Directors of Grant Thornton LLP as Raptor's independent registered public accounting firm for the year ending December 31, 2015.
4. To approve the amendment to the Raptor Pharmaceutical Corp. 2010 Stock Incentive Plan, to increase the share reserve available for issuance under the plan by 3,456,620 shares and to make certain other material amendments.
5. To transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

The foregoing matters are described more fully in the accompanying proxy statement. Our Board of Directors has fixed March 10, 2015 as the record date for the determination of stockholders entitled to notice of, and to vote at, our annual meeting and any adjournment or postponement thereof. Only holders of record of shares of our common stock at the close of business on the record date are entitled to notice of, and to vote at, our annual meeting.

We are pleased to take advantage of the U.S. Securities and Exchange Commission (the SEC) rule that allows companies to furnish proxy materials to their stockholders over the Internet. As a result, we are mailing a notice of Internet availability of proxy materials, instead of a paper copy of our proxy materials, to our stockholders of record entitled to vote at our annual meeting. The notice of Internet availability of proxy materials contains instructions on how to access those documents over the Internet and also contains instructions on how to request a paper copy of our proxy materials, including our proxy statement, our 2014 Annual Report on Form 10-K and a form of proxy card. Certain stockholders also will receive a full set of the proxy materials by mail. The notice of Internet availability of proxy materials is expected to be mailed to stockholders of record entitled to vote at our annual meeting on or about March 26, 2015. The full set of proxy materials is expected to be mailed on or about March 26, 2015 to certain stockholders of record entitled to vote at our annual meeting.

Edgar Filing: Raptor Pharmaceutical Corp - Form DEF 14A

Your vote is important. Please read the proxy statement carefully. Even if you plan to attend the annual meeting, for those stockholders who received a printed version of the proxy materials by mail, we request that you complete,

TABLE OF CONTENTS

sign and date the enclosed proxy card as promptly as possible and return it in the enclosed envelope to ensure that your shares are represented at the meeting. As instructed on the proxy card, the envelope requires no postage if mailed in the United States. For those stockholders who did not receive a printed version of the proxy materials by mail, please follow the instructions in the notice of Internet availability of proxy materials on how to access the proxy materials over the Internet or to request a paper copy of the proxy materials, and on how to vote. All stockholders may also vote by telephone or Internet, by following the instructions on the proxy card. If you vote by telephone or Internet, you do not have to mail in a proxy card. Voting in advance by mail, telephone or Internet will not prevent you from voting in person at the annual meeting (and votes cast at the annual meeting will supersede votes previously submitted by you), but it will help to ensure a quorum and avoid added costs.

By Order of the Board of Directors,

/s/ Julie Anne Smith

Julie Anne Smith

President, Chief Executive Officer and Director

Novato, California

March 25, 2015

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to Be Held on May 5, 2015.

Our proxy statement and annual report to security holders are available at www.proxyvote.com or you may access these materials on our website at <http://ir.raptorpharma.com/financials.cfm>.

TABLE OF CONTENTS

TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	1
<u>Purpose of the Meeting</u>	1
<u>Record Date: Outstanding Shares</u>	2
<u>Voting</u>	2
<u>Quorum; Required Vote; Abstentions; Broker Non-Votes</u>	4
<u>Expenses</u>	5
<u>How to Obtain Directions to the Location of Our Annual Meeting of Stockholders</u>	6
<u>Internet Availability of Proxy Materials</u>	6
<u>PROPOSAL NO. 1: ELECTION OF DIRECTORS</u>	7
<u>Information about the Nominees</u>	7
<u>Directors</u>	7
<u>Required Vote</u>	7
<u>Business Experience and Directorships</u>	7
<u>Meetings and Committees of the Board of Directors</u>	10
<u>Board Leadership Structure and Role in Risk Oversight</u>	10
<u>Independence of Our Board of Directors</u>	11
<u>Committees of Our Board of Directors and Current Membership</u>	11
<u>Audit Committee</u>	11
<u>Compensation Committee</u>	12
<u>Corporate Governance and Nominating Committee</u>	12
<u>Director Compensation</u>	13
<u>Code of Ethics</u>	15
<u>PROPOSAL NO. 2: ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	15
<u>Required Vote</u>	15
<u>PROPOSAL NO. 3: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	16
<u>Required Vote</u>	16
<u>Changes in Independent Registered Public Accounting Firm</u>	16
<u>Fees to Independent Registered Public Accounting Firms for Fiscal Years 2014 and 2013</u>	17
<u>PROPOSAL NO. 4: APPROVAL OF THE AMENDMENT TO THE RAPTOR PHARMACEUTICAL CORP. 2010 STOCK INCENTIVE PLAN</u>	18
<u>Required Vote</u>	24
<u>MANAGEMENT</u>	25
<u>Executive Officers</u>	25
<u>Relationships Among Executive Officers and Directors</u>	26
<u>NAMED EXECUTIVE OFFICER COMPENSATION</u>	27
<u>Compensation Discussion and Analysis</u>	27

<u>Summary Compensation Table</u>	<u>37</u>
<u>Grants of Plan-Based Awards Table</u>	<u>38</u>
<u>Outstanding Equity Awards</u>	<u>39</u>
<u>Options Exercised</u>	<u>39</u>
<u>Executive Payments Upon Termination</u>	<u>40</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>44</u>
<u>Compensation Risks</u>	<u>44</u>
<u>Equity Compensation Plan Information</u>	<u>45</u>
<u>COMPENSATION COMMITTEE REPORT</u>	<u>45</u>
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u>	<u>46</u>
<u>Transactions with Related Persons</u>	<u>46</u>

TABLE OF CONTENTS

<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND MANAGEMENT</u>	<u>47</u>
<u>REPORT OF OUR AUDIT COMMITTEE</u>	<u>49</u>
<u>OTHER MATTERS</u>	<u>50</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>50</u>
<u>Information on Our Website</u>	<u>50</u>
<u>Trademark Notice</u>	<u>50</u>
<u>Stockholder Proposals and Nominations</u>	<u>50</u>
<u>Communication with our Board of Directors</u>	<u>51</u>
<u>Delivery of this Proxy Statement to Multiple Stockholders with the Same Address</u>	<u>51</u>
<u>APPENDIX A: RAPTOR PHARMACEUTICAL CORP. AMENDED 2010 EMPLOYEE STOCK INCENTIVE PLAN</u>	<u>52</u>

TABLE OF CONTENTS

RAPTOR PHARMACEUTICAL CORP.

PROXY STATEMENT

FOR THE ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 5, 2015

GENERAL INFORMATION

This proxy statement is being furnished to holders of common stock, par value \$0.001 per share, of Raptor Pharmaceutical Corp., a Delaware corporation (unless the context otherwise requires, references herein to Raptor, the Company, we, us and our refer to Raptor Pharmaceutical Corp., together with its subsidiaries), in connection with the solicitation of proxies by our Board of Directors for use at our 2015 annual meeting of stockholders to be held on May 5, 2015, at 8:00 a.m. local time at our corporate offices located at 7 Hamilton Landing, Suite 100, Novato, California 94949, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of annual meeting to stockholders. The specific proposals are described in more detail in this proxy statement. This proxy statement, the notice of annual meeting to stockholders, the accompanying form of proxy card and our annual report to stockholders will be made available to stockholders of record as of the close of business on or about March 10, 2015, the record date for the annual meeting.

By properly completing and returning your proxy card, you will appoint Julie Anne Smith and Michael P. Smith as your proxies at the annual meeting. Your proxies will vote your shares as you instruct, whether or not you attend the meeting. If you sign and return your proxy card but fail to instruct how to vote your shares, Ms. Smith or Mr. Smith will vote your shares in accordance with the recommendations of our Board of Directors. Our Board of Directors recommends that you vote **FOR** the slate of directors nominated by our Board of Directors; **FOR** the approval, on a non-binding advisory basis, of the compensation of our named executive officers; **FOR** the ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2015; and **FOR** the amendment to the Raptor Pharmaceutical Corp. 2010 Stock Incentive Plan. We recommend that you vote by proxy in advance of the annual meeting.

The Board of Directors does not know of any matters to be presented at the annual meeting other than those listed on the notice of annual meeting to stockholders and described in this proxy statement. If another matter is properly brought before the meeting or any adjournment or postponement thereof, your proxies will vote your shares in accordance with their judgment if you have completed your proxy card and authorized them to do so.

The Board of Directors encourages you to attend the annual meeting in person. If you decide to change your vote, you may revoke your proxy any time before your vote is cast at the annual meeting by

- (i) giving written notice of revocation to our Corporate Secretary,
- (ii) submitting a signed proxy card bearing a date later than the date of the prior proxy card,
- (iii) voting again over the Internet or by telephone, or
- (iv) attending the annual meeting and voting in person.

Attendance at the annual meeting will not, in itself, constitute revocation of your proxy.

Our principal executive offices are located at 7 Hamilton Landing, Suite 100, Novato, California 94949 and our telephone number is 1-415-408-6200 or, toll-free in the U.S. and Canada only, 1-877-727-8679.

Purpose of the Meeting

Edgar Filing: Raptor Pharmaceutical Corp - Form DEF 14A

At our 2015 annual meeting, stockholders will be asked to consider and vote upon the following matters:

1. Proposal No. 1 – to elect eight directors named herein to our Board of Directors to serve until our next annual meeting of stockholders or until their respective successors are duly elected and qualified;
2. Proposal No. 2 – to approve, on a non-binding, advisory basis, the compensation of our named executive officers;

1

TABLE OF CONTENTS

3. Proposal No. 3 – to ratify the appointment by the Audit Committee of our Board of Directors of Grant Thornton LLP as our independent registered public accounting firm for the year ending December 31, 2015;
4. Proposal No. 4 – to approve the amendment to the Raptor Pharmaceutical Corp. 2010 Stock Incentive Plan, to increase the share reserve available for issuance under the plan by 3,456,620 shares and to make certain other material amendments; and
5. to transact such other business as may properly come before the annual meeting or any adjournment or postponement thereof.

Record Date; Outstanding Shares

Who is entitled to vote?

Only stockholders of record at the close of business on March 10, 2015 are entitled to notice of and to vote at the annual meeting and any adjournment thereof. Such stockholders are entitled to cast one vote, in person or by proxy, for each share of common stock outstanding in his, her or its name on the books of the Company as of the record date on all matters properly submitted for the vote of stockholders at the annual meeting. As of March 10, 2015, 69,227,919 shares of common stock, par value \$0.001 per share, were issued and outstanding.

For information regarding security ownership by management and by the beneficial owners of more than 5% of our common stock, see the section of this proxy statement titled Security Ownership of Certain Beneficial Owners, Directors and Management.

Voting

How do I vote if I am a registered stockholder?

You may vote by mail. If you are a registered stockholder (that is, if you hold your shares of common stock directly and not in street name) and you have received a printed version of the proxy materials, you may vote by mail by completing, signing and dating the enclosed proxy card and returning it in the enclosed postage prepaid envelope. Your shares will then be voted at the annual meeting in accordance with your instructions.

You may vote via the Internet. To vote over the Internet, go to the web address <http://www.proxyvote.com> and follow the instructions for Internet voting shown on the notice of Internet availability of proxy materials, or if you have received a printed version of the proxy materials by mail, follow the instructions for Internet voting shown on the proxy card.

You may vote by telephone. To vote by telephone, call 1-800-690-6903 (toll-free in the U.S. and Canada only) from a touch tone telephone and follow the instructions.

You may vote in person at the annual meeting. If you are a registered stockholder and attend the annual meeting (please bring a valid, government-issued photo identification, such as a driver's license or a passport to authenticate your identity and for entrance to the annual meeting), you may deliver your completed proxy card in person. If you attend the annual meeting, you may also submit your vote in person, and any previous votes that were submitted by you will be superseded by the vote that you cast at the annual meeting.

Am I entitled to vote if my shares are held in street name ?

Yes, if a bank or brokerage firm holds your shares of common stock in street name for you, you are considered the beneficial owner of such shares. If your shares are held in street name, these proxy materials are being forwarded to you by your bank or brokerage firm (the record holder), along with a voting instruction card. As the beneficial owner,

Edgar Filing: Raptor Pharmaceutical Corp - Form DEF 14A

you have the right to direct the record holder how to vote your shares, and the record holder is required to vote your shares in accordance with your instructions. Brokers holding shares of common stock in street name who are members of a stock exchange are required by the rules of the exchange to transmit this proxy statement to the beneficial owner of the shares of common stock and to solicit voting instructions with respect to the matters submitted to the stockholders.

How do I vote if I hold my shares in street name ?

If you are a beneficial owner of shares of common stock registered in the name of your broker, bank, or other agent, you should have received a voting card and voting instructions with these proxy materials from that organization (rather than from the Company). In addition to providing you with instructions for voting by mail, your